

**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:

***Westfield Northwest Centre Ltd. (as represented by Fairtax Realty Advocates Inc.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***B. Horrocks, PRESIDING OFFICER
E. Reuther, MEMBER
D. Pollard, 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 2011 Assessment Roll as follows:

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
042500504	100 4500 16 AV NW	62824	\$2,790,000
042500405	1B 4500 16 AV NW	62820	\$3,100,000

This complaint was heard on the 13th day of June, 2011 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. S. Storey (Fairtax Realty Advocates Inc.)

Appeared on behalf of the Respondent:

- Ms. W. Wong

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

There were no concerns with the composition of the Board.

It was agreed by the parties that Hearing Numbers 62824 and 62820 contained the same evidence and arguments and as such they could be heard together.

The merit hearing proceeded.

Property Description:

The subject property is a 0.96 acre parcel located in the Montgomery community in NW Calgary. The site contains two, three storey office buildings that were constructed in 1981 and are considered of B quality. There are no retail spaces in the buildings. The property has 145 underground parking spaces along with 15 surface parking stalls.

Issues:

The Assessment Review Board Complaint form for roll # 042500405 and roll #042500504 contained the same two issues: Deferred Maintenance and 2) assessment value.

Complainant's Requested Value: \$2,130,431 (Roll #042500504)
\$2,366,100 (Roll #042500405)

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

Issue : Deferred Maintenance

The Complainant's disclosure is labelled C-1.

The Complainant provided a letter from Madden Mathews Engineering Ltd. that had been received by the Respondent, but only partially by the Board. It is labelled C-2. The letter provides the results of a 2011 Post Tensioning System Review which states there is "widespread moisture contact and cable deterioration. Repair is recommended in the short term". The letter identifies Repair options with costs ranging from a low of \$200,000 to \$1,000,000+ for cable replacement, plus other costs dependent on the repair option selected.

The Complainant argued that the buildings would normally be valued utilizing the Income Approach, where the Deferred Maintenance would be captured in the Capitalization rate. However, he noted the assessment had been prepared using the Direct Sales Comparison approach, so he was bound to use the same approach.

The Complainant suggested the assessment should stay at the same unit rate value as determined in 2009 (\$/sq. ft.) less a 4.7% reduction for the Deferred Maintenance. He argued a purchaser wouldn't pay the full market value, if the Deferred Maintenance were known.

The Respondent advised that he was not aware of any adjustments for Deferred Maintenance,

The Board agrees that a willing buyer would likely discount the value of the building if proposing to purchase. However, the Complainant has failed to identify, with certainty, what the cost of the immediate repairs would be and therefore the Board is unable to identify an appropriate reduction to market value.

Issue: Assessed Value

The Complainant did not submit any market evidence to support his request for a reduction in the assessment. It was his opinion that there had been a general reduction in market values in 2010.

The Respondent's disclosure is labelled R-1.

The Respondent, at page 17, provided 4 Sales comparables with sale prices ranging from \$272 /sq.ft. to \$439 / sq. ft. in support of the assessment at \$280 / sq. ft. He noted the comparables were smaller than the subject.

The Respondent, at page 22 provided a list of Equity comparables, with assessments ranging from \$280 /sq. ft to \$400 / sq. ft. He noted the newer comparable buildings were assessed at the higher range.

The Board finds the evidence provided by the Respondent supports the assessment.

Board's Decision:

The 2011 assessments are confirmed as follows:

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
042500504	100 4500 16 AV NW	62824	\$2,790,000
042500405	1B 4500 16 AV NW	62820	\$3,100,000

Reasons:

The Complainant failed to identify the value of required repairs in definitive terms as of valuation day and as a result the Board was unable to identify what the cost might be.

The Complainant did not provide any market evidence to support his request for a reduction.

The Respondent provided market sales comparisons and Equity comparables in support of the assessment.

DATED AT THE CITY OF CALGARY THIS 20 DAY OF July 2011.


B. Horrocks
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Letter from Madden Mathews Engineering Ltd, dated January 27, 2011.
3. R1	Respondent Disclosure

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.*