

**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:**

***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:

<b>ROLL NUMBER</b>	<b>:</b>	<b>068205301</b>
<b>LOCATION ADDRESS</b>	<b>:</b>	<b>240 - 17 Avenue SW</b>
<b>HEARING NUMBER</b>	<b>:</b>	<b>59444</b>
<b>ASSESSMENT</b>	<b>:</b>	<b>\$6,020,000</b>

This complaint was heard on the 8<sup>th</sup> 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 home<sup>s</sup>, 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 was constructed in 1936. The subject property is a corner lot and located at 240- 17 Avenue SW comprising of land area of 25,307 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 the 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 requested Value:**

\$4,808,330

**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 \$7,590,000 and market value assessment in 2010 at \$6,020,000 noting that property value down by 20%. 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 homes 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 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

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

Board accept the methodology that 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 Board is convinced that the subject property is 74 years old and has been vacant for over one year, the improvement value therefore is nil. The property is no longer functioning as a funeral home. It will in all likely hood be sold for redevelopment rather than the special purpose category assigned to funeral homes, thus justifying the land value only assessment.

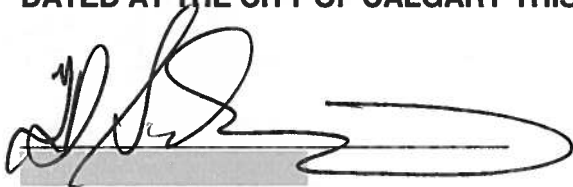
**Board's Decision:**

The decision of the Board is to assess the subject property as land value only and reduce the 2010 assessment to \$5,710.000.

**Dissenting decision and reasons**

There were no dissenting opinions

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

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

**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.*