

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

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

between:

***FORTE BUILDERS INC.,
(as represented by Altus Group Inc.),
COMPLAINANT***

and

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

before:

***R. Glenn, PRESIDING OFFICER
K.Farn, MEMBER
D.Steele, MEMBER***

This is a matter of three separate complaints to the Calgary Assessment Review Board in respect of three property assessments prepared by the Assessor of The City of Calgary and requested to be heard together, and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER:	200671923, 200671931, and 200671949
LOCATION ADDRESS:	900, 800, and 700 10 Discovery Ridge HL SW
FILE NUMBER:	68837, 68838, and 68839
ASSESSMENT:	\$2,470,000, \$2,060,000, and \$1,480,000

These complaints were all heard concurrently on Monday, the 12th day of November, 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:

- M. Cameron as agent for Altus Group Inc.

Appeared on behalf of the Respondent:

- I. Pau 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 subjects are 3 commercial condo units, each with several CRUs or offices, and all buildings very similar in design, each with A2 quality, in a 2 storey contemporary wooden structure, built in 2005, located on a single triangle shaped lot in the suburban WSW community of Discovery Ridge, with: 900 Discovery Ridge Hill SW comprising 8,774 SF, 800 Discovery Ridge Hill SW comprising 6,876 SF and 700 Discovery Ridge Hill SW comprising 4,587 SF.

Issues:

[3] Whether the subject assessments are in need of correction, based on the sales approach which was used for the assessments. The parties requested that the subject assessment appeals be heard together because all three appeals relied on one set of submissions. The Board agreed to hear the matters in that manner, hence the matters are reported together

Complainant's Requested Value:

[4] The Complainants say that: 900 Discovery Ridge Hill SW should be assessed at \$250/SF, or, \$2,190,000, 800 Discovery Ridge Hill SW should be assessed at \$282/SF, or, \$1,930,000, and 700 Discovery Ridge Hill should be assessed at \$255/SF, or, \$1,169,685.

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

Complainant's Position:

[5] The Complainant notes that the assessed rate per SF of the subject properties ranges from

\$282/SF to \$323/SF. They say that based on equity alone, all of the spaces should be assessed equitably at \$282/SF because the subject properties are so similar.

[6] The Complainant carries on, providing a substantial list (18 properties) of Retail/Office Condo Sales comparables and advocating that the subject properties have been assessed in excess of their market value. The list, which is city-wide, shows a median value of \$255/SF. They also provide a list of Retail Condo Sales from throughout the City with a median value of \$281/SF. As well, the Complainant provides a list of Office Condo Sales from throughout the City with a median value of \$213/SF.

[7] On cross examination, the Complainant admits that many of their comparables are older, also acknowledging that the subject properties are 7 years old. They also admit that all of their comparable condos are single units, whereas the subject properties are whole buildings comprised of single units. They also acknowledge that they did not do an analysis of bare land condos.

[8] The Complainant also acknowledges that in their argument they have relied on median figures, not average figures, which they say demonstrates that the appropriate value per SF should be \$254/SF, not the \$292/SF, which the Respondent relies on.

Respondent's Position:

[9] The Respondent states that of the 18 sales comparables first provided by the Complainant, 3 are invalid sales (non-arms length transactions), 3 are industrial condos, 2 of which the Respondent could not locate and 1 is a mixed use property. They argue that if all those invalid comparables are excluded, the average becomes \$292/SF without even considering the difference in quality, size, and location.

[10] The Respondent also argues that most importantly, the subjects are bare land condominium units. The Condominium Property Act defines a "bare land unit" as meaning "in the case other than that of a building, land that is situated within a parcel and described as a unit in a condominium plan by reference to boundaries governed by monuments placed pursuant to the provisions of the Surveys Act, respecting subdivision surveys". And for the conventional/traditional condominiums, "the boundaries are defined by reference to the floors, walls and ceilings."

[11] The Respondents says that none of the sales comparables brought forward by the Complainant are of the same type. They say the Complainant has neglected this important bare land factor, and has failed to demonstrate that the assessments are wrong. The Respondents also state that the Complainant has only provided subjects' assessments as their own equity comparables.

[12] On cross-examination, the Respondents admit that there is no "base rate" for commercial condos, and that there is no "starting point", it is a curve. They also admit that there have not been any bare land condos sold in the City in the past 36 months.

[13] The Respondent also provides a number of sales comparables, once again from all over the City, and again they acknowledge that in their assessment, there is a premium on bare land condos, that they have not disclosed, nor elaborated on.

Board's Decision:

[14] The Board finds that the argument presented by the Complainant was properly supported and therefore, convincing. The argument on bare land condos presented by the Respondent could have been better supported, but was not, so it was given little weight. In addition, the Board felt that in an assessment where there are several condos in the same building, they should all be assessed at the same value per square foot, unless there is a noticeable difference raised in argument. No noticeable difference within the same building was raised in argument here by either party. In other words, there was seemingly no rationale put forward for the higher value attributed to some of the condos within the same building.

[15] The requested values put forward by the Complainant were justified by the evidence, at least for the larger two properties. At first the argument put forward by the Complainant seemed to be appropriate for all three properties. However, on deliberation, the Board looked at the size difference and decided that the smaller of the properties (4,587SF versus 6,876SF and 8,774SF) should attract a slightly higher value, based on size alone.

[16] The Board finds that the appropriate value for the two larger properties is \$255/SF, or, more explicitly, Unit 900, at 8,774SF and a value of \$255/SF should be assessed at \$2,237,730, or, truncated to \$2,230,000. Unit 800, at 6,876SF and a value of \$255/SF should be assessed at \$1,753,380, truncated to \$1,750,000.

[17] The Board held that the smaller property should have been assessed at \$288/SF, so, Unit 700, at 4,587SF and a value of \$288/SF should be assessed at \$1,321,056, truncated to \$1,320,000.

[18] Accordingly, the assessed values are herewith reduced as follows: Unit 900 is reduced to \$2,230,000, Unit 800 is reduced to \$1,750,000, and Unit 700 is reduced to \$1,320,000.

DATED AT THE CITY OF CALGARY THIS 20th DAY OF DECEMBER, 2012.



R.Glenn, 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.

For MGB Administrative Use Only

Decision Nos.: 2399-2012-P, 2400-2012-P, 2401-2012-P				
Roll Nos.: 200671923, 200671931, 200671949				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Commercial Condos	Equity	Sales Approach	Market Value