



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

La Caille Holdings Inc.
(as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
B. Jerchel, BOARD MEMBER
J. Pratt, 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: 067932921

LOCATION ADDRESS: 100 La Caille PI SW

FILE NUMBER: 75571

ASSESSMENT: \$6,810,000

This complaint was heard on August 19, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *D. Hamilton, Altus Group*

Appeared on behalf of the Respondent:

- *B. Tang, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.
- [2] Neither party objected to any members of the Composite Assessment Review Board panel (the Board).

Property Description:

- [3] The subject property is a restaurant which has been assessed as an 18,586 square foot (sf) retail condominium in a luxurious highrise apartment building. It was built in 1979 in the Eau Claire community and has been assessed using the sales comparison approach.

Issues:

- [4] Should the value of this property be decreased from \$366/sf to \$324/sf?

Complainant's Requested Value: \$6,020,000

Board's Decision:

The Board confirmed the assessment at \$6,810,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Act 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 the Act 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 the Act 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] Altus Group, on behalf of the Complainant, described the subject property as a destination restaurant on the edge of downtown Calgary, overlooking the Bow River. The Complainant argued that this was a restaurant which did not depend on foot traffic, but required reservations and was most accessible by vehicle. The restaurant is part of a condominium complex and not freestanding.

[6] The Complainant presented an equity comparable (Buchanan's Chop House and Whiskey Bar), and a sale comparable (Chicago Chop House). Chicago Chop House is a freestanding restaurant in downtown Calgary. Buchanan's Chop House is a "B" quality restaurant assessed at \$324/sf, according to the Property Assessment Report (C1 p19). The RealNet report on Chicago Chop House reveals that it sold for \$278/sf on September 18, 2012 (C1 p22).

[7] The Complainant used these numbers to ask for a reduction in rent rate to \$324/sf.

Respondent's Position:

[8] The Respondent, City of Calgary, stated that the subject restaurant is a "B" class restaurant, but it is rated as a "New B" rather than an "Old B" like the Complainant's comparables. "New B" quality restaurants were generally built after 2000, but the subject

restaurant is a very luxurious and well built restaurant so it is also classified in the "New B" group.

[9] The Respondent provided a sale of a comparable 2,905 sf condominium restaurant at 111 7 St SW, within the same complex as the subject. The comparable restaurant was built in 1999 and sold for \$478.49/sf on March 27, 2013. The Respondent explained that this is a very close comparable to the subject because it was built by the same builder in the same area and is a similar quality to the subject.


[10] The Respondent stated that because the subject is much larger than the sale comparable, the assessed rate for the subject is lower than the sale rate of the comparable property.

Board's Reasons for Decision:

[11] The Board considered the Complainant's comparables and found that they were not similar to the subject property. The most comparable property presented at the hearing was the neighbouring restaurant which had sold in 2013. The Board decided it was appropriate to assess the subject at a lower rate than the sale value of the neighbour because the subject is considerably larger and economy of scale usually results in lower values per square foot for larger properties.

[12] The Board confirmed the assessment at \$6,810,000.

DATED AT THE CITY OF CALGARY THIS 2nd DAY OF September 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	Retail	High Rise	Sale Comparison	Sales
