



## **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:**

***TAZ EQUITIES INC (as represented by MNP LLP), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***E. K. Williams, PRESIDING OFFICER***

***A. Maciag, BOARD MEMBER***

***J. Rankin, 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 2014 Assessment Roll as follows:

**ROLL NUMBER: 067960203**

**LOCATION ADDRESS: 200, 683 10 ST SW**

**FILE NUMBER: 74891**

**ASSESSMENT: \$2,990,000**

This complaint was heard on 23<sup>rd</sup> day of June, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, and Boardroom 8.

Appeared on behalf of the Complainant:

- W. Van Bruggen Agent, MNP LLP

Appeared on behalf of the Respondent:

- B. Tang Assessor, The City of Calgary

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

- [1] No additional Procedural or Jurisdictional Matters were raised by the parties.

**Property Description:**

[2] The subject property at 200, 683 10 ST SW is a 5,455 square foot (SF) office condominium in a mixed use (Single Residential & Commercial) Condominium high rise building on 3.16 acres of land with a 2001 year of construction (yoc). The subject is located in the community of Downtown West End, in Downtown Zone 2 (DT2), assigned a quality classification as Good, a Property Use: Commercial and Sub Property Use: CS0610 Condo. The Condominium building is known as the West Pointe Plaza.

[3] The assessment was prepared on the Sales Comparison Approach based on an assessment rate of \$548.00 per square foot.

**Issues:**

[4] The assessed value of the subject property is not reflective of recent sales of similar type units in the DT2 Zone. The assessed rate per square foot (psf) should be reduced from \$548 psf to \$448 psf.

**Complainant's Requested Value: \$2,440,000**

**Board's Decision:**

- [5] The assessment is confirmed at \$2,990,000 based on an assessed rate of \$548 psf.

**Legislative Authority, Requirements and Considerations:**

- [6] The Act Section 293 Duties of Assessors requires that:

*(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.*

[7] Matters Relating to Assessment and Taxation Regulation (MRAT) Part 1 Standards of Assessment Section 2 Mass Appraisal requires 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 Section 4 Valuation standards for a parcel of land requires

*4(1) 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**

[8] The Complainant and Respondent presented a wide range of evidence consisting of relevant and less relevant evidence. In the interests of brevity, the Board will restrict its comments to those items the Board found relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[9] The Complainant's evidence package included a Summary of Testimonial Evidence, a map identifying the location of the property, photographs of the exterior of the building and interior photographs of the subject property, the City of Calgary 2014 Assessment Explanation Supplement for Non-Residential Core Condominium, Property Assessment Summary Report. In support of the Complainant's position the package included a sale analysis table of comparable properties, a map identifying location of the comparable properties, a copy of marketing material for a listing in a comparable property, a table of sales used by the Respondent which was prepared by nextCity Assessment and titled Non-Residential Condominium Sales July 2010 – June 2013, Property Assessment Detail Reports for comparable properties as well as a section on Relevant Legislation.

[10] The Respondent's evidence package included a Summary of Testimonial Evidence, a map identifying the location of the property, photograph of the exterior of the subject property, the City of Calgary 2014 Property Assessment Notice, the 2014 Assessment Explanation Supplement for Non-Residential Core Condominium and the Property Assessment Detail Report, a table titled Downtown A Class Commercial Condo Sales Sample as well as supporting sales documents.

[11] Both parties placed technical, professional and academic excerpts before the Board in support of their position. This Board finds that any specific passage or quote (i.e. excerpt) from a larger document may not capture the true intent of the document and is, therefore, seen by the Board as incomplete material and may be given limited weight.

[12] As noted above, both parties placed before this Board a number of Alberta Court of Queen's Bench, Assessment Review Board and Municipal Government Board decisions in support of their position. These decisions were made in respect of issues and evidence that

may however be dissimilar to that before this Board.

**Complainant's Position:**

[13] The Complainant reviewed with the Board photographs on page 13 and 14 of Exhibit C1 as support for the quality classification of Good that has been assigned to the subject.

[14] In support for the requested \$448 psf the Complainant reviewed the table titled Sales Analysis (page 18 of Exhibit C1) which presented details on 5 sales. Details on the comparables is as follows:

- 1) All were located in the DT2 sub-market;
- 2) Area ranged from 674 SF to 2,905 SF;
- 3) Quality classification were 1 as good, 3 as average and 1 as luxurious;
- 4) Year of construction ranged from 1999 to 2006;
- 5) Sale dates ranged from July 14, 2010 to March 27, 2103; and
- 6) Time Adjusted Sale Price (TASP) ranged from \$448 psf to \$510 psf.

The average TASP was calculated to be \$468 psf and the median TASP was \$448 psf. It was noted that the comparable identified as 118 1111 6<sup>th</sup> Ave SW was reported 3 times in the table as it sold 3 times during the July 2010 to July 2013 time period.

