

**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:

***Deer Valley Professionals Inc. (as represented by Linnell Taylor and Associates),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***P Petry, PRESIDING OFFICER
S Rourke, MEMBER
J Pratt, 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:	149149023
LOCATION ADDRESS:	83 Deerpoint Road S.E.
HEARING NUMBER:	63510
ASSESSMENT:	\$1,460,000

This complaint was heard on the 9th day of August, 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. J Mayer

Appeared on behalf of the Respondent:

- Ms A Jerome

Property Description:

The subject property is a two storey office building located on 46,251 sq. ft. of land in the Deer Ridge community in S.E. Calgary. This building was constructed in 1990 and consists of 11,642 sq. ft. of rentable area. The property has been assessed at \$1,460,000 using the "land value only" approach which produces a rate of \$31.56 per sq. ft. The Complainant argues that the rate of approximately \$32 per sq. ft. is in excess of the property's market value.

Issues:

- 1) What value should be used to develop the assessment for the subject property based on a land value only approach?
- 2) Is the assessment for the subject property inequitable considering the assessments of similar properties?

Other matters and issues were raised in the complaint filed with the Assessment Review Board (ARB) on March 4, 2011. The only issue however, that the parties sought to have the Composite Assessment Review Board (CARB) address in the hearing on August 9, 2011 is that referred to above, therefore the CARB has not addressed any of the other matters or issues initially raised by the Complainant.

Complainant's Requested Value:

Based on the Complainant's requested change to the per sq. ft land rate the requested assessment for the subject property is \$1,000,000.

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

- 1) The CARB decision is that the value of the subject property should not be altered.

Summary of the Party's Positions

The Complainant case is based on three sales comparables and two of these sales are also used as equity comparables. The first comparable located at 267 Walden Gate S.E. which like the subject is located along the perimeter of an emerging residential area and according to the Complainant, has a C-C2 land use classification allowing almost twice the footprint and twice the height of the subject's C-O FO .26h10 classification. This property was assessed at \$21.52 per sq. ft. and sold August, 2010 for \$19.00 per sq. ft. This property was also referred to as an equity comparable by the Complainant and was argued to be considerably superior to the subject. The second comparable is located at 155 Walden Gate S.E., had the same land use classification as comparable 1 and sold in October 2010 at a rate of \$22.96 per sq. ft. The third comparable is located at 1111 Panatella Boulevard N.W. and is classified as C-N2 which according to the Complainant allows for a larger footprint but has the same height restriction as the classification of the subject. This property sold December 2008 at a rate of \$24.92 per sq. ft. This comparable has a similar location along the perimeter of residential development, as does the subject, is assessed at \$23.36 per sq. ft. and was also argued to be a good equity comparable to the subject. Based on these comparables the Complainant argued that the subject's 2011 market value should be adjusted to \$21.62 per sq. ft. or \$1,000,000.

The Respondent provided a table showing that different land use classifications have different land rate criteria. For example C-N1,2 is valued based on \$64 per sq. ft. for the first 20,000 sq. ft. and then \$7 per sq. ft. for the balance where C-C1,2 is valued at \$64 per sq. ft. for the first 20,000 sq. ft. and at \$21 per sq. ft. for the balance. The Respondent provided land use detail for several different classifications and argued that it is incorrect to compare properties with different classifications. The Respondent provide the Real Net sales document for 267 Walden Gate S.E. which shows that at the time of sale this property was classified as M-2 (multi-residential). With respect to 155 Walden Gate S.E the Respondent argued that when this property was sold the Real Net document shows that part of the consideration was a \$4,977,426 mortgage registered against the title and this is more likely the best reflection of value for the property. Finally the Respondent provided evidence of a more recent sale of 1111 Panatella Boulevard on January 22, 2009 at a rate of \$36.55 per sq. ft. which supports the assessment.

Findings and Reasons for the Board's Decision:

The CARB notes that the Complainant's evidence in this case was somewhat limited with so few comparisons and because of the acknowledged differences between these properties and the subject. The Respondent's evidence brought into question the similarity of these properties with the subject and also it is obvious that the sale of the comparable at 1111 Panatella Boulevard N.W. actually fully supports the assessment of the subject. The Complainant argued that the M-2 classification appears to be an intended class for 267 Walden Gate and in the case of the mortgage information respecting 155 Walden Gate, there is no proof that the \$3,800,000 which shows as the value on the Affidavit of Transfer is not the correct consideration between the parties. The CARB, however, did not have all the evidence it required to arrive at certainty


respecting these arguments. In light of the doubt cast on the validity of the Complainant's comparables by the Respondent the CARB has concluded that there is insufficient evidence to cause the Board to overturn the assessment in this case.

Summary

The CARB finds that the Complainant's evidence has not been sufficiently compelling in this case from either a correctness perspective or an equity perspective and therefore the assessment is confirmed at a value of \$1,460,000.

It is so ordered.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF August 2011.



Presiding Officer
Paul G. Petry

APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

An appeal may be made to the Court of Queen's Bench in accordance with the Municipal Government Act as follows:

470(1) *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.*

470(2) *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).*

470(3) *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*