

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:

WAC Holdings Ltd. (as represented by Colliers International Realty), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. Thompson, Presiding Officer

J. Massey, Board Member

A. Wong, Board 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 2013 Assessment Roll as follows:

ROLL NUMBER: 067891028

LOCATION ADDRESS: 101 1100 8 Av SW

FILE NUMBER: 70120

ASSESSMENT: \$692,500

This complaint was heard on the 28th day of August, 2013 at the office of the Assessment Review Board located at Floor #4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- B. Peacock Agent, Colliers International

Appeared on behalf of the Respondent:

- M. Hartmann Assessor, City Of Calgary

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

[1] No procedural or jurisdictional matters were raised. The Board proceeded to hear the merits of the complaint.

Property Description:

[2] The subject property is a 2,283 square foot (sf) retail condominium titled unit on the ground floor of a high rise building known as Westmount Place. Westmount Place was built in 1979, is located in the DT2 zone of the downtown core and is classed as a good quality building.

[3] The subject property is assessed based on the Sales Comparison Approach to Value with a per square foot (psf) rate of \$303.00 and an assessed value of \$692,500.

Issues:

[4] The subject property would better represent the market if assessed at a rate of \$226.00 psf.

Complainant's Requested Value: \$515,900

Board's Decision:

[5] Assessment is reduced to \$657,500

Legislative Authority, Requirements and Considerations:

[6] The *Municipal Government Act*, Section 460.1(2), subject to Section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in Section 460(5) that is shown on an assessment notice for property, other than property described in Subsection 460 (1)(a).

Position of the Parties**Complainant's Position:**

[7] The Complainant presented five sales of comparable condominium units in the downtown core to show the subject property should be assessed at a rate of \$226.00 psf. See chart below:

Subject Property	Assessed Value		Area sf		Assessed value/sf	Quality	
101 1100 8 Av SW	\$692,500		2,283		\$303.00	good	
Comparables							
Address	Sale Price	Time Adjusted Sale Price	Area sf	\$/sf	\$/time adjusted sf	Quality	Sale Date
900 900 6 Av SW	\$1,654,444	\$1,539,601	4,575	\$362.00	\$337.00	C	7/3/2009
800 900 6 Av SW	\$1,200,000	\$1,238,198	5,474	\$219.00	\$226.00	C	6/16/2011
116 108 3 Av SW	\$268,000	\$271,721	1,674	\$160.00	\$162.00	C	1/4/2012
100 1010 8 Av SW	\$750,000	\$750,000	3,530	\$212.00	\$212.00	C	10/23/2012
104 1100 8 Av SW	\$1,200,000	\$1,199,884	4,171	\$288.00	\$288.00	good	11/1/2010
		Median		\$219.00	\$226.00		

[8] The Complainant pointed out that the C quality on four of the comparables merely indicates that they are classified as office condominiums whereas the subject space is considered retail. The Complainant stated that the owners of the subject space use it as an office and while it is on the main floor and has access to the exterior of the building the front entrance is locked and not used. The Complainant also noted that the subject property has not had any extensive renovations. The Complainant concluded that the condominium office sales are comparable to the subject for the purpose of determining the typical market.

[9] The Complainant noted that the sale at 116 108 3 Av SW is not in the DT2 submarket but was in the downtown core so would sell in a similar market. The Complainant recognized that 100 1010 8 Av SW is a *post facto* sale but indicates that its value will give an indication of the market trend. The Complainant further indicated that it was very likely that the terms of this sale had been decided well in advance of the transfer date; therefore the market value of this property was likely determined around the valuation date. A 2010 Edmonton Notice of Decision was submitted to support this statement.

[10] The Complainant contends that the most similar property to the subject is the unit that sold in the subject's building, and it's the Complainant's position that this would be the highest possible value that should be assigned to retail/condo titled space in the DT2 submarket.

[11] The Complainant provided back up assessment and RealNet documentation for the comparables along with the City of Calgary's 2013 Property Assessment: Non-Residential Condominium Sales time adjustment study to validate their time adjusted sale prices.

