



## **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:

***EMERALD EQUITIES LTD.***

***Complainant***

and

***THE CITY OF CALGARY***

***Respondent***

before:

***T. Shandro, PRESIDING OFFICER***

***I. Fraser, BOARD MEMBER***

***M. E. Bruton, 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:

<b>ROLL NUMBER:</b>	<b>067243303</b>
<b>LOCATION ADDRESS:</b>	<b>1036 – 10 Avenue SW, Calgary, Alberta</b>
<b>FILE NUMBER:</b>	<b>70953</b>
<b>ASSESSMENT:</b>	<b>\$2,790,000</b>

This complaint was heard on 15 day of July, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- D. Bowman, Agent, Assessment Advisory Group Inc.

Appeared on behalf of the Respondent:

- D. Lidgren, Assessor, The City of Calgary
- C. Chichak, Assessor, The City of Calgary

**Procedural or Jurisdictional Matters**

- [1] There were no procedural or jurisdictional matters to be decided.

**Property Description**

[2] The subject property is an owner-occupied office building in the Beltline District, constructed in 1992 and consists of two storeys. It is assessed as being 7,810 square feet ("SF"), on a parcel size of 13,934 SF abutting the Canadian Pacific Railway at 1036 – 10 Avenue SW.

[3] The quality of the building is classified by the City as "B".

**Issues**

[4] In Section 4 of the Assessment Review Board Complaint form, filed March 4, 2013 (the "Complaint Form"), the following were marked:

- 1) Box 3, "an assessment amount"; and
- 2) Box 5, "an assessment subclass".

[5] At the hearing the Complainant advised that the latter was marked incorrectly and that this was not an issue for the Board to consider and withdrew any matter related to Box 5.

[6] In Exhibit C-1, the Complainant identified the following issue:

1. Is the quality of the subject property equitably assessed as "B", and, if not, should the market rental rate and capitalization rate used in the Income Approach be adjusted?

**Complainant's Requested Value**

[7] In the Complaint Form the Complainant requested that the assessment be reduced to \$2,250,000. At the hearing the Complainant amended the requested value to \$2,380,000.

### **Complainant's Position**

[8] The Complainant submitted that the subject property was incorrectly assessed as having the qualities of a "B" building. The Complainant stated four reasons as to why it believed this to be the case:

- 1) The location of the building did not warrant a "B" quality;
- 2) The subject building was constructed in 1992 with an atypical square footage;
- 3) The proximity of the railway; and
- 4) The construction method.

[9] The Complainant then provided two comparables in the Beltline: an office building constructed in 1994 at 1030 – 10 Avenue SW; and a retail mixed use building at 1006 – 11 Avenue SW, which is significantly older than the subject property.

[10] The Complainant further provided a table from the Marshall Valuation Service which provided definitions of classes of construction according to Marshall and Swift. The Complainant submitted that the definitions for classes "B" and "C" should direct the Board regarding the assessment of the quality of the subject property.

### **Respondent's Position**

[11] The Respondent submitted that the Respondent's comparables were closer in comparison to the subject property than the Complainant's comparables: all of the Respondent's comparables were office buildings; they were all on 10 Avenue; two were adjacent to the railway, and the Respondent maintained the age of the Complainant's comparables distinguished them from the subject property.

### **Board's Reasons for Decision**

[12] In this matter, the Complainant did not raise as an issue whether the Income Approach was the correct method of assessing the value of the subject property. The Board will only hear the issues raised either in the evidence packages of the parties or at the hearing.

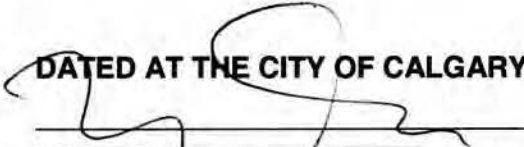
[13] The Board reviewed the comparables provided by the parties and found that those of the Respondent were closer in comparison to the subject property and more persuasive in determining whether the assessment of the subject property was equitable.

[14] Further, the Complainant provided no information regarding whether the Complainant's comparables are correct. That is, the Complainant submits the subject property should be a "C" quality, but the Complainant did not substantiate the assessments of those "C" quality comparables.

[15] The Board reviewed the materials provided by the Complainant regarding the methods of construction. The Board notes that the Complainant did not raise as an issue whether the Income Method was the correct method of determining the assessment for the subject property. The classes of construction defined by Marshall and Swift are for a completely different purpose and do not have the same classes as the quality classes the Respondent uses for assessment. The amount of weight and deference the Board can give to this chart, regarding how it may inform what quality class a property is for the purpose of the Income Approach Method, must be very low.

[16] For those reasons the Board determines that there is insufficient information to find that the assessment of the subject property is either unfair or inequitable. The Board confirms the assessment of \$2,790,000.

DATED AT THE CITY OF CALGARY THIS 16<sup>th</sup> DAY OF August 2013.

  
T. Shandro

Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
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 Administrative Purposes Only**

Property Type	Property Sub-Type	Issue	Sub-Issue
Office	Lowrise	Income approach	Rental rate