

**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, Revised Statutes of Alberta 2000 (the Act).

**between:**

***Calgary Masonic Temple Ltd.(as represented by AltusGroup), COMPLAINANT***

**and**

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

**before:**

***Board Chair, J. Zezulka  
Board Member , J. Massey  
Board Member, K. Farn***

This is a complaint 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 2012 Assessment Roll as follows:

**ROLL NUMBER: 068134006**

**LOCATION ADDRESS:320 - 12 Avenue SW**

**HEARING NUMBER:68501**

**ASSESSMENT: 1,080,000.00**

This complaint was heard on the 19 day of June, 2012, at the office of the Assessment Review Board located at Floor Number Four, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Two.

Appeared on behalf of the Complainant:

- *D. Genereux*

Appeared on behalf of the Respondent:

- *M. Ryan*

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

- (1) None

**Property Description:**

- (2) The subject is an undeveloped 6,985 s.f. parcel, located in the Beltline district of south west Calgary. The lot is being used, and has been used, as a parking lot for the Masonic Temple, which is located almost adjacent east. There are 28 parking stalls on the site.

**Issues / Appeal Objectives**

- (3) This is a complaint regarding the assessed land value. The land is currently being assessed as an undeveloped site, at the current land rate of \$155.00 per s.f. It is the Complainant's position that the land is being used solely for parking, and should therefore be assessed on the same basis as other parking facilities in the area. The Complainant asserts that the current assessment based on the undeveloped land rates results in an assessment that is inequitable with other parking facilities.

- (4) The issues of appeal, as set out on page 8 of exhibit C-1, are paraphrased as follows;  
*The Board is requested to reduce the subject incorrect assessment;*
1. *to better reflect assessment of other parking facilities.*
  2. *to better reflect Income Approach calculations applied to other parking structures.*
  3. *to better reflect Income Approach calculations applied to the subject actual operations.*
  4. *to better reflect actual supply and demand characteristics affecting the subject site.*

**Complainant's Requested Value:** \$560,000

**Evidence / Argument**

- (5) In support of his position, the Complainant argues that the highest and best use of the subject land is for use as a parking lot. This is the use that has been in effect for some years, and will continue as such into the distant future. In support of this contention, the Complainant introduced statistics that indicated that there are 2,000,000 s.f. of undeveloped land in the Beltline district. About 12,000 s.f. of the total inventory is sold each year, meaning that it could take up to 159 years at the current rate to absorb all of the vacant land at current rates.

- (6) The Complainant submitted a chart showing the undeveloped land inventory contained

in 170 separate sites. The accuracy of the chart was not disputed by the Respondent. None of these sites were submitted by the Complainant as either sales comparables, or equity comparables.

(7) The Complainant presented three office structures wherein the parking component was assessed at \$25,000 per stall. Applied to the subject, the rate produced an assessment of \$700,000, to which the Complainant applied a minus 20 per cent adjustment for features not shared by the subject. The exercise produced an amount of \$560,000.00. Alternatively, the Complainant produced an income approach, wherein the rent attributed to the subject was \$250.00 per stall per month. This calculation produced an indicated value of \$670,000.00.

(8) The Respondent presented two equity comparables. Both parcels were assessed at \$155.00 per s.f. of land. One is an undeveloped parcel and one is an improved parcel that is assessed as land value only. The \$155.00 per s.f. land rate was not disputed by the Complainant

### **Board's Decision**

(9) The principle question before this Board is whether or not the land is being appropriately assessed as a land parcel. And, if not, then should it be assessed in the same manner as a parking structure which in reality is part of a larger office complex? In the Matters Relating To Assessment and Taxation Regulation pursuant to the Municipal Government Act, in Part 1 Standards of Assessment, it states as follows;

*2. An assessment of property based on market value*

*(a) must be prepared using mass appraisal*

*(b) must be an estimate of the value of the fee simple estate in the property, and*

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

(10) In section 4(1) the valuation standard for a parcel of land is "market value". Market value, as defined in the Municipal Government Act means *"the amount that a property.....might be expected to realize if it is sold on the open market by a willing seller to a willing buyer"*.

(11) The current assessment was prepared using mass appraisal techniques, and it is an estimate of the fee simple estate in the property. The only question to be answered by this Board is whether or not the proposition put forward by the Complainant fulfils the requirements of 2(c)....market conditions for properties similar to that property.

The Canadian Oxford dictionary defines similar as; *1. of the same nature or kind; alike. 2. having a resemblance. 3. shaped alike; containing the same angles, having the same shape or proportions.* Similarity is defined in the dictionary as the state or fact of being similar; resemblance.

(12) In the opinion of this Board, these definitions allude to the physical characteristics of a thing or object / property. And this Board can find no physical similarity between the subject vacant lot and an improved parking structure. As such, this Board finds that improved parking structures do not reflect typical market conditions for properties similar to the subject.

(13) The Respondents method of valuation for assessment purposes is the correct one. The two equity comparables, at \$155.00 per s.f., are the only evidence as to value before this Board.

(14) The assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 5 DAY OF July, 2012.



Jerry Zezulka  
Presiding Officer

**APPENDIX "A"**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1.	C1 Evidence Submission of the Complainant
2.	Rebuttal Submission of the Complainant
2.	R1 Evidence Submission of the Respondent

*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.*

**For MGB Administrative Use Only**

Decision No. 0678/2012 - P			Roll No. 068134006	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Land only	Highest and best use.	Direct Comparison v. Income cap.	Valuation methodology