

**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:**

***J.D. Sheridan (Linnell Taylor Assessment Strategies), COMPLAINANT***

**and**

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

**before:**

***M. A. Vercillo, PRESIDING OFFICER***

***S. Rourke, MEMBER***

***A. Blake, 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: 068167402**

**LOCATION ADDRESS: 121 13 AV SW**

**HEARING NUMBER: 56577**

**ASSESSMENT: \$3,000,000**

This complaint was heard on 21st day of June, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom #12.

Appeared on behalf of the Complainant:

- *Mr. J.D. Sheridan (Linnell Taylor & Assessment Strategies)*

Appeared on behalf of the Respondent:

- *Mr. D. Grandbois*

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

NA

**Property Description:**

Vacant land located at on the south side of 13 Ave and west of Centre Street. It has a current land use of "City Centre Commercial Corridor" (CC-COR). The total size of the property is approximately 13,998 sq. ft. The property also contains an improvement in the form of a 3,043 sq. ft. building. The subject property was purchased by the same purchaser and is combined and appealed concurrently with 3 additional and adjacent sites at 109, 113 and 115 13 Ave. SW with a combined total area of 31,498 sq. ft. The following table outlines the related properties (**subject is bolded**):

File Number	Roll Number	Address	Site Area (Sq. Ft.)	Land Use Designation (LUD)	Assessment
56555	068167709	109 13 AV SW	5,248	CC-MH	\$1,640,000
56567	068167600	113 13 AV SW	5,253	CC-MH	\$1,640,000
56573	068167501	115 13 AV SW	6,999	CC-COR	\$1,500,000
56577	<b>068167402</b>	<b>121 13 AV SW</b>	<b>13,998</b>	<b>CC-COR</b>	<b>\$3,000,000</b>
<b>Total</b>			<b>31,498</b>		<b>\$7,780,000</b>

**Issues:**

- 1) Assessment is excessive because:
  - a) the "Direct Comparison Approach" to value incorporating density considerations does not support the current assessment, and
  - b) direct comparison sales were not time adjusted.

**Complainant's Requested Value:**

\$2,580,000

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

The Complainant provided four comparable land sales summarized in his "Disclosure of Information" package. The Complainant's sales comparisons show a sales price per square foot range of \$145 to \$222. Site areas for the sales comparisons were 16,250 sq. ft. to 32,539 sq. ft. Sale dates ranged from February, 2009 to September, 2009.

The Complainant also provided some time adjustment evidence by using paired sales data in his disclosure package. The evidence attempted to show how re-sales of the same property declined in value over time by using two properties first selling in April, 2007 and September, 2007 respectively and then both selling again in September, 2009. It is noted by the Board that one of the paired sales, 633 10 Ave SW, was also one of the Complainant's Direct Sales Comparables mentioned in the previous paragraph. In this case the Complainant's evidence showed that this property's resale from April, 2007 to September, 2009 declined 33.7% or about 1.12% per month.

The Respondent provided five sales comparables in his "Assessment Brief". The Respondent's sales comparisons show a sales price per sq. ft. range of \$205 to \$364 dollars per square foot, with a median of \$233 per sq. ft. Parcel sizes for these sales comparables ranged from 7,082 sq. ft. to 26,076 sq. ft. Sale dates ranged from August, 2008 to April, 2009.

The Board finds the following with regards to the direct sales comparables:

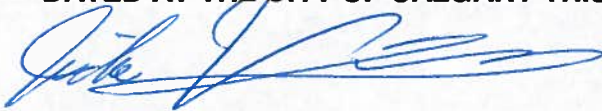
- 1) The Board agreed with the Respondent that the Complainant's sales comparables numbered 2 & 4 were inferior to the subject due to location deficiencies. While the Complainant acknowledges this fact in his report, his adjustment for this deficiency may not be enough. Also, it is noted that sales comparable number 4 may not have been a non-arms length transaction. In addition, it is noted that sales comparables 2 & 4 are substantially larger than comparables 1 & 3 and may also account for the smaller sales price per square foot figures. The Board was therefore more comfortable in relying on sales comparables numbers 1 and 3. The average sales price per sq. ft. of sales comparables 1 & 3 is approximately \$215 with consideration given for time adjustments for value to a July 1, 2009 valuation date.
- 2) The Board reviewed the sales comparables of the Respondent and noted that none of the sales comparables were adjusted for time to the July 1, 2009 valuation date. When questioned, the Respondent suggested that there were not enough sales in this category of land to be able to calculate an appropriate time value adjustment. The Board noted that the respondent was able to use paired sales to substantiate his time adjustment argument.
- 3) The Board accepted the time adjustment argument presented by the Complainant in his disclosure evidence. The Board estimates that the time adjusted sale price per square foot of the "paired land sale" of 633 10 Ave. SW, a mixed use city centre land would be approximately \$225 per sq ft. for the July 1, 2009 valuation date. Again, this property is also used as a direct sales comparable by the complainant (see point 1 above). While this property is not the exact same land use designation as the subject, there was no significant evidence presented that it could not be used to estimate value for the subject. Moreover, both the Complainant and the Respondent used direct sales comparables in their evidence that were not always consistent with the subject's land use designation. When this property's sale price per sq. ft. (shown as comparable sale number 1 in point 1 above) is averaged with 731 & 739 10 Ave. SW sale price per sq. ft. and also adjusted for time value (shown as comparable sale

number 3 in point 1 above), it approximates \$215 per sq. ft.

**Board's Decision:**

The Board finds that the most probable valuation for this property should be approximately \$215 per square foot and therefore confirms the assessed value of **\$3,000,000**.

**DATED AT THE CITY OF CALGARY THIS 13 DAY OF July 2010.**



**Michael A. Vercillo**

**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.*