

**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:**

***1308111 Alberta Ltd., COMPLAINANT***

**and**

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

**before:**

***L. Lundgren, PRESIDING OFFICER***

***R. Deschaine, MEMBER***

***A. Zindler, 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: 057264301**

**LOCATION ADDRESS: 140 15 AV NW**

**HEARING NUMBER: 57097**

**ASSESSMENT: \$1,210,000**

This complaint was heard on 5<sup>th</sup>, day of November, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *R. Smith, representing the owner*

Appeared on behalf of the Respondent:

- *T. Johnson, assessor, City of Calgary*

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

There were no procedural or jurisdictional matters.

**Property Description:**

The subject property, known as the Stronghold Climbing Centre, is a 12,056 square foot (sf) corner lot improved with a two storey office building. The building was constructed in 1949 as a two storey office building and recently converted to an indoor climbing centre. The second floor is opened up and the basement is unfinished.

**Issues:**

1. Does the subject property assessment reflect market value?

**Complainant's Requested Value:** \$842,973

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

The Complainant argued that the direct sales comparison approach method used to prepare the assessment (Note: the assessment was prepared on the cost approach) does not recognize the specialized single use of the building. The highest and best use of the property is a gym and the subject should be valued on the income approach. The Complainant presented an income approach valuation of \$842,973 based on parameters chosen from the marketplace.

The market value of the subject is affected by the following: the age of the building and a basement that is unfinished, damp and poorly lit; a transmission tower on site; possible contamination from the service station across the street and difficult access.

The Complainant submits that the average sale price of the Respondent's sales comparables is \$79.00psf compared with the subject assessment of \$100.00psf. Further, the Respondent's sales comparables are not in similar locations, nor do the sales have the same influences of a tower, possible environmental concerns and restricted access.

The Complainant acknowledges that the property was purchased in 2007 for approximately \$1,600,000 but this price included business interests.

Based on the foregoing information, the Complainant requested a reduction to \$842,973.

The Respondent explained that the subject property was assessed on the cost approach using cost data from Marshall & Swift which produced a depreciated cost improvement value of \$51,558 plus the market value of the land \$1,160,200, for a total property assessment of \$1,211,758 (\$1,210,000). The depreciated cost of the improvement takes into consideration the age and condition of the building.

The Respondent presented eleven sales of property located throughout the city that are zoned C-Cor which sales price per square foot range from \$18.64 to \$165.47. The Respondent agreed that not all of the sales are similar in size and location but the Respondent wanted to show all of the sales of C-COR land that sold in the last two years. The Respondent stated that the base rate of \$107.00psf for the land is supported by the sales which are similar in size and location. The Respondent noted that the Complainant did not provide any sales evidence to show that the value of the land is above market value.

The Respondent addressed the influences of the tower, possible contamination and access which were raised by the Complainant. There are no adjustments to the assessment for these influences because the Complainant did not provide any evidence of a loss in value as a result of these influences. Respecting the possible contamination from the gas service station across the street, a Stage II audit did not show any contamination on the subject site.

The Respondent summarized by stating that the Complainant's income approach value of \$842,973 is lower than the value of the subject land, and the Respondent requested the Board to confirm the assessment at \$1,210,000.

The Board finds that the Complainant did not provide sufficient documentary evidence to support the use of the rental rates or capitalization rate to calculate the estimate of value. *The Matters Relating to Assessment & Taxation Regulation: Alberta Regulation 220/2004* section 2 states that an assessment of property based on market value must reflect typical market conditions for properties similar to that property. Given that the Complainant did not demonstrate that the factors used in the calculation are typical for this type of property, the Board is not persuaded to alter the assessment.

**Board's Decision:**

The complaint is denied and the property assessment is confirmed at \$1,210,000.

DATED AT THE CITY OF CALGARY THIS 24<sup>th</sup> DAY OF NOVEMBER 2010.

L. Lundgren



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.*