



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:

***La Caille Properties Inc., and
La Caille Eighth Street Inc., and
La Caille Holdings Inc.
(as represented by Altus Group Limited), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***Ms. V. Higham, PRESIDING OFFICER
Mr. D. Pollard, BOARD MEMBER
Mr. E. Reuther, BOARD MEMBER***

This is a complaint to the Calgary Assessment Review Board (the Board) in respect of a property assessment prepared by the Assessor of The City of Calgary (the City) and entered in the 2013 Assessment Roll as follows:

ROLL NUMBER:	See Schedule A
LOCATION ADDRESS:	See Schedule A
FILE NUMBER:	See Schedule A
ASSESSMENT:	See Schedule A

This complaint was heard on 15th day of July, 2013 at the office of the Calgary Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainants:

- **Mr. Kam Fong** **Agent for the Complainant, Altus Group Limited**
- **Mr. Doug Main** **Agent for the Complainant, Altus Group Limited**

Appeared on behalf of the Respondent:

- **Ms. Bernice Tang** **Assessor, City of Calgary**

Procedural or Jurisdictional Matters:

[1] Prior to the start of the merit portion of the hearing, the Complainants requested that the seventeen properties noted in Schedule A be consolidated into one lead file and heard collectively. Upon questioning, the Respondent noted no objection to this proposal.

[2] The Board therefore agreed to consolidate the seventeen properties into one lead file and heard the appeals collectively.

Property Description:

[3] The subject properties are all commercial condominiums, varying in size from approximately 800 to 3,400 square feet (sf) respectively, located in the city's downtown core between 1st and 5th Avenue and 7th and 8th Street.

Issues:

[4] The Complainants identified two issues on the Complaint Forms as under appeal, that being the assessment amount and assessment class. During the hearing the Complainants referred the Board to two tables located at p.100 of Exhibit C1 and p.88 of Exhibit C2, which identified the requested assessment values for each of the seventeen properties under appeal (which numbers differ slightly from preliminary requested amounts identified on the Complainant Forms for each respective property).

[5] The Complainants also confirmed that they will speak to only one issue during the hearing, that being:

- 1) Is the requested rate of \$500 per-square-foot (psf) an accurate reflection of market value for the subject properties?

Complainants' Requested Value: See Schedule B

Board Decision: For the reasons outlined herein, the Board confirms the current assessments for all seventeen properties, as noted in Schedule A.

Position of the Parties**Complainant's Position:**

[6] The Complainants submitted that the subject assessments are not reflective of market value, and argued that a value of \$500 psf ought to be applied to all seventeen properties in order to better reflect current market conditions.

[7] The Complainants relied upon four equity comparables all situated in the Prince Crossing Building on 738 - 3rd Avenue SW in the city's downtown, assessed at \$317 psf for three of the properties, and \$314 psf for the remaining parcel.

[8] The Complainants also relied upon one listing agreement, dated December 3, 2012, between La Caille Properties Inc. and Barclay Street Real Estate Ltd., which notes a listing price valued at \$503 psf for 924A - 5th Avenue SW, Calgary, Alberta (one of the seventeen subject properties herein).

[9] In rebuttal, the Complainants objected to the dated sales (between 2009 and early 2011) submitted by the Respondent in her evidence package (Exhibit R1, pp. 38-39), and asked the Board to rely on the five most recent sales identified in that table as evidence to support their requested value of \$500 psf.

Respondent's Position:

[10] The Respondent argued that the Complainants' four equity comparables located in the Prince Crossing building are unreliable indicators of market value, since this building was constructed in 1981, and the subject properties were all built between 2003 and 2010 (twelve of which were built in 2008 or 2010).

[11] The Respondent further argued that since this building is approximately twenty to thirty years older than any of the subject parcels, it should properly reflect the lower assessment value relative to the respective subject units.

[12] With respect to the Complainant's listing agreement evidence, the Respondent argued that the execution date of the agreement is five months outside the valuation period for the current assessment year (June 30, 2011 to July 1, 2012) - having been executed on December 3, 2012 - and should therefore be disregarded by the Board.

[13] The Respondent further argued that even if the Board were to consider the agreement, it is still only a listing - a mere estimate of value that may or may not be realized in the open market - and as such, is an unreliable indicator of market value upon which to base an assessment.

[14] The Respondent provided a table of nineteen sale comparables (Exhibit R1, pp.38-39) in the downtown core, eleven of which transacted in one of the subject buildings (888 - 4th Avenue SW). This data generated an average value of \$544.01 and a median value of \$526.98 psf, which the Respondent argued supports the subject assessment range of \$526 and \$529 psf.

Board's Reasons for Decision:

[15] Having reviewed the evidence presented by both parties, the Board finds that the Complainants have not satisfied their evidentiary burden to warrant a variance of the subject assessments in all seventeen appeals before the Board.

[16] The Board concurs with the Respondent's position relative to the four equity comparables presented by the Complainants – that this one building is too old to be compared with any of the subject properties in the absence of a proper time-adjustment factor applied, which was not done in this case.