[15] The map on page 20 of Exhibit C1 identified the location of the comparable reported in the table on page 18 of Exhibit C1. The comparable located at 1111 6<sup>th</sup> Ave SW was considered to be the best comparable to the subject. The TASP for this comparable was \$448 psf.

[16] The Complainant expressed concern that the Respondent's practice of including units which were newer, in better condition and regularly sold for a rate significantly higher than other condos in the area which skewed up the assessed rate. In support of this position the Complainant reviewed the table on page 19 of Exhibit C1 which provided particulars of 15 sales which sold between July 2010 and June 2013 in a property at 888 4<sup>th</sup> Ave SW (the Solaire). The average TASP was \$643 psf and the median was \$669 psf. Supporting documentation for the sales was presented in Exhibit C1 and Rebuttal Exhibit C2

[17] In summary the Complainant stated that the analysis of the 5 comparables presented in the table on page 18 of Exhibit C1 support the requested assessed rate of \$448 psf.

**Respondent's Position:**

[18] The Respondent advised the Board that the City of Calgary classifies mixed use (Single Residential & Commercial) Condominium high rise building as A, B or C based on the year of construction. Buildings constructed since 2000 are classified as A; if constructed during the 1990's as B and during 1980 or earlier as C. The subject was constructed in 2001 and is classified as an A.

[19] In response to the Complainant's sales evidence the Respondent presented on page 16 of Exhibit R1 two tables with particulars on sales in A Class properties comparable to the subject and sales in the A Class property the Solarie (888 4<sup>th</sup> Ave SW) which is a 2010 yoc.

[20] The Respondent reviewed the table titled Downtown A Class – Condo Sales (page 16 Exhibit R1) which presented details on 8 sales comparables, 5 of the 8 sales were also reported

by the Complainant in support of their requested assessment. Details on the comparables are as follows:

- 1) All were located in the DT2 sub-market;
- 2) Area ranged from 674 SF to 2,905 SF;
- 3) Year of construction ranged from 1999 to 2006;
- 4) Sale dates were from July 14, 2010 to March 27, 2013; and
- 5) Time Adjusted Sale Price (TASP) ranged from \$447.78 psf to \$686.02 psf.

The Respondent noted that the comparable at 111 7<sup>th</sup> St SW (comparable #8 in the table on page 16 Exhibit R1) which was used by the Complainant has a 1999 yoc and is a Class B property and should be excluded from an analysis of Class A properties. For the sample of 7 Class A comparables the mean TASP was calculated to be \$560.31 psf and the median TASP was \$540.40 psf.

[21] In summary the Respondent argued that the analysis of 7 comparables supports the assessed rate of \$548 psf.

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

[22] The Complainant (page 18 Exhibit C1) and the Respondent (page 16 Exhibit R1) reported the same 5 sales comparable. The comparable at 111 7 St SW which has a 1999 yoc and a Class B designation, was treated differently by the two parties:

- 1) The Complainant included this comparable in the calculation of the average TASP.
- 2) The Respondent excluded this comparable from the calculation of the average TASP because the difference in yoc and designated Class. The subject property is a 2001 yoc and assigned a Class A designation which is different from that of the subject.

The Board agreed that the sale at 111 7 St SW should be excluded from the calculation of the average TASP.

[23] The comparable at 118 1111 6<sup>th</sup> Ave SW, which sold 3 times in the period July 2010 to July 2012; specifically July 14, 2010, August 6, 2010 and January 12, 2012, was included by both parties in their calculation of their average and median TASP. The supporting documentation presented in pages 126 to 142 of Exhibit R1 confirmed the 3 sale dates and the sale price.

[24] A review of the evidence determined that the Complainant (Exhibit C1 page 18) reported the same TASP for each sale date whereas the Respondent (Exhibit R1 page 16) reported a different TASP for each sale date. The following table presents the TASP and the TASP psf reported by the Complainant and the Respondent:

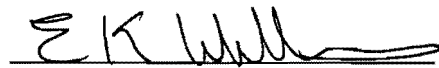
Sale Date	Sale Price	Complainant		Respondent	
		TASP	TASP psf	TASP	TASP psf
14-July-10	\$460,000	\$477,329	\$448	\$477,329	\$447.78
06-Aug-10	\$649,000	\$477,329	\$448	\$692,401	\$649.53
12-Jan-12	\$565,000	\$477,329	\$448	\$590,152	\$553.61

The Board confirmed that the Respondent used the correct TASP for the sale of 118 1111 6 AV SW and the resulting calculation of the TASP psf.

[25] Based on the evidence and arguments presented, the Board supports the assessed rate of \$548.00 psf in the determination of the assessment.

[26] The Board, therefore, confirms the assessment value of the subject property.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF July 2014.



E. K. Williams

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. C2	Complainant Rebuttal
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.*

**ADMINISTRATIVE USE**

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	OFFICE	HIGH RISE	SALE COMPARISON	