



## **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:**

***CWA Holdings Ltd. (as represented by Altus Group Ltd.), COMPLAINANT***

**and**

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

**before:**

***B. Horrocks, PRESIDING OFFICER***

***J. Massey, BOARD MEMBER***

***R. Deschaine, 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>101012219</b>
<b>LOCATION ADDRESS:</b>	<b>120 62 AV SE</b>
<b>FILE NUMBER:</b>	<b>72114</b>
<b>ASSESSMENT:</b>	<b>\$1,720,000</b>

This complaint was heard on the 22nd day of October, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3

Appeared on behalf of the Complainant:

- D. Mewha (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- J. Tran (City of Calgary)
- F. Taciune (City of Calgary)

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

- [1] There were no concerns with the board as constituted.
- [2] The Complainant has visited the site, while the Respondent has not.
- [3] The parties have not discussed the file.
- [4] The Complainant requested that all evidence and argument from Hearing #72457 be carried forward to this Hearing.

**Property Description:**

- [5] The subject property is a 1.04 acre vacant land parcel located in the Manchester community in SE Calgary. The subject Land Use Designation is C-COR 3 f1.0h12, Commercial Corridor 3. The subject is assessed as Land Only using the Sales Comparison approach to value.

**Issues:**

- [6] An "assessment amount" and "an assessment class" were identified on the Assessment Review Board Complaint Form as the matters that apply to the complaint. At the outset of the hearing, the Complainant advised that there was one outstanding issue, namely: "the assessment of the subject property is in excess of its market value for assessment purposes."

**Complainant's Requested Value:** \$1,290,000 (Complaint Form)  
\$860,000 (Hearing)

**Board's Decision:**

- [7] The 2013 assessment is confirmed at \$1,720,000.

**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).

MGA requires that:

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) requires that:

- 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.
- 4(1) The valuation standard for a parcel of land is
  - (a) market value, or
  - (b) if the parcel is used for farming operations, agricultural use value.

**Board's Decision in Respect of Each Matter or Issue:**

**Issue:** What is the market value for assessment purposes? The subject is assessed at \$1,720,000, while the Complainant is requesting \$860,000.

**Complainant's Position:**

[8] The Complainant's Disclosure is labelled C-1.

[9] The Complainant, at page 7, provided the Property Assessment Detail Report, noting the subject assessment does not receive any market adjustments.

[10] The Complainant, at page 16, provided a table titled, 2013 Non-Residential Industrial Land Influence Adjustments. The table describes the "Influence", the "Influence Description" and the "Influence Adjustment" that is to be applied to the base land rate, to determine the market value.

[11] The Complainant, at page 17, provided a table titled, 2013 Non-Residential Commercial Land C-COR Sale Analysis. The table contains details of 9 sales that occurred in the period March 6, 2010 to January 26, 2012. The sales were used to derive the C-COR base land rates for the 2013 assessment.

[12] The Complainant, at page 18, provided a table titled, 2013 Non-Residential Commercial Land C-COR Sale Analysis, advising that the table is a reproduction of the City table with the land sale for 2020 34 AVE SW removed, because it was too small to be considered comparable. In addition, the Complainant added columns headed FAR, TASP Rate Buildable, Max Buildable, City Influence(s) and Traffic Influence. The Complainant submitted that the comparables, with one exception, have a higher floor area ratio (FAR) than the subject, and as a result, have the ability to support larger improvements. The Complainant submitted that the subject should receive the "Land Use Restriction" adjustment of -25%, because the subject FAR of 1.0 is significantly less than the FAR for the comparable properties used to derive the base land rate, for the assessment.

[13] The Complainant, at pages 65 through 83, provided details for properties to demonstrate how the City had applied the -25% market adjustment for "Land Use Restriction".

[14] The Complainant, at page 85, provided a table titled, Land Adjustments used by the City of Calgary. The Complainant noted the City applies a -25% adjustment if the property has "Limited Access/Uses".

[15] The Complainant, at pages 87 through 89, provided Traffic Flow Maps from the City of Calgary, noting the subject is not on a major roadway. The Complainant submitted that the subject has limited exposure and less development potential than the comparables and should receive a -25% adjustment for "Limited Access".

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

[16] The Respondent, at page 8, provided an aerial map of the area surrounding the subject property, noting the subject has direct access to 62 Avenue SE. The Respondent submitted the subject property does not warrant the application of the -25% adjustment for "Limited Access".

[17] The Respondent, at page 13, provided a table titled, 2013 Commercial Land Values. The table is used to calculate the base land values for the 2013 assessments. The Respondent noted the land value for the subject (C-COR) is calculated by multiplying the first 3,000 sf by \$122.00 psf, the next 17,000 sf by \$65.00 psf and the remainder by \$10.00 psf.

[18] The Respondent, at page 15, provided a table titled, Commercial Land Sales 2013. The table contains details of 9 sales that occurred in the period March 6, 2010 to June 22, 2012. The sales information is used to derive the base land rates for the 2013 assessment.

[19] The Respondent, at page 16, provided two tables, titled Method One-City Method and Method Two-Altus Method. The City Method used the parcel size to determine the TASP/SF, whereas the Altus Method used the FAR to calculate the Max Buildable SF and then calculated the TASP/Buildable SF. The Respondent, at the bottom of page 16, provided an assessment to sale ratio (ASR) chart to demonstrate that the City Method produced acceptable results with a median of 1.0139.

[20] The Respondent, at page 21, provided a copy of the Historical Land Title Certificate for the subject property, noting there are no caveats and no land use restrictions registered on the title. The Respondent submitted that the subject property should not receive the -25% adjustment for "Land Use Restriction".

**Board's Reasons for Decision:**

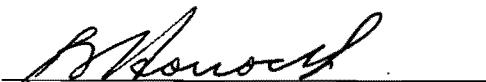
[21] The Board finds the Complainant's FAR argument is acceptable in theory, but there is nothing in evidence to demonstrate how a significant development on a C-COR site took advantage of the available FAR or how the FAR actually affects the sale price.

[22] The Board finds the subject property has direct access to 62 Avenue and therefore does not meet the criteria required to receive a -25% adjustment for "Limited Access".

[23] The Board finds there are no caveats, covenants or Direct Control Bylaws that would restrict the development or use of the property and therefore the subject does not meet the criteria to receive a -25% adjustment for "Land Use Restriction".

[24] The market value of the subject property, for assessment purposes is \$1,720,000.

DATED AT THE CITY OF CALGARY THIS 21<sup>st</sup> DAY OF November 2013.



**B. Horrocks**

**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
3. C1(Hearing 72457)	Complainant 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 Only

<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
Other	Vacant Land	Sales Comparison Approach	Influence Adjustments