

**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:

***280136 Alberta Ltd. (as represented by Linnel Taylor Assessment Strategies),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***T. Hudson, PRESIDING OFFICER
J. O'Hearn, MEMBER
J. Joseph, 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: 112000500

LOCATION ADDRESS: 7215 Fairmount DR SE

HEARING NUMBER: 61503

ASSESSMENT: \$1,770,000

This complaint was heard on the 15th day of August, 2011 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:

- *J. Mayer*

Appeared on behalf of the Respondent:

- *R. Farkas*

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

There were no procedural or jurisdictional matters raised by the parties.

Property Description:

The subject property is a 0.78 acre, or 33,907 square foot commercial parcel of land; improved with a free standing auto repair shop including 8,470 square feet (sf) of assessable space. The property was assessed for 2011 based on vacant land value. The assessment was calculated using Commercial Corridor 3 (C-COR3) vacant values of \$65 per square foot (psf.) for the first 20,000 sf, and \$28 psf. for the balance. A +5% adjustment for corner lot influence was also applied for a total assessment of \$1,770,000 (rounded).

Issues:

The Complainant identified that the assessment amount exceeds market value, and is not equitable with the assessment of similar properties. The Complainant argued that the assessment method used by the Respondent, offends Section 289 (2) (a) of the Municipal Government Act (MGA), which requires that an assessment must reflect the characteristics and physical condition of the property on December 31 of the year prior to the year in which the tax is imposed. The property includes building improvements at December 31, 2010, but they are not included in the assessment.

Complainant's Requested Value: \$1,439,900, or \$170 psf.

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

The Board finds that the current assessment is the best estimate of both market value and equity for the subject property.

The Complainant argued that the vacant land sale value based assessment exceeded market value for the property and contravened Section 289 of the MGA. The referenced section of the MGA does state that the characteristics and physical condition of the property must be reflected in the assessment. However, the Board finds that those characteristics and physical conditions do not necessarily contribute in a positive way to market value.

The Complainant did not prepare their requested value based on the capitalized income of the subject property. The evidence of the Complainant was limited to an equity comparison of the assessments of five (5) properties, including one that sold in 2009. All of these properties had much greater site coverage than the subject, and the property that sold had a general industrial land use designation. The Board found insufficient evidence of similarity with the subject property to sustain the request for a reduced assessment based on equity.

The Respondent provided evidence to show that if the assessment for the subject property were prepared on the capitalized income approach to value using typical valuation factors, the assessment would be less than the market value of the land as vacant.

Board's Decision: The assessment is confirmed at \$1,770,000 (rounded)

DATED AT THE CITY OF CALGARY THIS 16 DAY OF SEPTEMBER 2011.



T. B. Hudson
Presiding Officer

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

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

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.*

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<i>Decision No.1841</i>		<i>Roll No.112000500</i>		
<u>Subject</u>	<u>Type</u>	<u>Sub-type</u>	<u>Issue</u>	<u>Sub-issue</u>
CARB	Retail	Stand alone	Income approach	Land Value only