

**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:

PRAIRIE VIEW HOLDINGS LTD. (as represented by ALTUS GROUP LTD.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. McEwen, PRESIDING OFFICER

D. Julien, MEMBER

B. Kodak, MEMBER

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 2011 Assessment Roll as follows:

ROLL NUMBER: 031019904

LOCATION ADDRESS: 3328 26 ST NE

HEARING NUMBER: 64189

ASSESSMENT: \$2,350,000

This complaint was heard on the 24th day of June, 2011 at the office of the Assessment Review Board located at Floor Number 3 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- J. Weber

Appeared on behalf of the Respondent:

- R. Farcas

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

Neither party raised any procedural or jurisdictional matters.

Property Description:

The subject property is a 57,696 square foot site, zoned C-COR 3, and located in the Horizon district of NE Calgary. Although the subject parcel is improved with a modest, single story structure, the subject assessment is based upon highest and best use of land as though vacant.

The subject property is located less than one block north of 32 AVENUE NE, a major east-west corridor.

Issues:

Is the subject assessment higher than market value and, therefore, inequitable to comparable properties? Specifically, has the subject property been assessed fairly relative to the best sales and equity comparables available?

Does the subject assessment qualify for an ACC (accessibility) land use adjustment (-25%)?

Complainant's Requested Value:

\$1,310,000

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

1. MARKET VALUE AND EQUITY

Upon review of the relevant evidence before it, the Board finds the sale of 3305 32 ST NE on April 15, 2010 for \$3,750,000 to be the best comparable provided by either party. This comparable is located six blocks east of the subject property and sold within ten weeks of the 2010 valuation date. The comparable, assessed at \$3,460,000 including a corner lot influence of +5%, is an improved parcel of 98,385 square feet.

The Board finds the Respondent's two market sales, in support of the subject assessment, to be too dissimilar to the subject property to be accepted as reliable market indicators of the subject

value:

- Both Respondent comparables are located in SE Calgary, a significant distance from the subject property. Although the Respondent argued that all vacant C-COR land within Calgary is assessed at the same rate (\$20 per square foot on the first 20,000 square feet, \$28 per square foot on land > 20,000 square feet), there is no evidence provided to support the universal application of this rate to every economic zone within the city. The Respondent acknowledged that the universal rate was developed using a small sampling of sales ("five or six").
- The Respondent comparable located at 4504 17 AVE SE is a contaminated site, an influence that could neither be described nor quantified by the Respondent.
- The Respondent comparable located at 7212 MACLEOD TR SE is a relatively small property (19,602 square feet) zoned C-COR 1. This property's assessment of \$1,990,000 is well below its' time-adjusted sale price of \$2,600,000 and demonstrates to the Board that the universal application of the C-COR assessment methodology is not without issues.

The Board accepts the Complainant's cost approach methodology, if not the actual calculation, for deriving the land value of the subject property from the assessment of the best comparable at 3305 32 ST NE. The comparable is assessed at \$3,460,000 including improvement. The Respondent's cost approach calculation to this property (refer to R1, page 27) indicates the value of the improvement at \$668,914. Reducing the comparable's overall assessment by the value of the improvement provides the value of the vacant land (\$2,791,086). As the comparable assessment includes a corner lot influence of +5%, which the subject does not enjoy, the comparable assessment is reduced by 5% to \$2,651,532 in order to adjust the characteristics of the comparable to the subject. The Board accepts the assessment rate of \$20 per square foot to the first 20,000 square feet of land (\$1,300,000) as neither side challenged this rate. That being the case, the remaining 78,385 square feet of the comparable's land is assessed at \$17.24 per square foot ($\$2,651,532 - \$1,300,000 / 78,385$).

In summary, the Board finds that the application of the rates derived from the assessment of the best comparable to the subject property, \$20 per square foot on the first 20,000 square feet (\$1,300,000) and \$17.24 per square foot on the remaining land (\$649,879), provides a fair and equitable assessment (\$1,949,879).

2. ACCESS ADJUSTMENT

The Board does not find the Complainant's argument to apply an ACC adjustment of -25% to the subject assessment supported by the evidence. The two comparables brought forward by the Complainant to demonstrate inequity in the application of the ACC adjustment are not considered similar enough to the subject property. The subject is located a very short distance from 32 AVE NE and enjoys good access and reasonable visibility from that major corridor. Both comparables, located close to Chinook Centre in SW Calgary, are situated further from MACLEOD TR SW than the subject is from 32 AVE NE and neither comparable enjoys the same visibility and ease of access as the subject. The Board accepts the Respondent's argument that accessibility to the Complainant's two comparables is hindered by the convoluted roadways around the intersection of GLENMORE TR SW AND MACLEOD TR SW.

Board's Decision:

The subject assessment is reduced to \$1,900,000.

DATED AT THE CITY OF CALGARY THIS 12 DAY OF July 2011.



C. McEwen
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

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.*