

**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:

Active Investments Inc. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

H. Ang, MEMBER

A. Huskinson, 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 2012 Assessment Roll as follows:

ROLL NUMBER:	079004800
LOCATION ADDRESS:	101 17 AV SW
HEARING NUMBER:	67673
ASSESSMENT:	\$1,670,000

This complaint was heard on the 24th day of October, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8

Appeared on behalf of the Complainant:

- K. Fong (Altus Group Limited)

Appeared on behalf of the Respondent:

- R. Natyshen (City of Calgary)
- D. McCord (City of Calgary)

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

- [1] There were no concerns with the Board as constituted.
- [2] There were no preliminary matters. The merit hearing proceeded.
- [3] At the outset, it was agreed between the parties that all evidence, argument and decision from Hearing #67669 would be carried forward to this Hearing.

Property Description:

[4] The subject property is a 10,279 square foot (SF) parcel located in the Mission community in SW Calgary. The site is improved with a 16,803 SF building that was constructed in 1950 and is considered to be of C quality. The subject is assessed as land only using the direct sales comparison approach and is adjusted by +5% for the Corner Lot influence.

Issues:

[5] The Assessment Review Board Complaint Form contained 5 grounds for the Complaint. At the outset of the hearing the Complainant advised the outstanding issue was "the subject property is in excess of its market value for assessment purposes".

Complainant's Requested Value: \$1,070,000 (Complaint Form & Hearing)

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

Issue: What is the base land rate in the Beltline, for assessment purposes?

- [6] The Complainant's Disclosure is labelled C-1.
- [7] The Complainant, at page 93, provided a table titled 2012 Beltline Land Sales for BL4 and BL5, which contained details of 3 sales in the period from January 2011 to November 2011. The sale prices ranged from \$102.82 PSF to \$170.01 PSF. The Complainant noted the large range of sale price based on land area, and proposed an alternate method for determining the base land rate.

[8] The Complainant's Disclosure C-2 contains a submission titled Beltline Land Analysis.

[9] The Complainant, at page 16 of C-2, provided the cover page of The City of Calgary Land Use Bylaw 1P2007.

[10] The Complainant, at page 18 of C-2, provided an excerpt from the Land Use Bylaw noting that Division 5 pertains to The Centre City Mixed Use District (CC-X) which "(c) provides intense development where intensity is measured by floor area ratio" (FAR).

[11] The Complainant, at page 21 of C-2, provided an excerpt from the Land Use Bylaw noting Floor Area Ratio is specified as follows:

- 1166 (1) for developments located west of MacLeod Trail SE the maximum floor area ratio is:
 - (a) for parcels between 12 and 13 Avenue and west of 1 Street SE:
 - (i) 3.0 for uses referenced in sections 1163 and 1164;
- (2) For developments located east of MacLeod trail SE the maximum floor area ratio is 5.0, for all parcels.

[12] The Complainant, at page 32 of C-2, again provided the table titled 2012 Beltline Land Sales for BL4 and BL5. The Complainant calculated the Buildable Area (SF) for each sale using the maximum FAR specified in the Land Use Bylaw and then calculated the sale price per buildable SF which ranged from \$34.00 to \$40.12 / buildable SF, a difference of only \$6/ buildable SF and a much tighter range than using sale price alone. The Complainant submitted that applying the weighted mean sale price of \$35/buildable SF to the subject would yield a better estimation of market value for assessment purposes.

[13] The Respondent's Disclosure is labelled R-1.

[14] The Respondent, at page 16, provided a map titled 2012 Beltline Non Residential Land Rates noting the base land rate for all properties within the Beltline is \$155 / SF, with the exception of district BL1 (East Village) where the base land rate is \$100 / SF.

[15] The Respondent, at page 17, provided a table titled 2012 Beltline Land Influence Chart which identifies the percentage adjustment applied to the assessed value of a property exhibiting a specific characteristic or influence.

[16] The Respondent, at page 18, provided a table titled Beltline Land Sales which contained details of 5 sales in the period August 2010 to June 2011 noting the sale price ranged from \$120 / SF to \$269 / SF with a median of \$167 / SF. The Respondent then applied the influence adjustments from the Influence Chart and calculated the Marshall and Swift depreciated improvement value for the 4 sales of improved properties, to arrive at an adjusted residual land rate ranging from \$127 / SF to \$258 / SF and a median of \$153 / SF, in support of the assessed land rate of \$155 / SF.

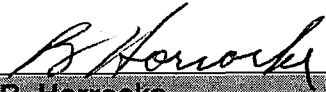
[17] The Board finds that 2 of the 3 sales provided by the Complainant are *post facto* and at best could only be used as an indicator of value as they occurred during the evaluation year. Further, the Board finds that applying the requested rate of \$35 / buildable SF to arrive at the requested value of \$520,000 for the subject yields a base land rate of \$104 / SF while the Complainant's land sale report indicates a weighted mean of \$131 / SF of land. This would suggest the methodology proposed by the Complainant is flawed.

[18] The Board finds the Respondent's sales comparables support the base land rate of \$155 / SF applied in the assessment.

Board's Decision:

[19] The 2012 assessment is confirmed at \$1,670,000.

DATED AT THE CITY OF CALGARY THIS 5th DAY OF November 2012.



B. Horrocks
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 Beltline Land Analysis

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 Administrative Use

Subject	Property type	Property Sub-type	Issue	Sub-issue
CARB	Other	Vacant Land	Sales Approach	Base Land rate