

**CALGARY  
COMPOSITE ASSESSMENT REVIEW BOARD (CARB)  
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:**

**1470092 ALBERTA INC., COMPLAINANT**

**and**

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

**before:**

***P. Irwin, PRESIDING OFFICER***

***P. Grace, BOARD MEMBER***

***D. Pollard, BOARD MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of the property assessment prepared by the assessor of the City of Calgary, and entered in the 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>201383205</b>
<b>LOCATION ADDRESS:</b>	<b>101 1118 12 AV SW</b>
<b>HEARING NUMBER:</b>	<b>61642</b>
<b>ASSESSMENT:</b>	<b>\$486,500</b>

**Property Description:**

The subject property is a commercial condominium unit, occupied by Danziger Designer Glass Studio. It is located in the BL4 section of the Beltline district near downtown Calgary and more specifically, located below a residential condominium highrise. It has 1050 square feet (sf) at ground level and a mezzanine of 231 sf. The Land Use Designation is Centre City Mixed Use District. Year of construction was 2008 and the building quality is "good". The property is assessed on a sales comparison approach.

This complaint was heard on August 31<sup>st</sup>, 2011 at the office of the Assessment Review Board, located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

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

The Respondent raised a preliminary matter related to the Complainant's rebuttal, and stated that the contents of the rebuttal related to issues not included on the complaint form and should therefore not be considered. The Complainant indicated that the rebuttal documents related to the condition of the property. The Respondent stated that condition was never an issue, and if it was, it should have been with the original evidence. After hearing the evidence and submissions from the Complainant and the Respondent, the Board determined that the condition of the property was not a proper issue for rebuttal and did not allow the rebuttal material.

**Issues:**

1. Is the subject property assessed too high?

The Complainant advised the Board that the subject property is used for a business that does custom design work for functional glass projects. Walk-in traffic is not part of the business and the Complainant submitted that visitors can't find parking and the property lacks visibility from the street as it is in the middle of the block and is not on a pedestrian corridor. The Complainant described the subject property through the use of photos and noted that the mezzanine is strictly offices and not open to clients. Although the property is assessed as retail space, he submitted that it is not particularly suited for retail use. He noted that the commercial condo next door is occupied by an oilfield services company (also not retail) with no walk-in business. The Complainant's photo showed the building with a recessed facade, sidewalk closed and closed blinds on the neighbour's premises. The subject property was purchased in 2008, and by occupancy in late 2009, the Complainant submitted that market had dropped significantly. The current assessed value of the property is \$486,500 (\$379.78 per sf).

**Complainant's Requested Value:** \$256,200 (~\$200 per sf).

The Complainant provided three sales comparables of commercial condos also in the "by-appointment only" type of businesses and stated that the second and third were most similar:

1. 203 735 12 AV SW, sale price (July 7, 2008): ~\$490/ sf;
2. 200 738 3 AV SW, sale price (November 3, 2009): ~\$180/ sf; and
3. 101 138 18 AV SE, sale price August 25, 2008): ~\$290/ sf.

The Respondent referenced the legislative authority for property assessment and highlighted that the assessment has to be based on market value and be prepared using mass appraisal. He noted that in 2008, the subject property was under construction (a raw shell) and therefore the assessment came in low, to help explain the subsequent increases in assessments. At p. 28 of his disclosure, he highlighted the sale price information for the subject (\$433.26 per sf, after taking off an amount for parking stalls) and for the two neighbouring properties, \$383.54 per sf (after reduction for parking stalls), all of which were first-time sales. He submitted that the ~\$383 per sf was supportive of the assessment, although he acknowledged in response to questions that first-time sales aren't normally used for assessment purposes.

On p. 31, the Respondent presented four non-subject sales:

1. 1436 8 ST SW (Ric's Grill), sale price (November 12, 2009): ~\$380/ sf;

2. 311 638 11 AV SW, sale price (April 2, 2009) ~\$420/ sf;
3. 930 396 11 AV SW, sale price (December 4, 2009) ~\$380/ sf; and
4. 850 396 11 AV SW, sale price (May 7, 2010): ~\$370/ sf.

The prices were adjusted for parking, but not for time.

**Board's Findings and Reasons in Respect of Each Matter or Issue:**

Issue #1: In determining whether the assessed value of the subject property is an accurate reflection of the market value at July 1, 2010, the Board considered that the first sale (Ric's Grill) is not regarded as a good comparable because it is very much a retail property (bar and restaurant) and therefore was given little weight. The fourth sale was a foreclosure and was also given little weight. The third comparable was on a corner and was formerly occupied by Starbucks, which in the Board's view made it a poor comparable as it was more attractive for retail purposes than the subject property. The second comparable appeared to be in a superior location, more highly suited for retail. With respect to the sale price of the subject, the Board notes that it was negotiated in 2008 and purchased in 2009 as a first time sale which does not definitively represent the market value of the subject property at July 1, 2010. The Complainant's first comparable was considerably smaller than the subject, at 810 sf and in an older building and was therefore given little weight. The second comparable was regarded by the Board as more similar to the subject property, based on similarity of size and age and being in a medium rise residential building. The third comparable was larger and in a Direct Control district. The Board finds that, based on the information provided with respect to sales of similar properties, the market value of the subject property is slightly inferior to the comparable at 101 138 18 AV SE (\$290/ sf), but superior to the comparable at 200 738 3 AV SW (\$180/ sf). As the market value is most likely at the upper end of a range between \$180/ sf and \$290/ sf, the Board determined that a value of \$350,000 is a reasonable determination of market value at July 1, 2010.

**Board's Decision:**

The 2011 assessed value of the subject property is reduced to \$350,000.

DATED AT THE CITY OF CALGARY THIS 30<sup>th</sup> DAY OF SEPTEMBER 2011.

  
P. Irwin, Presiding Officer

**APPENDIX "A" : ORAL REPRESENTATIONS**

**PERSON APPEARING                      CAPACITY**

Frank Meriwether	Owner of Subject Property
Carman Fox	Assessor, City of Calgary

**APPENDIX "B" : DOCUMENTS RECEIVED BY THE ASSESSMENT REVIEW BOARD**

Document C – 1	Complainant's Disclosure
Document R – 1	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.*