



ARB Rec'd

JUL 14 2014

Calgary Assessment Review Board

DECISION WITH REASONS

In the matter of the complaint against the property/business 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: 201394145

LOCATION ADDRESS: 160 325 Manning Rd NE

FILE NUMBER: 76702

ASSESSMENT: \$569,500

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 1,620 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: \$456,000

Board's Decision:

- [4] The Board confirmed the assessment at \$569,500.

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 was an "A2" quality office condo located in the northeast submarket of Mayland. He stated that the property was assessed at \$351.54/sf and should be assessed at \$281.50/sf.

[6] To support this argument, the Complainant included one sale comparable (C1, p16). This sale was of a 1,873 sf property built in 2008 in the community of Shepard, which sold on May 3, 2011 for \$527,250 or \$281.50/sf.

[7] The Complainant provided RealNet documentation for the sales of the property (C1, p24) which showed that the property was part of a condominium office building which had one tenant occupying the entire building following the sale. The Complainant did not adjust any of the numbers to accommodate the dated sale.

[8] The Complainant asked for an assessed rate of \$281.50 in keeping with the value/sf achieved by the comparable property.

Respondent's Position:

[9] The Respondent, E. Barton, City of Calgary Assessor presented a list of four comparable sales with RealNet documentation to explain the details of the transactions (R1, pp16-26).

[10] Three of the sales were office condo units of 2,000 sf or more. One sale was shared with the Complainant (May 3, 2011 sale date) and was the sale of a 1,873 sf unit. All sales had been time adjusted.

[11] One of the sales was for a large unit in a medical office building which sold for \$475.73/sf.

[12] The Respondent stated that diminishing returns would indicate that the smaller units would have a higher value/sf. The Respondent also stated that the Complainant's comparables were not all condominium office units and could not all be compared to the subject.

Board's Reasons for Decision:

[13] The Board reviewed the Complainant's presentation and argument. The single sale presented was dated and was not time adjusted. This made the value less reliable than a newer sale would be. As well, the rate calculated from one sale would be an actual rate for the sale property but could not be proven to be typical for all similar properties.

[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. This finding was supported by the evidence provided by the City of Calgary. The Board removed the sale of the medical office building from the City's list of comparables, but the resulting median value for properties somewhat larger than the subject supported the assessed value of \$351.57/sf for the subject.

[15] The Board confirms the assessment at \$569,500.

DATED AT THE CITY OF CALGARY THIS 14 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:

A	B	C	D	E
CARB	Office	Low Rise	Income approach	Cap
		(Unit Ownership)		
