



## **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:**

***Amara Investment Corporation, as leaseholder and  
The City Of Calgary, as lessor  
(as represented by Assessment Advisory Group Inc.), COMPLAINANT***

**and**

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

**before:**

***J. Dawson, PRESIDING OFFICER  
K. B. Bickford, BOARD MEMBER  
T. Livermore, BOARD MEMBER***

This is a complaint to the Composite Assessment Review Board [the 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>090042300</b>
<b>LOCATION ADDRESS:</b>	<b>4304 Macleod Trail SW</b>
<b>FILE NUMBER:</b>	<b>74841</b>
<b>ASSESSMENT:</b>	<b>\$226,500</b>

This complaint was heard on 15th day of July, 2014 at the office of the Calgary Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- S. Cobb, Agent, Assessment Advisory Group Inc.

Appeared on behalf of the Respondent:

- J. S. Villeneuve-Cloutier Assessor, City of Calgary

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

- [1] There are no preliminary, procedural, or jurisdictional issues.

**Property Description:**

[2] The subject is a 3,900 square foot vacant land parcel with a Land Use Designation [LUD] of Commercial – Corridor 3 [C-COR3]. The subject, located at the corner of Macleod Trail and 42 Avenue SE was created as a remnant after a road widening project by the owner – The City of Calgary. The owner leases the property to Amara Investment Corporation and as a result provides the leaseholder the opportunity to make a complaint on the assessment. The subject is assessed using the Direct Sales Comparison Approach to Value, and then adjusted with three influences, resulting in a net 50% influence reduction.

**Issues:**

[3] The issue before the Board is the assessment value with the Complainant requesting the application of an additional influence adjustment (fourth) to bring the assessment value to a net 75% influence reduction.

**Complainant's Requested Value: \$113,250**

**Board's Decision:**

[4] The Board applied three influence adjustments to arrive at a net 80% influence reduction; however, as the resulting value is below the requested value of the Complainant, the requested value of \$113,250 has been applied.

**Legislative Authority, Requirements, and Considerations:****The Act****Interpretation**

1(1) In this Act,

(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

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

[5] The Complainant reviewed the subject property explaining that the adjacent business owner is leasing the property for additional parking, that there is no access to the property, and that there is no willing buyer for the property other than the leaseholder.

[6] The Complainant described the property as being isolated with topography issues, access issues, shape issues and that development is unlikely unless the adjacent landowner expanded. For a new development to occur with setback requirements, engineering issues and access issues; that a developer would have difficulty developing the property, if not impossible.

[7] The Complainant disclosed particulars about the subject property including; '2014 Property Assessment Notice' with a 78% increase in assessment, and the 'Property Assessment Summary Report' showing the four influences on record with three of them effecting the assessed value (C1 pp. 2-4).

[8] The Complainant provided maps and photographs of the subject site, which showed the lack of access, the difficult topography, and the overall complexity involved with any potential development (C1 pp. 5-8).

[9] The Complainant presented vacant land properties comparable to the subject for review for equity reasons. The four comparable properties resulted in a median of nearly \$70 per square foot versus the \$116.20 per square foot assessment. The Complainant testified that if limited access influence adjustment is provided the correct assessment would be \$113,250, and if the equity properties are considered with the same influence adjustments then \$136,500 would be the assessment (C1 pp. 9-18).

[10] The Complainant completed the disclosure document with an influence adjustment chart where limited access is described as; "*Limited Access: Is applied to properties which cannot be easily accessed in such a way as to inhibit development.*" The Complainant argues that the subject has no access; therefore, it cannot be developed without an agreement for access from the adjacent property owner (C1 p. 19).

**Respondent's Position:**

[11] The Respondent read a statement found within the Summary of Testimonial Evidence; "*The City will show that the influences applying to the property have been reviewed and that the influences that apply are as follows: Corner Lot (+5%), Limited/Restricted Access (-25%), Residual Parcel (-25%). This change in influences would make the 2014 Assessment \$249,000 as opposed to the original assessment of \$226,500. The City will not seek an increase in the*

assessment for 2014 as the change is small, but will be applying these influences going forward." (sic) (R1 p. 4).

