

**COMPOSITE  
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-26.1, Section 460(4).

**between:**

***Altus Group Ltd., COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***C. Griffin, PRESIDING OFFICER***

***E. Reuther, MEMBER***

***B. Kodak, MEMBER***

This is a complaint to the Composite Assessment Review Board (CARB) 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: 067209700**

**LOCATION ADDRESS: 517 – 10 Avenue SW**

**HEARING NUMBER: 59895**

**ASSESSMENT: \$ 21,940,000.**

This complaint was heard on 6<sup>th</sup> day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- B. Neeson

Appeared on behalf of the Respondent:

- J. Toogood

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

There were no Procedural or Jurisdictional matters brought forward.

**Property Description:**

The subject property is an unimproved parcel of land that constitutes the excavation of a planned, but incomplete, multi storey development. The site, which contains a gross area of 46,550 Sq. Ft., has a somewhat notorious reputation as having been the cause of a significant sink hole which affected 4<sup>th</sup> Street SW. The site is located at the southwest corner of the intersection of 4<sup>th</sup> Street and 10<sup>th</sup> Avenue southwest within that portion of the city of Calgary commonly referred to as the Beltline.

The current assessment of the property is based upon an unadjusted base land rate of \$270/Sq. Ft. plus 13.2% of a building permit value of \$12,568,500.

**Issues:**

The grounds for appeal identified on the Complaint Form are as follows:

1. The subject property is assessed in contravention of Section 293 of the Municipal Government Act and Alberta Regulation 220/2004.
2. The use, quality and physical condition attributed by the municipality to the subject property is incorrect, inequitable and does not satisfy the requirement of Section 298 (2) of the Municipal Government Act.
3. The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts.
4. The City has failed to adjust sales that include value other than land in determining their base land rates.
5. The City failed to recognise that there is no market demand for a change in use of the subject property.
6. The City has failed to adequately recognize the significant decrease in market demand for redevelopment sites at the valuation date.
7. The City has failed to adjust sales for the shift in demand represented by a negative "time" or "market conditions" adjustment.
8. The percentage complete of the partial development is in error.
9. The assessment of the subject property is in excess of its market value for assessment purposes, it should be \$200/Sq. Ft.
10. The assessment of the subject property is not fair and equitable considering the assessed value and assessment classification of comparable properties.

At the Hearing the Complainant indicated that the *single issue to be given consideration is equity* with regard to the applied base land rate applied to derive the assessed value of the subject property.

**Complainant's Requested Value:** \$9,310,000. Revised in Exhibit C-2 to \$15,106,600. and further revised at the Hearing to \$19,380,000.

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

The Complainant introduced evidence (Exhibit C-2 pgs 45 through 48) of 110 Beltline located equity comparables all of which, save twelve (12), are assessed with an unadjusted base land rate of \$215/Sq. Ft. The Complainant pointed out to the CARB that four (4) of the aforementioned twelve (12) properties have now also been reduced to a base rate of \$215/Sq. Ft. as shown in CARB Decision 0709/2010-P. Additionally, the Complainant introduced (Exhibit

C-2 pg 41) a copy of the 2010 Beltline Commercial Land Rates map as prepared by the City of Calgary which clearly shows the land rates for all eight (8) Beltline zones being \$215 or less. Additionally, the Complainant provided sales evidence (Exhibit C-2 pg 53) relating to eleven (11) sales and two (2) listings of sites all, with one exception, located within the Beltline market area of the city. The one exception relates to a site located at the extreme west end of the downtown core area. The sales were recorded between March 2007 and December 2009. The site sizes ranged from 6,447 Sq. ft. to 49,088 Sq. Ft. The Land Use Designations included a variety of commercial and multi-family residential designations. The unadjusted selling prices ranged from a low of \$118.28/Sq. Ft. to a high of \$264.29/Sq. Ft.

The Respondent explained to the CARB that there are two land rates applied in the Beltline, one being \$215/Sq. Ft. of site area for commercial properties and the other being \$270/Sq. Ft. of site area which is applied to multi-family residential lands. To support the rate applied to the multi-family land the Respondent provided (Exhibit R-1 pg 19) five (5) sales of multi-family sites located within the Beltline which ranged from a low of \$196/Sq. Ft. to a high of \$313/Sq. Ft. and which indicate a median of \$269/Sq. Ft. which they contend supports the applied multi-family rate of \$270/Sq. Ft. Additionally, the Respondent submitted (Exhibit R-1 pg 35) a Multi-Residential Land Sales Report: January 2007 to July 2008 which provides sales evidence indicating an unimproved land sale median value of \$318/Sq. Ft. It is the contention of the Respondent that these combined sales clearly support the correct rate of \$270/Sq. Ft. for the subject property.

The CARB is, in this instance, primarily concerned with the issue of equity and the evidence of the Complainant clearly shows that 102 of 110 properties, all located within the Beltline market area, are assessed at a land rate of \$215/Sq. Ft. or less. It is the contention of the Respondent that the Land Use Designation is the determining factor as to which base land rate should be applied, \$270 for multi-family or \$215 for commercial; however, their evidence does not serve to convince the CARB. In the Respondent's evidence (Exhibit R-1 pg 35) shows commercial land selling, during that time period, for as high as \$714/Sq. Ft. and as low as \$200/Sq. Ft. and multi-family lands selling from a low of \$228/Sq. ft. to as high as \$561/Sq. Ft. The CARB interprets this information as indicating that Land Use Designation does not, in this case and in this geographic area, appear to be have been a major influence in determining value. The CARB is of the judgment that the evidence of the Complainant clearly supports their equity argument.

**Board's Decision:**

The assessment is reduced to \$19,380,000.

DATED AT THE CITY OF CALGARY THIS 20 DAY OF October 2010.



C. J. GRIFFIN

Presiding Officer

*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.*