

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

1291884 Alberta Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER

J. Rankin, BOARD MEMBER

R. Roy, 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: 057589947

LOCATION ADDRESS: 22 1015 Centre St NW

FILE NUMBER: 70539

ASSESSMENT: \$564,000

This complaint was heard August 6, 2013 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:

- *No appearance*

Appeared on behalf of the Respondent:

- *B. Galle, City of Calgary Assessor*

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

[1] The Complainant's Disclosure had arrived at the City of Calgary offices on July 8, 2013, after the Disclosure Deadline of June 24, 2013. As the Complainant did not arrive at the hearing until after it was closed, the Board read the covering letter in the evidence package which stated that the Complainant "had family members that were a victim of the tragic flooding in downtown Calgary." (C1 p1)

[2] The Respondent stated that if the Complainant were present he would have supported allowing him to present his evidence.

[3] The Board decided that the flood was an extenuating circumstance which could excuse a late evidence package. The Board accepted the late evidence from the Complainant.

Property Description:

[4] The subject property has been assessed as a 1980, 1,071 square foot (sf) Retail Condominium on Centre Street in the Northwest Region of Calgary.

Issues:

[5] Is the Assessed Value of the property indicative of Market Value for that property?

Complainant's Requested Value: \$380,000

Board's Decision:

[6] The Board reduces the assessment to \$417,500.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 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 (1)(a).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

Position of the Parties

Complainant's Position:

[7] In the absence of the Complainant, the Board relied only on the evidence in Disclosure (C-1).

[8] The Complainant argued that Retail Condominiums less than 1,000 sf in size sell at a higher rate per square foot than those over 1,000 sf.

[9] The Complainant included a list of Centre Street Retail Condo Sales (C1 p4) that showed Time Adjusted Sale Prices (TASPs) of \$542/sf to \$628/sf for comparable properties under 500 sf, one 569 sf property which sold for \$1,118/sf and two properties (1,578 sf and 790 sf) which sold for \$386/sf and \$391/sf respectively.

[10] The Complainant also stated in his evidence disclosure that a 2012 sale of 1610 Centre St N yielded a value of \$238/sf, however he provided no substantiation.

Respondent's Position:

[11] B. Galle, City of Calgary assessor, stated that all Retail Condominiums in Calgary are assessed using a value/sf. He stated that the Sale values/sf decrease as the sizes of the properties increase. He did not know at what area sizes the model would begin to decrease the

values/sf.

[12] The Respondent presented maps and photographs of the subject property, and explained that condominium values were affected by location within the complex and within the City. All of the comparables used in the Respondent's disclosure were located along Centre Street North, with the exception of one comparable on 17th Ave SW.

[13] The Respondent included the list of Centre Street Retail Condo Sales (R1 p16) which was also in the Complainant's disclosure. In addition he refined the list to three 2010 Retail Condo Sales Comparables (built in 1997 and 1988) with areas of 143 sf to 569 sf which sold for \$628/sf to \$1,118/sf.

[14] The Respondent also included a list of Equity comparables ranging in size from 969 sf to 1,098 sf with assessments ranging from \$505/sf to \$527/sf.

Board's Reasons for Decision:

[15] The Board found that the Centre Street Retail Condo Sales chart presented by both the Complainant and the Respondent demonstrated that generally there is a decrease in the Sale Value of condominiums as the area increases.


[16] The Board found no evidence was presented to justify different Sale Values due to factors other than size.

[17] The Board found that the Equity comparables showed that other Retail Condominium properties were assessed in the same way the subject had been.

[18] The Board decided the rate/sf used by The City of Calgary did not reflect the decrease in value/sf that the Sales supported. Therefore, the Board reduced the assessed value to a value comparable to the two properties most similar in size to the subject, on the list at 1,578 sf and 790 sf.

[19] The Board reduces the assessment to \$390/sf.

DATED AT THE CITY OF CALGARY THIS 29th DAY OF August 2013.



Lana Yakimchuk

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R2	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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Retail	Unit Ownership	Sales Approach	Sales