[12] The Respondent disclosed maps, photographs, the '2014 Property Assessment Notice', the 'Property Assessment Detail Report', and the 'Land Title Certificate' for the subject property (R1 pp. 5-9 and 13-18).

[13] The Respondent presented the original and the new '2014 Assessment Explanation Supplement' to show the changes in the assessment as described in paragraph 11 (R1 pp. 11-12).

[14] The Respondent provided '2014 Commercial Land Values' chart along with the 'Industrial/Commercial Vacant Land Influences' chart with description of influences (R1 pp. 19-22).

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

[15] The Board found the ability of an assessment to be valued with two completely different sets of influence adjustments a little perplexing. This shows that there is subjectivity in the adjustments. The value the Board seeks is market value. For a property to be assigned a number of different influences to arrive at a defensible value seems odd.

[16] The five influence adjustments placed on the subject are as follows with the definition as supplied by the Respondent:

1. **Shape Factor (SPR -25%):** Is applied to properties which have reduced redevelopment potential or functionality as a result of the shape of the lot.

The Board found no evidence that the subject property's shape reduces the redevelopment potential or functionality as a result of the shape. The original assessment applied this influence adjustment. As a result of the re-examination of the property the Respondent has removed this influence adjustment and the Board agrees with that finding.

2. **Limited Access (ACC -25%):** Is applied to properties which cannot be easily accessed in such a way as to inhibit development.

The Board found that the subject property cannot be accessed from either Macleod Trail or 42 Avenue SE therefore does suffer from limited access. This influence adjustment is appropriate. The Respondent did not have this on the original calculation. As a result of the re-examination the Respondent has added this influence adjustment which the Board agrees with.

3. **Corner Lot (CRL +5%):** Is applied to properties with superior accessibility, in relation to typical properties, as a result of being located on a corner.

The Board cannot understand how a property can have a reduction because it cannot easily be accessed and then have an increase for having superior accessibility. Logically it can only have one or the other and clearly from the evidence there is no access to the site and it is not superior in accessibility in any way. Both the original and revised calculation included this influence adjustment and the Board does not

agree that it should be calculated.

4. **Residual Parcel (RPS -25%):** Is applied to parcels which are remnants of a subdivision or consolidation which have little/no development potential on their own.

The Board found that the subject parcel is a remnant from a previous road widening project and there is little or no development potential unless consolidated with an adjacent property, which in this case is already developed. The original calculation excluded this influence adjustment. As a result of the re-examination of the property the Respondent has added this influence adjustment and the Board agrees with that finding.

5. **Topography (TOP -30%):** Is applied to properties which experience diminished development potential as a result of the slope or topography of the lot.

The Board found the topography to be noticeably irregular to typical urban arterial developable properties. The presence of a retaining wall the height of a vehicle in some places clearly shows the irregular topography. In order to develop this property significant investment would be required to deal with the noticeable slope to both the north and the east. The Respondent originally allowed the influence adjustment for topography; however, removed it with the new calculation. The Board disagrees with this finding.

[17] The Board summarises the findings as:

Area:	3,900 square feet
C-COR3 value per square foot:	\$130 for first 3,000 square feet and then \$70 for the remaining 900 square feet
Calculated base value:	\$453,000
Limited Access 25% influence reduction:	-\$113,250
Residual Parcel 25% influence reduction:	-\$113,250
Topography 30% influence reduction:	-\$135,900
Net value:	\$90,600

[18] The Board found the Complainant's requested assessment value of \$113,250 to be fair and equitable.

DATED AT THE CITY OF CALGARY THIS 11 DAY OF August 2014.



Jeffrey Dawson

Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1 – 19 pages	Complainant Disclosure
2. R1 – 30 pages	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>Municipal Government Board use only: Decision Identifier Codes</b>				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other Property Types	Vacant Land	Sales Approach	Land Value