

**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, Revised Statutes of Alberta 2000 (the Act).

between:

La Caille Properties Inc (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

D. Pollard, MEMBER

B. Bickford, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
201563889	601 888 4 AV SW	68132	\$622,000
201563897	603 888 4 AV SW	68133	\$1,050,000
201563905	607 888 4 AV SW	68134	\$659,500
201563913	609 888 4 AV SW	68135	\$720,000
201563921	611 888 4 AV SW	68136	\$433,000

This complaint was heard on the 21st day of June, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- Ms. C. VanStaden (Altus Group Limited)

Appeared on behalf of the Respondent:

- Mr. J. Young (City of Calgary)

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

There were no concerns with the Board as constituted.

The parties agreed that all evidence and argument from Hearing #68132 would be carried forward and cross referenced to Hearing numbers 68133, 68134, 68135 and 68136.

Property Description:

The subject properties are all individual office condominiums located above two floors of retail space in a high rise tower, commonly referred to as the Solaire building, on 4 AVE SW in the Downtown Commercial Core of Calgary. They were constructed in 2007 and are deemed to be of good (A+) quality. They vary in size from 866 square feet (SF) to 2,111 SF, and are assessed at a unit rate of \$500/SF. The assessment is prepared using the Sales Comparison approach to value.

Issues:

The Assessment Review Board Complaint form contained 6 Grounds for the Complaint, the most applicable being: "The assessment of the subject property is in excess of its market value for assessment purposes".

Complainant's Requested Value: \$470/SF (Complaint Form)
\$445/SF (Hearing)

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

Issue What is the fair and equitable market value for assessment purposes?

The Complainant's Disclosure is labelled C-1.

The Complainant submitted that office condominium sales have declined in value since 2010. The Complainant, on page 44 and page 50, submitted third party reports from Commercial Edge, reporting on two sales in the subject property in February 2011. Each sale price included one condominium and one parking stall as evidenced by the land transfer documents which were included. The Complainant noted the Price Breakdown was \$461.64/SF and \$481.19/SF respectively. The Complainant calculated the average to be \$471/SF.

The Complainant utilized a rate of \$470/SF to calculate an estimated value for each condominium unit in the subject, including the parking component. The Complainant then deducted the assessed parking rate of \$35,000/parking stall to arrive at a requested market value.

The Board finds the methodology flawed, in that the assessed rate for the parking stall(s) should have been deducted from the sale price, prior to determining the unit rate sale price to be applied to the subject(s).

The Respondent's Disclosure is labelled R-1.

The Respondent, at page 28, presented a chart which included 9 sales within the subject's building to demonstrate the assessed rate of \$500/SF is fair. The Respondent acknowledged that the value of the parking stall(s) had not been extracted from the Sale Price in arriving at the unit rate. Third party reports were included to support the sales information. The Respondent, under testimony, submitted that when the value of the parking component is removed, the revised average sale price is \$522/SF and the revised median sale price is \$506/SF. The Respondent concluded the calculations support the assessed rate of \$500/SF.

The Complainant, thru rebuttal (C-2), provided its analysis of the Respondent's table. The sale of index 1 was discounted as being a non arms length transaction and was excluded from their analysis. The Complainant determined the portion of the Sale Price attributable to the unit only (less parking) and calculated a sale price unit rate. The average sale price was \$551/SF and the median sale price was \$563/SF for all of the sales. The Complainant then calculated the average (\$479/SF) and median (\$473/SF) for only those sales which had occurred in the 12 months prior to the evaluation date of June 30, 2011.

The Complainant determined the time adjustment factor (14% over 4 months) from the one "resale" and paired sales (#503 and #603) and (#501 and #301). The time adjustment factor was then applied to only those sales outside of the assessment year. The time adjusted sales rate was calculated for each sale to arrive at a time adjusted average and a time adjusted median. The overall average of all of the sales is \$455/SF and the overall median of all of the sales is \$451/SF. The 12 month average is \$444/SF and the 12 month median is \$441/SF.

The Board finds the 2011 sales, at the time adjusted rates of \$431/SF and \$451/SF, to be the best indicator of market value. The Complainant's analysis provides a range of time adjusted sales prices from \$441/SF to \$451/SF. The Board finds a unit rate of \$445/SF is a reasonable indicator of market value.

Board's Decision:

The 2012 assessments are reduced as follows:

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
201563889	601 888 4 AV SW	68132	\$553,500
201563897	603 888 4 AV SW	68133	\$939,000
201563905	607 888 4 AV SW	68134	\$586,500
201563913	609 888 4 AV SW	68135	\$640,500
201563921	611 888 4 AV SW	68136	\$385,000

Reasons:

The most recent sales are the best indicator of market value.

The time adjusted sales analysis from the Complainant supports the decision.

DATED AT THE CITY OF CALGARY THIS 12th DAY OF July 2012.


B. Horrocks
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant's Rebuttal

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.*

For Administrative Use

Subject	Property type	Property Sub type	Issue	Sub-Issue
CARB	Office	High Rise (Unit ownership)	Sales Approach	Market value