

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:

639327 Alberta LTD. (as represented by N. Ewanek), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. D. Kelly, PRESIDING OFFICER

A. Wong, BOARD MEMBER

R. Cochrane, 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:	200180651
LOCATION ADDRESS:	47 – 4511 Glenmore TR SE
FILE NUMBER:	70277
ASSESSMENT:	\$560,500

This complaint was heard on 3rd day of July, 2013 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:

- *N. Ewanek – Owner*
- *D. Ewanek*

Appeared on behalf of the Respondent:

- *T. Nguyen – Assessor – City of Calgary*

Regarding Brevity

[1] The Composite Assessment Review Board (CARB) reviewed all the evidence submitted by both parties. The nature of the submissions dictated that in some instances certain evidence was found to be more relevant than others. The CARB will restrict its comments to the items it found to be most relevant.

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

[2] None

Property Description:

[3] The subject is a 2003 (year of construction) single industrial condominium bay in a multi-bay industrial complex located in the Sun Valley (Foothills 2 - F02) industrial area. The subject consists entirely of 2,940 square feet (SF) of ground floor warehouse, but has no ground floor or mezzanine "finish". It is assessed at \$191 per SF for a total assessment of \$560,500.

Issues:

[4] What is the correct, fair, and equitable assessment for the subject when it is compared to similar industrial condominium units in the complex?

Complainant's Requested Value:

[5] The Complainant requested that the assessment be reduced to \$400,000.

Board's Decision:

[6] The Board confirmed the assessment at \$560,500.

Legislative Authority, Requirements, and Considerations:

[7] Under the *Municipal Government Act* (MGA), the Board cannot alter an assessment which is fair and equitable.

[8] MGA 467 (3) states:

"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration the valuation and other standards set out in the regulations, the procedures set out in the regulations; and the assessments of similar property or businesses in the same municipality."

[9] The Board examines the assessment in light of the information used by the assessor and the additional information provided by the Complainant. The Complainant has the obligation to bring sufficient evidence to convince the Board that the assessment is not fair and equitable. The Board reviews the evidence on a balance of probabilities. If the original assessment fits within the range of reasonable assessments and the assessor has followed a fair process and applied the statutory standards and procedures, the Board will not alter the assessment. Within each case the Board may examine different legislative and related factors, depending on what the Complainant raises as concerns.

Positions of the Parties**(a) Complainant's Position:**

[10] The Complainant provided his briefs C-1 and C-2 and argued that his condo unit #47 is a "totally undeveloped, bare walls, storage warehouse area consisting of 2,940 SF". He noted that the 2013 assessment is \$560,500 on the basis of \$190.646 per SF whereas the 2012 assessment was \$417,000 or \$141.836 per SF – a value reduced from \$502,000 on appeal to the Assessment Review Board. The Complainant argued that the year-over-year percent increase in assessment therefore amounted to approximately 34.5%. He considered this to be excessive.

[11] The Complainant argued that he was relying on two recent separate condo unit sales in his condominium complex to demonstrate an over-assessment of his unit #47. He referenced Unit #15, and Unit #87 which he considered were both superior to his unit #47.

[12] The Complainant argued that Unit #15 is "fully 'developed' with offices on the lower and upper levels" and is 4,102 SF in area. He reiterated that his unit is 2,940 SF. He noted Unit #15 had sold for \$615,000 or a value of \$149.927 per SF. However, he was unable to provide the Respondent or the Board with any documented particulars about the sale itself, including date of sale.

[13] Similarly, the Complainant argued that Unit #87 is "fully 'developed' with offices" and is 4,078 SF in area. He reiterated that his unit is 2,940 SF. He noted Unit #87 had sold for \$545,000 or a value of \$133.644 per SF. However, he was unable to provide the Respondent or the Board with any documented particulars about this sale either, including date of sale. He remarked that he had been in this unit about 2 months ago.

[14] The Complainant argued that having identified the two per square foot selling prices of condominium units #15 and #87, he concluded that they had sold for an average of \$141.79 per SF. Nevertheless the Complainant indicated on his Initial Complaint Form that he was requesting the assessment on his unit #47 to be reduced to \$400,000 or \$136 per SF.

(b) Respondent's Position:

[15] The Respondent provided his brief R-1 which contained interior and exterior photographs of the subject unit #47. He also provided a matrix containing the sale and assessment details of the Complainant's two property comparables units #87 and #15. He clarified the individual property details for each unit and noted their similarities and differences as compared to the subject.

[16] The Respondent noted that unit #87 contains 2023 SF of unfinished ground floor warehouse space and sold for a time-adjusted value of \$344,288 or \$170 per SF. He noted that unit #15 contains 2051 SF of "finished" ground floor, and 2051 SF of "finished" upper level area, and sold for \$658,660 or \$161 per SF. He considered these values similar to the subject via a range of values in the complex.

[17] The Respondent provided a second matrix containing the assessed values for units #87; #51; and #67 in the condominium complex, and compared them to the subject unit #47. He noted that the assessed values were \$198 per SF; \$203 per SF; and \$196 per SF whereas the subject is \$191 per SF. He argued that this information supports the assessment of the subject as being fair and equitable, and is based on actual sales in the complex.

[18] The Respondent provided a third matrix containing the details of three market sales of industrial condominium properties located in the vicinity of the subject and its complex. He noted that the sizes of the three units were 2,756 SF; 2,961 SF; and 2,926 SF which compares favourably to the subject's 2,940 SF. He noted that the three properties sold in the marketplace for \$193 per SF; \$185 per SF; and \$188 per SF. He argued that these values support the assessment of the subject at \$191 per SF.

[19] The Respondent argued that his market sales, and his assessment equity evidence as presented in detail in his three matrices, support the assessment. He argued that the sales and equity evidence as presented by the Complainant lacks sufficient detail such that it fails to demonstrate that the assessment is in error. Therefore the onus placed upon the Complainant to do so, has not been met.

[20] The Respondent requested that the Board confirm the assessment at \$560,500.

Board's Reasons for Decision:

[21] The Board finds that the Respondent's time-adjusted market sales from both the subject's complex, and from nearby comparable condominium properties, support the assessment of the subject at \$191 per SF, and hence the assessment at \$560,500.

[22] The Board finds that the Respondent's market sales are not only similar in size and level of "finish" to the subject, but also sold for per square foot values similar to the value used to assess the subject.

[23] The Board finds that the Respondent's assessment equity comparables, particularly those from within the same complex as the subject, present a range of values which support the assessment of the subject as being correct, fair and equitable.


[24] The Board finds that the market sales and equity evidence presented by the Complainant lacked sufficient detail such that comparison to the subject is difficult, and hence fails to demonstrate that the assessment of the subject is in error.

[25] The Board finds that it received sufficient information about the specific circumstances of the purchase/sale of the Complainant's two market comparables from the Respondent, to make a determination that the subject is not over-assessed.

[26] The Board finds that a year-over-year percentage increase or decrease in an assessment is not, in and of itself, sufficient reason to adjust an assessment. Assessments are prepared annually and are based on analysis of valid current market sales activity, and not an arbitrary percentage value.

[27] The Board finds that overall, the Complainant provided insufficient information to demonstrate that the assessment is either incorrect or inequitable.

DATED AT THE CITY OF CALGARY THIS 31 DAY OF July 2013.



K. D. Kelly
Presiding Officer

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

NO.	ITEM
1. C-1	Complainant Disclosure
2. File Item	Complainant Initial Complaint Form with attachment
3. R-1	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 Only

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Industrial	Industrial condo "bay"	market value	Equity