

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:

724115 Alberta Ltd.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER
D. Steele, BOARD MEMBER
S. Rourke, BOARD MEMBER

This is a complaint to the Calgary Composite Assessment Review Board [*CARB*] in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2013 Assessment Roll as follows:

ROLL NUMBER:	200954469
LOCATION ADDRESS:	201 1100 8 AV SW
FILE NUMBER:	72889
ASSESSMENT:	\$ 1,320,000

This complaint was heard on the 10th day of June 2013 at the office of the Assessment Review Board [ARB] located at Floor number 4, 1212 – 31st Avenue NE, Calgary, Alberta, Boardroom number 4.

Appeared on behalf of the Complainant:

- *M. Cameron* *Agent, Altus Group Ltd.*
- *D. Hamilton* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *D. Grandbois* *Assessor, City of Calgary*
- *K. Gole* *Assessor, City of Calgary*

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

- [1] There are no preliminary, procedural, or jurisdictional issues.

Background:

- [2] The subject property is one of the eleven (11) properties properly before the Board that are located within the same building. At the request of the Complainant, the eleven properties were combined to a single hearing.

Property Description:

- [3] The subject is a commercial condominium within a building referred to as Westmount Place located at the corner of 10th Street and 8th Avenue SW in the submarket area of DT2 in the west end of downtown Calgary.

- [4] Located on the second floor the primary use of the 4,365 square foot space is office use.

Issues:

- [5] The single issue before the Board is the assessed rate for office condominiums in the west end of downtown.

Complainant's Requested Value: \$ 1,200,000

Board's Decision:

- [6] The Board finds that \$275 per square foot represents typical market rate for properties similar to the subject as of July 1, 2012; therefore, reducing the assessment to \$ 1,200,000.

Legislative Authority, Requirements, and Considerations:**The Municipal Government Act [*the Act*]**

Chapter M-26, Section 460, Revised Statutes of Alberta 2000

Interpretation**1(1)** *In this Act,*

- (n) *"market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;*

Interpretation provisions for Parts 9 to 12**284(1)** *In this Part and Parts 10, 11 and 12,*

- (r) *"property" means*
(i) a parcel of land,
(ii) an improvement, or
(iii) a parcel of land and the improvements to it;

Matters Relating to Assessment and Taxation [*MRAT*]

Alberta Regulation 220/2004 with amendments up to and including Alberta Regulation 330/2009

Mass appraisal**2** *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.*

Position of the Parties**Complainant's Position:**

[7] The Complainant presented three sales of office condominium spaces within downtown west end of similar size located in comparable buildings (C1 p.15).

[8] The first sale is within the subject building on the main level. It sold in November 2010 with a price per square foot of \$287.70. No time adjustment is provided to bring the sale to July 1, 2012 valuation date.

[9] The second sale is located within a comparable condominium building at 900 6th Avenue SW in the same DT2 submarket area. It is on the eighth floor and sold for \$262.30 on June 16, 2011. No time adjustment is provided to bring the sale to July 1, 2012 valuation date.

[10] The third sale is located within a comparable condominium building located at 1010 8th Avenue SW in the same DT2 submarket area. It sold in October 2012 with a price per square foot of \$213.01. No time adjustment is provided to bring the sale to July 1, 2012 valuation date.

[11] The Complainant presented a median of \$262.30 per square foot for all three sales and

\$275.00 per square when considering the first two sales only.

[12] The Complainant explained their analysis for the effect of time on the sales presented showing a 7.91% reduction in value with a paired sales analysis between May 2010 and September 2012 concluding that no time adjustment is required (C1, p. 27).

[13] The Complainant indicated that the first two sales comparables (C1, p. 15) best reflected the quality and characteristics of the subject concluding that their mean and median value of \$275 per square foot represents market value.

Respondent's Position:

[14] The Respondent indicated that the subject property is a commercial condominium unit that is assessed at \$303 per square foot. Properties in the commercial condominium stratification include multi-occupancy structures with either single or multiple levels. Some commercial condominiums are in mixed residential/commercial structures and others are purely commercial in nature. A commercial condominium may be used for retail or office use (R1, p. 4).

