

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:

CONDON PROPERTIES LTD., COMPLAINANT
(as represented by *Assessment Advisory Group Inc.*)

and

The City Of Calgary, RESPONDENT

before:

BOARD CHAIR: P. COLGATE
BOARD MEMBER: Y. NESRY
BOARD MEMBER: D. MORICE

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: 067116004
LOCATION ADDRESS: 1347 12 AVENUE SW
FILE NUMBER: 71917
ASSESSMENT: \$2,150,000.00

This complaint was heard on 9th day of August, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 2.

Appeared on behalf of the Complainant:

- *Doug Bowman, Assessment Advisory Group Inc.*

Appeared on behalf of the Respondent:

- *Robert Ford, City of Calgary*

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

[1] The Board derives its authority to make this decision under Part 11 of the Municipal Government Act (the "Act"). The parties had no objections to the panel representing the Board as constituted to hear the matter.

Preliminary Matter:

[2] No preliminary matters were raised. Board proceeded with the merit hearing.

Property Description:

[3] The subject is an improved property located at 1347 12 Avenue SW in the community of Beltline. The property is assessed as Land Value only, at a rate of \$220.00 per square foot, as the income approach value does not meet the value of the underlying bare land.

Issues:

[4] The Complainant stated the issues for the complaint:

The property has been incorrectly placed in the Beltline (BL)4 market zone instead of the Beltline (BL) 5 market zone.

Complainant's Requested Value: \$1,630,000.00

Board's Decision:

[5] Based on the Board's decision for the issue stated, the Board found sufficient evidence to support the changes requested by the Complainant.

[6] The Board revised the assessment to **\$1,560,000.00**

Legislative Authority, Requirements and Considerations:

[7] In the interest of brevity, the Board will restrict its comments to those items the Board found relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[8] Both the Complainant and the Respondent submitted background material in the form of aerial photographs, ground level photographs, site maps and City of Calgary Assessment Summary Reports and Valuation Reports.

Position of the Parties

Issue: Market Zone BL4 versus BL5.

Complainant's Position:

[9] The Complainant argued the BL4 market zone classification was incorrect for the subject property. The subject property is located on the dividing line between market zones BL4 and BL5, as shown on the submitted map. (C1, Pg. 24)

[10] The Complainant argued the subject property was more closely associated with the adjacent commercial property on 14th Street SW, a Mr. Sub, than the high rise apartment building located immediately to the east.

[11] The Complainant submitted the correct land rate should be \$167.00 per square foot, instead of the current \$219.00 per square foot.

[12] The Complainant submitted three equity comparable properties in support of the requested rate of \$167.00 found in BL5.

Roll Number	Address	Market Zone	Valuation Approach	Assessment	Assessable Land Area (Sq. Ft.)	Value Per Sq. Ft.
201582897	1103 14 St. SW	BL5	Sales (Valued as Land Only)	\$1,120,000	6,688	\$167.74
067229708	1400 12 Ave SW	BL5	Sales (Valued as Land Only)	\$5,930,000	35,353	\$167.46
066088501	1211 14 St. SW	BL5	Sales (Valued as Land Only)	\$2,920,000	17,413	\$167.69
Subject						
067116004	1347 12 Ave SW	BL4	Sales (Valued as Land Only)	\$2,150,000	9,812	\$219.12

(C1, Pg. 13-25)

[13] The Complainant requested the subject property be assessed as being in the BL5 market zone at a land rate of \$167.00 per square foot.

Respondent's Position:

[14] The Respondent submitted the subject property was correctly assessed at a land rate of \$220.00 per square foot, the land rate applied to properties in the BL4 market zone.

[15] The Respondent submitted three equity comparables of properties similarly assessed as the subject property:

Roll Number	Address	Market Zone	Valuation Approach	Assessment	Assessable Land Area (Sq. Ft.)	Land Rate Per Sq. Ft.
067085407	1402 11 Ave SW	BL4	Sales (Valued as Land Only)	\$944,000	4,293	\$219.89
067085506	1410 11 Ave SW	BL4	Sales (Valued as Land Only)	\$1,070,000	4,873	\$219.57
067111906	1102 13 St. SW	BL4	Sales – Land Only	\$3,750,000	16,246	\$230.82
Subject						
067116004	1347 12 Ave SW	BL4	Sales (Valued as Land Only)	2,150,000	9,812	\$219.12

