

**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:

Altus Group Ltd , COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Mowbrey, PRESIDING OFFICE

D. Morice, MEMBER

P. Pask, 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: 068127901

LOCATION ADDRESS: 1117 Macleod Tr. SE.

HEARING NUMBER: 56043

ASSESSMENT: \$5,840,000.

This complaint was heard on 4th day of August, 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:

- D. Mewha

Appeared on behalf of the Respondent:

- D. Grandbois

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

There were no procedural or jurisdictional matters.

Upon questioning by the Presiding Officer, the parties present indicated they had no objection to the composition of the Board. In addition, the Board indicated they had no bias on this file.

Property Description:

The subject property is a 9,358 sq.ft. office/retail building constructed circa 1958 and located on a 25,898 sq.ft. parcel of land in the beltline.

Issues:

1. What is the correct land base rate in the beltline?
2. Should a corner lot influence be applied to the subject property?

Complainant's Requested Value:

\$2,920,000.

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

1. What is the correct land base rate in the beltline?

The Complainant argued that the subject property should be assessed using the income approach and not land based assessment approach. The Complainant states that the conclusion that the highest and best use of the subject property is as vacant land is in error. The conclusion ignores the important test of reasonably probable and there is no evidence of market demand for a change in use of the site. The Complainant gave evidence that showed the market had deteriorated significantly during the assessment year. The Complainant stated that with the current economic condition trending downward, there is little opportunity for the site to be developed in the near term. The Complainant indicated that a number of beltline properties were sitting vacant or others that

were pre-approved projects that have been put on hold and some have been halted or cancelled all together. The Complainant argued that the subject property should be assessed for what it is and not what it could be some time in the future and stated there was no demand for alternative uses. The Complainant gave evidence on two restaurants that showed SP/PSF for land that decreased by 38% and 18% respectively giving an average of 28% decrease.

The Respondent advised the Board that assessment for the subject property had a decrease from the previous year. The Respondent presented equity charts that indicated the subject property was fairly assessed in relation to the other properties in the beltline. The Respondent gave the Board evidence showing sales in the beltline commercial land during the last few years. (exhibit R-1 page 74) These 5 sales showed a average SP/PSF of \$270 and a median SP/PSF of \$233 which supports the assessment. The Respondent also included a post-facto sale occurring in September 25th, 2009. The sales was a court ordered sale and the SP/PSF was \$222. The Respondent rebutted the Complainant's sales (exhibit R-1 page 25). The Respondent argues that both sales occurred in 2007. The Respondent noted that one of the sales was the subject property and that both sales of the Complainant support the assessment. The Respondent noted the Complainant's 2 sales support the assessment.

The Board relied on the 5 sales from the Respondent and the 2 sales from the Complainant giving a total of 7 sales. The Board notes that none of the sales were time adjusted.

The Board finds the \$225 PSF to be equitable, fair and correct for the subject property, including a corner lot adjustment of 5%.

2. Should the assessed property be assessed with a corner lot influence?

The Complainant argued that the subject property should not be assessed a 5% corner lot influence, however, the Complainant provided no market evidence to support the issue that a corner lot would sell for the same price as an interior lot. The Complainant did not meet in the onus in this regard. The Board finds that a 5% corner lot influence is consistent and equitable with other corner lot locations in the beltline.

Board's Decision:

The assessment of the subject property is confirmed at \$5,840,000.

DATED AT THE CITY OF CALGARY THIS 18th DAY OF August 2010.



R. Mowbrey
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.*