

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

**between:**

***Altus Group Limited, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***W. Kipp, Presiding Officer  
K. Coolidge, Board Member  
D. Pollard, Board Member***

This is a complaint to the Calgary Assessment Review Board in respect of two Property assessments prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

|                            |  |
|----------------------------|--|
| <b>ROLL NUMBERS:</b>       | <b>200682748 &amp; 200682755</b>                       |
| <b>LOCATION ADDRESSES:</b> | <b>123 &amp; 119, 12159 – 44 Street SE, Calgary AB</b> |
| <b>HEARING NUMBERS:</b>    | <b>56056 &amp; 56057</b>                               |
| <b>ASSESSMENTS:</b>        | <b>\$640,500 &amp; \$569,000</b>                       |

These complaints were heard as one complaint on the 17<sup>th</sup> day of August, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- D. Mewha

Appeared on behalf of the Respondent:

- K. Gardiner

**Board's Decision in Respect of Procedural or Jurisdictional Matters:**

The Complainant advised the CARB that the Respondent had not filed any disclosure evidence with respect to either of these files. The Respondent offered that an oversight had occurred and that he would only be asking questions about the Complainant's evidence. After a warning was issued to the Respondent that only relevant questions would be permitted, the hearing continued.

**Property Description:**

Two industrial condominium units in a multi-unit building in the Southbend industrial area of southeast Calgary. Unit 123 contains a main floor area of 2,299 square feet plus 754 square feet of mezzanine office. There are 754 square feet of office on the main floor, leaving 1,545 square feet of warehouse space. Unit 119 contains a main floor area of 2,225 square feet which includes 572 square feet of office development. There is no mezzanine space in this unit. The building was constructed in 2005.

Unit 123 is assessed for 2010 at \$279 per square foot of main floor area.

Unit 119 is assessed for 2010 at \$256 per square foot of main floor area.

**Issues:**

The Complainant raised the following matters in section 4 of the complaint form: *Assessment amount (No. 3 on form) and Assessment class (No. 4 on form).*

The Complainant also raised the following specific issues in section 5 of the Complaint form:

- The subject property is assessed in contravention of Section 293 of the Municipal Government Act and Regulation 220/2004
- The use, quality and physical condition attributed by the municipality to the subject property is incorrect, inequitable and does not satisfy the requirement of Section 289 (2) of the Municipal Government Act
- The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts
- Due to the characteristics and physical condition of the subject property, the income

approach utilizing typical market rents, vacancy, management, nonrecoverables, & cap rates would yield a more reliable estimation of market value for assessment purposes

- The indicated value returned by the income approach as described is \$166.36 psf
- The aggregate assessment per square foot applied is inequitable with the assessments of other similar and competing properties and should be \$200 psf
- The information requested from the municipality pursuant to Section 299 or 300 of the Municipal Government Act was not provided
- The aggregate assessment per square foot applied to the subject property does not reflect market value for assessment purposes when using the direct sales comparison approach and should be \$200 psf
- Mezzanine space has been incorrectly valued

At the hearing, the Complainant dealt only with two issues:

Issue 1: Market Value

Issue 2: Equity

**Complainant's Requested Value:**

Unit 123: \$390,830

Unit 119: \$378,250

**Board's Decision in Respect of Each Issue:**

Issue 1: Market Value

The Complainant provided a chart setting out sale and assessment details for 10 condominium units that could be compared to the subject. All were in buildings in the Southbend, East Shepard area. Sales transacted between July 2008 and June 2009. Unit areas ranged from 1,075 to 6,502 square feet. Sale prices ranged from \$123 to \$294 per square foot of unit area with a median of \$170 per square foot. It was from these sales that the Complainant selected the \$170 rate as the requested assessments of the subject units. The Complainant did not add any amount for the mezzanine office component.

The Respondent questioned the significant variance in floor areas of the units. The Complainant responded that the sales evidence did not show any economies of scale forces at work. The lack of detail regarding the amounts of office and/or mezzanine space in the comparables was also raised. The Complainant admitted that such details were not available in the evidence but that all were sales of comparable units in the subject area.

Issue 2: Equity

The chart outlining condominium unit sales in the Complainant's evidence also contained 2010 assessment amounts and Assessment to Sales Ratios (ASRs) for each unit. Assessments ranged

from \$124 to \$223 per square foot of unit area, with a median of \$177 per square foot. The ASRs ranged from 0.45 to 1.28 with a median of 1.04. The median ASR fit within the range of acceptable ASRs set out in the quality standards for assessments (0.95 to 1.05).

The Complainant relied on the condominium unit sales data for the requested assessments on the subject units.

### **Findings**

In view of the above considerations, the CARB finds as follows with respect to the issues:

The Complainant has provided the only evidence regarding sales and equity. The Respondent has raised some legitimate questions about the detail of that evidence but had no support for those concerns.

The CARB agrees that additional information on the comparable properties would have been useful. There were ten properties considered in the sales and equity analyses which provided ranges of data. The CARB accepts that the median sale price is most applicable to the subject units.

While the mezzanine assessment for Unit 123 was raised as a concern by the Complainant, there was no evidence to support any change for that characteristic. The CARB extracted the assessment amount from available assessment evidence, determining that the 754 square feet of mezzanine added \$52,207 to the assessment.

The Complainant's sales evidence was accepted and the base main floor assessment rate was set at \$170 per square foot of unit area. For Unit 123, \$52,207 was added for the mezzanine.

### **Board's Decision:**

The 2010 assessments are reduced as follows:

Unit 123: Reduce from \$640,500 to \$443,000

Unit 119: Reduce from \$569,000 to \$378,000.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF September 2010.

  
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W. Kipp  
Presiding Officer

*An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.*

*Any of the following may appeal the decision of an assessment review board:*

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

*An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to*

- (a) the assessment review board, and*
- (b) any other persons as the judge directs.*