



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:

Torode Strategic 1129 GP Ltd. (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member, P. Pask
Board Member, J. Lam***

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 2014 Assessment Roll as follows:

ROLL NUMBER: 201632247

LOCATION ADDRESS: 1129 - Olympic Way SE

FILE NUMBER: 74430

ASSESSMENT: \$3,560,000

This complaint was heard on the 16th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *A. Izard, Agent, Altus Group*
- *K. Fong, Agent, Altus Group*

Appeared on behalf of the Respondent:

- *R. Natyshen, Assessor, City of Calgary*

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

[1] There were no procedural or jurisdictional matters raised by either party.

Property Description:

(2) The subject is a retail condominium, located in the Arriva Building, in the Victoria Park district of SW Calgary. The unit contains 7,965 square feet (s.f.) of rentable space. The building was built in 2008 and is classified as an "excellent" retail building.

Issues:

(3) The property is currently being assessed by the sales comparison approach. The Complainant does not dispute the method of valuation. However, the Complainant asserts that the assessment does not properly reflect the market value of the property.

(4) The current assessment reflects a rate of \$447 per s.f. The Complainant contends that \$395 per s.f. is more reflective of market value.

Complainant's Requested Value: \$3,140,000

Board's Decision:

(5) The assessment is confirmed.

Legislative Authority, Requirements and Considerations:

(6) This Board derives its authority from section 460.1(2) of the Act.

(7) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAT), states as follows;
"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"*

(8) Section 467(3) of the Act states;

"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

(c) the assessments of similar property or businesses in the same municipality."

(9) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

(10) The Board notes that the assessment has increased from \$2,800,000 in 2013, to \$3,560,000 in 2014.

Position/Evidence of the Parties

(11) Typically, inner-city commercial condominium units have "titled" parking that is acquired by the unit owner separate and apart from the condominium unit itself. These titled parking stalls are assessed separately, at a rate of \$25,000 per stall. It is not uncommon for different condominium unit owners to own a different number of parking stalls, each of which can be traded independently from the condominium unit. Parking stall sales are restricted to owners of units within the building.

(12) In support of the requested assessment, the Complainant submitted three condominium unit sales on Olympic Way that took place during 2011 and 2012 (page 15 of C1). The Complainant adjusted the selling prices at \$35,000 per stall to account for the parking stalls. The adjusted selling prices per s.f. ranged from \$392.16 to \$431.77 per s.f. The average, or mean, is \$395.88 per s.f. The Complainant made no other adjustment to the selling prices except for parking.

(13) The Complainant based the \$35,000 per stall parking adjustment on a 2011 sale of 30 stalls in the Arriva project during 2011. The 30 stalls sold as a package in November, 2011, for \$1,050,000, or \$35,000 per stall.

(14) The Respondent submitted five comparables on page 19 of R1. The Respondent adjusted the selling prices by \$25,000 per stall for titled parking, and then applied a time adjustment to arrive at a time adjusted selling price. Adjusted prices range from \$373.87 to \$479.41 per s.f. The median is \$447.43, and the mean is \$441.89. The Respondent could not quantify the time adjustment for the Board.

(15) The comparables submitted by the Respondent included the three comparables used by the Complainant. All five of the comparables are within the Arriva project, the same as the subject.

(16) In support of the \$25,000 per stall parking adjustment, the Respondent submitted a 'Parking stall Sales Report' that contained 23 individual parking stall sales in and around the Beltline and Victoria Park that have occurred from 2011 to 2013. The report did not contain the 30 stall transaction used by the Complainant. The mean and median selling prices reflected are \$24,676, and \$25,000 per stall.

Findings and Reasons for Decision:

(16) Although the quantum of the time adjustment was not supplied by the Respondent, the Board is cognizant of the fact that the Calgary real estate market is fluid, and selling prices are more likely to have changed than to have remained static. The Board prefers the Respondent's treatment of the comparables with the application of a time adjustment.

(17) As far as the parking adjustment is concerned, studies prepared by the City for the purposes of mass appraisal are typically intended to be all inclusive of any data that is available during the relevant time frame. In this respect, the Board is of the opinion that any parking stall sales report should have included the 30 unit transaction contained in the Complainant's evidence. Inclusion of that transaction in the City's study produces mean selling price of \$30,519 per stall.

(18) Application of a \$30,000 per parking stall adjustment to the available market data produces an adjusted value range of \$364.20 to \$464.12 per s.f., with a mean and median of \$428.23 and \$436.80 per s.f..

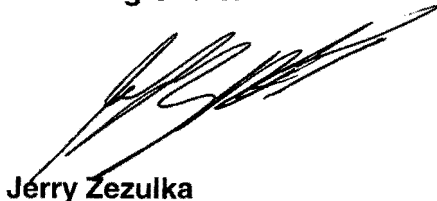
(19) A reduction to something in the neighbourhood of the adjusted rates per s.f. produces a result that does not reduce the assessment significantly enough to prompt the Board to apply the adjustment.

DATED AT THE CITY OF CALGARY THIS

28th

DAY OF July, 2014.

Presiding Officer



Jerry Zezulka

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

NO.	ITEM
1.	C1 Complainant Submission regarding Exemption
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 MGB Administrative Use Only

Decision No. CARB 74430P/2014			Roll No. 201632247	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Retail office condominium	Market Value	Sales comparison	Parking