

**CALGARY
COMPOSITE ASSESSMENT REVIEW BOARD (CARB)
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:

SDR Management Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Fleming, PRESIDING OFFICER

K. Farn, MEMBER

I. 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: 200919876

LOCATION ADDRESS: 605 16 Ave. NE

HEARING NUMBER: 56235

ASSESSMENT: \$1,150,000

This complaint was heard on 3rd day of September, 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:

- *A. Fung for the Complainant*

Appeared on behalf of the Respondent:

- *T. Johnson; City of Calgary for Respondent*

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

At the outset of their presentation, the Respondent advised that they had issued an amended assessment for the property reducing the assessment from \$1,310,000 to \$1,150,000. The reason for the change was an incorrect influence adjustment which the City had corrected.

Property Description:

The subject property is an unimproved parcel of land with an area of 11,651 square feet. The Land Use Designation is Commercial Corridor 1 and the land is currently vacant. The property is valued according to the Direct Sales Comparison method and has CRL (corner lot), ACD (access) and TRM (major traffic) influences.

Issues:

What is the best evidence of value for the subject?

Complainant's Requested Value:

\$510,000

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

The best evidence of value is the comparable which is better located less than 1 block from the subject.

Board's Decision:

The appeal is granted in part and the value is reduced to \$660,000

REASONS:

The Complainant provided 8 equity comparables 6 of which were land and improvements, and 2 of which were land only. Where there was a land value calculation component to the comparable (i.e: for land only and cost approach valuations), the land values supported the City's method of valuation. The balance of the comparables were valued on the income approach and so attempting to attribute all value, derived from an income approach, to the land is mixing valuation methods and is not a valid appraisal or assessment method for determining the land value. No weight is placed on the values resulting from this type of calculation.

The Respondent provided 7 land only sales comparables from across the City, representing that there was one value for C-CORR land Citywide (Ex. R1 pg. 27). On a time adjusted basis, these sales tended to support the City's method of valuation. Upon questioning, issues were raised concerning the validity of these sales, but no hard evidence was produced to invalidate their consideration. Only one of these comparable sales was from the NE, the area of the subject, and it was sold by the City at a time adjusted price of \$60.07 per square foot. The Respondent included this property in its Equity Comparables, but it is obvious that there have been some changes to the

property as it is now much smaller (9,763 vs. 17,119 square feet) and on a different roll number. The Respondent explained that a corner cut had been removed from the site and this had also eliminated future access to 16th Ave.

Finally, the Complainant included a notice from the MGB reducing the 2009 assessment from \$915,000 to \$560,000 or \$48.00 per square foot. This was an MGB oral decision so no details were available.

In evaluating the evidence, the CARB placed weight on the "only" sale in the NE from the City comparables (637 16th Ave NE) which was less than a block away at \$60.07 per square foot. They concluded that 637 16th Ave was a better location because of the north south traffic access to a busier street than the subject. As well, the CARB gave great weight to the 2009 MGB decision on the subject property. Accordingly, the CARB concluded that the 637 17 Ave NE was the best evidence of the current value and that the subject property was 5% less valuable due to location. The 5% number was an estimate from the CARB based in its experience. They thus concluded that the property was worth \$57.00 per square foot for a total value of \$660,000.

In making its decision the CARB notes that without very strong sales evidence, it is difficult to accept that a developed site with a successful business (Peter's Drive In for example) is worth over 200% less on a land equivalent basis than an unimproved vacant site (Ex. C1 Pg. 9 & 10).

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


James Fleming
Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB

No.	Item	
1.	Exhibit C1	Completed Complaint Form
2.	Exhibit C2	Complainant's Brief
3.	Exhibit R1	Respondent's Brief

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.*