[12] In the Rebuttal evidence the Complainant recalculated the Respondent's evidence omitting the retail condominium properties in DT9 and recalculating the sale at 800 900 6 Av SW using the 5,474 sf (based on the information from the property owner on the sales questionnaire provided to the City). The resulting median was \$256.93. It was made clear by the

Complainant that this was not the value they were requesting but a rework of the Respondent's evidence.

Respondent's Position:

[13] The Respondent presented six condominium sales of Class C properties in the downtown core to demonstrate the rate of \$303.00 psf was a reasonable rate to apply to the subject property to determine the assessed Market Value. Included was backup Land Titles, RealNet, and Sales Request for Information (if available) documentation. See Chart below:

Subject Property	Assessed Value	Sub Market Area	Area sf	Assessed value/sf	Quality	
101 1100 8 Av SW	\$692,500		2,283	\$303.00	good	
Comparables						
Address	Sale Price		Area sf	\$/sf	Quality	Sale Date
900 900 6 Av SW	\$1,654,444	DT2	4,575	\$361.63	C - office	7/3/2009
800 900 6 Av SW	\$1,200,000	DT2	4,575	\$262.30	C - office	6/16/2011
104 1100 8 Av SW	\$1,200,000	DT2	4,171	\$287.70	C - office	11/1/2010
11 132 3 Av SW	\$220,700	DT9	684	\$322.66	C - retail	7/7/2010
3 132 3 Av SW	\$87,375	DT9	291	\$300.26	C - retail	12/06/2011
116 108 3 Av SW	\$268,000	DT9	1,674	\$160.10	C - amenity unit	1/4/2012
			Median	\$293.98		
			Median-no outlier	\$300.26		

[14] The Respondent also presented a listing for a unit on the fourth floor of the subject building. The unit is 2,175 sf with two assigned parking stalls (which the City assesses \$35,000 each) listed for \$699,500. This gives a rate of \$289.42 psf when the parking is removed.

[15] In response to the Complainant's comparables the Respondent noted that the unit at 116 108 3 Av SW is an amenity unit and not similar to the subject property and therefore should be removed from the analysis. The Respondent also noted that the unit at 100 1010 8 Av SW is not only a *post facto* sale but was purchased by the tenant which may not be representative of the market value of the property. No Broker was listed in the RealNet document.

[16] The Respondent had an area of 4575 sf for 800 900 6 Av SW whereas the Complainant used 5474 sf. Recalculation of the rate per square foot using the higher square footage did not impact the resulting median value in the Respondent's analysis.

Board's Reasons for Decision:


[17] The Board reviewed all the sale information along with the listing presented in the evidence. The Board noted in the Respondent's evidence that the sales had not been time adjusted to reflect the valuation date of July 1, 2012. The Board also noted that two of the Respondent's sales comparables were very small units and not comparable to the subject's size. Both of these properties were located in submarket area DT9 which may impact their

comparability to the subject. The property at 800 900 6 Av SW had a size dispute between the parties. The assessment record had 4575 sf while RealNet had 5474 sf (the size used by the Complainant). Information from the Assessment Sales Information Request, RealNet and the listing document all show this property as having 5474 sf. The Board notes that the change in area does not impact the median result from the Respondent's evidence.

[18] The Board chose to reject the property at 116 108 3 Av SW and both properties at 132 3 Av SW comparable as being too dissimilar to the subject. The Board also rejected the *post facto* sale at 100 1010 8 Av SW because it was purchased by the tenants and may or may not be an arm's length transaction, no brokers were listed on the RealNet information. This leaves three remaining sales resulting in a median time adjusted sale price per square foot of \$288 psf, coincidentally the rate derived for the sale in the subject building.

[19] Given these facts the Board reduces the assessment to \$657,500 based on the rate of \$288.00 psf.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF September 2013.



K. Thompson

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C-2	Complainant Rebuttal

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.*

Property Type	Property Sub-Type	Issue	Sub issue
Office	High Rise (unit ownership)	Sales Approach	Equity Comparables