

## **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:**

***Sanaco Properties Inc. (as represented by MNP LLP), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***M. Axworthy, PRESIDING OFFICER***

***P. Pask, BOARD MEMBER***

***I. Fraser, BOARD 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 2013 Assessment Roll as follows:

**ROLL NUMBER:** 156161309

**LOCATION ADDRESS:** 397 Midridge DR SE

**FILE NUMBER:** 71010

**ASSESSMENT:** \$1,290,000

This complaint was heard on 12th day of July, 2013 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. Langelaar (MNP LLP)*

Appeared on behalf of the Respondent:

- *C. Yee (City of Calgary)*
- *I. Pau (City of Calgary)*

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

[1] No procedural or jurisdictional matters were raised.

**Property Description:**

[2] The subject property is a 29,600 square foot (sq. ft.) parcel of vacant land located in the community of Midnapore, designated C-Com2.

**Issues:**

[3] What is the correct market assessment for the subject property?

[4] Other matters and issues were raised in the complaint form filed with the Assessment Review Board (ARB), on March 1, 2013; however, the only issue that the parties sought to have the Board address at the July 12, 2013 hearing is the one referenced above.

**Complainant's Requested Value:** The initial requested value on the complaint form is **\$950,000** but amended by the Complainant at the hearing to **\$680,000**.

**Board's Decision:**

[5] The correct land rate for the subject property is \$37.38 per square foot (sq. ft.) and the assessment is reduced to \$1,100,000 (\$9,600 sq. ft. x \$37.38= \$1,106,448; rounded to \$1,100,000).

**Position of the Parties**

**Complainant's Position:**

[6] The Complaint stated that the subject property, at an assessed rate of \$43.58 per sq.ft., is over assessed when compared with comparable land sales in south-east Calgary that have similar land use designations. The following comparable sales were provided in support of the Complainant's requested assessment:

Index	Address	Date sold	Sale Price	Lot size (sq. ft.)	Price /sq. ft.	Zoning
C1	155 Walden GA SE	21-Oct-10	\$3,800,000	165,528	\$22.96	C-Com2
C2	101 Copperpond BV SE	11-Jan-11	\$779,190	40,958	\$19.02	CN-2
C3	267 Walden GA SE	1-Apr- 11	\$1,300,000	69,696	\$18.65	C-Com2
C4	267 Walden GA SE	17-Jul-12	\$888,600	29,795	\$29.82	C-Com2

- [7] The Complainant withdrew its reference to an adjacent property at 40 Midlake BV SE [p.10, C-1].
- [8] The Complainant highlighted that 267 Walden GA SE (index C3 and C4) was represented twice in the table as the parcel had been subdivided and a smaller parcel, similar in size to the subject, sold 12 days after the evaluation period.
- [9] The Complainant noted that the comparables show a median rate of \$20.99 per sq. ft. which is significantly lower than the assessed rate.
- [10] The Complainant noted that The City did not include C-Com2 sales in its analysis and therefore a full picture of market values is not presented. The Complainant did acknowledge that the effects of the C-N2 and C-Com2 land use districts are the same.
- [11] The Complainant disagreed with the Respondent that properties such as the subject, located in the developed community of Midnapore, sold for a higher value than parcels of land in developing communities referenced in the Complainant's list of comparables (index C1-C4).
- [12] The Complainant argued that the sale of index R3 should be excluded as the Complainant could find no evidence that it had been listed for sale and exposed to the market and represented an "arm's-length" transaction between unrelated parties
- [13] The Complainant accepted The City's comparable sale of Index R6 and adjusted its requested assessed value to \$23 per sq.ft. to reflect this transaction.

#### **Respondent's Position:**

- [14] In support of its position, the Respondent provided the following market sales for C-N zoned properties. Appropriate influence factors were applied to applicable properties [p.21, R-1].
- [15] The Respondent indicated that the sales price of 2009 and 2010 properties (index R1 and R2) had been time adjusted and that The City would direct its comments to properties indexed R3-R7.

Index	Address	Date sold	Sale Price	Lot size	Time Adjusted Sale (TAS) Price	TAS Price /sq.ft.	Zoning
R1	60 Bowridge Dr NW	02-Oct-09	\$1,5550,000	116,000	\$1,530,780	\$13.20	C-N2
R2	1800 194 AV NE	26-Mar-10	\$1,660,000	289,674	\$1,774,872	\$6.13	C-N2
R3	15229 Bannister RD SE	08-Jul-11	\$572,500	10,125	\$572,500	\$56.54	C-N1
R4	3624 Centre ST NE	16-Nov-11	\$640,000	10,193	\$640,000	\$62.79	C-N2
R5	500 Royal Oak DR NW	12-Dec-11	\$2,200,000	89,124	\$2,200,000	\$24.68	C-N2
R6	13 Southland CR SW	15-Dec-11	\$1,000,000	22,216	\$1,000,000	\$45.01	C-N2
R7	4024 16 ST SW	20-Dec-11	\$1,000,000	11,979	\$1,000,000	\$83.48	C-N2

- [16] The Respondent stated that the most comparable sales were index R3 and R6 [p.22, R-1] as they are closest in location to the subject and are in developed communities. The Respondent stated that there were significant differences in land value between developed communities and newly developing areas where large parcels are in the process of being subdivided for future commercial use e.g., Index C1, C3 and C4. Upon questioning by the Complainant, the Respondent indicated that no adjustment is made for land parcels in developed vs. developing communities.
- [17] The Respondent noted that C-Com2 sales were not included in its analysis because it had not been able to find any such sales. They reiterated that they did not feel the sales used by the Complainant were good comparables as they are large parcels of land in developing communities and did not reflect the locational advantage of the subject property.
- [18] The Respondent indicated that they had done a search on the property indexed R3 and found that it had been exposed to the market by the firm Avison Young and were confident that this sale represented an arm's- length transaction.

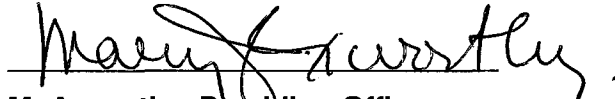
#### **Board's Reasons for Decision:**

- [19] The Board finds that in the absence of written evidence from the Respondent, sufficient doubt has been raised about whether the sale of Index R3 was "arm's-length" and it should be excluded. Index C1 should also be excluded because it is much larger than the subject and the pre-subdivision sale of index C3 should be excluded for the same reason. Index C4 should be excluded as it is a *post facto* sale and is also much larger than the subject property.
- [20] The Board finds that the properties indexed R6 and C4 are the best indicators of value as

they are similar in size to the subject, are located in the same general part of the city, share the same locational attributes and are agreed by both parties.

The average (mean) value of these two transactions is \$37.38 per sq. ft., which equates to the revised assessment of \$1,100,000 (truncated).

**DATED AT THE CITY OF CALGARY THIS** 1 **DAY OF** August **2013.**

  
**M. Axworthy, Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
1. C1 and C2	Complainant Disclosure
2. C3	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.*