

**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:**

***DUCHARME, MCMILLEN & ASSOCIATES CANADA LTD, COMPLAINANT***

**and**

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

**before:**

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

This is a complaint to the Calgary Assessment Review Board 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: 201553252**  
**LOCATION ADDRESS: 15207 Bannister RD SE**  
**HEARING NUMBER: 60374**  
**ASSESSMENT: \$1,280,000**

This complaint was heard on 5<sup>th</sup> day of November, 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:

- *M. Pierson, agent for DuCharme, McMillen & Associates Canada Ltd.*

Appeared on behalf of the Respondent:

- *J. Ehler, assessor, City of Calgary*

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

There were no procedural or preliminary matters.

**Property Description:**

The subject property is a 10,186 square foot parcel of land improved with a gas station located at 15207 Bannister RD SE. The land use designation is C-COR3 and the land portion of the assessment is assessed using the base rate of \$107 per square foot (psf) for the first 10,000 square feet and \$17psf for the balance of the area.

**Issues:**

1. Is the subject property equitably assessed with similar properties?

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

**Complainant's Requested Value:** \$730,000

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

The Complainant submitted that the subject property is not assessed in an equitable manner with respect to similar properties in the immediate area. In support of this argument, the Complainant presented seven equity comparables. In particular, three vacant land parcels located at 15219 Bannister RD SE, 15303 Bannister RD SE and 15311 Bannister RD SE are assessed at \$87.36 per square foot (psf), \$75.99psf and \$75.05psf, respectively, compared with the subject land assessment of \$107psf.

The Complainant performed an equity analysis on two neighbouring properties: 15325 Bannister RD SE (200 metres south of the subject property) and 15208 Shaw RD SE (directly behind the subject). The comparable located at 15325 Bannister RD SE is a 20,093 square foot parcel used by Kentucky Fried Chicken. Using the Respondent's land value rates, the 20,093 square

foot parcel has a value of \$1,521,860. The assessment for this improved property is \$775,500 which represents a total assessment that is 49% lower than the Respondent's prescribed land value alone. The comparable located at 15208 Shaw RD SE has a parcel size of 20,134 square feet and is used for Tireland. Using the Respondent's land value rates, the value of the 20,134sf parcel is \$1,242,278 which exceeds the total assessed value of \$845,000 for land and improvements. The Complainant submits that the assessment is 32% lower than the land value alone.

Based on the neighbouring property assessments, the Complainant requested a 2010 property assessment of \$730,000.

The Respondent explained that the subject property is zoned C-COR3 and is assessed in the same manner as all other gas stations in the city. The gas stations are typically valued on the cost approach because they are most often owner occupied and there is not enough market evidence to value them on the sales approach or the income approach. The C-COR land rate throughout the city is \$107psf for the first 10,000sf and \$17psf for the remainder.

The Respondent submitted that the Complainant's equity comparables are not similar in terms of zoning or size. The comparables located at 15219 Bannister RD SE, 15303 Bannister RD SE and 15311 Bannister RD SE are zoned C-N1 which are assessed using lower land rates. The rates for land zoned C-N1 are \$76psf for the first 20,000sf and \$20psf for the remainder. Except for the two comparables located at 15219 Bannister RD SE and 15303 Bannister RD SE, the comparables are much larger in size which tends to lower the average assessed rate per square foot. Finally, the Complainant's two comparables located at 15208 Shaw RD SE and 15325 Bannister RD SE are not good comparables because they are assessed using the income approach and the assessments reflect the highest and best use of the property.

The Respondent presented three vacant land comparables, zoned C-COR3 and assessed using the same base land rate of \$107 per square foot, to show that the subject C-COR3 is assessed using the same rate as other C-COR3 properties.

The Respondent also provided eleven C-COR sales that sold from July 6<sup>th</sup>, 2007 to February 9<sup>th</sup>, 2009. The properties under 10,000sf in size sold for between \$103psf and \$133psf, which supports the rate of \$107psf used to assess the subject property.

In conclusion, the Respondent submits that the assessment is fair and equitable and requested the board to confirm the assessment.

The Board finds that the best comparables are those properties with the same zoning, similar size and similar location. The Complainant's equity comparables are in close proximity but they are not similar in terms of zoning and/or size. The comparables with inferior zoning are assessed at lower land rates to reflect the value in the marketplace and they are not similar to the subject property. Except for two of the Complainant's comparables, the comparables are 50% to 100% larger which lowers the average rate per square foot because the first 10,000 square feet are assessed using \$107psf and the remainder is assessed using \$17psf.

Respecting the two properties located at 15208 Shaw RD SE and 15325 Bannister RD SE that have been assessed on the income approach, there is insufficient evidence to persuade the Board that an inequity exists between the subject property and those two properties. If the highest and best use of those properties is based on the current use, the value indicated by the income approach should reflect market value.

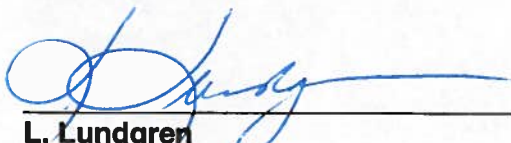
The Board finds the best comparables to be the Respondent's equity comparables because they are the same C-COR3 zoning as the subject and have been assessed using the same rate.

In conclusion, the Board finds the subject property to be equitably assessed with similar properties.

**Board's Decision:**

The complaint is denied and the property assessment is confirmed at \$1,280,000.

DATED AT THE CITY OF CALGARY THIS 24<sup>th</sup> DAY OF NOVEMBER 2010.

  
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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.*