[15] The Respondent reviewed the evidence presented by the Complainant noting the third sale is *post facto* being nearly four months after the July 1, 2012 valuation date. While comparing the time adjustment information it also shows the second sale as *post facto* while another sale is missing. The first paired sale sold in May of 2010 with a single parking stall and then the missing sale has it sold again in July 2012 at a value 8.7% greater. The second sale represented by the Complainant appeared to be a different unit within the same building. Meanwhile, the legal description was identical on the third party report and there is no indication that the parking space is still on title. However, the third party report does suggest that it included two parking spaces (R1, p. 22).

[16] The Respondent presented six sales of commercial condominium properties within the DT2 and DT9 submarket areas (R1, p. 45)

[17] Of the three sales in the DT2 submarket, two were the same sales presented by the Complainant while the remaining sale occurred in July of 2009. No time adjustments are provided to bring the sales to the July 1, 2012 valuation date.

[18] The three sales presented from DT9 submarket area sold between July 2010 and January 2012. No time adjustments are provided to bring the sales to the July 1, 2012 valuation date.

[19] A mean of \$282.44 per square foot and a median of \$293.98 per square foot is calculated from the six sales comparables to support the assessment of \$303 per square foot.

Complainant's Rebuttal:

[20] The Complainant explained that the evidence presented by the Respondent supports their request and indicated that DT9 retail space is not the same as DT2 office space (C2, p.9).

[21] The Complainant provided an additional sale in DT9 with the land title transfer document to show a sale transacted near the valuation date at a value of \$85,000 representing \$248.54 per square foot (C2, p. 10).

Board's Reasons for Decision:

[22] The Board reviewed all the sales information provided by both parties – eleven in total.

[23] Three sales provided are to show a positive or negative time adjustment depending on the presenter. These sales are apportioned little weight because neither party actually made a time adjustment. The analysis of the Complainant is that a negative time adjustment is required while the Respondent found in favour of a positive adjustment for time. Meanwhile neither one actually adjusted for time.

[24] The Complainant's third sale (C1, p. 15) is outside of the valuation period and not considered for this hearing.

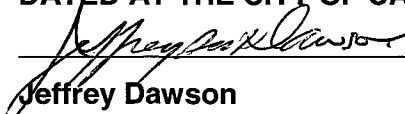
[25] The Respondent's first sale (R1, p. 45) is afforded little weight because of the time between sale and valuation date of almost three years with no time adjustment.

[26] The Respondent's second, fifth and sixth sales (R1. P. 45) are provided little weight because; these sales are in a different and distinct submarket zone, one sale indicated a lease back arrangement which is not typical, and all three are significantly different size, different use and not likely to attract similar buyers making their comparability difficult to establish.

[27] The Complainant's final sale within rebuttal (C2, p. 10) is afforded little weight because it indicates within the transfer document that the actual consideration is \$1 with a \$85,000 opinion of value. This is not a typical sales arrangement; however, it is only two days past the valuation date.

[28] The two sales common to both parties seemed to best represent market value and their mean and median value of \$275 per square foot is used to calculate market value.

DATED AT THE CITY OF CALGARY THIS 19th DAY OF July 2013.



Jeffrey Dawson
Presiding Officer

APPENDIX "A"**PROPERTIES HEARD DURING THE COMBINED HEARING:**

ROLL NUMBER:	LOCATION ADDRESS:	FILE NUMBER:	ASSESSMENT:
200954469	201 1100 8 AV SW	72889	\$ 1,320,000
067946442	250 1100 8 AV SW	72750	\$ 300,500
200565851	245 1100 8 AV SW	72980	\$ 542,500
200679520	405 1100 8 AV SW	73029	\$ 234,000
200679538	420 1100 8 AV SW	73033	\$ 55,500
200739175	410 1100 8 AV SW	72984	\$ 951,000
200739191	408 1100 8 AV SW	73036	\$ 380,000
200954477	277 1100 8 AV SW	72891	\$ 1,360,000
067891069	100 1100 8 AV SW	70030	\$ 382,500
067891127	222 1100 8 AV SW	70010	\$ 337,500
200565869	223 1100 8 AV SW	70032	\$ 580,500

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1.C1	Complainant Disclosure – 36 pages
2.R1	Respondent Disclosure – 124 pages
3.C2	Complainant Rebuttal Disclosure – 16 pages

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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Office	High Rise	Sales Approach	Improvement Calculation