

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of 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:

***Healthcare Properties Holdings Ltd.
(as represented by Altus Group Limited), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***J. Krysa, PRESIDING OFFICER
D. Pollard, MEMBER
A. Wong, MEMBER***

The complaints to the Calgary Assessment Review Board are in respect of property assessments prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

ROLL NUMBER:	058207309	200423416	200470391
LOCATION ADDRESS:	1426 8 Ave NW	1414 8 Ave NW	1430 8 Ave NW
HEARING NUMBER:	60890	60901	60902
ASSESSMENT:	\$1,650,000	\$4,110,000	\$3,250,000

The complaints were heard on June 28, 2011, in Boardroom 2 at the office of the Assessment Review Board, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- C. Van Staden

Appeared on behalf of the Respondent:

- K. Haut

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:

LOCATION ADDRESS:	1426 8 Ave NW	1414 8 Ave NW	1430 8 Ave NW
LAND AREA:	15,649 SF (.36 Ac)	80,624 SF (1.85 Ac)	30,678 SF (.70 Ac)
ASSESSED INFLUENCES:	N/A	Shape (-0.25%)	N/A
CHARACTERISTICS:	Vacant	Improved	Vacant

The subject properties are individually titled parcels of land located in the Hillhurst district of northwest Calgary, with a land use designation of DC/94Z2001 (Public Service District). The parcel at 1414 8 Ave NW is improved with two small structures that have not been assessed as they were deemed by the assessor to contribute no additional value to the value of the land. All three parcels provide ancillary paved parking for Riley Park Medical Centre, an adjacent medical office building.

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 5 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 objectives #1 and #2, and provided no evidence and argument with respect to objective #4 as set out on page 2 of C1. 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:	1426 8 Ave NW	1414 8 Ave NW	1430 8 Ave NW
CURRENT ASSESSMENT:	\$1,650,000	\$4,110,000	\$3,250,000
REQUEST ON FORM:	\$1,400,000	\$3,460,000	\$2,760,000
REQUEST AT HEARING:	\$ 972,000	\$3,740,000	\$1,890,000

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

The Complainant argued that the subject properties are assessed at levels above their market value when consideration is given to the development requirements set out in amendment #2000/128 to Bylaw # 94Z2001, and specifically the allowable density of 165 dwelling units for the subject parcels which are for the most part, located within "Site 1" of the amendment found at C1, pp.60-62.

In support of that argument, the Complainant submitted a summary of eight sales of properties from 0.21 Ac. to 0.69 Ac. that exhibited a range of sale prices from \$45 to \$72 per square foot, and a median sale price of \$62 per square foot [C1, p.21]. The Complainant argued that the median rate of \$62 per sq.ft. (\$2,700,000 per acre, truncated) would represent the upper limit of value for the subject properties as there was no adjustment made to account for the typically higher development densities of the sales comparables, and further, no adjustment was made to reflect the economy of scale of the larger 1.85 acre subject property (1414 8 Ave NW).

The Complainant also provided the Assessment Review Board decision of the subject property for the previous year, CARB 1680/2010-P, and argued that there was no increase in land values since the effective date of valuation in that decision, to warrant an increase in the assessed values of the subject properties for the 2011 taxation year [C1, pp.70-74].

The Respondent set out the criteria used in the preparation of the assessments as follows:

Land Area	Land Rate
• Area up to 43,560 sq.ft. (1 st Acre)	\$106.00 per sq.ft.
• Area over 43,560 sq.ft.	\$ 73.00 per sq.ft.

The value for the parcel located at 1414 8 Ave NW was adjusted by a factor of -0.25% to reflect the estimated lower market value of the irregularly shaped parcel.

In support of the subject's assessed values, the Respondent provided a summary of six property sales located in multi residential market zone MR3 (Northhill) from 2,786 sq.ft. to 44,349 sq.ft., exhibiting a range of sale prices from \$99 to \$181 per square foot, and a median sale price of \$114 per square foot [R1, p.24]. The Respondent submitted that the sales support the \$106.00 per sq.ft. land rate applied to the subject properties, and that the sale of 1705 Westmount Road NW at a rate of \$112 per square foot was the most comparable to the subject.

The Respondent argued that the Complainant's sales analysis is flawed as some of the Complainant's sales were suspect, or not suitable comparable indicators of market value. In support of the argument the Respondent provided several Land Titles Office transfer documents to demonstrate that the Complainant's \$610,000 sale of 1007 17 Ave NW was suspect, as the property transferred back to the vendor within 2 days of the original transfer date for a consideration of \$1.00 [R1, pp.47-56]. The Respondent also submitted a RealNet transaction summary report to illustrate that the Complainant's \$1,800,000 sale of 101 19 St NW was not comparable to the subject as it holds a land use designation of R-C2 which is inferior to that of the subject properties [R1, pp.57-58]. The Respondent further argued that the Complainant's \$900,000 sale of 4004 Centre St NE represented a foreclosure of the property and not an arms-length transaction. In support of that contention, the Respondent provided a RealNet report indicating the sale type to be "Non-Arms", as well as the Final Order for Foreclosure document [R1, pp.60-70].

The Complainant argued that the Respondent failed to make any adjustments for the value of improvements situated on the properties in the sales analysis; and if such adjustments had been made the median land rate per square foot would have been significantly lower than the \$106 per square foot evident in the Respondent's analysis.

Decision:

The Board finds that the multi-residential land rate of \$106.00 per square foot, used in the preparation of assessments of parcels less than 43,560 sq.ft. (1 acre) in area is supported by the Respondent's comparable sales. The Board further finds that there was insufficient evidence to establish a multi-residential land rate for properties greater than 1 acre in area.

The Board finds the Respondent's sales are more comparable to the subject properties with respect to location and land use designation. The Board was specifically persuaded by the Respondent's 2009 sale, and the 2010 sales prior to the effective date of valuation of July 01, 2010, that demonstrate a range of sale prices from \$99 to \$112 per sq.ft. and a median of \$107 per sq.ft. These recent sales reflect "inner city" parcels with a density range of 45 to 60 residential units per acre, which closely reflect the location and development density of the subject properties at 57 residential units per acre.

The Board finds that the Complainant's analysis includes several questionable sales, and sales of properties in inferior locations, and with inferior development densities in comparison to the subject property. Accordingly the Board was unable to apply a significant amount of weight to this evidence.

With respect to the Complainant's argument that there has been no change in the market from the previous year, and therefore the assessment values in the 2010 Assessment Review Board decision should be appropriate for the current year, the Board finds that there was no evidence presented to support that argument.

Board's Decision:

The assessments are confirmed as set out below:

ROLL NUMBER:	058207309	200423416	200470391
ASSESSMENT:	\$1,650,000	\$4,110,000	\$3,250,000

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:**

NO.	ITEM
1. C1	Complainant's Submission
2. R1	Respondent's Submission

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.*