

## Calgary Assessment Review Board

### DECISION WITH REASONS

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 [the Act].

between:

***Varsity Estates Business Centre Inc.***  
***(as represented by Assessment Advisory Group Inc.), COMPLAINANT***

and

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

before:

***J. Dawson, PRESIDING OFFICER***  
***K. B. Bickford, BOARD MEMBER***  
***T. Livermore, BOARD MEMBER***

These are complaints to the Composite Assessment Review Board [the Board] in respect of property assessments prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>201173812</b>	<b>201173820</b>
<b>LOCATION ADDRESS:</b>	<b>10, 1700 VARSITY ESTATES DR NW</b>	<b>102, 1700 VARSITY ESTATES DR NW</b>
<b>FILE NUMBER:</b>	<b>76274</b>	<b>76275</b>
<b>ASSESSMENT:</b>	<b>\$1,890,000</b>	<b>\$2,040,000</b>

These complaints were heard on the 14th day of July, 2014 at the office of the Calgary Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *S. Cobb* *Agent, Assessment Advisory Group Inc.*

Appeared on behalf of the Respondent:

- *D. Wilson* *Assessor, The City of Calgary*

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

[1] This decision is for two unique properties which were heard during separate hearings by the identical panel. Though separate hearings, all parties and evidence are common; therefore, the Board opted to render a single decision.

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

**Property Description:**

[3] The subject properties are office condominiums located within the same building located at 1700 Varsity Estates Dr NW in the community of Varsity and the Non-Residential Zone [NRZ] of WN4.

- 1) File number 76274 involves unit 10 (condominium plan unit 1) and is comprised of 5,417 square feet on the lower level.
- 2) File number 76275 involves unit 102 (condominium plan unit 2) and is comprised of 5,881 square feet on the main level.

[4] The Direct Sales Comparison Approach to Value was utilised to derive the assessment of each property.

**Issues:**

[5] The single issue before the Board is equitable assessments with comparable properties.

**Complainant's Requested Value: 76274 \$1,620,000**

**76275 \$1,760,000**

**Board's Decision:**

[6] The Board confirmed the assessment of each property.

**Legislative Authority, Requirements, and Considerations:****The Act****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;

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

[7] The Complainant argues the assessments are incorrect and fail to meet the legislated standard of Market Value and also fail to meet the requirement of equity in assessments. The assessed base rate of \$347 and \$349 per square foot are not consistent with other equity comparable properties built in the same time frame and within close proximity to the subject.

[8] The Complainant disclosed '2014 Property Assessment Notice' for each property. Unit 10 (file 76274) experienced a 98% increase while unit 102 (file 76275) experienced an 89% increase (C1 p. 2 of each file).

[9] The Complainant reviewed the 'Property Assessment Summary Report' for each property showing the 'A2' ('A') quality and the 2007 year of construction (C1 p. 4 for file 76274 and C1 p. 5 for 76275).

[10] The Complainant provided photographs, and maps for each property (C1 pp. 5-9 for 76274 and C1 pp. 6-10 for 76275).

[11] The Complainant presented a comparable analysis with four comparable properties finding an average (mean) of \$283 per square foot and a median of \$309 per square foot. The Complainant argues the best comparable is comparable #1 at a value of \$211 per square foot and *post facto* sale comparable #2 at \$285 per square foot supports the \$300 per square foot request (C1 pp. 11-28 of each file).

[12] The Complainant argued that there is a difference of opinion of actual construction date; 1979 or 2007. The Respondent has assessed it as if it were built in 2007; however, there is information that indicates the building was actually built in 1979, which resulted in the wrong data for comparable sale properties.

[13] The Complainant argued the subject sold as part of a portfolio sale and no breakdown between each individual unit is provided; therefore, the Respondent cannot rely upon the sale in determining the assessment. In addition, the Respondent must have regard to a court decision on the matter; **Calgary (City) v. Lougheed & Co.**, 2001 ABQB 371, 289 A. R. 320, [2001] A. J. No. 579 [hereinafter "Rowbotham decision"].

[14] The Complainant argued that the Rowbotham decision indicated that each unit of a condominium must be assessed individually and because the subject properties sold as part of a portfolio sale, and the units were not separated, that the sale cannot be relied upon.

[15] The Complainant argued that even if the sale was found to be useful in determining the assessment, one sale does not make a market and the comparable properties provided show that the assessment is too high.

**Respondent's Position:**

[16] The Respondent disclosed 'Property Assessment Detail Report' for unit 10 (file 76274) and details of each subject property including; '2014 Property Assessment Notice', photographs, '2014 Assessment Explanation Supplement', condominium plan, and maps (R1 pp. 7-16 of each file).

[17] The Respondent provided '2014 Commercial Condo Sales Comparables' report showing the subject properties with an Actual Year of Construction [AYOC] of 1973 compared to other sales with AYOC ranging between 1970 and 2004 and arriving at a Time Adjusted Sales Price [TASP] of \$402.23 per square foot as an average (mean) and a median of \$381.28 per square foot. The subjects' TASP are \$348.70 per square foot. Details as reported by a third party reporting agency are also included (R1 pp. 18 and 36-42).

[18] The Respondent presented '2014 Commercial Condo Equity Comparables' report showing the subject properties with an AYOC of 1973 compared to other equity comparable properties with AYOC of 2004 and arriving at an assessed rate of \$350.84 per square foot as an average (mean). The subjects' assessments are \$350.60 and \$347.93 per square foot (R1 p 19).

[19] The Respondent enclosed a real estate listing advertisement for the subject properties showing the two condominium spaces listed as one property on two floors. The listing sheet shows an AYOC of 1979 with expansion and renovation being completed in 2008 (R1 pp. 21-23).

[20] The Respondent disclosed a third party report on the sale of the subject properties showing it as one transaction for two units within the condominium and no breakdown of price per unit other than on a per square foot basis of \$337 (R1 p. 25).

[21] The Respondent provided the transfer document and corporate registry information regarding the purchaser to show the arm's length nature of the sale and that no value is attributed to each unit other than an indication that each unit has 3146 and 3415 undivided ten thousandth shares in the common property (R1 pp. 27-35).


[22] The Respondent enclosed details of the Rowbotham decision indicating the Respondent has assessed the two units separately as directed within the decision (R1 pp. 49-60).

**Board's Reasons for Decision:**

[23] The Board finds that the Rowbotham decision speaks to how an assessment for a condominium unit is prepared – as an individual property. The Board does not find cause to ignore the sale of the subjects because the seller and buyer choose not to disclose an individual price for each property. In a typical portfolio sale there are different buildings with sometimes different land use designations and often with different characteristics so a breakdown per property is essential in establishing a value. However, in this case the listing and transfer documents suggest that the two units, in the same building, act as one and are valued equally on a per unit or per square foot basis. The properties are unique in that they are on different floors; however, each has ground floor access and appear to be identical in every respect.

[24] The Board finds the best evidence of market value is the sale of the subject properties during the valuation period, which in this case confirms the assessment.

DATED AT THE CITY OF CALGARY THIS 11 DAY OF August 2014.

  
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Jeffrey Dawson  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1 – 28 pages	Complainant Disclosure – 76274
2. C1 – 28 pages	Complainant Disclosure – 76275
3. R1 – 67 pages	Respondent Disclosure – 76274
4. R1 – 67 pages	Respondent Disclosure – 76275

*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.*

<b>Municipal Government Board use only: Decision Identifier Codes</b>				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Office	Low Rise (Unit Ownership)	Sales Approach	Equity Comparable Properties