

## 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:

***1368373 Alberta Ltd. (as represented by Assessment Advisory Group),  
COMPLAINANT***

and

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

before:

***K. Thompson,  
J. Massey,  
A. Wong,***

***PRESIDING OFFICER  
BOARD MEMBER  
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 2014 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>069053205</b>
<b>LOCATION ADDRESS:</b>	<b>1556 9 Av SE</b>
<b>FILE NUMBER:</b>	<b>75153</b>
<b>ASSESSMENT:</b>	<b>\$1,430,000</b>

This complaint was heard on 28th day of July, 2014 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:

- S. Cobb *Agent, Assessment Advisory Group*
- J. Yim *Agent, Assessment Advisory Group*
- J. Kan *Agent, Assessment Advisory Group*

Appeared on behalf of the Respondent:

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

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

[1] The Complainant and Respondent requested that this file be heard together with file 75152 and that all evidence, questions, argument and summation be carried over. The Board had no issue with this request and the two files were read into the record at the same time. There were no other procedural or jurisdictional issues and the Board continued with the merits of the complaints.

**Property Description:**

[2] The subject property is a commercial warehouse located at 1556 9 Av SE in the community of Inglewood. This property has been categorized as a Class C Vehicle/Accessory – Auto Sales warehouse and is assessed as having 2,465 square feet (sf), constructed in 2002 on an 9,207 sf parcel of land (with Direct Control (DC) guidelines).

[3] The subject property is assessed using the cost method of valuation with a building value of \$230,836 and the land value as \$1,208,419 (at a rate of \$125.00 per square foot (psf)).

**Issues:**

[4] The value of the property would better reflect market if the land rate were at \$39.00 psf. The building value is acceptable.

**Complainant's Requested Value: \$585,500.**

**Board's Decision:**

[5] The assessment is confirmed at \$1,430,000.

### Legislative Authority, Requirements and Considerations:

[6] Section 460.1(2) of the Act provides that, 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).

### Position of the Parties

#### Complainant's Position:

[7] The Complainant stated that the value of the costed building was not at issue for the subject property however, the land value was excessive when compared to similar properties in the immediate area.

[8] The Complainant presented six comparable properties to illustrate the large gap in land rates in this market area. To determine the land rate of the comparable properties that were improved with a building, the Complainant removed the building value at the rate per square foot based on the costed subject building. When comparing the subject's land rate to the neighbouring properties the range is \$12.00 psf to \$63.00 psf, with the subject property assessed at \$125.00 psf. The Comparables included properties with improvements and were:

	Address	Rate derived by the Complainant per sf	Land Only (LO)/ Land & Improvement (LI)	Land Use Designation (LUD)	Size in square feet	Area
1	1515 17 Av SE	\$11.00	LO	Industrial Edge	31,003	Alyth/Bonnybrook
2	1453 17 AV SE	\$39.00	LI	Industrial Edge	41, 243	Alyth/Bonnybrook
3	1439 17 Av SE	\$63.00	LI	Industrial Edge	34,902	Alyth/Bonnybrook
4	1401 17 Av SE	\$47.00	LI	Industrial Edge	57,262	Alyth/Bonnybrook
5	1535 17 Av SE	\$12.00	LO	Industrial Edge	13,866	Alyth/Bonnybrook
6	1535 9 Av SE	\$12	LO	Industrial Edge	60,227	Inglewood

Chart is on p. 22, C1.

[9] The Complainant stated that comparable six was the most comparable to the subject

and despite that its land is assessed at \$12.00 psf is asking for \$39.00 psf, which is the median of the comparables.

[10] The Complainant provided the Land Use Guidelines (LUG) for DC and Industrial Edge, along with the C-COR1, as usage was similar to the subjects DC guidelines. The Complainant reviewed each comparable and the land use guidelines to show comparability to the subject property.

[11] The Complainant also provided some documentation on the only land sale in Inglewood that would be in the appropriate time frame for this assessment period. The July 19, 2012 land sale at 1339 9 Av SE showed a value of \$120.00 psf [C1, pp. 56-57]. The Complainant dismissed the sale, indicating that the comparables LUD of C-COR1 is more valuable than the subject's DC LUD. C-COR1 has more permitted uses and stated that one sale does not make a market.

[12] The Complainant provided a number of other sale properties for the Board's reference.

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

[13] The Respondent presented the subject property details along with maps and photographs. The Respondent also provided the 2014 Commercial Land Values and Industrial/Commercial Land Influences.

[14] A chart with two 2012 land sales for the subject market area was introduced [R1, p. 31]. These sales were used by the City to determine and support the 2014 land rates for this type of property in this area. The Respondent included backup documentation such as the Land Titles information, RealNet, assessment [R1, pp.33-54]. The Respondent also provided some Assessment Summary sheets for properties with DC land use, along with calculations to show there is equity for this type of Land Use property in this area. [R1, pp. 55-59].

[15] Finally the Respondent provided some Land Use information including an amendment to Bylaw 1Z93 [R1, pp.67-82].

[16] In conclusion, the Respondent stated that the difference between the subject property and the Complainant's comparables is Land Use. The subject property, under the DC guidelines, is more valuable than properties with Industrial Edge land use. The Respondent argued that properties with different land uses must be analysed separately. Two sales were provided to support the subject property's land rate.

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

[17] The Board reviewed the evidence provided by both parties and will limit its comments to the relevant facts pertaining to this case.


[18] The Subject property seems to be a reasonable representation of assessment class and is equitable to the surrounding properties of the same Land Use. Nothing unique or underperforming was brought forward with regards to this particular property, which also resides in a reasonably good location. This subject's placement in this market area was not challenged by the Complainant. The subject property's improvement value was also not challenged. The land rate was brought forward as the only concern.

[19] The Board reviewed the Land Use guidelines and provisions, provided by both the Complainant and Respondent, and relied on the specific guidelines and permitted uses of the

subject property and the comparables. The Board acknowledges that properties with different Land Use guidelines will often trade in different markets. The Board also acknowledges that legally permitted uses of a parcel, by the Land Use Bylaw, is a key factor in the value of a property. In comparing the permitted uses of the DC guidelines for the subject property with a Industrial Edge guidelines of the Complainant's comparable properties, it was obvious to the Board that the uses are vastly different.

[20] The Board finds insufficient evidence to alter the land rate applied to this property. The assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 2<sup>nd</sup> DAY OF September 2014.

  
K. Thompson

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.*

Property Type	Property Sub-Type	Issue	Sub issue
Non residential	Commercial auto sales	Land rate	