

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaints against the Property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

between:

Colliers International Realty Advisors, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***L. Lundgren, PRESIDING OFFICER
R. Deschaine, MEMBER
A. Zindler, MEMBER***

These are complaints to the Calgary Assessment Review Board in respect of Property assessments prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBERS	LOCATION ADDRESSES	FILE NUMBERS	ASSESSMENTS
068204304	209 15 AV SW	57256	\$ 645,000
067102301	931 11 AV SW	57334	\$ 1,320,000
067102400	927 11 AV SW	57333	\$ 1,320,000
067102202	1102 9 ST SW	57335	\$ 1,170,000

These complaints were heard on the 1st day of November, 2010 at the office of the Assessment Review Board located at 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *M. Uhryn, Agent for Colliers International Realty Advisors*

Appeared on behalf of the Respondent:

- *R. Natyshen, Assessor for The City of Calgary*

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

There were no procedural or jurisdictional matters.

Property Description:

The following four properties are located in the BL-3 economic zone and are assessed using a base land rate of \$215 per square foot.

209 15 AV SW is a 3002 square foot vacant parcel of land.

931 11 AV SW is an interior 6156 square foot vacant parcel of land.

927 11 AV SW is an interior 6156 square foot vacant parcel of land.

1102 9 ST SW is a corner 5186 square foot vacant parcel of land assessed with a corner lot influence adjustment of 5%.

Issues:

1. What is the correct base land rate for the subject properties?
 - (a) Is the time adjustment factor developed by the Complainant reliable?
 - (b) Is the building adjustment factor used by the Complainant correct?

The only issues that the Complainant brought forward in the hearing before the Composite Assessment Review Board (CARB) are those referred to above, therefore the CARB has not addressed any of the other issues initially raised by the Complainant on the complaint form.

Complainant's Requested Value:

ROLL NUMBERS	LOCATION ADDRESSES	FILE NUMBERS	REQUESTED VALUE
068204304	209 15 AV SW	57256	\$ 405,000
067102301	931 11 AV SW	57334	\$ 831,000
067102400	927 11 AV SW	57333	\$ 831,000
067102202	1102 9 ST SW	57335	\$ 700,000

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

1. What is the correct base land rate for the subject properties?

The Complainant submitted twenty-four beltline sales comparables that occurred between February 2007 and July 2009 for an average of \$275 per square foot (psf). The Complainant adjusted these sale prices using a time adjustment factor of -1.64% per month and a building adjustment factor of -\$125 per square foot. After these two adjustments are made to the sale prices, the average sale price is \$135psf.

The Complainant asserts that a time adjustment factor should be used to adjust the sale prices for changes in the market between the date of the sale and the valuation date of July 1st, 2009. The Sales Ratio Trend Analysis method was used to develop the time adjustment factor of -1.64% per month based on fifteen sales which occurred over a thirty month period starting January 2007. The Complainant did not know which fifteen sales were used in the time adjustment analysis, nor did the Complainant know if any of the sales comparables were used in the time adjustment analysis.

The Complainant also submitted a resale analysis - time adjustment summary to demonstrate that a time analysis factor should be applied to sale prices from 2007 to 2009. The Complainant used two properties, 739 10 AV SW and 340 17 AV SW which each sold twice. The resultant percentage changes are -0.54% and -1.46% per month, respectively, for the resales. The Complainant provided a sales data sheet for the first sale of 340 17 AV SW. However, the Complainant was not able to provide any information on whether the condition of the sale properties was unchanged from the first sale date to the second sale date.

The building adjustment factor of \$125 per square foot was deducted from the sale price of improved properties to bring the sale price down to vacant land value. The Complainant explained that the source of the building adjustment factor is Composite Assessment Review Board decision ARB 0416/2010-P which states "The Board calculated a depreciated building cost for a concrete block and steel frame structure at \$125.00 sq. ft....". The Complainant did not present any of the evidence or argument considered by the Board in its decision.

On the basis of an adjusted sale price of \$135psf, the Complainant requested that a base land rate of \$135psf be applied to the properties under complaint.

The Respondent argued that the base rate of \$215psf is supported by the beltline commercial land sales. In support of this argument, the Respondent presented five sales that sold between August 2008 and April 2009 for a median sale price of \$221psf. The Respondent stated that the assessment department didn't use a time adjustment factor for 2008 and 2009 because the market was flat. The Respondent is critical of the Complainant's time adjustment analysis because it goes back to 2007 at the height of the market, and this skews the average per month change. If only the 2008 and 2009 sales from the Complainant's study are used, the result is 0.11% change per month. The Respondent is also critical of the building adjustment factor of \$125psf because there is no evidence in front of this Board to support that building cost.

The Respondent requested the Board to confirm the property assessments for the four properties under complaint.

The Board finds the Complainant's Sales Ratio Trend Analysis unreliable because it uses only fifteen sales over a thirty month period and it is not known whether the sales are valid sales of similar property. As well, the average percentage change per month is higher as a result of including the higher values from January of 2007. The median value in February 2007 was \$476psf and the median dropped to \$189psf in June of 2009; the thirty month average is high because of this drastic change in the market. The Board is not persuaded to apply the time adjustment factor suggested by the Complainant.

With respect to the building adjustment factor of \$125psf taken from a CARB decision, there is insufficient evidence to convince the Board that the \$125psf cost should be applied to any of the sales comparables with improvements. Some of the improvements on land sold for redevelopment purposes may have very little value. No information was provided to the Board respecting the cost per square foot of the improvements on the sold properties that had improvements.

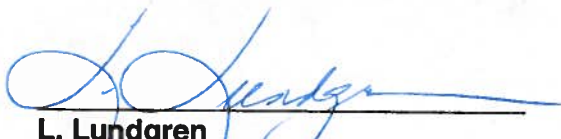
The Board is confirming the use of the base land rate of \$215psf for the subject properties based on the sales comparables presented by the Respondent. As noted earlier, the Respondent's sales comparables have a median value of \$221psf.

Board's Decision:

The complaints are denied and the property assessments are confirmed as follows:

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067102301	931 11 AV SW	57334	\$ 1,320,000
067102400	927 11 AV SW	57333	\$ 1,320,000
067102202	1102 9 ST SW	57335	\$ 1,170,000

DATED AT THE CITY OF CALGARY THIS 29th DAY OF NOVEMBER 2010.


L. Lundgren
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.*