



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:

AAS Holdings Ltd.
(as represented by Colliers International Realty Advisers Ltds.)

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
D. Julien, BOARD MEMBER
A. Wong, 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: 201394137

LOCATION ADDRESS: 100 325 Manning Rd NE

FILE NUMBER: 76701

ASSESSMENT: \$2,880,000

This complaint was heard on June 23, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *T. Howell, Colliers International Realty Advisers In.*

Appeared on behalf of the Respondent:

- *E. Barton, City of Calgary Assessor*
- *G. Foty, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.

Property Description:

- [2] The subject property is assessed as a 9,382 square foot (sf) suburban Condo-Office constructed in 2008. It is located in the community of Mayland and has been assessed using the Sales approach.

Issues:

- [3] Is the property assessed at a value higher than comparable sales support?

Complainant's Requested Value: \$1,795,000

Board's Decision:

- [4] The Board confirmed the assessment at \$2,880,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 Section 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).

For the purposes of this hearing, the CARB will consider MGA Section 293(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.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states 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 MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or

if the parcel is used for farming operations, agricultural use value

Position of the Parties

Complainant's Position:

[5] The Complainant, T. Howell, Colliers International Realty Advisors Inc., stated that the subject property is an "A2" quality office condo located in the northeast submarket of Mayland. He stated that the property was assessed at \$307.00/sf and should be assessed at \$191.40/sf.

[6] To support this argument, the Complainant included two sales comparables (C1, p16). The first was an October 31, 2012 sale of an "A2" building at 87,4511 Glenmore Tr SE, in the South Foothills area which had a sale value of \$134.70. The second was a March 8, 2012 sale of a "B" building in Highfield which had a sale value of \$248.12/sf.

[7] The Complainant averaged the two sale values to achieve a requested value of \$191.41/sf for the subject property.

[8] The Complainant provided RealNet documentation for the sales of the two properties (C1, p18) which showed that the first property was part of a mixed-use multi-tenant industrial/office building. The sale listed was one 4,046 sf unit including 2,023 sf of mezzanine space. This unit had been assessed with 2,023 sf of space and 35.60% finish.

[9] The second property on the list of comparable sales was a multi-use, multi-tenant building which was fully leased by five tenants, including the purchaser of the building. The "B" class building was assessed with a 9,921 sf area.

Respondent's Position:

[10] The Respondent, E. Barton, City of Calgary Assessor presented a list of two sales within the same condominium building with a value of \$411.10/sf and \$423.33/sf each. The properties were 3,498 sf and 2,573 sf each. The Respondent stated that diminishing returns would dictate that the assessed value of a larger office condo like the subject would have a lower value.

[11] The Respondent provided documentation from a third party showing some details from the sale of the 3,500 sf condominium.

Board's Reasons for Decision:

[12] The Board reviewed the Complainant's presentation and argument. There were two comparable sales presented. The sales were not time adjusted. The first sale (3402 – 8 St. SE) showed a value of \$134.70/sf because the mezzanine was included in the total area of the property. Without time adjustment the actual sale value for assessed area would be \$269.40/sf rather than \$134.70/sf. The mean calculated with this corrected area supports the current assessment.

[13] The second comparable sale presented by the Complainant was "B" class, not "A" class like the subject.

[14] The Board found that the Complainant did not have enough evidence to support a reduction of the value/sf assessed for the subject property to \$191.41/sf from \$306.97/sf. The comparables presented in the documentation were dated sales that were not time adjusted, and there were inaccuracies in the calculation of value/sf. As well one of the properties was not comparable as it was a "B" class office condo, and the subject is an "A2".

[15] The Board confirms the assessment at \$2,880,000.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF July 2014.



L. Yakimchuk

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
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 office use only:

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CARB	Office	Low Rise	Income	Cap
