

**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:

Northstar Plumbing & Heating Inc., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

I. Weleschuk, PRESIDING OFFICER

J. Mathias, MEMBER

A. Zindler, 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 2011 Assessment Roll as follows:

ROLL NUMBER:	200142040
LOCATION ADDRESS:	106, 211 - 36 Avenue N.E.
HEARING NUMBER:	60836
ASSESSMENT:	\$323,500

This complaint was heard on 27th day of July, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- No one appeared on behalf of the Complainant

Appeared on behalf of the Respondent:

- *Wanda Wong*

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

The Board derives its authority to make this decision under Part 11 of the Municipal Government Act. No jurisdictional or procedural matters were raised at the onset of the hearing, and the Board proceeded to hear the merits of the complaint, as outlined below.

Section 28(1) of Matters Related to Assessment Complaints Regulation states that the parties to a hearing before the Municipal Government Board need not attend in person. The Board understands that the Complainant was provided with appropriate notice of the hearing. The hearing continued in the Complainant's absence.

Property Description:

The subject property is located at 106, 211-36 Avenue N.E., in the Greenview Industrial Park, west of Edmonton Trail. The building was built in 2002 and is an industrial condominium warehouse. The subject unit, #106, has a main floor area of 1,241 square feet (ft²), consisting of 961 ft² of warehouse and 280 ft² of ground floor office.

Issues:

1. What is the appropriate market value of the subject property for assessment purposes?

Complainant's Requested Value:

\$236,500 (as indicated on Complaint Form)

Board's Decision in Respect of Each Matter or Issue:**1. What is the appropriate market value of the subject for assessment purposes?**

The only evidence submitted by the Complainant was on the Property Assessment Complaint form. The reasons on this form indicated that the assessed value increased by \$87,000 from the previous year's assessment in a real estate market with declining prices.

The Complainant stated that the assessed value of the subject property is \$260/ft² (note that the actual assessment is at \$261/ft²). The following three sales were identified with the indicated sale price per square foot presented as follows on the Complaint Form:

411 – 38 Aven NE	\$450,000	\$215/ft ²
#8, 3610 – 29 St. NE	\$370,000	\$226/ft ²
413 – 38 Aven NE	\$480,000	\$232/ft ²

There was no other information presented with regard to these sales or any other matters.

The Respondent presented three equity comparables from the subject building (page 12, Exhibit R1). Two of these condominium properties were larger than the subject. One property was the same size, but had a slightly different split between warehouse and office space. This latter property (same size as the subject) was assessed at \$261/ft², the same as the subject. The Respondent also presented three sales comparisons (page 14, Exhibit R1) of properties all from one condominium project with a split of warehouse and office space. These sales were from a 1981 building and all larger units than the subject. Two of the sales occurred in August 2008 and the third occurred in January 2009. The time adjusted price for all of these sales was less than the actual selling price. The time adjusted sales price ranged from \$210 to \$224/ft², and apparently all three properties were assessed at \$200/ft².

The Respondent also presented the three Complainant's comparable sales (page 16, Exhibit R1). Two of the three sales were from the same condominium project (not the subject) located in Greenvue, with the other a condominium located in Horizon Industrial Estates. The two comparable sales from the Greenvue condominium project were also comparable sales presented by the Respondent (page 14, Exhibit R1). All three of these properties were in buildings built in 1981. All three sales were a mix of office and warehouse, but all three sales were of larger properties than the subject. The sales occurred between August 2008 and October 2009. The time-adjusted sale price ranged from \$211 to \$226 per ft².

Board's Decision:

The Board appreciates that each assessment is based on current data for that respective year, so that an assessment can vary for this reason. With regard to the year over year increase in assessment, the Board shares the Complainant's frustration in trying to understand how a market value assessment using sales data from a declining market can result in a very substantial increase in the subject assessment. The Board notes that the property had not been inspected in the past year, so the characteristics of the subject property used by the assessor had not changed.

The Board is charged with reviewing the assessment using the evidence that has been presented. The Complainant provided very little evidence. The Respondent provided equity comparables from the same condominium project. The Board notes the sensitivity of the rate per rate per square foot used as the basis of the assessment calculation to the size of the property. The two larger equity comparable properties presented by the Respondent, being 2080 ft² and 2055 ft², were assessed at a rate of \$216/ft² and \$218/ft² respectively. The subject and a unit the exact same size as the subject (1,241 ft²) were assessed at \$261/ft². This evidence, being from the same condominium project, is not sufficient to allow the Board to determine if the assessment is equitable beyond the subject project. Furthermore, given the sensitivity of size to rate per square foot, the Board would have appreciated more evidence across a wider range of sizes, to fully appreciate the dynamics of this factor on the rate and, by extension, on the assessed value.

The sales comparisons provided by both parties consist of a total of four properties, all larger than the subject, selling in the range of \$210 to \$226 per ft². They are assessed at either \$200/ft² (for the three properties ranging in size from 2,068 to 2092 ft²) or \$210/ft² (for the 1635 ft² property). It is not apparent to the Board, given the sensitivity of property size to assessment rate, how these four sales comparables relate to the subject, or how they may be "comparable" without some adjustments.

After due consideration, the Board finds that it does not have sufficient evidence from the Complainant to indicate that the assessed value is incorrect. In light of the lack of evidence, the Board has no basis on which to vary the assessed value.

Board's Decision:

The Board confirms the assessed value of \$323,500.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF August 2011.

For 

Ivan Weleschuk
Presiding Officer

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

NO.	ITEM
1. 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.*