



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

Energy Lake System of Martial Arts 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: 057590127
057590101
057590085

LOCATION ADDRESS: 5 1015 Centre St NW
9 1015 Centre St NW
15 1015 Centre St NW

FILE NUMBER: 71445
71446
71447

ASSESSMENT: \$384,500
\$418,000
\$384,500

This complaint was heard August 7, 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:

- *G. Braniff, Owner, Energy Lake System of Martial Arts Ltd.*

Appeared on behalf of the Respondent:

- *V. LaValley, City of Calgary Assessor*
- *B. Galle, City of Calgary Assessor*

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

The Complainant and the Respondent asked to have Files 71445, 71446 and 71447 heard concurrently. The Board decided to hear the files together. This Decision includes Roll Numbers 057590127, 057590101, and 057590085.

Property Description:

[1] The subject properties have been assessed as 1980 Retail Condominiums on Centre Street in the Northwest Region of Calgary. The three units are 819 square feet (sf), 893 sf and 818 sf each, with no dividing walls between them. The Assessed Value includes one underground parking stall each at \$10,000/parking stall.

Issues:

[2] Is the sale price of the property indicative of Market Value for that property?

Complainant's Requested Value: \$219,000, \$245,000, \$226,000

Board's Decision:

[3] The Board reduces the assessments to

File	Roll	Value
71445	057590127	\$297,000
71446	057590101	\$323,000
71447	057590085	\$297,000

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:

[4] The Complainant, G. Braniff, owner of the subject property, described the three properties in question as three condominium units in the back of a main floor retail condominium building with upper level residential condominiums. He said that access to the space is available through a door on 10th Ave NW which opens onto a long hallway to the subject spaces. There is also one outside door to a back lane.

[5] The Complainant argued that the difficult access and poor exposure gave the space a lower value than its Centre Street North neighbours. He provided the original purchase information that demonstrated the difference in values.

[6] The Complainant calculated that the subject property had an original purchase price (1997) that was 35% lower than the purchase price of the lowest valued retail condominium within the building. On this basis he argued that the assessed value of the subject properties should be 35% lower than the assessed value of the lowest valued retail condominium.

[7] The Complainant also supported his argument with the 2012 sale of a property at 1610 Centre St NW which sold at \$238/sf. However, he did not provide any substantiation of this sale or a description of the sale property in his disclosure documents.

Respondent's Position:

[8] V. LaValley, City of Calgary Assessor, stated that all Retail Condominiums in Calgary are assessed using a value/sf. She stated that the subject property had been assessed using comparables along Centre St but not in the Downtown Area.

[9] The Respondent also stated that the assessed value includes an added amount of \$10,000 per parking stall included in the condominium agreement.

[10] V. LaValley explained that condominium properties are assessed by class, based on age, and by size. She provided a chart which showed that this year "A" quality condominiums had sold for lower values/sf than "B" quality condominiums. The subjects are "B" quality (built between 1980 and 1999) condominiums. The Respondent demonstrated that condominium units over 400 sf had sold for an average value of \$438.86/sf and condominium units less than 400 sf had sold for an average value of \$628.24/sf.

[11] The Respondent told the Board that the City of Calgary had reviewed the assessments of all the condominiums in the same building with the subject and had reduced the assessment to \$378/sf. The City had further reduced the assessment of the subject by 10% in recognition of the location. The reduced assessments, including parking, which the City proposed to the Complainant were

File	Roll	Value
71445	057590127	\$319,500
71446	057590101	\$347,500
71447	057590085	\$319,000

Board's Reasons for Decision:

[12] The Board found that the Complainant was justified in asking for a reduction in assessment because of the Location of the property. The Board confirms the 10% reduction recommended by the City.

[13] The Board found that the Centre Street Retail Condo Sales chart presented by the Respondent (R1 p 12) demonstrated that generally there is a decrease in the Sale Value of condominiums as the area increases. One of the sales was a two-unit portfolio sale and the Board did not consider this sale in its decision.

[14] The Board compared the subjects to the two condominiums most similar in size to the subjects, which had sold for Time Adjusted Sale Prices (TASPs) of \$386.32/sf and \$391.25/sf. The comparison showed the subject properties would have a value of \$390/sf in a similar location to the the Comparables. With a 10% adjustment for Location, the value would be \$351/sf.

[15] The Board reduces the assessment to \$351/sf plus \$10,000 for each parking stall.

DATED AT THE CITY OF CALGARY THIS th 29 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. R1 (71445, 71446, 71447)	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	Location