

**CALGARY
COMPOSITE 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:

Linnell Taylor Assessment Strategies, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Steven C Kashuba, PRESIDING OFFICER

Alfredo Wong, MEMBER

Ike Zacharopoulos, 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: 201065620

LOCATION ADDRESS: 1506 – 11 Avenue SW

HEARING NUMBER: 56000

ASSESSMENT: \$2,990,000

This complaint was heard on 1st day of September, 2010 by the Composite Assessment Review Board at the office of the Assessment Review Board located at Floor #3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *David Sheridan*

Appeared on behalf of the Respondent:

- *Carman Fox and Andy Czechowskyj*

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

No procedural or jurisdictional matters presented.

Property Description:

Located at 1506 – 11 Avenue SW (Commercial Corridor 2 in the Sunalta Subdivision), the subject property consists of two older freestanding buildings. The land area is 16,792 square feet and the area of the building is 4,929 square feet. Situated on the northwest corner of 11 Avenue SW and 14 Street SW, places it at a point where the commercial district ends at the west boundary. Improvements, which reflect the 1920s era, consist of two older wood frame buildings with an aggregate floor area of 4,929 square feet. To the west of the development are low-rise apartments. The subject is assessed *as if vacant* land at \$2,990,000.

Issues:

1. Is the subject property assessed fairly and correctly when using vacant land sales as comparables?

Complainant's Requested Value: \$2,080,000.

Position of Complainant

It is the position of the Complainant that the location of the subject property in Commercial Zone Beltline B5 makes sales comparability difficult because of the absence of any recent vacant land sales in this particular commercial zone. As a result, the sales presented by the Complainant are located in nearby subdivisions in Economic Zones TA1, TA2, and TA3, which, although adjacent to the B5 Economic Zone, reflect different attributes.

The seven sales comparables are in LUD C-COR2 and carry a Time-Adjusted-Sales Price (TASP) per square foot (SF) ranging from \$83 to \$279 and assessment values per square foot ranging from \$100 to \$234. It is the submission of the Complainant that sales #1 and #7 (1-C, page 4) are the best indicators of value for the subject property and, as such, reflect a median of \$124 per square foot; a value which is considerably lower than that applied to the subject property by the Respondent in determining its assessment value. By applying a value of \$124 per square foot to the area of the subject property, a value of \$2,082,208 is derived. As a result, the Complainant requests a reduction in the assessment to this amount.

Position of Respondent

The Respondent submitted that the City's approach to the valuation of improved properties is based upon the concept of assessment of vacant land in instances where market value cannot be attained by utilizing the income approach to value. In support of this position, the Respondent submitted land sales in BL4, BL6, BL2, BL7, and BL3. The mean of these sales is \$262 per square foot while the subject property is assessed at \$178 per square foot. In particular, the Respondent noted that the property at 1501 – 15 Avenue SW, also located in BL5, sold in October of 2008 at \$169 per square foot and a property located at 633 – 10 Avenue SW (Zoned BL3) sold on September 25, 2009 for a value of \$211 per square foot. As regards the latter *post-facto* sale, the Respondent was of the view that the sale does indicate a market trend and, therefore, should be used to support the assessment.

In addition to the sales comparables, the Respondent submitted eight equity comparables, all located in BL5 Zone. Much like the assessment value of \$178 per square foot for the subject property, the eight equity comparables reflect assessments ranging from \$169 per square foot to \$178 per square foot—all of which support the assessment of the subject property.

Findings of the Board

The Board finds that the Complainant's sales comparables are derived from a neighbouring subdivision which exhibits characteristics inferior to those found in the subdivision of the subject property and, therefore, cannot be relied upon to mirror the characteristics of the subject property. As well, the Board places little weight upon the Complainant's equity comparables in that they, too, are taken from the TA3 and TA1 Economic Zones, which exhibit inferior characteristics.

The Board is persuaded by the sales and equity comparables presented by the Respondent in that these are all taken from the Economic Zone BL5, the same zone in which the subject property is located.

Board's Decision:

It is the decision of the Board to confirm the assessment of the subject property for 2010 at \$2,990,000.

Reasons

The Board is persuaded by the sales and equity comparables presented by the Respondent as reflecting the characteristics of the subject property and, in turn, which support the assessment.

DATED AT THE CITY OF CALGARY THIS 14 DAY OF September 2010.


Steven C. Kashuba,
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.*