

**CITY OF CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of a complaint filed with the City of Calgary Assessment Review Board pursuant to Part 11 of the *Municipal Government Act*, Chapter M-26, Revised Statutes of Alberta 2000 (the Act).

Between:

ASSESSMENT ADVISORY GROUP, Complainant

and

THE CITY OF CALGARY, Respondent

Before:

**J. KRYSA, Presiding Officer
J. MASSEY, Member
C. M°EWEN, Member**

A hearing was convened on September 17, 2010 in Boardroom 9, at the office of the 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 Assessment Roll as follows:

ROLL NUMBER:	176224202
LOCATION ADDRESS:	250 Hawkstone Drive NW
HEARING NUMBER:	58449
ASSESSMENT (AMENDED):	\$2,650,000

PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

The subject property is a 43,057 square foot (sq.ft.) parcel of land improved with a convenience store / gas bar / carwash development. The property has been assessed by the cost approach to value with the land valued at \$2,080,197, and the building valued at \$572,889 (before rounding).

PART B: PROCEDURAL or JURISDICTIONAL MATTERS

There were no procedural or jurisdictional matters raised by either party during the course of the hearing.

PART C: MATTERS / ISSUES

The Complainant identified matter #3, an assessment amount, in section 4 of the complaint form applies to this complaint.

The Complainant set out several reasons for complaint in Section 5 of the complaint form, with a requested total assessment of \$1,200,000, however, at the hearing only the following issue was identified to be in dispute:

Issue: Assessment of the Land component should be \$1,164,359 (\$27.00 per square foot) based on comparable sales.

The Improvement assessment of \$572,889 was not in dispute, resulting in a total requested assessment of \$1,737,000 (rounded).

The Complainant argued that the subject's land was assessed in excess of its market value, and in support of that argument, submitted sales transaction reports for 2 sales of vacant land parcels, each exhibiting a sale price of \$25.00 per square foot. Adjustments were made to the sale prices for time and size to arrive at a value range of \$26.00 to \$28.00 per square foot, and an average of \$27.00 per square foot which, applied to the subject land area results in a land valuation of \$1,164,359 in contrast to the assessed value of \$2,077,111 [C1 pgs 9-13].

As a result of a calculation error of the sale price per square foot of the 1111 Panatella Blvd. NW sale, discovered during cross examination, the Complainant revised his requested assessment as follows:

Land component:	\$1,379,981 (\$32.00 per square foot)
Improvement assessment:	<u>\$ 572,889</u>
Requested total assessment:	\$1,952,000 (rounded)

The Respondent advised that the subject land was valued at a rate of \$76.00 per square foot for the first 20,000 square feet, plus \$20.00 per square foot for the remaining land area, with the total multiplied by a factor of 1.05 to reflect the "corner lot" location attribute. The Respondent stated that this formula has been applied consistently to similarly zoned properties, and argued that the Board has in recent cases, accepted this formula as being correct. Further, the Respondent argued that the agent has accepted the value predicted by this formula in a previous complaint, wherein he had requested a confirmation of the assessment [R1 pg 21].

In support of the assessment, the Respondent submitted 7 sales of similarly zoned, vacant land parcels exhibiting a range of time adjusted sale prices (TASP) from \$24.92 to \$80.86 per square foot, for parcels ranging in size from 12,985 square feet to 94,960 square feet in support of the subject's land assessment of \$2,080,197 (\$48.31 per square foot) [R1 pg 20].

The Respondent further submitted a sales transaction report, in respect of a June 2007 sale of the subject property, for a sale price of \$1,943,000 for land and buildings. The Respondent argued that applying a 2% per month time adjustment to the sale price for the first 12 months, before the market softened, would result in a value supportive of the assessment [R1 pg 17].

Decision

The Board finds that there was insufficient relevant evidence presented by the Complainant to convince the Board that there is merit to the complaint. In this instance, the Complainant has not lead sufficient market evidence to establish a *prima facie* case.


The Complainant presented two sales comparables to establish the market value of the subject property, however there was no market evidence in support of the adjustments made to the sale prices. Further, the Complainant conceded that the Ranchview Drive sale was subject to a proposed rezoning application at the time of sale which may have influenced the sale price, and the 1111 Panatella Blvd. NW sale, which was also included in the Respondent's sales comparables, exhibits an ASR (assessment sale ratio) of 96% when valued with the municipality's valuation formula.

The Complainant also did not challenge the Respondent's land sales comparables in support of the assessment.

PART D: FINAL DECISION

The assessment is confirmed at \$2,650,000.

Dated at the City of Calgary in the Province of Alberta, this 19 day of October, 2010.



J. Krysa

Presiding Officer

APPENDIX "A"**DOCUMENTS RECEIVED BY THE ASSESSMENT REVIEW BOARD:**

NO.	ITEM
1.	Exhibit C1 Complainant's evidence
2.	Exhibit R1 Respondent's evidence

APPENDIX "B"**ORAL REPRESENTATIONS**

PERSON APPEARING	CAPACITY
1. T. Howell	Representative of the Complainant
2. B. Thompson	Representative of the Respondent

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.*