



## **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:**

**GENCO HOLDINGS LTD.,  
(as represented by Avison Young Property Tax Services),  
COMPLAINANT**

**and**

**The City Of Calgary,  
RESPONDENT**

**before:**

**R. Glenn, PRESIDING OFFICER  
D. Steele, BOARD MEMBER  
T. Usselman, 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:

<b>ROLL NUMBER:</b>	<b>068132208</b>
<b>LOCATION ADDRESS:</b>	<b>1108-4<sup>th</sup> St SW</b>
<b>FILE NUMBER:</b>	<b>76634</b>
<b>ASSESSMENT:</b>	<b>\$6,550,000</b>

This complaint was heard on Monday, the 7<sup>th</sup> day of July, 2014 at the offices of the Assessment Review Board located at Floor Number 4, at 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 5.

Appeared on behalf of the Complainant:

- B. Peacock, Agent, Avison Young Property Tax Services
- C. Barkley, Agent, Avison Young Property tax Services

Appeared on behalf of the Respondent:

- Y. Wang, Assessor, The City of Calgary
- M Yankovic, Assessor, The City of Calgary

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

[1] There were no questions of Jurisdiction or Procedure raised prior to, or during the hearing. There were no objections to the composition of the Board as constituted.

**Property Description:**

[2] The subject property is a .55 acre parcel of land with a one building (two storey) improvement used as an office and retail building with multiple tenants, Year of Construction (YOC):1957, a portion, (3,056sf) is "B" quality and a portion, (20,193sf) is "C" quality, all comprising a total of 23,249sf (square feet), valued as land only, located in the sub-market "BL3".

**Issue:**

[3] Whether or not:

- (a) the subject property has been properly assessed;
- (b) all four "exempt" tenants in the subject building have been properly credited as being exempt.

**Complainant's Requested Value: \$244/sf, or, \$4,120,000**

**Board's Decision:**

[4] The Board:

- (a) reduced the assessment of the subject to: \$5,970,000;

(b) did not allow the exemption sought by a tenant.

**Complainant's Position:**

[5] For the first issue, the Complainant argued the subject property's improvement should be valued with 2014 typical values. They also argued that the land sales used by the City to value the subject were excessive when proper consideration was given to the comparables which were relied on.

[6] The Complainant notes that the subject is zoned "CC-X", but that three of the sales comparables used by the City carry a different zoning, with two of them under Direct Control, and another is zoned "CC-MH". Further, the Complainant recommends the inclusion of one of the sales from the "BL-2" submarket, given its proximity to the subject, being just one block away. This sale carries the same zoning as the subject.

[7] The Complainant goes on to provide a Land Rates summary, along with a downtown map showing the boundaries of the various zones, along with the admonition that the subject should be treated as being in the "BL-2" zone because it is most like other "BL-2" zoned properties. The Land rates summary shows that the Land rate for BL-2 is \$165/sf, and the BL-3 rate is \$285/sf.

[8] The Complainant goes on to note that the subject also has a Corner Lot Influence, which affords an increase of +5%.

[9] A chart of four sales comparables was provided by the Complainant. They also provided a list of comparables provided by the City which they wished to be removed from the City's list of comparables. The Complainant also provided their reasoning for suggesting the removal of certain comparables from the City's list, stating that one of the comparables had a Floor Area Ratio (FAR) much higher than that allowed in "CC-X" zoning.

[10] Another two of the City's comparables were located in zoning designated for multi-residential development, which in the opinion of the Complainant renders those properties not comparable with the subject.

[11] On the Complainant's chart of four comparables, three are in the BL-3 zone and one is located in the BL-2 zone. The subject has an assessable land area of 24,027sf, with the comparables having a land area of: 26,076sf, 16,261sf, 65,619sf, and 55,939sf respectively, so, all of the comparables have an area greater than the subject.

[12] The influence adjusted sale price of the comparables on a per square foot basis was: \$189.83, \$204.48, \$284.98, and \$319.10 respectively. The median influence adjusted sale price was \$244.73/sf and the average was \$249.60/sf.

[13] The Complainant suggested that ultimately, the median influence adjusted sale price of \$245/sf is the most representative of the subject properties market value. They add that their first comparable with a sale price of \$189/sf was most representative of the subject property.

[14] With regard to the second issue, the Complainant opines that the exempt space in their building should total 10,404sf because all four of the tenants they feel should have exempt space are their not-for-profit societies. The City suggested that the exempt area in the subject building should only be 2,037 sf.

**Respondent's Position:**

[15] The value before the Board in this matter was \$6,550,000, that is; \$7,190,000 land value

less a \$639,000 exemption. The Respondent proposed a value of \$5,970,000, that is, a \$7,190,000 land value less a \$1,220,000 exemption. The Respondent goes on to say that the Complainant has relied on a flawed methodology to derive a valuation conclusion, and furthermore, they claim that the balance of the Complainant's sales information actually supports the subject assessment.

[16] Regarding the second issue, the Respondent claims that the City has no record of one of the "exempt" societies filing an application for exempt status as required by the Community Organization Property Tax Exemption Regulation prior to September 30th in the preceding tax year. The Complainant argued in cross-examination that they had information that the subject application had been received, but there was no evidence presented in this regard.

[17] The Respondent presented a land rate study which presented 13 comparables with their details. Surprisingly, it demonstrated that the largest parcel in the study had the highest per square foot price. The median for the influence adjusted sale price was \$288/sf, with the mean being \$274/sf, with an 18 month median being \$325/sf.

[18] The Respondent also presented a Beltline Land Post Facto Sales chart of three comparables which showed rates of \$230/sf, \$236/sf, and \$278/sf.

[19] The Respondent reiterated their position that if there is to be an exemption, it must be applied for, as it is not forthcoming automatically merely by a society declaring itself tax exempt. They also re-stated that if the City does not receive an application, there will be no exemption. Further, they stated that the exemption is for the owner of the property, not the landlord.

[20] The Respondent once again reiterated their proposal for a revised assessment in the amount of \$5,970,000, as set out earlier herein.

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

[21] The parties presented sales comparables with appropriate details. Based on all of the argument and evidence presented during the hearing, the Board determined that there was not enough evidence presented by the Complainant to convince the Board that a reduced assessment was warranted.

[22] In essence, the Board found the Respondent's comparables to be superior in that they more closely resembled and addressed the characteristics of the subject property. In addition, the Respondent provided more comparables, even if the Board acceded to the Complainant's request to eliminate some of the Respondent's comparables. Having reviewed the Complainant's request to eliminate some of the Complainant's comparables, the Board found that the argument and evidence of the Complainant was not enough to convince the Board to do so.

[23] Having reviewed the evidence and argument of the parties, the Board found that the proposal of the Respondent for a revised assessment in the amount of \$5,970,000 was entirely appropriate, and the Board herewith orders the assessment to be reduced to the amount of \$5,970,000.

[24] Regarding the second issue in this matter, the Board is not able to assist the subject tenants who are seeking exempt status in the subject property, because there was no credible evidence before the Board of a proper application being filed with the City in a timely fashion by the prospective exempt tenants.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF August, 2014

R. Glenn  
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	Additional Complainant Disclosure
3. 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 Administrative Use Only**

Appeal Type	Property Type	Property Sub-type	Issue	Sub-issue
CARB	Vacant Land with improvement	Multi-Tenant	Market Value	Exemptions