



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:

***Deelaw Enterprises Inc. (as represented by Assessment Advisory Group),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

<i>K. Thompson,</i>	<i>PRESIDING OFFICER</i>
<i>J. Massey,</i>	<i>BOARD MEMBER</i>
<i>A. Wong,</i>	<i>BOARD MEMBER</i>

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:

ROLL NUMBER:	101004307
LOCATION ADDRESS:	102 58 Av SW
FILE NUMBER:	75157
ASSESSMENT:	\$1,870,000

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*

Appeared on behalf of the Respondent:

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

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

[1] No procedural or jurisdictional issues were brought forward. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is an auto sales warehouse and is located at 102 58 Av SW in the community of Manchester. This property is assessed as a Class B building having 700 square feet (sf) constructed in 1996. The parcel size is 37,897 sf and is zoned as Commercial-Corridor 3 (C-COR3).

[3] The subject property is assessed using the cost method of valuation and has a land value of \$1,794,764 at a rate of \$47.00 per square (psf). There are no influences that affect the value of this land.

Issues:

[4] The value of the property would better reflect market if it were based on a land rate of \$27.00 psf and an adjustment of -15% for a train influence.

Complainant's Requested Value: \$1,110,000

Board's Decision:

[5] The assessment is confirmed at \$1,870,000.

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 contends that the subject property's land assessment is incorrect with respect to market value and equity, the base rate psf is not consistent with those of similar properties in close proximity to the subject. The Complainant also argued that the subject property should have a negative adjustment as it abuts a train track.

[8] The Complainant provided a chart with five properties in the subject market area [C1, p. 10] to illustrate the land rate of the subject was excessive. As all five comparable properties were improved with buildings, the Complainant subtracted the improvement from the assessed value, dividing the remainder by the total parcel size to arrive at a rate psf. The improvement value was based on subject improvements costed rate of \$117.00 psf. This was applied to the size of the comparable improvements. An additional negative adjustment of 15% was added back onto any comparable properties abutting a train track. The Complainant stated that an adjustment of 15% was deemed to be a reasonable amount for the negative impact of abutting a train track in this area. No information was provided to justify this amount.

[9] The median of the five comparables was a land rate of \$32 psf and the average was \$33 psf with a range of \$14.00 psf to \$48.00 psf. Backup assessment documents and photographs were provided [C1, pp. 12-28].

Respondent's Position:

[10] The Respondent stated that a mass appraisal approach is required in determining the market value for assessment purposes. This relies on typical rates in order to treat similar properties in an equitable manner.

[11] The Respondent argued that the Complainant provided equity comparables that were assessed on different approaches and made assumptions on the cost of the improvements.

[12] The Respondent provided the four 2014 Commercial Land Sales that were used to develop the City wide land rates for vacant C-COR land value. The sale rate per square foot ranged from \$31.81 psf to \$85.03 psf [R1, p. 19]. Backup assessment documents for the sales were provided

[13] The Respondent then provided the 2014 Commercial Land Values to show that the rates applied for C-COR3 land recognized diminishing returns in land value.

[14] The Respondent provided the 2014 Industrial/Commercial Vacant Land Influence chart to show that no adjustment was given for the influence of Train Tracks. The Respondent testified that there was no market evidence to support a negative adjustment for properties abutting train tracks in the City's analysis. The Respondent commented that the Complainant had not shown any market evidence to support this reduction.

[15] The Respondent stated that the Complainant had not provided any market evidence to support its requested land rate.

[16] The Respondent provided two comparable C-COR3 properties and assessment

documentation to show they were assessed using the same rates psf as the subject.

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. The improvement value for the subject property was not in question in this complaint, only the value of the land remained at issue.

[18] The Board studied the method presented by the Complainant and found it to be flawed. The improvement rate of \$117.00 psf used by the Complainant, to determine the comparable properties improvement value, is flawed. The rate of \$117.00 psf was based on a very small improvement and a specific Marshal Swift calculation relating to the subject buildings components. By reducing the assessed value by this amount would artificially inflate or deflate the value of the vacant land. The Board also noted that the Complainants comparables were not valued on the cost approach; some were valued on the income approach, some on the sales comparison.

[19] The results from the Respondent's analysis satisfied the Board that market value and equity were attained. 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 2nd DAY OF September 2014.



K. Thompson

Presiding Officer

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

NO.	ITEM
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
commercial	Vehicle/accessory	Land rate	