

**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-26.1, Section 460(4).

**between:**

***Rickard Realty Advisors, COMPLAINANT***

**and**

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

**before:**

***Paul G. Petry, PRESIDING OFFICER***

***Ed Reuther, MEMBER***

***Dick Cochrane, MEMBER***

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

**ROLL NUMBER: 200115475**

**LOCATION ADDRESS: 11 Richard Way S.W.**

**HEARING NUMBER: 57621**

**ASSESSMENT: \$8,240,000**

This complaint was heard on 24 day of June, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- Rickard Realty Advisors – B. MacFarland

Appeared on behalf of the Respondent:

- City of Calgary –M. Ryan and S. Turner, Assessors

**Property Description and Background:**

The subject property is a car dealership and has an improvement totalling approximately 23,000 sq. ft. with site coverage of approximately 20%. These improvements are situated on a 118,407 sq. ft parcel of land located at 11 Richard Way S.W. The assessment is \$8,240,000 for 2010 based on a land rate of \$34.25 per sq. ft. and a value of \$4,190,064 for the improvements. The Complaint indicated that the primary issue before the CARB is the land rate used for the 2010 assessment but also the value of the improvements, the size of the improvement and inequity of the assessment are in dispute.

**Issues:**

1. What is the correct size of the improvements on the subject land?
2. Is the subject property assessed in excess of its market value as of July 1, 2009 and is the subject assessment inequitable considering the assessments of similar properties?

**Board's Decision in Respect of Each Matter or Issue:**

1. The correct size of the improvements on the subject land is 20,276 sq. ft.
2. The assessment for the subject property has been reduced to \$5,480,000 for 2010 and this value is fair and equitable.

## Issues and Findings

### Size of the Improvement

The Complainant indicated that the 24,733 sq. ft. used by the Respondent to determine the value for the subject improvement is incorrect. Based on estimates from blue prints of the building the Complainant suggested that something in the order of 23,508 sq ft. would be more accurate. The Respondent knowing that the size of the improvement was in dispute had sent a measurement team to the site and found that the correct size is actually 20,276 sq. ft.

### Findings and Reasons

Both parties appeared to be satisfied that 20,276 sq. ft is correct and therefore the CARB has used this number in determining the market value for the subject.

### Market Value of the Land and Improvements

The Complainant explained that the Assessor has used a land rate of \$34.25 per sq. ft. in determining the 2010 assessment which is up from the \$24.97 rate applied in 2009. The Complainant argued that land values have not increased over the past year and provided a graph showing land values in northeast and southeast Calgary were in sharp decline 2008 to 2009 and have remained flat since mid 2009. The Municipal Government Board dealt with the question of land value for this property in 2009 and could not find sufficient reason to increase the rate last year. There have been no comparable land sales in the S.W. however the Complainant referred the Board to their land sales data from the N.W. ranging from \$11.29 per sq. ft. to \$18.65 per sq. ft as well as the rate of \$22.95 per sq. ft. used by the Assessor in the N.E. The Complainant argued that the most appropriated rate for the subject lands would be \$22.95 per sq ft. and not higher than the rate used by the Assessor for 2009 of \$24.97 per sq. ft. The Complainant also requested that the value of the improvement be reduced at least to the \$134.59 per sq. ft. which has been applied to T&T Honda as this building is of equal or better quality than that of the subject and is newer. The Respondent had revised its valuation of the subject based on the reduced square footage to \$124.73 per sq. ft. and this is the value accepted by the CARB.

The Respondent indicated that in previous years the assessment may not have reflected the correct zoning and land use and therefore this may account for the difference in land rate used for 2010. The Respondent provided a copy of the Land Use Bylaw – 1P2007 (July 23, 2007) and amendments affecting the subject. It nevertheless remained unclear as to whether there had been any change respecting the land use designation used for the 2009 and 2010 assessments. The Respondent also provided two land sales in south Calgary in support of the assessed rate of \$34.25. One of these sales was for a property consisting of 431,853 sq. ft located at 151 Walden Gate in the extreme southeast which according to the Complainant has an intended use as a regional shopping centre. This property sold in December 2008 at a rate of \$30.03 per sq. ft. The second sale was for a property consisting of 20,037 sq. ft. located at 304 Canterbury Drive S.W. This property sold Oct. 2007 at a rate of \$47.41 per sq. ft. time adjusted to \$68.75 per sq. ft. Based on these sale the Respondent argued that the rate applied to the subject of \$34.25 is correct and also fair and equitable.

### Findings and Reasons

The CARB considered the sales evidence brought forward by both parties. The sales offered by the Complainant were not in the S.W. and had varied zoning therefore were of little value to the CARB except to provide some reference as to the extreme low end of the range. The Assessors land rate applied to other car dealerships and other industrial lands in the N.E. of \$22.95 provided a reasonable reference point as some of these lands are in very desirable locations and in some cases closer to the City core than is the subject. The Respondent's sales showed a wide range in values from \$30.03 per sq. ft to \$68.75 per sq. ft. The higher valued property is significantly smaller than the subject and its potential use is not sufficiently similar to warrant direct comparison with the subject. The sale of the large property in the southeast may have been affected by the anticipated use as a shopping centre but in any case is almost four times the size of the subject. The CARB therefore placed minimal weight on this sale which is likely on the upper end of the correct range of values. The CARB believes the best evidence of value from an equity standpoint is the rate of \$22.95 applied by the Assessor to similar properties in the N.E. However the Board also accepted the Respondent's argument, at least to some extent, that values in the S.W may be somewhat higher than in other areas of the City. The Board also agrees with the Complainant that there is little evidence to suggest there has been much change in land values between June 30, 2008 and July 1, 2009. These conclusions therefore led the CARB to accept the land rate of \$24.97 applied by the Assessor in 2009 as being reasonably correct, fair and equitable for 2010.

### Decision Summary

The value decided by the CARB for the improvement is the value recommended by the Respondent of \$2,529,060 and the value of the land is based on the rate of \$24.97 which results in a value of \$2,956,623. Based on these values the decision of the CARB is to set the 2010 assessment for the subject property at \$5,480,000.

DATED AT THE CITY OF CALGARY THIS 9 DAY OF July 2010.

  
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**P. Petry**  
**Presiding Officer**

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*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.*