



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:

**1062788 ALBERTA LTD.,
(represented by Altus Group), COMPLAINANT
and**

The City Of Calgary, RESPONDENT

before:

**M. CHILIBECK, PRESIDING OFFICER
D. MORICE, BOARD MEMBER
R. KODAK, BOARD MEMBER**

This is a complaint to the Calgary Assessment Review Board in respect of six property assessments prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

ROLL NUMBER	LOCATION ADDRESS	FILE NUMBER	ASSESSMENT
200204048	1441 - 17 AV SW	74926	\$378,500
200204030	1445 - 17 AV SW	74927	\$488,500
200204022	1451 - 17 AV SW	74928	\$636,000
200204014	1455 - 17 AV SW	74929	\$624,500
200204006	1459 - 17 AV SW	74608	\$636,000
200203990	1463 - 17 AV SW	74925	\$708,000

The complaints were heard by the Composite Assessment Review Board (Board) on 24th day of July, 2014 in Boardroom 3 on Floor Number 4 at the office of the Assessment Review Board located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *B. Neeson, Agent of Altus Group*

Appeared on behalf of the Respondent:

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

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

[1] Neither party raised any objections to any member of the Board hearing the subject complaint.

[2] Neither party raised any procedural or jurisdictional matters.

Preliminary Matter(s):

[3] Both parties agreed the six complaints could be heard simultaneously in one hearing. The six properties under complaint are owned by one owner, the matter under complaint and the reasons for the complaint are identical for each complaint and the evidence and argument is identical in each case.

Property Description:

[4] The subject properties are six commercial/retail condominium units located on the main floor of a low-rise condominium complex comprised of the subject units and several residential units known as Bellavista Tower. The complex was constructed in 2001.

[5] The subject units vary in size from 1186 to 2217 square feet (sq. ft.).

[6] The subject units front onto 17 AV and the complex is located at the southeast corner of 17 AV and 15 ST in the Bankview community located in the southwest quadrant of the City of Calgary.

Issues:

[7] The Complainant identified the matter of the assessment amount under complaint on the complaint forms and attached a schedule listing several reasons (grounds) for the complaints. At the outset of the hearing the Complainant identified the following issues:

1. The subject properties should be assessed at \$250 per sq. ft. rather than \$320 per sq. ft. to reflect a quality-average rather than a quality-good property.

Complainant's Requested Value:

<u>LOCATION ADDRESS</u>	<u>REQUESTED ASSESSMENT</u>
1441 - 17 AV SW	\$296,500
1445 - 17 AV SW	\$382,500
1451 - 17 AV SW	\$498,000
1455 - 17 AV SW	\$488,750
1459 - 17 AV SW	\$498,000
1463 - 17 AV SW	\$554,250

Board's Decision:

- [8] The Board confirmed the assessments.

Legislative Authority, Requirements and Considerations:

- [9] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of the Act:

S.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).

- [10] For purposes of the hearing, the CARB will consider Part 9, Division of the Act:

S.293(1) In preparing the 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.*

- [11] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in section 293(1)(b) of the Act. The CARB consideration will be guided by MRAT, Part 1, Standards of Assessment, Mass Appraisal:

S.2 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.*

Assessment Background:

- [12] The subject properties are located in sub-market area of Nonres BL5 (BL5) and assessed utilizing the direct sales comparison method at the base rate of \$425 per sq. ft. less a BL5 market adjustment of 25% for a net rate of \$320 +/- per sq. ft.

Position of the Parties

1. Assessment Rate

Complainant's Position:

[13] The subject units suffered severe water damage approximately five years ago which resulted in a special assessment levied by the condominium association against the unit owners to make the necessary repairs which included building envelope failure and issues with the roof, balconies and eaves. As a result, the units suffer stigma of water damage which affects their marketability and market value (C1P44).

[14] The Complainant claims the Quality Good with a rate of \$320 per sq. ft. is excessive in light of the subject's water damage history and requested the change to Quality Average for a median rate of \$273 per sq. ft. (C1P84).

[15] A sales analysis was provided of six beltline condominium sales with a median sale rate of \$328 per sq. ft. and less the market adjustment of 25% for a net rate of \$246 per sq. ft. in support of their requested rate of \$250 per sq. ft. (C1P83)

[16] Five comparable condominium units in the condominium complex across the street from the subjects were provided showing the assessed rate at \$411 per sq. ft. less an adjustment of 25% "would be \$308" per sq. ft. in support for the requested rate reduction.

Respondent's Position:

[17] A sample of 13 Class/Quality A commercial beltline commercial condominium sales in BL1, BL2, BL3, BL4 and BL8 was provided which shows the mean sale rate at \$418 and the median sale rate at \$439 per sq. ft. in support for the base assessment rate of \$425 per sq. ft. (R1P56).

[18] The Respondent asserted Condominium units in BL5, such as the subjects, are given a negative market adjustment of 25% because there are no sales of condominium units in BL5.

[19] Two copies of letters from the supervising architect were provided stating that "The work or a substantial part thereof has been performed." as of June 13, 2012 and that "The work has been totally performed." as of September 4, 2013. The Respondent opined that there is no stigma as claimed by the Complainant and it appears the subject complex has been repaired to a higher standard than originally constructed (R1P44&45).

Board's Reasons For Decision

[20] The Board is not convinced by the Complaint's evidence and argument to reduce the net assessed rate from \$320 to \$250 per sq. ft.

[21] The Complainant's sales evidence in support for Quality Average is based on units noticeably older than the subject; year of construction ranges from 1910 to 1973 versus the subject constructed in 2001. With no additional information, the Board finds these comparables not similar to the subject. Otherwise, insufficient evidence was provided by the Complainant to convince the Board to accept the subject properties should be categorized as Quality-Average.

[22] The Board is persuaded by the Respondent's sales evidence to confirm the assessment base rate of \$426 per sq. ft. and accepts the Respondent's market adjustment of minus 25%, which was accepted by the Complainant. The analysis used 13 sale comparables versus the Complainant's use of six sales, three of which are in common to both parties. The Board finds the use of a greater number of comparables provides a better representation of the market.

[23] The Board finds the Complainant has a misunderstanding and/or has made an erroneous assumption regarding the assessed rates of the comparable units across the street from the subjects. The Complainant claims the assessed rate of \$411 per sq. ft. should be adjusted by the 25% adjustment factor for a net rate of \$308 per sq. ft. in support of the requested rate of \$250 per sq. ft.

[24] Neither party could provide an explanation whether the assessed rate for the comparables of \$411 per sq. ft. included the 25% adjustment. The Respondent could not explain why the comparables are assessed at \$411 per sq. ft. and the subjects are assessed at \$320 per sq. ft. when both complexes are Quality-Good and constructed in 2001 and 2000. Therefore the Board placed little weight on the comparables in making its decision.

[25] The Board understands the Complainant's concern regarding the stigma of the water damage and its possible affect on the market value of the subject units, however the damage has been repaired and insufficient market evidence was provided to support that the market is reacting negatively in the sale of units in the subject complex.

[26] Based on the foregoing reasons, the Board's decision is to confirm the assessment.

DATED AT THE CITY OF CALGARY THIS 22 DAY OF AUGUST 2014.



M. CHILIBECK

Presiding Officer

APPENDIX "A"

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

NO.	ITEM
1. C1	Complainant's Disclosure
2. 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.*

CARB Identifier Codes

Decision No. 74926P-2014			Roll No. 200204048+5	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Office/Retail CDE	Low-Rise	Sales Comparison	Market Rate

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