

**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, Section 460(4).

**between:**

***BMD Investment Corp., COMPLAINANT***

**and**

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

**before:**

***L. Wood, PRESIDING OFFICER***

***R. Deschaine, MEMBER***

***R. Cochrane, MEMBER***

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

**ROLL NUMBER: 200507127**

**LOCATION ADDRESS: 201 221 10 AVENUE SE**

**HEARING NUMBER: 56646**

**ASSESSMENT: \$1,390,000**

This complaint was heard on 24th day of September, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Mr. M. Davis
- Mr. D. Ell

Appeared on behalf of the Respondent:

- Mr. D. Lidgren

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

The Presiding Officer outlined the process at the commencement of the hearing as the Complainants indicated that this was their first hearing before the Assessment Review Board. There were no procedural or jurisdictional matters raised by the parties during the hearing.

**Property Description:**

The subject property is an office condominium unit located on the 2<sup>nd</sup> floor of a 3 storey building. The office condominium unit is 3,496 sq ft. The building, constructed in 2004, is located in the Beltline area.

**Issue: (as indicated on the complaint form)**

1. The property assessment is \$1,390,000. Colliers International has completed an appraisal of the subject property dated January 2010; the assessed value is \$1,100,000.

**Complainant's Requested Value: \$1,100,000**

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

The Board notes that there was only one issue on the complaint form as set out below.

1. **The property assessment is \$1,390,000. Colliers International has completed an appraisal of the subject property dated January 2010; the assessed value is \$1,100,000.**

The Complainant submitted an appraisal of the subject property dated January 1, 2010 (Exhibit C1, pages 4- 91). The appraisal indicates the subject property is valued at \$1,020,000 as at January 1, 2010, based on the income approach to value, and \$1,120,000 - \$1,190,000 based on the direct sales comparison approach (Exhibit C1 page 7). The Complainant acknowledged that the effective date of the appraisal was 6 months past the valuation date of July 1, 2009; however, he submitted there were not many comparables to work with which was one of the reasons the appraisal was undertaken. The Complainant relied on the direct sales comparison approach during his presentation and referenced the 5 sales comparables in that appraisal which ranged between 1,500-18,173 sq ft and sold between \$260- \$433 psf (Exhibit C1 page 65).

The Complainant expressed concerns over an abandoned construction site on the adjacent property. There is a large, open excavation on the neighbouring property which has been left indefinitely. He indicated that the City had demanded several different builders to secure the construction site. The Complainant stated that the open excavation and high traffic volumes negatively affect the value of the subject property.

The Respondent submitted that the assessment for non residential condominium units was based on the direct sales comparison approach. In this instance, the Respondent assessed the subject property at \$400 psf. He indicated that an office condominium unit within the subject building sold in May of 2008 for \$1,750,000 or \$495 psf (Exhibit R1 page 15). The Respondent submitted 13 office condominium unit sales that occurred in the Beltline submarket area that ranged from 1,139- 4,100 sq ft and had an adjusted sale price of \$286- \$692 psf (Exhibit R1 page 16). The Respondent indicated that median rate of \$459 psf from these sales support the assessed value of the subject property at \$400 psf.

The Respondent submitted that the excavation, and any problems associated with it, is not reflected in the sale that occurred within the building. The Respondent acknowledged that there is a high traffic pattern for 10<sup>th</sup> and 11<sup>th</sup> Avenue; however, this is usually considered as a positive feature for commercial business to have the exposure.

Although the Board placed little weight on the Complainant's post facto appraisal, the Board did review the sales comparables that were contained in it (Exhibit C1 page 65). The Board finds the sales comparables did not support the Complainant's request of \$315 psf. The Board disregarded the sales comparable #1 because it was a listing, not a sale. The Board also disregarded comparable #5, based on its size (18,173 sq ft) and location (NE quadrant). The remaining three comparables, including comparable #2 which is a post facto sale (October 2009), ranged between \$363- \$442 psf. The subject property, assessed at \$400 psf, falls within this range.

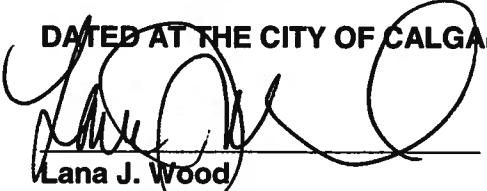
The Board considered the Respondent's sale of the office condominium unit (May, 2008) as a good indication of value for the subject unit (Exhibit R1 page 15). Although it was vendor financed, there was no evidence presented which would prevent the Board from considering it as a valid indication of market value. Moreover, the sale in the same building suggests that the neighbouring excavation and/or traffic volumes have little impact on the value of the subject property. The Board prefers the sales comparables that were presented by the Respondent because they are office condominium units that are similar in size and location as the subject property (Exhibit R1 page 16).

As such, the Board finds the Complainant presented insufficient evidence to warrant a reduction in assessment for the subject property in this instance.

**Board's Decision:**

The decision of the Board is to confirm the 2010 assessment for the subject property at \$1,390,000.

DATED AT THE CITY OF CALGARY THIS 29 DAY OF OCTOBER 2010.



Lana J. Wood  
Presiding Officer

**APPENDIX A****DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

<b>NO.</b>	<b>ITEM</b>
Exhibit C1	Evidence Submission of the Complainant
Exhibit R1	City of Calgary's Assessment Brief

*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.*