

**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:

Von Twickel, Georg Maria Hubertus Hanno Rudolf Albert Frhr (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***W. Kipp, PRESIDING OFFICER
Y. Nesry, MEMBER
D. Pollard, 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:	068 114 909
LOCATION ADDRESS:	118 – 11 Avenue SE, Calgary AB
HEARING NUMBER:	63304
ASSESSMENT:	\$4,750,000

This complaint was heard on the 26th day of September, 2011 at the office of the Assessment Review Board located at Floor No. 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *S. Sweeney-Cooper (Altus Group)*

Appeared on behalf of the Respondent:

- *D. Satoor (Assessment Business Unit)*

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

There were no procedural or jurisdictional matters to be decided by the Board.

It is noted that the Respondent's disclosure of evidence was applicable to this plus five other hearing files. The evidence brief, marked as Exhibit R1 is retained in File 63349.

Property Description:

The subject property is a commercial land parcel in the Beltline that is occupied as a surface parking lot. The land comprises eight lots with a total area of 24,393 square feet.

The base assessment rate for Beltline land is \$195.00 per square foot. The subject property assessment is \$4,750,000.

Issues:

An Assessment Review Board Complaint form was filed for this roll number on March 7, 2011. On the form, boxes 3 (Assessment amount) and 4 (Assessment class) were checked in Section 4 – Complaint Information. Section 5 – Reason(s) for Complaint contained a list of 13 grounds for appeal.

At the hearing, the Complainant pursued one issue: "What is the correct land rate to be applied to this land?"

Complainant's Requested Value: \$4,146,810 (\$170.00 per square foot)

Party Positions on the Issue:

Complainant's Position:

The Complainant acknowledged but did not agree with prior 2011 CARB decisions regarding the valuation of Beltline land.

The subject land is situated in the BL2 Beltline zone. It and six adjoining zones all have land assessed at the \$195 per square foot base rate. The remaining two zones (BL1 and BL5), at the most easterly and westerly ends of the Beltline are assessed at \$145 and \$155 per square foot, respectively.

A table in the Complainant's evidence brief shows year over year changes in assessment of improved (income producing) Beltline properties from 2010 to 2011. For BL2, assessments had declined by 28% to 32% on average. The subject land assessment only declined by 9.35% (about \$20 per square foot).

Data on nine property sales that were considered to be essentially land sales is reported by the Complainant. One of the sale properties is located in downtown. Two of the sales are in BL1, two are in BL2, three are in BL3 and one is in BL4. Sales closed between the months of January 2009 and January 2011. Three of the sale transfers were past the July 1, 2010 valuation date. Sale prices range from \$116.42 to \$221.57 per square foot. The median and average are \$172-\$173 per square foot.

Respondent's Position:

The Respondent introduced a number of 2011 Calgary CARB decisions regarding Beltline land assessments and pointed out that in each decision, the assessed land rate was confirmed.

It was pointed out that four of the Complainant's sales were "court-ordered" or distress sales which typically means that the price paid was less than market value. Three of the Complainant's sales closed after the effective valuation date so that information would not have been available to the assessor as at July 1, 2010. The Complainant was also criticized for including some properties with old buildings but excluding others where the prices were higher.

Sales evidence from the Respondent is limited to five sales. These are in BL3, 4 and 7 and FS1, all zones where the land assessment rate is \$195. Four of the properties had older buildings on them but an adjustment is made to the sale price by deducting an amount equivalent to the depreciated cost of the buildings. All sales occurred within the period from January 2009 to May 2010. Sale prices attributed to land range from \$151 to \$324 per square foot. Mean, median and weighted mean are \$228, \$196 and \$210, respectively.

This sale data supports the \$195 base rate applied to Beltline land for assessment purposes.

Board's Decision:

The 2011 assessment is confirmed.

Reasons for the Decision:

The Respondent's sales are given weight by the Board. Properties that were improved were adjusted to provide a residual land value. There was no convincing evidence from the Complainant to dispute the land residual analysis.

Sales from the Complainant were not sufficient to convince the Board that the assessed rate for land is too high. One sale was in downtown, and two were in areas of the Beltline where it seems values are typically lower. Evidence from the Respondent shows that the sale price of one of these properties was actually \$136 per square foot and not \$116 as reported by the Complainant. The Board does not totally disregard court-ordered or distress sales however those sales should be part of a market analysis that also includes other arms-length sales of similar properties. Three of the sales occurred past the valuation date and while these types of sales can be useful in showing market trends, they cannot be given full weight in a July 1, 2010 valuation analysis.

In conclusion, the Complainant's sale evidence does not convince the Board that the base land rate of \$195 per square foot is incorrect.

DATED AT THE CITY OF CALGARY THIS 25th DAY OF October 2011.



W. Kipp
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. 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.*

For Administrative Use:

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other	Vacant Land	Sales Approach	Land Value