

**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, Section 460(4).

**between:**

***J.D.K, Holdings Inc., COMPLAINANT***

**and**

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

**before:**

***T. Hudson, PRESIDING OFFICER***

***S. Rourke, MEMBER***

***R. 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:

<b>ROLL NUMBER:</b>	<b>077024305</b>
<b>LOCATION ADDRESS:</b>	<b>2002 8 Avenue SE</b>
<b>HEARING NUMBER:</b>	<b>56994</b>
<b>ASSESSMENT:</b>	<b>\$398,500.00</b>

This complaint was heard on the 20 day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *Mr. Cam Leung*

*Representing the property / owner  
J.D.K. Holdings INC.*

Appeared on behalf of the Respondent:

- *Mr. John Ehler*

*Representing the City of Calgary*

**Property Description:**

The property is located in the Inglewood residential neighbourhood and includes a retail vehicle service station on a 6,499 sq ft lot. The current use is a legal non-conforming use in the neighbourhood. The assessment is based on \$75 psf for the land discounted to \$56 psf due to a negative environmental influence (-30%) and a positive corner lot influence (+5%) for a net discount of 25%. The buildings on site are assessed based on the cost approach to a total of \$34,800.00, which brings the total assessment for land and improvements to \$398,500.00.

**Issues / Grounds for Complaint:**

The Complainant advised that the 2010 assessment of the subject property had increased by 22% over 2009, while the assessment of residential neighbouring properties have decreased by a minimum of 15% over the same period. The requested assessment represents a value of \$275,825.00 or 15% less than the 2009 assessment of \$324,500.00.

**Complainant Position on the Issues:**

The Complainant believes that the assessment of the neighbouring properties demonstrates a reduction in market values in the neighbourhood. Therefore at minimum the assessment of the subject property should be reduced to reflect this reality. No additional market evidence was submitted by the Complainant.

**Respondent Position on the Issues:**

The Respondent explained that assessment value increases over a year are based on market value sales of comparable properties. The nature of the subject property and its legal non-conforming use make it very difficult to compare with the residential properties in the same neighbourhood. Therefore the assessment of the subject was prepared using value of the land based on comparable vacant land sales zoned R-C2 the same as the subject, plus the value of the improvements using the cost approach.

**Board Findings:**

The Board agrees that the subject property is difficult to compare with the neighbouring residential properties due to its zoning. The best method of comparison is the vacant land value comparison presented by the Respondent for properties with similar zoning (i.e. R-C2). The base rate of \$75 per square foot is reasonable given the sales evidence, and the discount (-30%) for negative environmental influence on the site is also reasonable. The subject property also occupies a large corner lot which justifies a positive adjustment (+5%). The overall rate of \$56 per square foot applied to the subject property land value is also reasonable.

However, the Board finds that the improvements on the site are a liability rather than an asset in considering the market value of the site. The highest and best use of the subject property is for residential purposes in the long term so therefore a land value only assessment seems the most reasonable reflection of market value at this time.

**Decision:**

The assessment is reduced to \$363,500.00 based on land value only.

**Reasons:**

Given the zoning of the subject the highest and best use is ultimately residential. The improvements on the site will have to be removed and the negative environmental influences cleaned up before this can occur. Therefore the existing improvements on the site do not contribute positive market value of the subject property.

DATED AT THE CITY OF CALGARY THIS 4 DAY OF August 2010.



**T. Hudson**  
**Presiding Officer**

TH/ms

*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;*

*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.*