

**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:

***Town and Country Service Station Ltd., (as represented by the Altus Group),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***T. Hudson, PRESIDING OFFICER
S. Rourke, MEMBER
R. Kodak, 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: 072013303

LOCATION ADDRESS: 5020 17 AV SE

HEARING NUMBER: 64342

ASSESSMENT: \$1,620,000

This complaint was heard on the 14th day of October, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- K. Fong

Appeared on behalf of the Respondent:

- M. Byrne

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 0.66 acre parcel of Commercial Corridor 2 (C-COR-2) land located in the community of Forest Lawn at 5020 17 AV SE. The property is improved with 6,672 square feet (sf.) of retail space. The current assessment is based on land value only. The parcel is 28,829 sf. in size, and the assessment is calculated based on \$65 psf. for the first 20,000 sf. and \$28 psf. for the balance; which is the standard land assessment valuation formula for all C-COR-2 designated land in Calgary. In addition, the subject property assessment includes a + 5% adjustment for positive corner lot influence. The total current assessment is \$1,620,000 (rounded).

Issues:

The Complainant identified that the current assessment amount exceeds market value and is not equitable when compared to the assessments of similar properties. The Complainant also notes that the current vacant land value based assessment was prepared in the absence of any analysis of the Highest and Best Use of the property. The subject property should therefore be assessed based on both land and improvement, using the capitalized income approach.

Complainant's Requested Value: \$1,000,000 (rounded), based on capitalized income; or \$1,390,000 or approximately \$48 psf. based on a March 2010 C-COR2 vacant land sale at 4504A 17 AV SE.

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

The Board finds that the current assessment exceeds market value for the subject property. The Board further finds that the income approach to value does not achieve market value for the subject property. The best evidence of market value and equity is the March 2010 sale of the vacant property at 4504A 17 Av SE, at the time adjusted sale price of approximately \$45 psf.

Both of the Parties submitted capitalized income approach assessment estimates for the subject property. The estimates were both in the range of \$36 psf. of land. However, both of the Parties also submitted a March 2010 market sale of a vacant land parcel located very close to the subject at 4504A 17 AV SE, for a time adjusted sale price of approximately \$45 psf. of land.

The Respondent also submitted seven (7) additional sales in support of the land rates applied to vacant C-COR2 and other commercial lands in Calgary (Chart page 24 of Exhibit R1). However, the Complainant was able to demonstrate that the sales were not always vacant at the time of sale, and included improved properties, and properties under renovation and redevelopment. The results of the investigation of the sales evidence by the Complainant was not challenged by the Respondent. As a result, little weight was given to the additional sales evidence.

Board's Decision: The assessment is reduced to \$1,290,000(rounded).

DATED AT THE CITY OF CALGARY THIS 18 DAY OF November 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.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Retail	Strip	Market Value	Land Only