

**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(4).

**between:**

***Altus Group, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***P. Irwin, PRESIDING OFFICER***

***A. Blake, MEMBER***

***J. Joseph, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property/Business assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER</b>	<b>LOCATION ADDRESS</b>	<b>HEARING NUMBER</b>	<b>ASSESSMENT</b>
200203990	1463 – 17 AV SW	59195	\$1,100,000
200204006	1459 – 17 AV SW	59194	\$996,000
200204014	1455 – 17 AV SW	59193	\$977,500
200204022	1451 – 17 AV SW	59191	\$996,000
200204030	1445 – 17 AV SW	59186	\$765,000
200204048	1441 –17 AV SW	59188	\$593,000

These complaints were heard on the 10th day of August, 2010 at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainants:

- *Brendan Neeson, representing The Altus Group*

Appeared on behalf of the Respondent:

- *Susan Bazin*

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

There were no objections to the composition of the Board.

There were no preliminary matters.

**Description of Properties and Background:**

The six subject properties are all ground floor retail condos, all under one roof in a low rise building with residential apartments above, located on 17<sup>th</sup> Avenue SW in the Bankview Community at the west end of the beltline. The subjects were reported as "good" quality and the year of construction was 2002. Because the properties were all in the same building, the Complainant and the Respondent agreed that the cases should all be heard as one hearing.

The subjects have net rentable areas ranging in size from 1186 SQ. FT. to 2217 SQ. FT.

The assessment value on all the subject properties was based on the sales valuation approach and was set at a market value rate of \$500 per SQ. FT.

**Issues/ Grounds for Complaint:**

The complaint forms included a list of 13 grounds for complaint. However, at the outset of the hearing, the Complainant clarified that there was only one issue: equity, i.e. market value per SQ. FT.

Is the assessment of the subject properties fair and equitable?

**Complainant's Requested Value:** \$300 per SQ.FT.

**Board's Findings and Reasons in Respect of Each Matter or Issue:**

The Complainant's evidence package included Equity Comparables (tables, photos, street maps, Assessment Summary Reports and Assessment Explanation Supplements) on 18 retail condo properties. The table showed a median rate of ~\$245 per SQ. FT. and an average rate of ~\$265 per SQ. FT. As well, the Complainant's evidence package included Sales Comparables (table, pics, Alberta Data Search [ADS] Reports, and RealNet Reports). The table included sales of 8 retail condos, showing a median of ~\$305 per SQ. FT. and an average of ~\$330 per SQ. Ft.

The Respondent's evidence package included five equity comparisons, at 1538, 1534, 1528, 1524, and 1520 17<sup>th</sup> Avenue SW, with sizes ranging from 872 SQ. FT. to 1507 SQ. FT., all assessed at \$525 per SQ. FT. No pictorial or other support was provided for these comparables. Also included in the package was sale information on one property: 1516 – 17 AV SW at ~\$785 per SQ. FT. for a sale date of March 7, 2008.

The Complainant's equity comparables were thoroughly analyzed, and the relevance was brought into question on a number of them, for reasons such as: much larger than the subjects; varying distance away from the subjects; lower quality of property values in the other neighbourhoods; they had office space on the upper floors instead of residential units; some were older buildings; some were not ground floor, one was a fee simple estate, not a condo; they didn't have an identical quality (some A+, B, C+, average ...). With respect to the matter of office upstairs, vs. residential upstairs, the Respondent stated that multi-residential upstairs made the retail condos more valuable because they provided captive consumers for the subjects' retail interests. However, no information was provided to quantify how much more valuable they might be because of this.

The Complainant's sales comparables were also carefully reviewed and again the relevance of some was questioned for reasons such as distance from the subjects; one still under construction; larger size; date of sale (the 2010 sales were for trending purposes only). The sale of the Ric's Grill property was questioned, with the contention that the transaction was not on the open market/ not arm's length because the tenant was affiliated with the purchaser.

The Respondent's sole sales evidence was for a 990 SQ. FT. nearby retail condo, at ~\$786 per SQ FT, with a sale date of March 7, 2008. The Board heard that "one sale does not a market make". Although it was noted that the one sale was a fairly "good" one, it was also noted that no time adjustment had been done.

The Respondent gave no evidence on how the assessed value of \$500 for the subject properties was arrived at; i.e. no supporting information on the equity comparables was provided.

After sifting through all of the evidence, and excluding or underweighting the data at the lower end of the continuum of relevance, the Board felt that there was still considerable evidence to support a reduction in the assessment rate. The Board decided that an assessment rate of \$375 per SQ.FT. was the most appropriate, in light of the rates for the following properties:

From Respondent:	1538, 1534, 1528, 1524, & 1520 – 17 Av SW:	\$525 per SQ. FT.
From Complainant:	( 100 534 - 17 Av SW (Ship & Anchor):	\$375 per SQ. FT.
	( 100 1109 - 17 Av SW (Watchman's):	~ \$350 per SQ. FT.
	( 1420 – 1 St SW:	~ \$300 per SQ. FT.
	( 1426 – 1 St SW:	~ \$300 per SQ. FT.
	( 200 1053 – 10 St SW:	~ \$300 per SQ. FT.
	( 100 1109 - 12 Av SW:	~ \$225 per SQ. FT.

In arriving at its decision, the Board also noted that the sale of the property at 1436 - 8 St SW (Ric's Grill) was at a rate of ~ \$380 per SQ. FT., although this sale, at November 19, 2009, was post facto relative to the July 1, 2009 valuation date, it was still within the assessment year, and the Board put more weight on it compared to the Respondent's sale.

**Board's Decision:**

The complaints are allowed in part and the Board reduces the assessments in accordance with the following table:

ROLL NUMBER	ADDRESS	AREA (SQ. FT.)	ASSESSMENT RATE PER SQ. FT.	REVISED ASSESSMENT (ROUNDED)
200203990	1463 – 17 AV SW	2217	\$375	\$831,000
200204006	1459 – 17 AV SW	1992	\$375	\$747,000
200204014	1455 – 17 AV SW	1955	\$375	\$733,000
200204022	1451 – 17 AV SW	1992	\$375	\$747,000
200204030	1445 – 17 AV SW	1530	\$375	\$573,000
200204048	1441 – 17 AV SW	1186	\$375	\$444,000

DATED AT THE CITY OF CALGARY THIS 27<sup>th</sup> DAY OF August 2010.



**P. Irwin**  
**Presiding Officer**

*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.*