



## **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:

***Ernest Frederick Berg (as represented by Assessment Advisory Group Inc.)***  
**COMPLAINANT**

and

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

before:

***W. Krynski, PRESIDING OFFICER***  
***H. Ang, BOARD MEMBER***  
***J. Kerrison, 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:

<b>ROLL NUMBER:</b>	<b>076051101</b>
<b>LOCATION ADDRESS:</b>	<b>3505 17 Avenue SE</b>
<b>FILE NUMBER:</b>	<b>71936</b>
<b>ASSESSMENT:</b>	<b>\$593,000</b>

This complaint was heard on the 24th day of June, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *Mr. S. Cobb*
- *Mr. T. Youn*
- 

Appeared on behalf of the Respondent:

- *Mr. E. D'Altorio*

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

- [1] The parties had no objections to the panel representing the Board as constituted, to hear the matter. No jurisdictional or procedural matters were raised at the outset of the hearing, and the Board proceeded to hear the merits of the complaint.

**Property Description:**

- [2] The subject property is a freestanding C Class retail building, located at 3505 17 Avenue SE. The building comprises a total Net Rentable Area of 1,377 sf. The building year of construction is circa 1953, and it is situated on a 6,497 sf parcel, zoned C-COR1. The City has classified the property as CM0050 ((Retail-marginal building)

**Issues:**

**Issue #1:** Equity. Is the "land only" valuation equitable with other similar properties?

**Issue #2:** Land Rate. Should the overall land rate be reduced to \$63.00 per square foot (psf) ?

**Complainant's Requested Value: \$ 409,000**

**Board's Decision**

- [3] The Board confirms the assessment at \$593,000

**Legislative Authority, Requirements and Consideration**

- [4] The Calgary Composite Assessment Review Board derives authority from the Municipal Government Act and associated Government of Alberta Legislation and Regulations.

**Position of the Parties**

**Issue #1:** Equity. Is the "land only" valuation equitable with other similar properties?

**Complainant's Position:**

- [5] The Complainant submits that, the Subject Property fails to meet the requirements for equity in assessment. Other properties, assessed at either Income or Sales Comparison approach, are assessed at a lower land rate psf.
- [6] Submitted into evidence, were maps, photos, etc., providing a visualization of the Subject Property and its' location.
- [7] An equity chart was presented, itemizing 13 properties, located in various parts of the City. The properties included vacant land, to various types of commercial buildings, with quality Class ranging from C- to A+. Three of the Comparables were assessed on the Income approach, while the remaining were assessed as land only, on the Sales Comparison Approach. Based on the Complainant's calculations, the comparable assessments ranged from \$33.00 to \$83.00 psf. of land. This compares to the Subject assessment at \$91.37 psf of land.

**Respondent's Position:**

- [8] The Respondent submitted photos, maps and aerial photos, etc., providing a visual description of the Subject Property, location, building placement, etc.
- [9] The Respondent explained that the Complainant's calculations of the psf land values for the equity comparables was inaccurate. One cannot simply divide the total assessment by the total area of the site, because land rates for C-COR zoned properties are applied on a graduated scale, as follows:
- 3,000 sf @ \$122.00 psf
  - 3,001 – 20,000sf @ \$65.00 psf
  - Remainder @ \$10.00 psf

- [10] The Respondent indicated that a larger parcel size, results in a lower rate per square foot. The larger area, at a much lower rate, averages down the resulting value per square foot. To simply divide the total assessment by the total area provides a meaningless figure.
- [11] To that end, the Respondent submitted a rebuttal Chart of the Complainant's comparables, with a list of property area and any influences applied to each property, along with the explanation that all C-COR zoned properties in the City are assessed according to the previously described sliding scale table. Therefore equity is maintained.
- [12] The Equity chart also indicated three properties that, upon reviewing the Complainant's evidence, the Assessor found to be incorrectly assessed on the Income Approach. The properties were re-assessed on the "land only" basis, and Amended Notices had been issued on all three. As such, it was concluded that all of the Complainant's comparables were indeed equitably assessed at the same land rate.

