



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:

Fidelis Management Ltd. (as represented by Assessment Advisory Group Inc.),
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Fegan, PRESIDING OFFICER
P. McKenna, BOARD MEMBER
A. Zindler, 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:	067238600
LOCATION ADDRESS:	940 8 AV SW
FILE NUMBER:	71996
ASSESSMENT:	3,000,000

This complaint was heard on the 5th 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:

- *S. Cobb (Assessment Advisory Group Inc.)*
- *D. Bowman (Assessment Advisory Group Inc.)*

Appeared on behalf of the Respondent:

- *L. Wong (City of Calgary)*

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

- [1] No procedural or jurisdictional issues were raised.

Property Description:

[1] The subject property is an irregular shaped parcel of vacant land comprised of 12,111 square feet. The land use designation is CM-2. The property is currently being used as a parking lot. The assessed value has been calculated using a base rate of \$310 per square foot. The assessment of the subject has been adjusted for shape, corner influence and transition zone. The subject property is located in an geographic area designated by the City as DT2E (Downtown 2, East).

Issues:

- [2] The issues in this complaint are market value and equity.

Requested Value: \$2,010,000

Board's Decision: The assessment is confirmed at \$3,000,000

Position of the Parties

Complainant's Position:

[3] The Complainant felt that the rates applied to the various districts in the downtown area were not supported by market evidence. The Complainant argued that the boundaries used by the assessor to change the land rates applied in each district were arbitrary and not based on market evidence.

[4] The Complainant provided two sales and based the requested assessment on the average of these two sales. The Complainant provided the 2013 assessment of each sale and the assessment to sale ratio for each sale.

[5] The Complainant identified two comparable properties that had been assessed using lower land rates than the subject.

Respondent's Position:

[6] The Respondent's position was land values change dramatically as you moved west from the downtown core and that the rate difference between DT2E and DT2W was supported by sales evidence.

[7] The Respondent provided a map showing the various districts within the downtown core and the various land rates that had been applied in each district. The map indicated that the highest land rate was \$355 per square foot and that rate was applied in the central core. As you moved either east or west away from the central core the land rates declined in stages. The subject property is located in an area described as DT2E and is assessed using a base rate of \$310 per square foot. This area extends from 5th ST SW to 9th ST SW.

[8] The Respondent provided three sales from DT2E, which indicated a median sale price of \$307.41 per square foot. The Respondent provided one sale from DT2W which indicated a sale price per square foot of \$118.97. The Respondent argued that this was proof that the land values between DT2E and DT2W were significantly different.

[9] The Respondent introduced a real estate listing of a development site (former car dealership) on 9th AV SW; this parcel was significantly larger than the subject, it backed onto the railway tracks and had significant improvements which would need to be demolished prior to any re-development.

Board's Reasons for Decision:

[10] The Board did not find the real estate listing of the 9th AV SW site (former car dealership) helpful in determining the value of the subject for several reasons. It was significantly larger than the subject property. It backed onto a busy railway track. It had significant improvements in place at the time of the listing.

[11] The Board found that the two sales provided by the Complainant demonstrated an increase in land values as you moved from east to west away from the central core (718 8th AV SW sold for \$307 per square foot and 1105 7th AV SW sold for \$108 per square foot). The Board found that this was an indication of decreasing land values as you moved away from the downtown core.

[12] The Board found the fact that the assessed land rates on the two properties referred to in paragraph 11 varied significantly from \$108 to \$309 but each produced an assessment to sale ratio (ASR) close to 100%, was an indication that the land rates applied by the assessor in both areas were in fact supported by market evidence. The Board found given that the land values decrease as you move away from the downtown core, an accurate estimate of market value would not result from the use of the average of two sales located four blocks from each other. This approach would not achieve an accurate estimate of market value because it would not reflect the locational differences.

[13] The Board found that the three sales used by the Respondent in DT2E provided a good indication of the land values for that district. Although only one sale was available for analysis in DT2W that sale did indicate a much lower land value in that district.

[14] After concluding that higher land values in DT2E were supported by market evidence the Board rejected the use of land assessments from DT2W for the purpose of making an equity comparison between DT2E and DT2W.

DATED AT THE CITY OF CALGARY THIS 15th DAY OF August 2013.

R. Fegan
R. Fegan

Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
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.*