

**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:

Colliers International Realty Advisors, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

P. Irwin, PRESIDING OFFICER

R. Glenn, MEMBER

J. Rankin, MEMBER

A hearing was convened on September 2nd, 2010 in Boardroom 4 at the office of the Calgary Assessment Review Board, located at 1212- 31 Avenue NE, Calgary, Alberta in respect of the Property assessment prepared by the assessor of the City of Calgary, and entered in the 2010 Roll as follows:

ROLL NUMBER:	067095109
LOCATION ADDRESS:	530 11 AV SW
HEARING NUMBER:	58179
ASSESSMENT:	\$1,390,000

PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

The subject property is a vacant 6502 sf parcel of land in southwest Calgary, located in the BL3 part of the Beltline District. Its Land Use Designation is Centre City Mixed Use District (CC – X). The property is currently used for surface parking, with no improvements.

PART B: PROCEDURAL OR JURISDICTIONAL MATTERS

There were no objections to the composition of the Board, nor were there any jurisdictional matters.

PART C: MATTERS/ ISSUES

Is the land assessment in excess of its market value as of the July 1, 2009 valuation date ?

The Complainant provided an evidence package that included tables of comparables, methodology on Time Adjustments, Building Adjustments, the Beltline Plan (density section), Assessment Summary Reports, sales reports (from RealNet and Alberta Data Services), a decision from a 2010 Composite Assessment Review Board (CARB), etc.

While the Complaint Form listed 11 reasons for complaint, the evidence and presentation was focussed only on market valuation. The current assessment was based on a rate of \$213.78 per sf; however the requested assessment was a rate of \$135 per sf, which would yield an assessment of \$877,500.

The Complainant's table listed 23 Beltline land sales that had occurred over a 30-month period prior to the valuation date and one post facto sale on July 24, 2009. The Complainant discussed four approaches to time adjustment and indicated that 3 out of the 4 were used to analyze the sales data. The data were adjusted to recognize the passage of time (in a declining real estate market) between the sale date and the valuation date and the analysis produced a mean value of ~\$193 per sf. This figure was achieved by time adjustment of - 1.94% per month to the actual sale date. Further, as only four of the comparables were purely vacant, the analysis next adjusted the sales prices to remove the value of the improvements in order to get at a figure as if the land in each sale was vacant. This yielded a mean price of ~\$135 per sf.

The Complainant then went on to discuss the characteristics of the subject property in relation to the neighbouring properties. The subject was described as a small, interior site for which development prospects were limited. The Complainant also discussed the concept of "Floor Area Ratio" (FAR) which means the quotient of the gross floor area of a building divided by the gross site area. He noted that, whereas the maximum density, in FAR, for the subject's general area was 12.0, that figure was not realistically achievable for the subject property because of its small size, setback requirements, etc. and to assess the subject property as if an FAR of 12.0 were achievable would produce an inequity.

The Respondent provided a comprehensive Assessment Brief that included maps, photos, sales comparables, RealNet and Alberta Data services reports, some 2010 Board decisions, etc. For the sales comparisons provided, the parcel sizes ranged from ~7,000 sf to ~26,000 sf and sales prices ranged from \$205 to \$364 per sf. As three of them had a corner lot influence, those ones were adjusted downwards by 5%, and the median price of all of the comparables was \$221. Most had improvements on them. All of the comparables were in the Beltline District and were zoned as either CC-X or C-COR. The C-COR has density ratings of FAR 3.0. The Respondent's sales table also included a corner lot property at the most westerly end of the Beltline with a 2010 assessment of \$170 and a post facto sale with a \$211 value.

The Respondent re-analyzed the Complainant's sales comparisons by using only the transactions in the 12 months prior to the valuation date and arrived at an average value of \$250 per sf, from which

a line graph was then produced and it showed a slightly upward-sloping line of Sale Price Per Square Foot (SPPSF), implying that prices were going up during that 12 month period.

Board's Findings and Reasons in Respect of Each Matter or Issue:

After a thorough review of the evidence presented, the Board found the Complainant's evidence more compelling.

The Board reduces the 2010 assessment of the subject property to \$135 per sf which, for the 6502 sf parcel, translates to \$877,500 (rounded).

PART D: FINAL DECISION(S)

The 2010 assessment is reduced to \$877,500.

DATED AT THE CITY OF CALGARY THIS 1ST DAY OF OCTOBER 2010.



P. Irwin
Presiding Officer

APPENDIX "A" : ORAL REPRESENTATIONS

PERSON APPEARING CAPACITY

Scott Meiklejohn
Roy Natyshen

representing Colliers International Realty Advisors Inc.
Assessor, City of Calgary

APPENDIX "B" : DOCUMENTS RECEIVED BY THE ASSESSMENT REVIEW BOARD

Document C – 1	Complaint Form (considered)
Document C – 2	Complainant's Brief (considered)
Document R – 1	Respondent's Brief (considered)

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.*