**Issue #2:** Land Rate. Should the overall land rate be reduced to \$63.00 psf ?

#### **Complainant's Position**

- [13] Assessed land value is in excess of market value. In support of their position, the Complainant has referenced two assessment comparables;

- **3909 17 AVENUE SE**

This property is similar to Subject, in that it has been assessed using Sales Comparison (valued as land only). It is 4 blocks away, also on 17 Avenue SE. At 23,664 sf, the property's lot size is much larger than the Subject's 6,497 sf. It is improved with an A+ building constructed in 1993. It is assessed at \$63.00 psf of land.

- **1823 37 Street SE**

This 18,837 sf vacant lot located approximately 4 blocks east of the Subject. This property is assessed at \$62.00 psf land.

- [14] Also submitted into evidence, were two sales.

- **1823 37 Street SE**

This is the same property as comparable 2, above. This property was a post facto sale, having transferred in March of 2013, for \$990,000 equating to \$53.00 psf.

- **4504 17 Avenue SE**

A 19,733 sf vacant site, sold June, 2010. Sale price was \$954,000, reflecting \$48.00 psf. The Complainant advised that this property was contaminated at the time of sale, and suggested that, as such, it should not be considered in the valuation.

- [15] Based on all of the foregoing, the Complainant was of the opinion that a \$63.00 psf land rate would more accurately reflect market value, and provide equity with other assessments.

**Respondent's Position:**

- [16] The Respondent submitted photos, maps and aerial photos, etc., providing a visual description of the Subject Property, location, building placement, etc.

- [17] The Respondent explained that the Complainant's calculations of the psf land values for the equity comparables was inaccurate. One cannot simply divide the total assessment by the total area of the site, because land rates for C-COR zoned properties are applied on a graduated scale, as follows:

- 3,000 sf @ \$122.00 psf
- 3,001 – 20,000sf @ \$65.00 psf
- Remainder @ \$10.00 psf

- [18] As explained, the larger the parcel size, the lower the per square foot rate would be. The larger area, at a much lower rate, averages down the resulting value per square foot. To simply divide the total assessment by the total area, provides a meaningless figure.

- [19] To that end, the Respondent submitted a rebuttal Chart of the Complainant's comparables, with a list of property area and any influences applied to each property, along with the explanation that all C-COR zoned properties in the City are assessed according to the previously described sliding scale table. Therefore equity is maintained.

- [20] The Equity chart also indicated three properties that, upon reviewing the Complainant's evidence, the Assessor found to be incorrectly assessed on the Income Approach. The properties were re-assessed on the "land only" basis, and Amended Notices had been issued on all three. As such, it was concluded that all of the Complainant's comparables were indeed equitably assessed at the same land rate.

- [21] In support of the Land Rates, the Respondent submitted a Sales Summary titled "2014 C-COR SALES". The chart list 9 sales city-wide. One of the sales (4504 17 Ave SE), was the contaminated sale that the Complainant threw out of their analysis, and the City requested that it also be excluded from theirs. The sales occurred between March 2010 and June 2012, with parcel sizes ranging from 2,367 to 63,079 sf. These sales, with values ranging from \$30.55 psf to \$120.87 psf, provided the basis for the sliding scale land rates for this group of properties, on a city-wide basis.

**Board's Reasons for Decision:**

**Issue #1**

- [22] Upon reviewing all the evidence, the Board was not convinced that an inequity exists with the subject assessment. Of the 13 comparables provided by the Complainant, only two were of the same C- quality class, and both were considerably larger in size. Furthermore, the resulting square foot land calculations were shown to be erroneous, based on the City's explanation of the sliding scale land value table. With the amended notices on the three comparables that were originally assessed on the Income Approach, there was little support in the complainant's evidence, on which to base an equity adjustment.

**Issue #2**

- [23] The Board finds that the City's market evidence of land sales was more compelling. The Complainant was left with a single sale comparable upon removal of the contaminated sale. That sale was post facto, some nine months after the valuation date, and consequently, little weight could be placed on it. The Respondent's sales data, while less than ideal in quantity, was nevertheless, more convincing. The requested change in land value to \$63.00 was not justified.
- [24] On review and consideration of all the evidence before it in this matter, the Board found the Complainant's evidence was not sufficient to convince the Board that the Subject Assessment is in error.
- [25] The Board confirms the assessment at \$593,000.

DATED AT THE CITY OF CALGARY THIS 26<sup>th</sup> DAY OF July 2013.



Walter Krynski

  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
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**

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Commercial Retail	Freestanding Retail	Improved @ Land Value	Equity