

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

**between:**

***Canada Safeway Limited  
(as represented by Altus Group Limited), COMPLAINANT***

**and**

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

**before:**

***J. Krysa, PRESIDING OFFICER  
D. Pollard, MEMBER  
A. Wong, 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 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>009002601</b>	<b>009002700</b>
<b>LOCATION ADDRESS:</b>	<b>1119 65 Ave NE</b>	<b>1127 65 Ave NE</b>
<b>HEARING NUMBER:</b>	<b>64071</b>	<b>64075</b>
<b>ASSESSMENT:</b>	<b>\$716,500</b>	<b>\$630,500</b>

The complaints were heard on June 27, 2011, in Boardroom 12 at the office of the Assessment Review Board, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- J. Smiley

Appeared on behalf of the Respondent:

- K. Cody

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

There were no procedural or jurisdictional matters raised by either party during the course of the hearing.

**Property Descriptions:**

The subject properties are individually titled parcels of vacant land, located in Deerfoot Business Centre, northeast Calgary. Further details are set out below:

LOCATION ADDRESS:	1119 65 Ave NE	1127 65 Ave NE
LAND AREA:	0.72 Acres	0.63 Acres
LAND USE DESIGNATION:	Industrial - Business	Industrial - Business

**Issues:**

The Complainant raised the following matters in section 4 of the complaint form:

3. an assessment
4. an assessment class

At the commencement of the hearing the Complainant withdrew matter 4, and indicated that the evidence and submissions would only apply to matter 3, an assessment amount. The Complainant set out 6 grounds for the complaints in section 5 of the complaint forms with requested assessments as set out below; however at the hearing the Complainant withdrew grounds 4 to 6, and provided no evidence and argument with respect to ground 3, related to equity. The Complainant's evidence and argument was limited to the issue of the appropriate vacant land rate to establish the market value of the parcels.

**Complainant's Requested Value:**

LOCATION ADDRESS:	1119 65 Ave NE	1127 65 Ave NE
ASSESSMENT:	\$716,500	\$630,500
REQUEST ON FORM:	\$ 750	\$ 750
REQUEST AT HEARING:	\$540,000	\$472,500

**Board's Decision in Respect of the Issue:**

The Complainant argued that the subject properties are assessed at rates of approximately \$1,000,000 per acre, whereas the market value of the properties is \$750,000 per acre.

In support of that argument, the Complainant submitted the sale details of six vacant industrial parcels located in north Calgary, ranging in size from 1.69 acres to 3.35 acres, and exhibiting sale prices ranging from \$270,000 to \$950,000 per acre, with a median sale price per acre of \$737,756. The Complainant also calculated the median sale price per acre excluding the 2 lowest sales to be \$760,335 per acre, to arrive at the requested assessment rate of \$750,000 per acre [C1, p.13].

The Respondent submitted details of the 2011 land rates applied to industrial parcels in north Calgary, indicating the specific rates applied to Industrial – Business land to be \$1,000,000 per acre for the first 2 acres, and \$600,000 per acre to any additional area up to 10 acres. As the subject properties are both under 1 acre in area, they have been assessed at the \$1,000,000 per acre rate [R1, p.34].

In support of the assessment rate, the Respondent submitted the sale details of 3 vacant industrial parcels located in northeast Calgary, ranging in size from 1.772 acres to 2.17 acres, and exhibiting time adjusted sale prices ranging from \$809,688 to \$1,031,321 per acre. The Respondent argued that the sale of 2652 3 Ave SE would require an adjustment of +25% to reflect the irregular shape of the parcel in relation to the subject parcels, resulting in a time adjusted sale price per acre of \$1,080,069. The indicated average and median sale price per acre established from the three sales is \$1,021,321 and \$1,031,321, respectively [R1, p.36].

The Respondent further provided a summary of the Complainant's six sales, with revisions to the sale price per acre to the two northwest area sales, and argued that four of the sales were located in a different market area (as established by the assessor) than the subject, and two of those sales (in the northwest quadrant) would each require adjustments of +25% to reflect inferior shape and access influences, not applicable to the subject. The Respondent further argued that the sale of 111 Skyview Ranch Way NE was invalid, as the ARFI (Assessment Request For Information) return indicated the sale was not arms-length. The Respondent indicated that the last remaining sale of an I-G parcel located at 11885 16 St NE, exhibiting a time adjusted sale price of \$809,688 per acre, was the most comparable to the subject properties. The Respondent also set out the "influence adjusted" sale prices indicating an average of \$790,044 per acre, and a median of \$788,688 per acre.

**Decision: Issue 1**

The Board finds that the \$1,000,000 per acre rate applied to the subject properties is unsupported by market evidence.

The Board finds that there was insufficient evidence presented by the Respondent, from which to establish distinct land rates for the Northeast, Freeport, and Northwest market areas, with a further stratification of several different industrial land use designations within each market area. Without any evidence to support the separate Freeport stratification the Board finds that the Complainant's "post-facto" sales from the Freeport market area are valid market indicators from which to confirm a range of values for the northeast industrial area. With respect to the Complainant's sales located in the northwest market area, although the Respondent argued that

the NW market area has been separately stratified at lower rate per acre, the Board finds that the Respondent's influence and time adjusted sale prices per acre, at R1, p.18 were not materially different than the sale at 18885 16 St NE, and therefore accepts these sales as comparable properties to the subject. The Board notes that although the Respondent's shape and access adjustments may be reflective of the allowances as established by the assessor in the preparation of the assessment, there was no evidence to quantify the adjustment of +25% applied to the sale prices in evidence.

The Board further accepts that the sale at 111 Skyview Ranch Way NE is a valid indicator of market value (of a C-N2 site), as the RealNet transaction summary in C1 indicates the sale to be a market transaction of the fee simple estate, and the ARFI return offers eight reasons why the sale may be invalid and none were identified as a reason. Further, the sale price of \$729,990 per acre is within the range evident from the other sales in the Complainant's summary.

With respect to the Respondent's sales summary, the Board finds that the sale of 2652 3 Ave SE is dissimilar to the subject due to the allowable Floor Area Ratio of 3.0, in contrast to that of the subject at 1.0; and again there was no market evidence in support of the shape and corner adjustments applied to the sale price.

The Board finds that the 2008 sale of the property located at Sunridge Way NE is a valid indicator of market value, however, when included with the 6 other comparable sales at R1, p.18, this one sale is well outside the evident range of the others, and insufficient to alter median rate to any degree.

The Board finds that the Respondent's analysis of the Complainant's sales (revised) sets out a range of values from \$747,754 to \$828,943 per acre; and average and median, time and influence adjusted sale prices of \$790,044 and \$788,688 per acre, respectively, with the time adjusted sale price of 11885 16 St NE at \$809,668 per acre indicated to be the most comparable to the subject.

Accordingly, the market value of the subject properties is set at a rate of \$800,000 per acre.

**Board's Decision:**

The assessments are revised as follows:

ROLL NUMBER:	009002601	009002700
ASSESSMENT:	\$716,500	\$630,500
REVISED TO:	\$576,000	\$504,000

DATED AT THE CITY OF CALGARY THIS 29 DAY OF July, 2011.

  
J. Krysa  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Submission
2. R1	Respondent's Submission
3. C2	Complainant's Rebuttal
4. R2	Respondent's Sur-rebuttal: Sales Listing
5. R3	Respondent's Sur-rebuttal: RealNet Summary

*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.*