

**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-26.1, Section 460(4).

**between:**

***Altus Group Limited, COMPLAINANT***

**and**

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

**before:**

***H. Kim, PRESIDING OFFICER***

***R. Roy, MEMBER***

***E. Reuther, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessments prepared by the Assessor of the City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBERS:</b>	<b>200659803</b>	<b>090083205</b>
<b>LOCATION ADDRESSES:</b>	<b>120 61 Ave SE</b>	<b>4350 Manhattan Road SE</b>
<b>HEARING NUMBERS:</b>	<b>56384</b>	<b>59299</b>
<b>ASSESSMENTS:</b>	<b>1,170,000</b>	<b>1,060,000</b>

This complaint was heard on the 16 day of August, 2010 at the office of the Assessment Review Board located at Floor Number Three, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *Christine Van Staden*

Appeared on behalf of the Respondent:

- *Jarrett Young*

**Property Description:**

The subject complaint is of two vacant parcels in the Manchester Industrial district in the central zone. Both are designated Industrial General (I-G).

Parcel 1, at 120 61 Ave SE is 1.42 acres fenced with some outdoor storage use. Parcel 2, at 4350 Manhattan Road SE is 1.04 acres and is used as parking for the warehouse on the adjacent lot. Both parcels are assessed as land only, based on sales comparables, at \$1,050,000 for the first acre and \$300,000 for each additional acre or portion thereof.

**Issues:**

The Complainant identified a number of issues on the Complaint form, however, at the hearing, the only issue argued and considered was whether the assessments reflected market value.

**Complainant's Requested Value:**

<b>ROLL NUMBER:</b>	<b>200659803</b>	\$852,000 revised to \$882,400 at the hearing.
	<b>090083205</b>	\$800,000 revised to \$644,800 at the hearing.

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

**Complainant's position:**

The Complainant presented market evidence in support of her position that the land value was overstated and should be \$620,000 per acre. The City's methodology, while reasonable in principle, had flawed values for constant and area factor that overstate the value of parcels in the 1 to 2 acre size range.

There was a substantial change in the market in October 2008. There were no sales or transactions for several months and then values dropped. Sales prior to October 2008 occurred in a different market, and are not reflective of values than might be achieved at the July 1, 2009 valuation date of the assessments under complaint.

The Complainant presented a number of sales that occurred between July 2008 and June 2009, in size ranges of around 1 acre, 2 to 4 acres, and larger (up to 10 acres), to show price per acre for different size ranges:

Address	Size (ac)	Sale Date	Sale Price	\$/ac	Subdivision	Zoning
10550A 48 St SE	1.36	12/18/2008	837,000	615,441	East Shepard	I-G
10471 50 St SE	1.58	10/01/2008	987,500	625,000	East Shepard	I-G
7210 110 Ave SE	1.73	06/17/2009	970,000	560,694	Canal Industrial Park	I-G
4920 110 Ave SE	1.82	07/04/2008	1,130,220	621,000	East Shepard	I-G
200, 84910 44 St SE	1.30	12/09/2008	805,000	619,231	Foothills Industrial	DC44Z99

The median price per acre for parcels around one acre is \$620,000.

Address	Size (ac)	Sale Date	Sale Price	\$/ac	Subdivision	Zoning
10671 50 St SE	2.16	10/22/2008	1,300,320	602,000	East Shepard	I-G
1009B 26 Ave SE	3.07	03/13/2009	1,600,000	521,173	Bonnybrook	I-G
10720 48 St SE	3.23	07/14/2008	2,039,420	631,399	East Shepard	I-G
10860 46 St SE	3.34	09/25/2008	1,870,400	560,000	East Shepard	I-G
10708 50 St SE	3.38	07/16/2008	2,535,000	750,000	East Shepard	I-G

The median of the mid size parcels is \$602,000 per acre. The sale in Bonnybrook is the only centrally located vacant land sale, and its rate per acre is at the low end of the range of vacant sales, indicating that central lands are not more valuable than lands toward the outside edge.