[17] The Board also finds the listing agreement submitted by the Complainants to be outside the stipulated valuation period, and finds that even if it were within the stated range, a listing agreement by its very nature is not a reliable indicator of value until such time as an actual sale is realized.

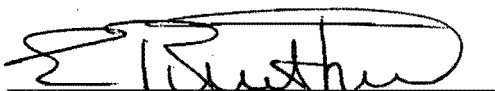
[18] With respect to the sale comparables proffered by the Respondent, the Board places little weight on the first fourteen as they are outside the valuation period. With regard to the remaining five valid sales in the Respondent's table (Exhibit R1, p.39), the Board finds that these comparables support the subject assessments, since the average of these five sales is \$518 psf, and since two of the five sales occurred within one of the subject buildings, with an average sale price of \$577 psf.

[19] In the absence of any sales data from the Complainant, and given the sales averages noted in paragraph 17 above, the Board is not persuaded to accept the Complainants' request to use the median value of these five sales (\$497 psf), as the best indicator of market value for the subject properties.

Board Decision:

[20] For the reasons outlined herein, the Board confirms the current assessments for all seventeen properties, as noted in Schedule A.

DATED AT THE CITY OF CALGARY THIS 9th DAY OF August 2013.


V. Higham, Presiding Officer

Schedule "A"

Owner	Roll #	Address	File #	Assessment
La Caille Properties Inc. (Lead File)	200844710	924B 5 th Avenue SW	72490	\$871,500
La Caille Properties Inc.	200844728	924A 5 th Avenue SW	72492	\$677,000
La Caille Properties Inc.	200844744	918A 5 th Avenue SW	72494	\$1,810,000
La Caille Properties Inc.	201193562	912 5 th Avenue SW	72495	\$652,500
La Caille Properties Inc.	201193596	485 8 th Street SW	72497	\$611,000
La Caille Properties Inc.	201193604	475 8 th Street SW	72498	\$709,000
La Caille Properties Inc.	201193612	465 8 th Street SW	72500	\$520,500
La Caille Eighth Street Inc.	201563707	890 4 th Avenue SW	72502	\$658,500
La Caille Holdings Inc.	200411908	795 1 Avenue SW	72505	\$451,500
La Caille Holdings Inc.	200411916	102 7 th Street SW	72507	\$481,500
La Caille Holdings Inc.	200412575	785 1 st Avenue SW	72510	\$348,500
La Caille Holdings Inc.	200412898	108 7 th Street SW	72529	\$526,000
La Caille Holdings Inc.	200412906	104 7 th Street SW	72532	\$485,500
La Caille Eighth Street Inc.	201563822	505 – 888 4 th Ave. SW	72503	\$458,000
La Caille Properties Inc.	201563897	603 – 888 4 th Ave. SW	73090	\$1,110,000
La Caille Properties Inc.	201563905	607 – 888 4 th Ave. SW	73094	\$697,500
La Caille Properties Inc.	201563913	609 - 888 4 th Ave. SW	73106	\$761,500

Schedule "B"

Owner	Roll #	Address	File #	Assessment	Requested
La Caille Properties Inc. (Lead File)	200844710	924B 5 th Avenue SW	72490	\$871,500	\$828,944
La Caille Properties Inc.	200844728	924A 5 th Avenue SW	72492	\$677,000	\$643,840
La Caille Properties Inc.	200844744	918A 5 th Avenue SW	72494	\$1,810,000	\$1,726,296
La Caille Properties Inc.	201193562	912 5 th Avenue SW	72495	\$652,500	\$620,702
La Caille Properties Inc.	201193596	485 8 th Street SW	72497	\$611,000	\$580,965
La Caille Properties Inc.	201193604	475 8 th Street SW	72498	\$709,000	\$674,523
La Caille Properties Inc.	201193612	465 8 th Street SW	72500	\$520,500	\$494,952
La Caille Eighth Street Inc.	201563707	890 4 th Avenue SW	72502	\$658,500	\$626,235
La Caille Holdings Inc.	200411908	795 1 Avenue SW	72505	\$451,500	\$429,562
La Caille Holdings Inc.	200411916	102 7 th Street SW	72507	\$481,500	\$458,233
La Caille Holdings Inc.	200412575	785 1 st Avenue SW	72510	\$348,500	\$331,477
La Caille Holdings Inc.	200412898	108 7 th Street SW	72529	\$526,000	\$500,485
La Caille Holdings Inc.	200412906	104 7 th Street SW	72532	\$485,500	\$461,754
La Caille Eighth Street Inc.	201563822	505-888 4 th Avenue SW	72503	\$458,000	\$381,906
La Caille Properties Inc.	201563897	603-888 4 th Avenue SW	73090	\$1,110,000	\$930,951
La Caille Properties Inc.	201563905	607-888 4 th Avenue SW	73094	\$697,500	\$581,679
La Caille Properties Inc.	201563913	609-888 4 th Avenue SW	73106	\$761,500	\$635,040

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainants' Disclosure
2. C2	Complainants' Disclosure
3. R1	Respondent's 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

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Commercial	Retail	Equity & Direct Sales Approach to Market Value	Requested common per-square-foot rate.