

**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:**

***924289 Alberta Ltd., COMPLAINANT***

**and**

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

**before:**

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

***M. Peters, MEMBER***

***R. Kodak, 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:

<b>ROLL NUMBER:</b>	<b>068116409</b>
<b>LOCATION ADDRESS:</b>	<b>1002 MACLEOD TRAIL SE</b>
<b>HEARING NUMBER:</b>	<b>60381</b>
<b>ASSESSMENT:</b>	<b>\$4,350,000</b>

This complaint was heard on 12th 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:

- Mr. P. Peterson

Appeared on behalf of the Respondent:

- Mr. J. Toogood

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

At the commencement of the hearing, the Respondent advised the Board that he failed to disclose any materials for this particular hearing to the Complainant and the Board in accordance with section 8(2)(b)(i) of *Matters Relating to Assessment Complaints Regulation* AR 310/2009; however, he indicated that he was prepared to proceed with the hearing. The Board allowed the Respondent an opportunity to ask questions in regards to the Complainant's evidence and to provide a brief summation towards the conclusion of the hearing. The Complainant was in agreement with this process as well.

**Property Description:**

The subject property is a multi- residential low-rise apartment building (80.96%) with a commercial component (19.04%) known as Bell Block. The three storey building, constructed 1912, has 24,914 sq. ft., situated on a 0.15 acre corner lot in the Beltline district. There is no on- site parking associated with the subject property. The land use designation is CC-X, Centre City Mixed Use District.

The two upper levels of the property consist of 24 rental units with the following suite mix: 10 bachelor units with bathrooms; 8 bachelor units without bathrooms; 4 one- bedroom suites; and 2 two- bedroom suites. The main level is designated to retail and is comprised of approximately 6,500 sq. ft. The property was assessed based on the income approach to value.

**Issue:**

1. The assessment of the subject property should be reduced based on the appraisal report and two equity comparables.

**Complainant's Requested Value:** \$2,355,000

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

The Complainant submitted an appraisal report and two equity comparables in support of reducing the subject property's assessment to \$2,355,000 (Exhibit C1). The appraisal for the subject property was prepared by Colliers International Realty Advisors Inc. and was dated May 21, 2010 (Exhibit C1 pages 10- 97). The purpose and intended use for the appraisal was to provide information relative to financing. The appraisal provides a range of values for the subject property between \$2,980,000- \$3,210,000 based on the income approach and \$2,960,000- \$3,200,000 based on the direct sales comparison approach. The final value conclusion is \$3,090,000, which was contingent on the

extensive renovations being completed. The Complainant stated that approximately \$600,000 was spent on renovations, including a new roof, which commenced in July 2009, but all of the renovations have not been completed. He indicated the value suggested by Colliers of \$3,090,000 is a bit excessive.

The Complainant presented two equity comparables which he indicated are similar in age, location and land value as the subject property (Exhibit C1 pages 2 & 3). The first property is located at 1227 Macleod Trail SE which has a commercial (56%) and multi-residential use (44%). The building is comprised of 6,809 sq. ft., built in 1910, and is located on a 0.16 acre corner site. The property was assessed based on the direct comparison sales approach at \$1,570,000 (Exhibit C1 page 6). To make it more similar to the subject property, the Complainant added a hypothetical level of residential, which he indicated is approximately half of its current assessed value, to arrive at a new assessed value of \$2,355,000. He emphasized that with these changes, this comparable is most similar to the subject property and forms the basis of his request of \$2,355,000.

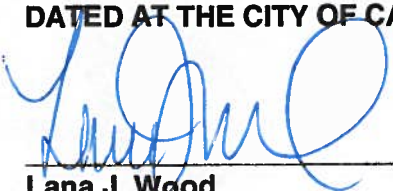
The second property is located at 15- 4 Street NE, known as Reliance Block, in Crescent Heights which also has a retail and multi-residential use. Its main floor is comprised of 12,608 sq. ft. (retail) and the two upper floors are comprised of 17,338 sq. ft. (residential), which, he indicated is smaller than the subject property. It was assessed based on the income approach at \$5,410,000 (Exhibit C1 pages 7 & 8). It is situated on a parcel of 0.74 acres, compared to the subject property's site of 0.15 acres; therefore, the Complainant suggested the subject property is one fifth of this comparable's value at \$1,097,363.

The Board placed little weight on the appraisal dated May 21, 2010, which is a post facto appraisal as acknowledged by the Complainant, undertaken 10 months after the valuation date of July 1, 2009. The Board also placed little weight on the Complainant's equity comparables. The Complainant presented a methodology that the Board finds is not supported by any appraisal theory, specifically, adding a hypothetical floor to the comparable located at 1227 Macleod Trail SE. The Board questions the validity of such an analysis and as such, is quite reluctant to rely on its results. In addition, the Board notes that this comparable was based on a different method of valuation than the subject property. The Board finds the equity comparable located at 15- 4 Street NE is not similar to the subject property because its location. As such, the Board finds there was insufficient evidence presented by the Complainant to bring the assessment into dispute.

**Board's Decision:**

The decision of the Board is to confirm the 2010 assessment for the subject property at \$4,350,000.

DATED AT THE CITY OF CALGARY THIS 9<sup>th</sup> DAY OF DECEMBER 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

*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.*