

**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).

Altus Group Ltd., COMPLAINANT

And

The City Of Calgary, RESPONDENT

Before:

Dean Sanduga, PRESIDING OFFICER

Yvette Nesry, MEMBER

Jim Joseph, 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 : 079002101

LOCATION ADDRESS : 304 18 Avenue SW

HEARING NUMBER : 58813

ASSESSMENT : \$5,180,000

This complaint was heard on 8th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom *.

Appeared on behalf of the Complainant:

- *B. Neeson – Representing Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Emilia Borisenko – Representing the City of Calgary*

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

The question of bias was raised and all parties indicated that there was no bias

Preliminary matter

The Complainant raised a Preliminary issue concerning evidence and advised the Board that evidence will be presented on two files that are similar in issues and located in the same area. One being across the street and both subject properties are existing Funeral homes, and requested the Board to hear the evidence on both properties. The Respondent agreed with the request.

The Board decided to allow the presentation of evidence on the two properties located at 304 – 18 Avenue SW and 240- 17 Avenue SW. providing that evidence will be applied separately on each subject property

Property Description:

The subject property is a special purpose building operating as a Funeral Home, the building constructed in 1985. The subject property is a corner lot and located at 304- 18 comprising of assessable land area 18,301 sq.ft.

Issues:

As of the date of this hearing, only the following issues remained in dispute:

Issue 1: The assessment approach used for the subject property is inequitable on application and value. Other properties with significant revenue generating improvements are assessed as land value only. The assessment should be no higher than \$215 per sq.ft. land value only.

Complainant's position

The Complainant provided 3 urban paired sales comparables indicating a land median and average value of \$213 per sq.ft. The Complainant further stated the subject property market value assessment in 2009 was \$4,520,000 and market value assessment in 2010 at \$5,180,000 noting that property value declined by 14% and further stated that total property assessment is \$ 286 per sq.ft and the highest and best use for properties in the belt line according to the assessor is as vacant and unimproved. This idea is reinforced by all of the equity provided showing improved properties being assessed for \$215 or \$225 per sq.ft. of land. No additional information was provided for any Funeral home buildings in the Complainant's evidence.

Respondent's position

The Respondent stated that the cost approach is best for funeral homes (usually owner occupied so income approach is invalid; when sold, substantial goodwill is involved. It is difficult to separate real estate value from goodwill) She also submitted a schedule of all funeral homes in Calgary, all of which are assessed on the cost basis to establish equity. The Respondent further advised, that last year, the subject property was assessed in error as land only and submitted a 2010 Beltline Land Value Equity Comparables indicating land assessment value of \$215 per sq.ft. and adding 5% on corner lots plus any improvements.

Complainant's Requested Value:

\$3,439,000

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

Board accept the methodology the city used for cost approach for special purpose buildings, the land value at \$215 per sq.ft plus 5% for corner lot or \$225.

Findings

The Board is persuaded by the Respondent's equity comparables and the 2010 Beltline Commercial Land sales comparables.

From the perspective of the Complainant, the lack of relevant 2009 sales or equity comparables of special purpose buildings makes the cost comparison approach value estimate less reliable.

Board's Decision:

The Board concludes that the 2010 assessment of the subject property should be confirmed at \$5,180,000.

Dissenting decision and reasons

There were no dissenting opinions .

DATED AT THE CITY OF CALGARY THIS 30 DAY OF JULY 2010.



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.*