

**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:

***MRS INVESTMENTS LTD.,
(as represented by Altus Group Inc.),
COMPLAINANT***

and

***THE CITY OF CALGARY,
RESPONDENT***

before:

***R. Glenn, PRESIDING OFFICER
R. Kodak, MEMBER
D. Cochrane, 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:

ROLL NUMBER:	200519882
LOCATION ADDRESS:	738 – 11 Ave SW
FILE NUMBER:	68073
ASSESSMENT:	\$4,670,000

This complaint was heard on Wednesday, the 10th day of October, 2012 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 3.

Appeared on behalf of the Complainant:

- D. Genereaux, as agent for Altus Group Inc.

Appeared on behalf of the Respondent:

- A. Czechowskyj, as assessor for the City of Calgary

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

[1] There were no issues of procedure or jurisdiction raised by either of the parties at the hearing.

Property Description:

[2] The subject was originally a 3 storey former warehouse, built in 1914, made of brick, now known as the Country Furniture Building, and is used as an office building. Two upper levels and an elevator were added to the structure in 2005. There are 23 assessed surface parking stalls.

[3] The subject is assessed as a Class B building and has a total area of 30,948 SF. The site area is 13,025 SF, and is located on the northeast corner of 11th St and 7th SW in the Beltline area.

Issues:

[4] The Complainant suggests that the only issue here is the assessment on the parking stalls as being too high. They carry on to suggest that the surface parking stalls on the subject property should not be assessed at the same rate as covered or underground parking stalls in the area, based on equity.

Complainant's Requested Value:

[5] The Complainant suggests that the parking rate for the subject property should be \$167/month as billed to the tenants, not the \$200/month rate as assessed. Requested value is: \$4,500,000, considering parking only.

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

Complainant's Position:

[6] The subject's 23 surface parking stalls are in the open. The Complainant states that they should not be assessed at the same rate as the nearby parking stalls which are mostly underground, or at least covered. The Complainant notes the Respondent's Income Approach Valuation which suggests that the Market Rental rate for the spaces is \$2,400/annum or \$200/month.

[7] They continue with their argument contending that underground, heated, secure parking must be more valuable than the surface stalls in issue.

[8] The Complainant then compares the value of the subject stalls to those of office condominiums, suggesting that all condominium parking stalls in the area are assessed at \$25,000 per stall, which equates to a rental rate of \$167 per stall per month when the subject Class B assessment parameters are applied.

[9] The Board queries the zoning in this situation, as zoning makes a big difference. The Complainant carries on stating that this is a site specific application, and that they are reasonable with an assumption of \$175/month income from each parking stall.

[10] The Complainant's comment on the Respondent's comparable at 1015-4th ST SW is inaccurate, as the building does have some surface parking. It is not just underground parking as the Complainant suggested.

Respondent's Position:

[11] The Respondent notes that the Complainant's argument with respect to parking stalls is based on the assessed sale price of titled parking stalls located in office condominium buildings.

[12] The Complainant admits this under cross examination. In addition, the Complainant admits that the \$25,000 value is of course, obtained using a sales approach, whereas the subject was assessed using the Income Approach to Value.

[13] The Respondent provides an ARFI for the subject which shows that the monthly income from the subject parking stalls is \$235/month.

[14] They continue with their argument noting that the parking stalls in office condominiums cannot be re-leased, and there is a good reason for that, though it is not discussed at length.

Board's Decision:

[15] The Board finds that the use of comparable information using a condominium situation is not really comparable to a non-condominium situation. The comparables presented by the Complainant were relatively weak, and didn't really support the Complainant's position.

[16] The evidence called by the Complainant was simply not convincing to the Board. In order to be successful in reducing an assessment, the Board must be shown by the Complainant where there is an error in an assessment which is in need of correction. That was not done here.

[17] The subject assessment is herewith confirmed in the original amount of \$4,670,000.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF NOVEMBER, 2012.


R. Glenn, Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal Disclosure
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.*

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Decision No.2095-2012-P Roll No.200519882				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Office Building	Equity	Income Approach	Parking Value