



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:

Melcor Developments Ltd. (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Helgeson, PRESIDING OFFICER

R. Roy, BOARD MEMBER

R. Cochrane, 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: 201864808

LOCATION ADDRESS: 11141 15 Street NE

FILE NUMBER: 73807

ASSESSMENT: \$1,900,000

This complaint was heard on the 3rd day of September, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *M. Robinson*
- *D. Mewha*

Appeared on behalf of the Respondent:

- *M. Hartmann*
- *G. Foty*

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

[1] At the outset of the hearing in regard to 1581 110 Avenue (File #73800), the parties informed the Board that the within matter should be heard together with the hearing for 1581 110 Avenue NE. The Board agreed, and the complaints were heard together.

Property Description:

[2] The subject property, a vacant parcel of land, is located in a new industrial area known as "The District at North Deerfoot". The area of the subject property is 2.00 acres. The subject is zoned Industrial-General ("I-G"). The subject property has been assessed at \$950,000 per acre.

Issues:

[3] Should the assessment of the subject property be no more than \$660,000 per acre?

[4] Should land adjustment factors be applied to the subject property due to its state and condition at the time of sale?

[5] **Complainant's Requested Value:** \$1,320,000

[6] **Board's Decision:** The assessment is confirmed at \$1,900,000.

Positions of the Parties**Complainant's Position:**

[7] The subject property is a vacant land parcel west of Deerfoot Trail and northeast of the airport. The subject property is in excess of its market value for assessment purposes. The purchase price of the subject property was based on completion of services to the site. The site was only partially completed as of December 31, 2012 (C-1, page 5).

[9] Is the sale price the best indicator of value when the services have not been installed? The assessed value should be no more than \$660,000 per acre. For the Complainant's requested assessment, see page 81 of C-1.

[10] The land adjustments applied to the subject property are incorrect and inequitable due to the state and condition of the subject property as of December 31, 2012. The developer broke ground in early 2012, and site work is ongoing. Infrastructure, including roadways and servicing, were not complete as of December 31, 2012. The Complainant is requesting a 25% influence adjustment for lack of access to the subject property.

Respondent's Position:

[11] The Respondent will rely on sales. It has been determined that the subject property was serviced in March, 2013, but the foreman told people that the property was serviced as of December 31, 2012. The subject property is now fully serviced, and is accessible. All plans for rights-of-way were finished in late 2012.

[12] The sale of 1581 110 Avenue NE supports the assessment. It sold January 03, 2013, a date very close to December 31, at \$847,157 per acre. Granted, the sale price per acre is somewhat less than the assessment per acre of the subject property, but that is to be expected due to the fact the land area is more than twice that of the subject property. Other properties in the area, 11120 14 Street NE and 11175 14 Street NE, sold at \$952,667 per acre and \$1,276,324 per acre (R-1, pages 56 & 59).

[13] Other sales support the assessment. Seven industrial land sales in the northeast, including five from the Freeport area east across Deerfoot Trail from The District of North Deerfoot, indicate an average of \$904,768 per acre, and a median per acre of \$921,267 per acre (R-1, page 147). The subject property is not over-assessed by any measure.

Board's Reasons for Decision:

[14] In the Board's view, the purpose of an influence adjustment for limited access or partial services is to recognize a long-lasting problem that has a deleterious effect on the value of a property. The problem with the subject property is transient at best, for according to the Respondent the problem no longer exists.

[15] The sale price of 1581 110 Avenue NE is \$847,157 per acre. It is more than twice the size of the subject property. The subject property is assessed at \$950,000 per acre, and everyone knows that smaller properties sell for greater amounts per acre. This is again shown by the sale of 11175 14 Street NE, 1.57 acres of vacant land that sold in March, 2013 for \$1,273,885 per acre.

[16] The Board finds no reason to assess the subject property at \$660,000 per acre. No matter the peculiar arithmetic method the Respondent uses to arrive at an assessment, the assessment of the subject property is supported by sales.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF December 2013.

A handwritten signature in blue ink, consisting of a large, stylized 'S' followed by a horizontal line and a small loop at the end.

Presiding Officer

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

NO.	ITEM			
1. C1	Complainant Disclosure			
2. R1	Respondent Disclosure			
For Administrative Use				
Subject	Property Type	Property Sub-type	Issue	Sub-Issue
CARB		Vacant Land	Sales Approach	Equity Comparables

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.*