

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

between:

Business Condominiums Inc., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. McEwen, PRESIDING OFFICER

S. Rourke, MEMBER

J. Pratt, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of the property assessments prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as per **SCHEDULE A**:

SCHEDULE A

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
201612611	115 505 34 AVE SE	62196	\$293,500
201612629	101 519 34 AVE SE	62206	\$203,500
201612637	103 519 34 AVE SE	62207	\$163,500
201612660	129 519 34 AVE SE	62210	\$232,500
201612694	123 519 34 AVE SE	62220	\$237,500
201612678	127 519 34 AVE SE	62213	\$233,500
201612686	125 519 34 AVE SE	62216	\$237,500

This complaint was heard on the 9th day of September, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, AB, Boardroom 3.

Appeared on behalf of the Complainant:

- J. Edwardson

Appeared on behalf of the Respondent:

- P. Sembrat

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

The Complainant stated that he was representing twenty-three industrial condominium properties. The properties had been separated, for the purposes of simplicity and clarity, into three groups, by address, and would be argued as such. The Complainant asked that the evidence (C1) and argument from the current hearings be applied to all hearings.

The Respondent accepted the Complainant's hearing methodology and stated that a separate evidence package (R1) supporting the subject assessments had been submitted for each group of hearings.

The Board accepted the parties' recommendation for hearing the twenty three properties and the merit hearings continued.

Property Description:

The subject properties are seven warehouse condominiums located in the Manchester district of SE Calgary. The condominiums range in size from 749 to 1,806 square feet. The properties, constructed in 1960 (Unit 115) and 1965 (all other units), are assessed, on average, between \$158 and \$180 per square foot.

Issues:

Are the subjects assessed higher than market value and are the subject assessments, therefore, inequitable to comparable properties?

Complainant's Requested Values:

SCHEDULE B

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	REQUEST
201612611	115 505 34 AVE SE	62196	\$261,870
201612629	101 519 34 AVE SE	62206	\$169,600
201612637	103 519 34 AVE SE	62207	\$119,840
201612660	129 519 34 AVE SE	62210	\$199,330
201612694	123 519 34 AVE SE	62220	\$203,360
201612678	127 519 34 AVE SE	62213	\$200,570
201612686	125 519 34 AVE SE	62216	\$205,375

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

The Board finds the assessment of 115, 505 34 AVE SE fair and equitable for the following reasons:

- The best comparables to the subject property are the properties located in the same development. The Board notes that the subject, assessed at \$162.50 per square foot, is assessed at a rate consistent with the other sixteen properties given the difference in their assessed areas.
- The Board gives the Complainant's equity comparables less weight than properties within the subject development because they introduce somewhat different characteristics to the comparison including location, area and layout. The Board accepts the Respondent's argument that the Complainant's equity comparable, located at 6145 6 ST SE, is tainted due to unknown assessment inputs/errors that produced an ASR (0.68), significantly below the mandated range of 0.95-1.05.
- The Board does not accept the Complainant's argument that the subject assessment should be reduced based upon its' shape and functionality as no evidence is provided to help the Board determine a) how shape and functionality affect the subject's market value and b) what the typical impact to value such negative characteristics might have.

In summary, the assessment of 115, 505 34 AVE SE is confirmed due to insufficient evidence to support a reduction.

The Board finds the properties located at 101 and 103, 505 34 AVE SE to be over assessed for the following reasons:

- Unit 103 is a small, 749 square foot warehouse without either man door access or basic utilities. The Board accepts that this unit, as a practical matter, will be combined with Unit 101 for sale purposes. The combined square footage of Unit 101 and 103 is 1,804 square feet.
- To derive a value for the combined unit, the Board considered the assessment of two contiguous units adjacent to the subject properties which show an average area of ~1900 square feet and an average assessment of \$165 per square foot.

In summary, the assessments of Units 101 and 103, 519 34 AVE SE are reduced to \$165 per square foot.

The Board finds the properties located at 123, 125, 127 and 129, 505 34 AVE SE to be over assessed for the following reasons:

- The units are on four separate titles, however, Units 129 and 127 are contiguous, without a demising wall, as are Units 123 and 125. Units 127 and 125 are without basic utility services. The Complainant estimates the cost to cure Units 123 and 125 is \$30 per square foot (demising walls, electrical, water etc.). The Respondent's estimated cost to cure is \$12 per square foot (demising walls only). The Units are assessed at \$180 per square foot.
- The Board accepts the Complainant's estimated cost to cure the subject properties. The four properties would, however, share the cost to cure Units 123 and 125 as the demising wall would be common and the costs to tie in the services from one unit to the

other would be shared as well. The cost to cure, then, is apportioned equally to each unit (\$30/2 = \$15 per square foot).

In summary, the subject assessments are reduced to \$165 per square foot (\$180 - \$15).

Board's Decision:

The following assessment is confirmed as per **SCHEDULE C**.

SCHEDULE C

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	DECISION
201612611	115 505 34 AVE SE	62196	\$293,500

The following assessments are reduced as per **SCHEDULE D**.

SCHEDULE D

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	DECISION
201612629	101 519 34 AVE SE	62206	\$174,000
201612637	103 519 34 AVE SE	62207	\$123,500
201612660	129 519 34 AVE SE	62210	\$212,000
201612694	123 519 34 AVE SE	62220	\$216,000
201612678	127 519 34 AVE SE	62213	\$213,500
201612686	125 519 34 AVE SE	62216	\$218,500

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF September 2011.


C. McEwen
Presiding Officer

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

NO.	ITEM
1. C1 (62235)	Complainant Disclosure
2. 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.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Warehouse	Warehouse Multi- Tenant Unit Ownership	Cost/Sales Approach	Equity Comparables