

**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:**

***Midpark Court Ltd. (as represented by Altus Group Limited), COMPLAINANT***

**and**

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

**before:**

***I. Weleschuk, PRESIDING OFFICER***

***H. Ang, MEMBER***

***D. Morice, 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:

<b>ROLL NUMBER:</b>	<b>156118903</b>
<b>LOCATION ADDRESS:</b>	<b>251 Midpark BV. S.E.</b>
<b>HEARING NUMBER:</b>	<b>68324</b>
<b>ASSESSMENT:</b>	<b>\$4,790,000</b>

- [1] This complaint was heard on 19<sup>th</sup> day of September, 2012 at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- D. Chabot

Appeared on behalf of the Respondent:

- M. Ryan
- C. MacMillan

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

- [2] There were no procedural or jurisdictional matters raised by either party. Neither party objected to the panel before them. The merit hearing proceeded.

**Property Description:**

- [3] The subject property is located at 251 Midpark BV. S.E., in the Midnapore District. The district is located immediately east of McLeod Trail South and consists of commercial and office uses proximal to McLeod Trail South with residential uses east of the commercial/office area. The two-storey, multi-tenanted office building with a total of 23,306 square feet (SF) of assessed rentable area was built in 1981 and sits on a 1.51 acre site fronting Midpark Bv. The property has no exposure to McLeod Trail South. The portion of the site not occupied by the office building is used for surface parking. It is zoned "Industrial-Business".
- [4] The property is assessed as 23,160 SF of "office space" and 146 SF of "storage pace" (for a total assessed area of 23,306) using an income approach. The rental rate applied to the office space is \$17/SF, the rental rate applied to the storage space is \$3/SF, vacancy rate of 8%, \$12.50/SF operating costs, 1% non-recoverable rate and 7.00% capitalization rate. The total 2012 assessment is \$4,790,000 as indicated in the 2012 Property Assessment Notice and Non-Residential Properties-Income Approach Valuation sheet.

**Complainant's Requested Value:** \$4,300,000

**Issues:**

1. What is the correct 2012 assessment of the subject property?

**Complainant's Evidence:**

- [5] The Complainant did not dispute any of the factors used by the City in calculating its 2012 assessment. Rather, the Complainant's position is that the 2012 Assessment should be based on the sale price of the subject property. The Complainant presented a copy of the "Commercial Edge" sale information sheet (page 22, Exhibit C1), transfer documents for this subject sale (pages 23-26, Exhibit C1) and Land Title (pages 27-28, Exhibit C1) demonstrating that the subject property sold via an arms-length transaction through a real estate broker in January 2010 for \$4,300,000.
- [6] The Complainant provided a copy of Court Decision 697604 Alberta Ltd. v. Calgary (City of), 2005 ABQB 512 (page 29-35, Exhibit C1) and a number of previous Composite Assessment Review Board (CARB) decisions that indicate that the sale of the subject property contemporary to the valuation date for assessment purposes is very good evidence as to the market value of that property. The standard for valuing a property for assessment purposes is defined in 4(1) of Matters Relating to Assessment and Taxation Regulation (MRAT) as "market value".
- [7] In response to questions from the Board, the Complainant confirmed that no time adjustment was done to the sale price and that no evidence was presented to demonstrate that no time adjustment is required to reflect the sale value (January 2010) as of the valuation date for the 2012 assessment (July 1, 2011).

**Respondent's Evidence**

- [8] The Respondent stated that the sale of the subject is a good sale that reflected market value as of January 2010 (date of sale), but that the market indicates that a time adjustment is appropriate. The valuation model used by the City includes a time adjustment for sales used in the model. However, because the Complainant did not provide any time adjustment evidence, the Respondent did not see the need to provide specific information on what time adjustment is used in the assessment model.
- [9] The Respondent presented a summary of five sales of suburban offices (page 10, Exhibit R1) followed by supporting data for each sale to demonstrate that the 2012 Assessment to Sales Ratio (ASR) was very close to 1.00, which indicated that the 2012 assessment reflected the market value as of the valuation date.

**Conclusions of the Board in this Matter:**

- [10] The Board accepts that the sale of the subject property is the best indicator of market value for that property, with the provision that the sale has to be contemporary to the valuation date. If the sale and valuation dates are not within a short time span, then the sale price should be adjusted to reflect changes in the market over the period between the sale and valuation date. If no time adjustment is warranted, evidence is required to demonstrate this fact.
- [11] The Board accepts that the sale price of the subject building in January 2010 is a good base value reflecting market value of the subject property as of that date of sale. Evidence was not presented by the Complainant to demonstrate that no time adjustment is required for the January 2010 to July 2011 period. Therefore, the Board has no evidence to conclude that the \$4,300,000 sale price (January 2010) is still the market value as of the valuation date (July 1, 2011).
- [12] The Board notes that the Complainant did not dispute any aspect of the 2012 assessment calculation.

**Board's Decision:**

- [13] For the reasons discussed above, the Board confirms the 2012 Assessment of \$4,790,000

DATED AT THE CITY OF CALGARY THIS 3 DAY OF October 2012.



Ivan Weleschuk  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
C1	Complainant's Disclosure
R1	Respondent's 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.*