

**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:

***George Schlussel Real Estate Investments Ltd.
(as represented by Altus Group Limited), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***R. Mowbrey, PRESIDING OFFICER
H. Ang, MEMBER
T. Usselman, 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:	201517984
LOCATION ADDRESS:	2800 817 15th Avenue SW
HEARING NUMBER:	64132
ASSESSMENT:	\$2,790,000

This complaint was heard on 13th day of October, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- *J. Weber* *Agent, Altus Group Limited*

Appeared on behalf of the Respondent:

- *D. Lidgren* *Assessor, City of Calgary*

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

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board advised the parties that the Board had no bias on this file.

Under a preliminary issue the Board noted that the Respondent's disclosure to the Complainant was late. The Board recessed, deliberated and rendered a decision to the parties. The Respondent's evidence would not be entered as evidence for the hearing. The Respondent would be allowed to question the Complainant's evidence and to summarize based on the questioning.

Property Description:

The subject property is an office condo known as the Montana and is located in the beltline and is situated on the 28th floor of a residential condominium complex. The subject property is the only office condo in the entire residential complex. The area is 5,644 square feet. The quality of the building has been rated as excellent and the building was constructed in 2009. The subject property has been assessed at \$2,790,000.

Issues:

What is the market value of the subject property?

Complainant's Requested Value: \$1,970,000.

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

What is the market value of the subject property?

The Complainant presented to the Board a chart showing a number of office condos that compared with the subject property. The comparables were similar in terms of location, year of construction and quality. The median assessment per square foot was \$380 and the median selling price per square foot was \$387 compared to the \$494 per square foot assessment for the subject property. (Exhibit C-1 page 14).

The Complainant entered into evidence an equity chart of 2011 Beltline AA class offices with an assessed rate of \$273 per square foot 2011. (Exhibit C-1 pages 19-23).

The Complainant showed the Board equity comparable with an assessment rate of \$360 per square foot. (Exhibit C-1 page 28).

The Complainant presented to the Board a chart showing storage rates for office buildings in the beltline. With a rental rate of \$3 per square foot and a capitalization rate of 7.5% the price per square foot for storage would be \$40.

The Respondent did not present any evidence for the Board as the disclosure was late in filing. The Respondent advised the Board that the Complainant's comparable building was 14 stories compared to the 28 stories of the subject property and noted that all the comparables were dissimilar to the subject property.

Board's Decision:

The decision of the Board is to reduce the 2011 assessment from \$2,790,000 to \$2,144,500.


Reasons for the Board's Decision.

With the absence of any evidence from the Respondent to defend the assessment, the Board relied on the evidence of the Complainant. The Board was persuaded that the sales comparables put forth by the Complainant were compelling. All of the evidence suggested that the assessed price per square foot should be \$380. Based on the evidence, the Board found that \$380 per square foot represented market value.

The Board found that there is insufficient evidence to support the Complainant's requested assessment rate of \$40 per square foot for storage/computer areas. The Board found that without substantiating the storage area, the Board cannot reduce the assessment to the requested value of \$40 per square foot.

The Board concluded that the Complainant has provided sufficient evidence to reduce the assessment from \$494 PSF to \$380 PSF. (5644 times \$380 PSF equals \$2,144,500).

DATED AT THE CITY OF CALGARY THIS 21st DAY OF OCTOBER 2011.


Robert Mowbrey
Presiding Officer

APPENDIX "A"

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

NO.	ITEM
1. C-1 30 pages	Complainant'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.*