



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:

Sunward Investments Ltd (as represented by Avison Young), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***J. Fleming, BOARD CHAIR
B. Jerchel, BOARD MEMBER
D. Morice, 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: 079017703
LOCATION ADDRESS: 2100 4th St. SW
FILE NUMBER: 75832
ASSESSMENT: \$7,930,000

This complaint was heard on 12th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, and Boardroom 6.

Appeared on behalf of the Complainant:

- J. Mayer, Agent, Avison Young

Appeared on behalf of the Respondent:

- R. Ford, Assessor, City of Calgary
- Y. Wang, Assessor, City of Calgary

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

- [1] There were no objections to the composition of the panel, and no Board member declared a conflict.
- [2] There were no preliminary matters raised.

Property Description:

- [3] The subject is a one storey Class C retail building containing 15,428 square feet (sf), built in 1971 and located in Mission. This area is included with the Beltline and stratified as FS1 in the City's Beltline analysis. The land use designation is Commercial - Corridor 1. The site is 29,171 SF, and the property is valued based on its land value for an assessment of \$7,930,000. It should be noted that the subject property contains an exempt tenant, and as a result the final value is the net after deducting the \$791,500 for the exempt tenant from the total assessment in order to arrive at the **\$7,930,000** final value

Issues:

- [4] The Complaint form listed three main issues, however at the hearing, the Complainant only argued;
 - 1) Is the land value better derived from the sale of a property at 1515 8th St. SW or from the City of Calgary Beltline Land Rate Study?

Complainant's Requested Value: \$6,240,000

Board's Decision:

- [5] The Complaint is denied and the assessment confirmed at **\$7,930,000**

Legislative Authority, Requirements and Considerations:

- [6] The Board derives its authority from the Municipal Government Act RSA 2000 Chapter M-26 (the Act).
- [7] More specifically, the Act reads:
- s 1(1)(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;
- s 467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.
- s 467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration
- (a) the valuation and other standards set out in the regulations,
 - (b) the procedures set out in the regulations, and
 - c) the assessments of similar property or businesses in the same municipality.

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

- [8] The Complainant accepted the premise that the value of Beltline property was the greater of the land value of the site or the income value produced by the property revenues. The Complainant accepted that in this case, the land value method was appropriate and argued that the best evidence of value resulted from applying the per sf price from the sale of the comparable property at 1515 8th St. SW.
- [9] The Complainant asserted this was the best comparable because, of all the comparables cited in the Calgary Beltline Land Sale report (Ex. C1, pg. 25), this property had similar zoning, and reasonably similar traffic exposure and site size to the subject (Ex. C1, pg. 8).
- [10] The Comparable had sold for a price of \$241.19 per sf, and as earlier noted was considered a valid sale and was included in the City's Beltline Land Sale Analysis. The Complainant asked for a similar price per sf for the subject.
- [11] The Complainant had looked at all 14 sales in the Calgary study, and noted that most of the other land sales had more permissive zoning which could allow for greater development potential which would impact the value. The Complainant particularly focused on nine sales in the study which were located in the SW quadrant of the Beltline.
- [12] The Complainant also argued that in their opinion, an important determinant of value was the distance from the Downtown core which was described as 3rd St. & 8th Ave. SW. In this way 1515 8th St. was a similar distance from the core as the subject property.
- [13] By virtue of this argument, the Complainant rejected the notion of a common land value for BL3, 4, 6 & 7, and argued that the value of the land at 1515 8th St. SW (located in

- BL4) was best represented by the influence adjusted actual sale price at \$241.19 per sf.
- [14] By way of additional support, the Complainant noted that 5 of 6 sales were greater than the base rate, and that all of the sales in BL4 were less than the base rate (i.e.: that is the \$285.00 per sf used as a value). This demonstrated that BL4 prices were lower, and indicated that there should be more value stratifications in Beltline Land values.
- [15] Finally, the Complainant noted that there were no land sales from FS1 (the area of the subject) and wondered about the applicability of comparing Beltline sales to the Mission area concluding reiterating the request for a reduced assessment of \$6,240,000.

Respondent's Position:

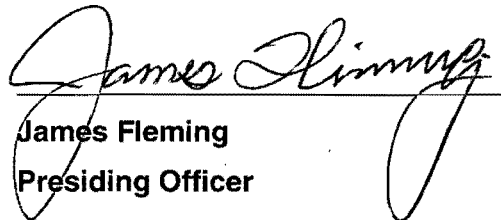
- [16] The Respondent requested a carryover of evidence and argument from file # 75222 which was a similar complaint by the same Complainant concerning the applicability of Beltline land values. All parties agreed.
- [17] The Respondent advised that their preference would be for a large number of sales because this would allow for a more detailed analysis. As it is, the sales used in their current study did not provide sufficient evidence for them to confidently differentiate sales in the different zones.
- [18] The Respondent asserted there were 14 valid sales in their analysis that led them to be confident of the validity of the Beltline land values, and more particularly, of the value placed on the subject property.
- [19] The subject has a 5% Corner Lot influence which took the price per sf from \$285.00 per sf base rate to \$299.25 per sf. It was also given a Traffic Collector influence, but that did not contribute to any mathematical difference in value.
- [20] The Respondent concluded requesting confirmation of the assessment.

Board's Reasons for Decision:

- [21] The CARB considered the evidence.
- [22] The CARB was told by the City that there were an adequate number of sales with which to create the matrix of land values from the valuation model. The CARB has no basis to evaluate this, and received little evidence from the Complainant that would lead it to adequately challenge and accept another value matrix for the area.
- [23] The Complainant is correct in noting that there were no sales in the FS1 neighbourhood stratification. The CARB concludes that the City may have used previous historical relationships to calculate a value, a method which appears to be reasonable to the CARB.
- [24] The Complainant was unable to provide compelling evidence to effectively challenge the City's price per sf in the Mission/FS1 area. The CARB recognizes that this is difficult particularly for a Complainant, and particularly when there are no sales, but this is the bar the Complainant must clear.
- [25] The Complainant attempted to do this by constructing a proposed relationship between areas BL4 and FS1 based on proximity to the Central Core, and then using a sale in BL4 to establish a value in FS1.

- [26] The CARB found little evidence to support the relationship, and was unsure that the properties were in fact, located a similar distance from the core (as defined by the Complainant). The CARB notes that if the similar distance was a central element of the argument, the matter could have been easily proven by the Complainant.
- [27] The Respondent asserted that the FS1 area was one of the strongest markets in the City, and the CARB tends to agree with the Respondent.
- [28] Accordingly, the CARB found insufficient evidence to support the Complainant's request, and makes the decision noted above.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF SEPTEMBER 2014.


James Fleming
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.*

For Official Use:
