



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:

**12-10 CAPITAL CORP.,
(represented by Altus Group), COMPLAINANT
and**

The City Of Calgary, RESPONDENT

before:

**M. CHILIBECK, PRESIDING OFFICER
D. MORICE, BOARD MEMBER
R. KODAK, 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:

ROLL NUMBER: 067233429

LOCATION ADDRESS: 1248 - 10 AV SW

FILE NUMBER: 75505

ASSESSMENT: \$4,040,000.

This complaint was heard by the Composite Assessment Review Board (Board) on 22nd day of July, 2014 in Boardroom 3 on Floor Number 4 at the office of the Assessment Review Board located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- *D. Chabot, Agent of Altus Group*

Appeared on behalf of the Respondent:

- *R. Ford, Property Assessor of the City of Calgary*

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

- [1] Neither party raised any objections to any member of the Board hearing the subject complaint.
- [2] Neither party raised any procedural or jurisdictional matters.

Preliminary Matter:

- [3] Neither party raised any preliminary matter(s)

Property Description:

- [4] The subject property is a vacant parcel of non-residential land with 16,718 square feet (sq. ft.), designated City Centre Mixed Use District (CC-X). It is situated in the Beltline District on 10 AV between 12th St and 13th ST located in the southeast quadrant of the City of Calgary.

Issues:

- [5] The Complainant identified the matter of the assessment amount under complaint on the complaint form and attached a schedule listing several reasons (grounds) for the complaint. At the outset of the hearing the Complainant identified the following issue:

1. The assessment of the subject property is in excess of its market value.
 - a. The market land rate should be reduced from \$242 to \$204 per sq. ft.

Complainant's Requested Value: \$3,420,000.

Board's Decision:

- [6] The Board changed the assessment to **\$3,420,000.**

Legislative Authority, Requirements and Considerations:

[7] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of the Act:

S.460.1(2) 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).

[8] For purposes of the hearing, the CARB will consider Part 9, Division of the Act:

S.293(1) In preparing the assessment, the assessor must, in a fair and equitable manner,

(a) apply the valuation and other standards set out in the regulations, and

(b) follow the procedures set out in the regulations

[9] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in section 293(1)(b) of the Act. The CARB consideration will be guided by MRAT, Part 1, Standards of Assessment, Mass Appraisal:

S.2 An assessment of property based on market value

(a) must be prepared using mass appraisal

(b) must be an estimate of the value of the fee simple estate in the property

(c) must reflect typical market conditions for properties similar to that property

Assessment Background:

[10] The subject property is located in market area of beltline 4 (BL4) and assessed using the direct sales comparison method at a base rate of \$285 per sq. ft. of land area less an adjustment of 15% for abutting a train track for an assessment of \$4,040,000.

Position of the Parties**1. Market Land Rate****Complainant's Position:**

[11] The Complainant provided an analysis of three comparable sales in BL4 (C1P17) showing the sale prices at \$241.19, \$248.86 and \$112.82 per sq. ft. and argued the median of \$241.19 per sq. ft. should be the base rate for the land rather than the assessed base rate of \$285 per sq. ft.

[12] A copy of the Respondent's land sale analysis for BL1 to BL8 (C1P26), showing nine sales, was provided wherein the Complainant noted the three BL4 sales which were used in the Complainant's analysis.

[13] Reference was made to Calgary CARB decision 70552/P-2013 in support of the Complainant's position that there are sufficient sales and it is obvious from the sale prices per sq. ft. that each market district should be analysed on its own merit.

[14] In rebuttal, the Complainant provided their analysis of six sales in BL3 in addition to their analysis of three sales in BL4 which show the median sale price at \$317.95 per sq. ft. and \$241.19 per sq. ft. respectively in support of their position that land sells for different prices in each market zone.

[15] The Complainant drew the Board's attention to the median assessment to sale ratio (ASR) for sales in BL3 and BL4 at 0.89 and 1.24 respectively and asserted this shows the respective properties in BL3 are under-assessed and in BL4 are over-assessed. This analysis supports the claim that the assessed land rate in BL4 should be reduced.

[16] The Complainant requested that the subject property should therefore be assessed at the base rate of \$241 per sq. ft. less an adjustment of 15% for abutting the train track for a net rate of \$205 per sq. ft resulting in a requested assessment of \$3,420,000.

Respondent's Position:

[17] The Respondent provided a BL3, BL4, BL6 & BL7 Land Rate Study of nine sales (R1P10) showing the median sale rate at \$288 per sq. ft. in support of their assessed base rate for the subject property at \$285 per sq. ft. Of the nine sales, six sales are in BL3 and three sales are in BL4.

[18] The Respondent supplied two Calgary CARB decisions and four Calgary LARB decisions and spoke to CARB decision 74762P-2014 which dealt with the BL3 and BL4 land rate issue wherein the Board made no change; this decision was used by the Respondent to support the position that the assessed land rate should confirmed.

Board's Reasons for Decision:

[19] The Board finds the Complainant's sale analysis convincing which clearly shows a difference in the sale price per sq. ft. and difference in median ASR's between BL3 and BL4.

[20] The Board finds most of the Board decisions from the Respondent are irrelevant. Of the two CARB decisions, one (74762P-2014) deals with the assessed land rate, the other does not. The four LARB decisions deal with residential property which are not similar to the subject property.

[21] The Board notes that the fact scenario in decision 76762P-2014 is different than in the subject case and therefore placed little weight on it in making its decision.

[21] The Board's decision is to change the assessment to \$3,420,000 based on the base rate of \$241 per sq. ft. less an adjustment of 15% for abutting the train track.

DATED AT THE CITY OF CALGARY THIS 35 DAY OF AUGUST 2014.



M. CHILIBECK

Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant's Disclosure
2. R1	Respondent's Disclosure
3. C2	Complainant's Rebuttal

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.

CARB Identifier Codes

Decision No. 75505P-2014			Roll No. 067233429	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Non-Residential	Vacant Land	Sales Method	Land Rate

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