

**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:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member 1, S. Rourke
Board Member 2, P. Pask***

These are complaints to the Calgary Assessment Review Board in respect of a Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as outlined following. With the agreement of all parties, the complaints were dealt with concurrently.

LOCATION ADDRESS:	FILE NUMBER	ROLL NUMBER	ASSESSMENTS
1426 – 8 Avenue NW.	56144	058207309	\$1,640,000
1430 – 8 Avenue NW.	56145	200470391	\$3,220,000
1414 – 8 Avenue NW.	56146	200423416	\$4,110,000

This complaint was heard on 28 day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *B. Bickford*

Appeared on behalf of the Respondent:

- *K. Haut*

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

Not Applicable

Property Description:

The three sites are separately titled, adjacent parcels, as follows;

- 1426 – 8 Avenue; 15,469 s.f., rectangular, interior parcel, with access off 8 Avenue NW.
- 1414 – 8 Avenue; 80,624 s.f, highly irregular is shape, with double frontage on 8 Avenue, and 14 Street NW. The parcel is essentially two parcels joined by a narrow strip. The portion of the site fronting 14 Street has no access except across the remainder of the parcel off 8 Avenue. Portions of this parcel also have topographic issues.
- 1430 – 8 Avenue; 30,678 s.f., rectangular, corner parcel, with access off 8 Avenue

The general location is Hillhurst, specifically Riley Park. The property Land Use designation is D-C Direct control, with a multi-residential future. The combined site size is 2.91 acres. The site has an uphill slope from the street to the rear most property line. The market area and sub-market is denoted as MR3, and NH3.

Issues (Grounds for Appeal):

Both the Complainant and the Respondent agreed that the correct procedure in accordance with the Municipal Government Act, and with Alberta Regulation 220/2004. was to assign a separate assessment to each of the three parcels. However, the departure between the two lies in the values attributed to each of the three components.

The Complainant took the position that the parcels should be valued as a single, 126,771 s.f. or 2.91 acre assembled development site, and the total value should then be pro-rated between the three component parts.

The Respondent took the position that the three parcels represented three separate and distinct parcels that could be developed, or sold separately, each on their own merits.

Complainant's Requested Value:

1426 – 8 Avenue NW.	56144	058207309	\$469,500
1430 – 8 Avenue NW.	56145	200470391	\$2,420,000
1414 – 8 Avenue NW.	56146	200423416	\$920,500

Board's Findings:

Within the Municipal Government Act, "Market Value" means " the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer". Section 284 (1)(r) defines property as, among other things, 'a parcel of land'.

Section 289(2) of the MGA states;

"Each assessment must reflect

- a) The characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property and
- b) The valuation standard set out in the regulations for that property.

The Matters Relating To Assessment and Taxation Regulation(220/2004) states, among other things;

"An assessment of property based on market value

- (c) must reflect typical market conditions for properties similar to that property.

And in 4(1), it states;

"The valuation standard for a parcel of land is

- (a) Market value

On pages 33 and 34 of the Complainant's evidence submission Exhibit C-1, the Complainant outlined numerous undeveloped multi family and development sites that have sold in the City. These are summarized as follows;

<u>Quadrant</u>	<u>No. Of Sales</u>	<u>Average size (s.f)</u>	<u>Ave.Price /s.f.</u>
NE	2	185,630	\$16.63
NW	5	26,014	\$68.41
SE	4	182,916	\$40.10
SW	10	124,913	\$59.21

The average of all of the 2008 sales was \$69.30 per s.f. The average in 2009 was \$28.36

The Respondent presented 31 sales , all in the north portions of the City. Three of the transactions are in the same sub-market as the subject. The Respondent's sales are summarized as follows;

Average price NW/NE ;	\$95.13
Median price NW/NE;	\$102.82
Average MR3 Area;	\$140.22
Median MR3 Area;	\$109.83
Average NH3 Area;	\$118.00
Median NH3 Area;	\$107.21

Much of the Respondent's data was comprised of parcels that are significantly smaller than any of the subject parcels. Some of the transactions date back to 2007, and 2008.

Board's Decision:

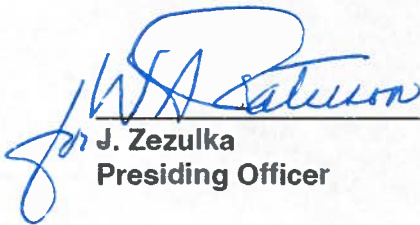
At the outset, the board agrees with both parties that the correct method of assessment is separately by parcel. However, beyond that, the Board does not agree with the Complainant. Implicit

in the definition of market value is the concept of "greatest net return to the land", or 'highest achievable value' or price. And that concept applies whether the return is through continued use, or resale. The principle of acceptable denominations generally holds that price per unit tends to vary in inverse proportions to size, all else being equal. It follows therefore, that a prudent owner would attempt to market the properties separately, since the aggregate selling price for the three is likely to be higher than a single selling price for all three combined sites. No doubt, premiums are often paid for sites in an assembly. But there is ample sales evidence before the Board to show that smaller, single sites have been selling as often as larger sites, but at much higher prices.

For the most part, therefore, the Board accepts the Respondent's evidence as being more indicative of the subjects' market value. However, no time adjustment was applied to the indicated 2008 values. On page 4 of the Complainant's Rebuttal package, the grouped sales submitted by the City reflected an approximate 15 per cent reduction from the 2008 sales to the 2009 transactions. Having regard to this adjustment the Board reduces the existing assessments as follows;

LOCATION ADDRESS:	FILE NUMBER	ROLL NUMBER	REVISED ASSESSMENTS
1426 – 8 Avenue NW.	56144	058207309	\$1,400,000
1430 – 8 Avenue NW.	56145	200470391	\$2,760,000
1414 – 8 Avenue NW.	56146	200423416	\$3,460,000

DATED AT THE CITY OF CALGARY THIS 7 DAY OF October 2010.



J. Zezulka
Presiding Officer

List of Exhibits

C-1; Evidence submission of the Complainant for 56144, 56146, 56145
R-1; City of Calgary Assessment Brief for 56144, 56145, 56146

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.*