

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:

D. M. Levine, O. L. Currie, (as represented by A. Savage), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Fegan, PRESIDING OFFICER

B. Bickford, BOARD MEMBER

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:

ROLL NUMBER:	045500063
LOCATION ADDRESS:	2 1133 17 AV NW
FILE NUMBER:	71227
ASSESSMENT:	\$1,440,000

This complaint was heard on the 1st day of August, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- A. Savage

Appeared on behalf of the Respondent:

- V. LaValley, (City of Calgary)

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

[1] When the hearing was called to order there was no representative present for the Respondent. The Board waited fifteen minutes and commenced the hearing without a representative for the Respondent. Prior to the conclusion of the hearing the Respondent's representative did attend and presented the Respondent's evidence and summation.

Property Description:

[2] The subject property is a commercial condominium unit of 3,452 square feet, (C-1, appendix 1) built in 1974 and renovated for the current tenant in 2002. The subject property was assessed using a city wide sales model of commercial condominiums.

Issues:

[3] The year over year assessment increase was approximately 75% with no physical change to the premises. The Complainant argued that the increase was not supported by market evidence.

[4] The Complainant argued that the subject property was an income producing investment property and should be valued using the income approach.

Requested Value: \$822,000.

Board's Decision:

The complaint is allowed in part and the assessment is revised to \$892,000.

Position of the Parties

Complainant's Position:

[5] The Complainant argued that the subject property is an investment property and should be valued using the income approach to value. The Complainant used actual rents from leasing activity within the subject property. To present a market based indication of rental value, the

Complainant compared the actual rents in the subject to statistical data provided by CBRE (CB Richard Ellis) and used capitalization rate data provided by Colliers International.

[6] The Complainant maintained that the market value for the 2013 tax year should be \$822,000 and suggested that it should be \$892,000 for the 2014 tax year.

Respondent's Position:

[7] The Respondent argued that because the subject property was a commercial condominium it should be valued by the sales comparison approach using a city wide model.

[8] Paragraph 6, on page 3, of R-1 made reference to "Sales" and "Equity", however, no sales or equity evidence was provided.


Board's Reasons for Decision:

[9] The Board found the income analysis presented by the Complainant to be reasonable. It was based on leasing from within the subject property and was further supported by Commercial Real Estate information as set out in exhibit C-1.

[10] In the absence of any market evidence demonstrating that the city wide sales analysis, referred to by the Respondent, generated an equitable market value estimate for the subject property, the Board found the Complainant's evidence compelling.

[11] The Board noted that as of July 01, 2012 the rental rate in place was \$18.50. The Board found that the Complainant's analysis using the actual \$18.50 rental rate resulted in an assessed value of \$892,000. The Board finds this value to be the best indicator of market value for the subject property based on the evidence presented.

DATED AT THE CITY OF CALGARY THIS 14 DAY OF August 2013.



R. Fegan

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. C2	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.*

CARB Identifier Codes

Decision No. CARB71227-P-2013			Roll No. 045500063	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Commercial	Condominium	Market Value	Approach to Value

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