(R1, Pg.16-19)

[16] The Respondent submitted the “2013 Beltline Non-residential Land Rates” map to show the different zones and the applied land rates. (R1, Pg. 22)

A table of the four (4) “2013 Beltline Land Sales”, located in BL4 and BL3, was presented to show the Board the source of the \$220.00 per square foot land rate, with the supporting documentation. An additional post facto sale was also submitted in support of the land rate. (R1, Pg.23-94)

Roll Number	Address	Market Zone	Sub Property Use	Land designation	Assessable Land Area (Sq. Ft.)	Registration Date	Sale Price	Influence	Total Adjustment Factor	Adjusted Sale Price	Sale Price Per Sq. Ft.
067090704	901A 10 Ave SW	BL4	Land Only	CC-X	29,334	09/19/2011	\$7,300,000	Corner	-5%	\$6,935,000	\$236.42
067191205, 067191304, 067191403	1031 15 Ave SW	BL4	Single Residential	CC-MH	9,768	10/04/2011	\$1,100,000	N/A	-	\$1,100,000	\$112.61
067093401	633 10 Ave. SW	BL3	Land Only	CC-X	16,261	12/23/2011	\$3,500,000	Corner	-5%	\$3,325,000	\$204.48
067231506	614 10 Ave SW	BL3	CS3510/LO	CC-X	65,619	03/15/2012	\$17,000,000	Corner Track	10%	\$18,700,000	\$284.98
										Mean	\$209.62
										Median	\$220.45
										Weighted Mean	\$248.47
										Assessed Rate	\$220.00
Post Facto Sale											
067189795	1515 8 St. SW	BL4	CS2100	CC-COR	22,804	07/04/2012	\$5,500,000	Conner	-5%	\$5,225,000	\$229.13

(R1, Pg.23)

Board's Reasons for Decision:

[17] The Board found the primary issue was the location of the dividing line between the BL4 and BL5 market zones.

[18] When questioned by the Board, the Respondent stated the boundaries between the different market zones was arbitrarily set by the Assessment Business Unit, but tended to follow the boundaries set by the Planning Business Unit under Land Use Bylaw 1P2007. The market zones could be altered depending upon the findings of the Assessment Business Unit, as occurred on 17 Avenue SW, west of 14 Street SW. In that situation the BL5 zone was extended to include commercial properties not formerly in the BL5 market zone.

[19] The Board found, as of December 31, 2012 the subject property was being used a commercial operation with both a retail business and a medical office. When the subject parcel is examine it is currently isolated from the balance of the BL4 market zone, which is predominantly multi-residential, by a high rise apartment building. The subject property is most comparable to the commercial business located to the west, located in BL5.

[20] The Board found the comparable provided by the Complainant supported the requested land rate, if the subject was located in market zone BL5, although the Complainant filed to take into consideration the corner influence which added 5% to the assessment.


[21] The Board appreciates the difficulty in setting the boundaries of the different market zones, but feels in this situation an adjustment is required to include the subject property in the BL5 market zone.

[22] The Board found the Complainant had provided sufficient evidence to support the change to the subject property location from market zone BL4 to market zone BL5.

[23] Based upon the change of market zone applied to the subject property, the Board has revised the assessment based upon a land rate of \$160.00 per square foot.

[24] For the reasons cited, the Decision of the Board was to revised the assessment to **\$1,560,000.00.**

DATED AT THE CITY OF CALGARY THIS 4th DAY OF September 2013.



PHILIP COLGATE
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Submission
2. R1	Respondent Submission

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	Office	Low Rise	Sales Approach	Land Value

LEGISLATIVE REQUIREMENTS**MUNICIPAL GOVERNMENT ACT****Chapter M-26**

1(1)(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

Division 1**Preparation of Assessments****Preparing annual assessments**

285 Each municipality must prepare annually an assessment for each property in the municipality, except linear property and the property listed in section 298. RSA 2000 cM-26 s285;2002 c19 s2

289(2) Each assessment must reflect (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property,

ALBERTA REGULATION 220/2004**Municipal Government Act****MATTERS RELATING TO ASSESSMENT AND TAXATION REGULATION**

1(f) "assessment year" means the year prior to the taxation year;

Part 1**Standards of Assessment****Mass appraisal**

2 An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

Valuation date

3 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.