



**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:**

***Sanaco Properties Inc.***  
***(as represented by: MNP LLP.),***

**COMPLAINANT**

**and**

***The City of Calgary,***  
**RESPONDENT**

**before:**

<b><i>W. Krynski,</i></b>	<b>PRESIDING OFFICER</b>
<b><i>P. McKenna,</i></b>	<b>BOARD MEMBER</b>
<b><i>R. Deschaine,</i></b>	<b>BOARD MEMBER</b>

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 2014 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>156161309</b>
<b>LOCATION ADDRESS:</b>	<b>397 Midridge Drive SE</b>
<b>FILE NUMBER:</b>	<b>74811</b>
<b>ASSESSMENT:</b>	<b>1,450,000</b>

This complaint was heard on 17<sup>th</sup> day of July, 2014 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:

- *W. Van Bruggen - Agent MNPLLP*

Appeared on behalf of the Respondent:

- *T. Neal – Assessor, City of Calgary*

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

[1] Neither party objected to the composition of the Board, as introduced at the outset of the Hearing.

**Property Description:**

[2] The Subject Property consists of a 29,600 square foot (sf.) parcel of vacant land zoned "Commercial-Community 2", located in the Midnapore community.

**Issues:**

[3] The Complainant contends that the subject property is incorrectly assessed at a market rate of \$48.99 per square foot (psf.), and that the correct market rate is \$41.00 psf.

**Complainant's Requested Value: \$1,210,000**

**Board's Decision:**

[4] For the reasons outlined herein, the Board confirms the assessment at \$1,450,000.

**Legislative Authority, Requirements and Considerations:**

[5] The Calgary Composite Assessment Review Board takes authority from the Act and associated Regulations.

**Complainant's Position:**

[6] The Complainant's evidence and disclosure documents were presented and labelled Exhibit C1 (124 pgs.).

[7] A Map and aerial photograph were provided, to offer a visualization of the location of the subject Property [R1; Pgs. 10 & 11].

[8] The Complainant takes issue with assessed land rate of \$48.99 psf. and has provided a sales analysis of vacant land sales [C1; Pg. 14], consisting of four properties that sold between January 2011 and June 2013. Three of the sales are in the southeast quadrant of the City, while one is in the southwest. Land areas ranged from 20,253 sf. to 40,958 sf.

[9] Based on Average and Median sale prices of \$40.82 psf. and \$41.00 psf., the Complainant concludes that assessed market value of the land should be \$41.00 psf.

[10] The Complainant referenced the letter of transmittal for a property appraisal prepared by Colliers International Realty Advisors Inc. [R1; Pg. 77]. Per the letter, the value of the "leased fee interest" in the property was estimated at \$1,310,000, with an effective date of June 15, 2013.

[11] Additionally, the Complainant referenced CARB Decision 71010-P-2013, wherein the subject property assessment had been reduced the previous year.

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

[12] The Respondent submitted evidentiary documentation, which was labelled Exhibit R1 (72 pgs.). Various maps, aerials and photographs were provided, offering a visualization of the location and characteristics of the subject property.

[13] The Respondent provided a detailed explanation of the subject assessment [R1; p.11].

[14] By way of rebuttal of the Complainant's sales evidence, the Respondent argued that the Complainant's analysis was flawed for the following reasons:

- **267 Walden Gate SE** [R1; Pg. 14]: The sale should be excluded, as the property had previously been sold (Jan, 2011) by 1531873 Alberta Ltd. To Imperial Oil. Then, in July 2012, Imperial oil traded it back to 1531873 Alberta Ltd., by way of a land exchange. This, in the Respondent's opinion, did not represent a non-arms-length market transaction. Additionally, the respondent argued that this sale, being on the fringe of a new residential area, represents a much less desirable location than the subject.
- **101 Copperpound Blvd. SE** [R1; Pg.32]: The sale should be excluded. The property sold January, 2011 with a purchase price of \$779,190. Four months prior, (September 2010), it was purchased by the vendor along with the adjacent (identical) lot for \$900,000. The Respondent argued that the market did not increase that dramatically in 4 months, therefore the sale price is questionable and the transaction should be excluded from the analysis. Furthermore, the Respondent submits that this sale, like the previous, is on the fringe of a new residential community, reflecting a much inferior location than the subject.

[15] The Respondent concluded by arguing that if one were to remove the two above referenced sales, then the indicated Average and Median sale prices are \$55.00 psf. and \$54.00 psf., which supports the assessment.

### **Board's Reasons for Decision:**

[16] The Board reviewed the sales evidence submitted by the Complainant, and finds the sale at 267 Walden Gate SE is questionable as to being arms-length, given the sale history on the property.

[17] With respect to 101 Copperpound Blvd. SE, the Board accepts that it is a valid sales transaction, however, the property is not found to be comparable in size, and its' location is considered to be significantly inferior.

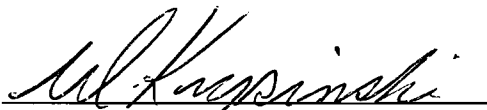
[18] Excluding the two sales from the Complainant's analysis leaves the remaining two sales reflecting \$58.87 psf. and \$49.99 psf., which does not support a reduction in the assessment.

[19] With respect to the Appraisal report, the Board is of the opinion that, without having the full report to review, little weight can be placed on this evidence. Additionally, the report references the valuation to be one of the "leased fee interest" in the property, whereas the assessment contemplates valuation of the "fee simple" interest.

[20] Based on evidence and argument presented, the Board does not find the Complainant's evidence to be sufficiently compelling to warrant a reduction.

[21] The assessment is confirmed at \$1,450,000.

DATED AT THE CITY OF CALGARY THIS 2 DAY OF September 2014.



Walter F. 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**

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Commercial	Vacant Land	Market value of land	