

**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:

***Queensway Mortgage Corporation Ltd.
(as represented by Altus Group Ltd.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
D. Pollard, MEMBER
R. Kodak, 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:	068019603
LOCATION ADDRESS:	138 3 AV SE
HEARING NUMBER:	63262
ASSESSMENT:	\$2,190,000

This complaint was heard on 27 day of July, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *Ms. Sweeney- Cooper* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Ms. B. Tang* *Assessor, City of Calgary*
- *Mr. D. Grandbois* *Assessor, City of Calgary*

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

There were no procedural or jurisdictional matters raised by the parties during the hearing.

Property Description:

The subject property is a commercial retail mixed use property located in Chinatown. The building is 6,375 sq. ft. located on a 10,447 sq. ft. (0.24 acres) of land. The building has an unusual configuration as it does not have a main floor but it has a 2nd floor (retail) and a basement. The building was constructed in 1980, and has 12 parking stalls associated with the site. The land use designation is DC- Direct Control District. The subject property has been assessed based on the land rate of \$200 psf. It has a site influence (+5%) for corner lot.

Issues:

1. The current assessment has not decreased from 2010 in proportion to office building assessments. The subject is unfair and inequitable with comparable properties.

Complainant's Requested Values: \$1,590,000 based on income approach;
\$1,775,000 based on a reduced land rate.

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

1. The current assessment has not decreased from 2010 in proportion to office building assessments. The subject is unfair and inequitable with comparable properties.

The Complainant submitted that class A & B office building assessments have declined significantly since 2010 (Exhibit C1 pages 15 & 16). That same accelerated rate (on average 23% & 50%) should apply to the subject property since land values have only decreased by 11%.

The Complainant submitted a chart of 9 comparable properties located in Chinatown (Exhibit C1 page 18). The assessed land values ranged between \$88.72 psf to \$199.97 psf for a median of \$167.75 psf whereas the subject property was assessed at \$209.63 psf. Based on this, the Complainant requested that a land rate of \$170 psf be applied to the subject property which would reduce the 2011 assessment to \$1,775,000.

Alternatively, the Complainant submitted that a potential purchaser is more likely to purchase a site with a building producing income as opposed to a vacant land parcel for the same amount. She presented an income approach to value for the subject property and based on her income parameters derived the requested value of \$1,590,000 (Exhibit C1 page 20). Moreover, she indicated that the income approach has been accepted by the Respondent since it has utilized that approach to value three of the comparables identified on her chart.

The Respondent submitted that changes in office building assessments have no relevance to the market value of vacant land and that improved properties are subject to external influences unlike those that affect vacant land, therefore, it is unfair to compare the two different property types.

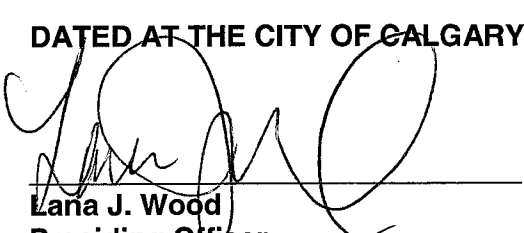
The Respondent submitted that it has addressed the Complainant's equity concerns regarding the inconsistent methodologies used to value those 9 properties identified on her chart (Exhibit R1 page 24). Two of the Complainant's comparables located at 103 3 Avenue SE and 312 Centre Street SE which were based on the income approach have been sent amended notices using the \$200 psf land rate (Exhibit R1 pages 25 & 26) The third property located at 111 3 Avenue SE which also was valued on the income approach will be issued an amended notice shortly as the assessment complaint has been withdrawn. In reviewing the Complainant's equity comparables, the Respondent noted the property located at 130 3 Avenue SE is a condo, which is not similar to the subject because there is no land component. However, by issuing the amended notices, the 9 properties have been assessed similarly at \$200 psf. The Respondent submitted that the Complainant's income approach fails because it does not exceed the basic land value of \$200 psf.

The Board finds the income valuation parameters presented by the Complainant fails to achieve what the Respondent has claimed to be the market value of the land (\$200 psf). The Board finds the Complainant did not present any evidence to dispute the land rate applied by the City. The Board notes the unusual circumstance of the Respondent issuing amended notices to those comparable properties disclosed by the Complainant which initially supported her case; however, it appears it was more of an oversight, and not common practice.

Board's Decision:

The decision of the Board is to confirm the 2011 assessment for the subject property at \$2,190,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF SEPTEMBER 2011.



Lana J. Wood
Presiding Officer

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

EXHIBIT NO.	ITEM
1. C1	Complainant's Submission
2. R1	Respondent's Submission

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.*