



## **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**

***Catherine Ina Zink***  
***(as represented by Assessment Advisory Group Inc.), COMPLAINANT***

**and**

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

**before**

***L. Yakimchuk, PRESIDING OFFICER***  
***B. Jerchel, BOARD MEMBER***  
***G. Milne, 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: 079001509**

**LOCATION ADDRESS: 323 17 Av SW**

**FILE NUMBER: 71944**

**ASSESSMENT: \$2,800,000**

This complaint was heard July 11, 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:

- *T. Youn, Assessment Advisory Group Inc. (AAG)*
- *D. Bowman, AAG*

Appeared on behalf of the Respondent:

- *C. Chichak, City of Calgary Assessor*
- *C. Fox, City of Calgary Assessor*

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

[1] There were no preliminary matters.

**Property Description:**

[2] The subject property is assessed as a 1936 retail mixed use building in the community of Mission. The 5,860 square foot (sf) "C" quality improvement is situated on a 12,747 sf L-shaped lot on 17<sup>th</sup> Av SW, backing onto 18<sup>th</sup> Av SW. The property has been assessed as vacant land.

**Issues:**

[3] Is the subject property assessed using the correct approach? Should it be classified using the Income Approach rather than a Land Only value?

[4] Are the land rates applied to Block 3 (BL3) of the Calgary Beltline reflective of the Market?

[5] Does the shape of the subject parcel affect its value?

**Complainant's Requested Value: \$1,840,000**

**Board's Decision:**

[6] The Board confirms the assessment at \$2,800,000.

**Legislative Authority, Requirements and Considerations:**

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 Section 460.1:

(2) Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

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.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) the parcel is used for farming operations, agricultural use value.

## **Position of the Parties**

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

[7] Income or Land Only Approach: T. Youn, AAG, speaking for the Complainant provided two assessment options. One was based on the Income Approach and one was based on the Land Only Approach. The resulting values using each approach were similar and the Complainant asked for a reduction to \$1,840,000.

[8] Land Rates: The Complainant contended that the Land Value rates applied to the Beltline district were not reflective of the market, and derived a Market Value of \$195/sf as opposed to \$220/sf used by the City of Calgary for BL7 land. Six comparable sales (including one July 6, 2012 sale) were included in the documentation. These properties were sold at rates ranging from \$119/sf to \$259/sf, with a median value of \$194/sf. The three lowest valued comparable properties were from BL2, and the highest valued comparable property was from BL3. None of the comparable properties were situated on 17<sup>th</sup> Av SW.

[9] Lot Shape: The Complainant argued that the L-shape of the lot was atypical and made re-development to the land's fullest potential difficult. He argued that the separate lot adjacent to the inside of the L-shape limited the shape of any new improvements. The Complainant concluded that a shape adjustment of -25% should be applied to the Land Rate to compensate for this negative influence.

**Respondent's Position:**

[10] Income or Sales (Land Only) Approach: The Respondent, C. Chichak, Assessor, stated that the assessment was based on highest and best use of a property, and that the value of the land in the subject property was greater than its current Income Value. He also stated that the City of Calgary would include Parking, which had been omitted in the Complainant's presentation, in the total Income Valuation and that this would increase the Complainant's request based on income.

[11] Land Rates: The Respondent provided a table of 2013 Beltline non-residential land rates (R1, p 22) which demonstrated that BL3 land is valued at \$220/sf and BL2 land is valued at \$160/sf. The subject property is in BL3 and was valued at \$220/sf. The Respondent also included a list of four properties comparable to the subject which had sold in the BL3 and BL4 areas, along with the documentation to demonstrate that these were arm's length transactions. Three of the four comparable properties were also on the Complainant's list. C. Chichak stated that no transactions were available for properties on 17<sup>th</sup> Av SW. The values of the comparable properties ranged from \$112.61/sf to \$284.98/sf, with a median of \$220.45 and a weighted mean of \$248.47.

[12] Lot Shape: The Respondent stated that the adjustment for the negative influence of shape was -15% in the Beltline area. He argued that shape was not a negative influence in this case as the shape was not unusual or limiting. The Respondent suggested that the frontage on both 17<sup>th</sup> Av and 18<sup>th</sup> Av SW could be seen as an advantage to a prospective buyer.

**Board's Reasons for Decision:**

[13] Income or Land Only Approach: The Board found that the Land Only approach is an accepted assessment method and is appropriate for this property.

[14] Land Rates: The Board found that the evidence offered by all of the Comparable properties supported the Land Rate used by the City of Calgary. There were no properties in the lists of comparables with addresses on 17<sup>th</sup> Av SW, but the Board determined that it was unlikely sales from 17<sup>th</sup> Av SW would decrease the calculated Assessment rate.

[15] Lot Shape: The Board found that lot shape would not influence value of the subject property negatively. The L-shape is not atypical and would not affect development potential.

[16] For these reasons, the Board confirmed the assessment provided by the City of Calgary.

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



**L. Yakimchuk**

**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.*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Other	Vacant Land	Development Land	Land Value