

**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:

Linnell Taylor Assessment Strategies, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

P. Irwin, PRESIDING OFFICER

C. McEwen, MEMBER

D. Steele, MEMBER

A hearing was convened on October 13th, 2010 in Boardroom 10 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 Assessment Roll as follows:

ROLL NUMBER: 068243609

LOCATION ADDRESS: 125 14 AV SW

HEARING NUMBER: 56172

ASSESSMENT: \$5,660,000

PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

The subject property is a vacant parcel of land located in the BL2 section of the Beltline Community. The subject is undeveloped, but improved as a gravelled parking lot. The site size is 20,995 sf (0.48 acre). The market value was determined by using the sales comparison approach to value and the Land Rate used for the 2010 Assessment was \$270 per sf. The Assessment Class is Non-residential 100%.

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

1. Is the subject property assessed too high ?
2. Is the subject property incorrectly classed as Non-residential 100% ?

The Complainant described the characteristics of the subject property and noted that it had a Land Use Designation (LUD) of Direct Control (DC) 108D2008. This DC District is intended to provide for the permitted and discretionary uses of the RM-7 Residential High Density Multi-Dwelling District and the discretionary use of a parking area (at grade) for a term of 1 – 5 years. He provided four sales comparisons, with sale prices ranging from ~\$169 to ~\$222, with a weighted mean of ~\$175. He indicated that the market was in recession at the time of the July 1, 2009 assessment valuation date. He presented two “paired land sales” (re-sales of the same site) to demonstrate the impact of the declining market on land prices and to quantify negative time adjustments for land sales. The Complainant requests an assessment on the subject of \$4,303,975, based on \$205 per sf.

The Complainant's disclosure package also included a table and amplification of information related to four CARB decisions from 2010 on similar, nearby Beltline parking lot properties. In decisions 0631/2010-P and 0632/2010-P, the properties at 109 & 115 13 Av SW had an LUD of CC-MH, which is similar to the subject's LUD of RM-7, and had the assessment reduced to \$215 per sf. In decisions 0633/2010-P and 0634/2010-P, the properties at 115 & 121 – 13 Av SW had an LUD of Centre City Commercial Corridor (CC-COR), and had the assessments confirmed at \$215 per sf.

With respect to the issue of assessment class, the Complainant provided information on seven properties that were classed as Residential 100%: the Lausanne/ Montreux (at two addresses), Astoria on 10th, Oslo, Centuria on the Park, Gateway Midtown, and Sky Tower. The “property use” for each was Multi-Residential and they had various current actual uses, ranging from parking lot to parkade to excavation to “under construction”. Given that these other properties shared a common characteristic – a legal land use permitting high density multi-residential development – but were not complete yet, the Complainant requested a change in the assessment class of the subject property to Residential 100%.

The Respondent's Assessment Brief included a table of five sales comparables of Beltline multi-residential land (zoned either CC-MH or RM-7). The prices ranged from \$196 to \$313 per sf, with a weight mean of \$269 and each was assessed at \$270. All were improved parcels. The Respondent also had a table of five Beltline commercial land sales (zoned either CC-X or CC-COR). Those prices ranged from \$195 to \$364 per sf, with a median of \$221 and each was assessed at \$215. A post-facto sale had a price of \$211. Neither table included any time adjustments to prices. A third table of older sales (2007 & 2008) was provided as further evidence that multi-residential property sells for more than commercial property in the Beltline.

With respect to the assessment class issue, the Respondent noted that all of the seven properties cited had a name, and the property owners had an intention to develop a tower. The Respondent referred to the Complainant's evidence package showing architectural renderings, marketing information, a websites, an update to unit holders, a development permit application, a suite layout floor plan, etc. By contrast, there was no evidence of any current intent for the subject to be

developed into a multi-residential property.

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

The Board finds that the Respondent's sales comparables of multi-residential land were not sufficiently comparable because they were not land-only sales, but rather, they were sales of continuously operated commercial property. The Board therefore gave those comparables little weight. Upon reviewing the Respondent's sales comparables of commercial land, three of those were also not land-only sales, and one sale was clouded with a significant vendor take-back mortgage. The Board similarly reduced the weight accorded to the commercial land sales data.

In the Board's opinion, the two best sales comparables presented were the properties at 633 – 10 Av SW (~\$222 per sf) and 731 & 733 – 10 Av SW (~\$205 per sf), based on proximity to the subject and similarity of size. The Board also finds that both sales were close enough to the valuation date and therefore a time adjustment was not warranted. In the opinion of the Board, the average of these two best sales comparables, and being mindful of the four CARB decisions referenced above, warrants a reduction in the subject property's assessment to \$215 per sf. For this 20,995 sf property, the fair and equitable assessment is calculated to be \$4,513,925 before truncating.

The Board finds that the assessment class (Non-residential 100%) is correct, given that the subject property current use is commercial (parking lot) and an absence of any plans to re-develop it for residential purposes.

PART D: FINAL DECISION(S)

1. The Board reduces the 2010 assessment of the subject property to \$4,510,000.
2. The Board confirms the Assessment Class of the subject property as Non-residential 100%.

DATED AT THE CITY OF CALGARY THIS 10 DAY OF NOVEMBER 2010.



P. Irwin
Presiding Officer

APPENDIX "A" : ORAL REPRESENTATIONS

PERSON APPEARING CAPACITY

<i>J. David Sheridan</i>	<i>Linnell Taylor Assessment Strategies, representing Bob's Buildings Ltd.</i>
<i>Dale Grandbois</i>	<i>Assessor, City of Calgary</i>

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

Document C – 1	Complainant's Brief (considered)
Document C – 2	Complainant's Rebuttal (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.*