Address	Size (ac)	Sale Date	Sale Price	\$/ac	Subdivision	Zoning
4300A 21 St NE	5.51	07/29/2008	4,750,000	862,069	North Airways	I-2
10660 50 St SE	5.95	10/22/2008	4,526,000	760,672	East Shepard	I-G
6620 86 Ave SE	8.29	01/28/2009	2,984,400	360,000	Great Plains	I-G
10351 46 St SE	9.50	07/10/2008	4,987,000	524,950	East Shepard	I-G

The median price per acre for parcels 4 to 10 acres is \$642,800. The sale prices show that larger parcels sell for a similar price per acre as the smaller parcels. There are no sales of 1 acre parcels to support a rate of \$1,050,000 for an acre of land. The sales show that a rate of \$620,000 per acre for parcels under 2 acres is reasonable and reflects market value.

The Complainant also presented a decision, ARB 0533/2010P dated June 23, 2010 in which the Board found that the sales comparables submitted by the Complainant supported the requested base rate of \$620,000 for a 0.45 acre parcel.

#### Respondent's position:

The Respondent stated that all industrial zones in the Southeast (other than Dufferin and unserved industrial areas which are a different market) are assessed at \$1,050,000 for the first acre and \$300,000 for additional acres. The Complainant did not present any sales of under one acre, which did occur and support the land rate applied. Two of the sales were discredited by the Complainant as not comparable and overly dated, but there were two in reasonable proximity that are relevant:

Address	Size (ac)	Sale Date	Sale Price	\$/ac	Subdivision	Zoning
4520 34A St SE	0.56	06/09/2008	700,000	1,250,000	Valleyfield	I-G
1125 42 Ave SE	0.96	06/24/2008	1,350,000	1,406,250	Highfield	I-G

The Respondent stated it is not reasonable to cut off sales at July 1, 2008 and ignore a valid sale that occurred on June 24, 2008. The sale on 42 Ave SE is almost an acre in size and very close to the subject parcels. The only other sale in close proximity to the subject is the 3.07

acre parcel in Bonnybrook. The rates applied by the Respondent would value that parcel at \$1,670,000 which is very close to the sale price. The Complainant's \$620,000 per acre would value it at \$1,900,000 which is significantly more than the sale price.

Most of the Complainant's sales are in Dufferin, which is a different market zone. Vacant land in Dufferin is assessed at \$620,000 per acre for all parcel sizes. In the Central zone, vacant parcels are few and of varying sizes. The land rates set by the Respondent more closely approximate the market than a fixed rate per acre regardless of size.

The previous decision is not relevant because different sales were presented at that hearing. The smaller parcel sales support a value of \$1,050,000 per acre for the first acre. If the Complainant's position were to be accepted a larger parcel would be valued at less than a smaller one.

Decision and Reasons:

The Board finds that the application of a constant and area factor is reasonable for valuing vacant parcels in developed industrial areas. While the Respondent values all vacant land in the Southeast at the same rate, the Board was not convinced that all of the sales presented were truly comparable, being some distance from the subject parcels. The Board finds the two best sales are the 0.96 acre Highfield parcel and the 3.07 acre Bonnybrook parcel. The Board agrees that 42 Ave has better exposure than either of the subject parcels, but was not convinced that this would significantly impact the sale price of an industrial parcel.

The Board also agrees that there was a substantial decline in the market subsequent to the June 2008 sale. However, the rate applied is 25% less than the sale price of the 0.96 acre comparable, and the Board is of the opinion that this reduced value adequately reflects the decline in the market.

Board's Decision:

The complaint is denied and the assessment for both roll numbers under complaint are confirmed as follows:

<b>ROLL NUMBERS:</b>	<b>200659803</b>	<b>090083205</b>
<b>ASSESSMENTS:</b>	<b>1,170,000</b>	<b>1,060,000</b>

DATED AT THE CITY OF CALGARY THIS 25 DAY OF August 2010.

  
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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.*