

**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:

***Beaux Properties international Inc (as represented by Altus Group Limited),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***M. Vercillo, PRESIDING OFFICER
K. Farn, MEMBER
P. Charuk, 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: 201175239

LOCATION ADDRESS: 80 515 17 AV SW

HEARING NUMBER: 63144

ASSESSMENT: \$2,170,000

This complaint was heard on the 29th day of September, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *K. Fong*

Appeared on behalf of the Respondent:

- *J. Toogood*
- *M. Ryan*

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

The Calgary Composite Assessment Review Board (CARB) derives its authority to make this decision under Part 11 of the Act. No specific jurisdictional or procedural issues were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint, as outlined below.

Property Description and Background:

The subject property is a ground floor retail condominium property located in the "Cliff Bungalow" area of SW Calgary. According to the information provided on the Assessment Summary Report, the property contains two buildings that were constructed in 1964 and 1968 respectively, with a net rentable area of 6,386 square feet (sf) combined. The buildings are situated on a 0.67 acre or approximately 30,032 sf site and have a land use designation of "Commercial Corridor 1".

According to the information provided by the Respondent, the subject is assessed using the Sales Comparison Approach to value at a rate of \$340.00 per square foot (psf).

Issues:

There were a number of matters or issues raised on the complaint form; however, as of the date of this hearing, the Complainant addressed the following issue:

- 1) Based on equity comparables, the subject property should be assessed at a rate of \$250.00 psf.

Complainant's Requested Value:

\$610,000 on the complaint form revised to \$1,596,500 at this hearing.

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

ISSUE 1: Based on equity comparables, the subject property should be assessed at a rate of \$250.00 psf.

The Complainant provided a document entitled "Roy Birnboim" that was entered as "Exhibit C1". The Complainant along with Exhibit C1 provided the following evidence with respect to this issue:

- A chart entitled "Retail - Condo". The chart provided 15 equity comparables of retail condominium (condo) properties, 14 of which were in the SW quadrant of the city. The assessed areas of the comparables ranged from 911 SF to 94,026 SF. The assessments ranged from \$141.11 psf to \$344.43 psf with an average of \$259.82 psf, a median of \$249.75 psf and a weighted average of \$240.20 psf.
- Various external photographs of the comparables along with the respective City of Calgary Assessment Summary Reports.
- A conclusion that the subject property should be assessed in a fair and equitable manner by applying the median assessment rate of the comparable retail condos, approximately \$250 psf, to the subject's assessable area.

The Respondent provided a document entitled "Assessment Brief" that was entered as "Exhibit R1". The Respondent along with Exhibit R1 provided the following evidence with respect to this issue:

- A chart of 30 equity comparables of retail condo properties, all in the SW quadrant of the city. The assessed areas of the comparables ranged from 558 SF to 5,047 SF. The assessments ranged from \$340 psf to \$400 psf. Like the subject, all of the properties were in the "Beltline" (BL) district of Calgary, although unlike the subject, none were in the "Beltline 7" (BL7) submarket.
- A rebuttal chart of the Complainant's equity comparables. The Respondent indicated that one of the Complainant's comparables was a basement condo, 5 were in the Eau Claire submarket unlike the subject, and 4 were greater than 10,000 sf.
- Based on the Respondent's equity comparables, the Respondent concluded that the subject is fairly and equitably assessed.

The CARB finds the following with respect to this issue:

- All of the Respondent's equity comparables were smaller than the subject. Only the largest comparable was over 5,000 sf.
- None of the Respondent's comparables were along 17 AV or in the submarket of BL7 like the subject.
- During questioning the Respondent was unable to explain many of the attributes (e.g. age, location, size and positive or negative influences) that the City of Calgary considered in assessing his equity comparables.
- One of the Complainant's equity comparables was a basement condo, unlike the subject.
- Two of the Complainant's properties are not condos and were assessed on the Income Approach.
- The Complainant's lowest assessed psf equity comparable was considered an outlier by the CARB; i.e., not considered comparable to the subject.

Board's Decision:

The complaint is allowed in part and the assessment is revised to \$1,915,000.

The CARB determined the following in arriving at its decision:

- The Respondent was unable to provide any acceptable explanation as to how his equity comparables supported the subject's assessment when considering factors like size, location, age and positive or negative influences.
- The Complainant provided equity comparables with areas both larger and smaller than the subject. The Respondent only provided comparables that were smaller than the subject. With little more information, the CARB decided that the Complainant's comparables provided a more balanced analysis based on size.
- Four of the equity comparables provided by the Complainant were not considered in the analysis as outlined under CARB findings. With the 11 remaining Complainant's comparables, the CARB determined the median assessment of \$298.32 psf and used a rounded \$300 psf in determining the subject's revised assessment.

DATED AT THE CITY OF CALGARY THIS 11 DAY OF OCTOBER 2011.



Presiding Officer

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 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.*