



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:

***Wigalo Holding Ltd., (as represented by Assessment Advisory Group Inc.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, T. Hudson PRESIDING OFFICER
BOARD MEMBER, B. Bickford
BOARD MEMBER, P. Loh***

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: 068110808

LOCATION ADDRESS: 301 10 AV SW

FILE NUMBER: 76072

ASSESSMENT: \$4,910,000

This complaint was heard on the 10th day of June, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Board room 10.

Appeared on behalf of the Complainant:

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

Appeared on behalf of the Respondent:

- *Mr. C. Fox, Assessor, City of Calgary*
- *Mr. K. Mulenga, Assessor, City of Calgary*

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

- [1] There were no procedural or jurisdictional matters in dispute between the Parties.
- [2] The Parties requested, and the Board agreed to reference the evidence and argument submitted in respect to complaint file # 74858, in reaching a decision on this complaint, (i.e. file #76072).

Property Description:

- [3] The subject property is an 18,159 square foot (sf.) surface parking lot located at 301 10 AV SW in the BL3 area of the Beltline community.
- [4] The property is currently assessed based on the land value sales comparison approach.
- [5] Details of the assessment include the base land rate of \$285 per square foot (psf.), with a +5% adjustment for a corner lot influence, and a -10% transition zone influence adjustment.
- [6] The assessed value is consequently calculated based on \$270 psf. to a total of \$4,916,549 or \$4,910,000(rounded).

Issue:

Assessed Land Value Rate

- [7] The Complainant contends that the land value rate should be reduced to \$190 psf.

Complainant Requested Value: \$3,450,000(rounded).

Board's Decision:

- [8] The assessment of the subject property is reduced to \$4,150,000(rounded).

Legislative Authority, Requirements and Considerations:

[9] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of the Municipal Government Act (MGA) RSA 2000:

Section 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).

[10] For purposes of the hearing, the CARB will consider MGA Section 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.

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

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

Position of the Parties

Complainant

[12] The Complainant submitted that the subject property assessment exceeds market value and is inequitable, based on three sales and seven assessment equity values of similar properties in the area (Exhibit C1 page 7).

[13] The Complainant noted that 2nd ST SW has been selected by the Respondent as an arbitrary boundary where similar properties on either side of this boundary, including those on three corners of the same intersection, are assessed at dramatically different land rates.

[14] The properties west of the boundary are assessed at a land only base rate of \$285 psf., while properties east of the boundary are assessed at base rate of \$165 psf.

[15] The subject has a -10% factor and the comparable a +10% factor for a "transition zone" influence applied to their assessed base rates by the Respondent.

[16] The Complainant noted that their best assessment equity comparable property is located at 221 10 AV SW, which is the corner surface parking lot directly east of the subject; and is assessed at \$190 psf. The subject property has been assessed at \$270 psf.

[17] The Complainant argued that the market evidence does not support this large difference in the assessment of competing properties on the same intersection.

Respondent

[18] The Respondent provided nine sales and assessment equity comparable properties in support of the base land value rate of \$285 psf. for the BL3 and BL4 submarkets in the Beltline community (Exhibit R1 page 64).

[19] The Respondent argued that the property sale at 730 10 AV SW submitted by the Complainant, was financed by a vendor take back mortgage, and therefore the sale value is not indicative of land value in the BL3 or BL4 submarket areas of the Beltline community, (Exhibit R1 pages 25 to 34.)

[20] The Respondent advised that the Complainant's sale comparable at 214 11 AV SW is located in sub market area BL2, while the subject is in BL3, and their sales analysis shows a clear distinction between the two sub-markets. (Exhibit R1 page 5).

[21] The Respondent pointed out that five of the seven assessment equity comparable properties submitted by the Complainant have received a -15% influence adjustment due to their "abutting" the train tracks location.

[22] The Complainant made no adjustment to the assessed land value rates of these comparables, even though the subject property location is not "abutting" the train tracks.

[23] The Complainant's assessment comparable located east of the subject at 221 10 AV SW is in sub-market BL2 and therefore the Respondent contends it is not comparable to the subject.

[24] The Respondent also noted that their sale comparable property located at 301 11 AV SW is in BL3, the same as the subject and directly adjacent to BL2, and yet sold for \$320 psf., higher than the base rate \$285 psf.

Board's Reasons for Decision:

[25] The Board was not convinced by the Complainant, that their evidence had produced an assessment estimate that reflects the 2014 market value of the subject property.

[26] The Board was also not convinced that the methodology submitted in the Respondent submission had produced an assessment estimate that reflects the 2014 market value of the subject property.

[27] The Board analyzed all of the sales information submitted by the Parties, in an effort to identify the typical characteristics of the properties that sold in the BL3 and BL2 submarkets, and were the most similar to the subject property.

[28] The typical parcel characteristics identified are corner lots between BL3 and BL2, similar in size, and not "abutting" the train tracks.

[29] The most similar parcels in evidence that sold, include the parcel at 301 11 AV SW, and the parcel at 214 11 AV SW. The first sale was submitted by the Respondent in the BL3, BL4, BL6, and BL7 land rate study, (Exhibit R1 page 64).

[30] The second sale was submitted by the Complainant, (Exhibit C1 page 24), and the Respondent in the BL2, BL5, and BL8 land rate study, (Exhibit R1, page 69).

[31] The selected sale prices were not time adjusted to the valuation date by either Party, and in fact, the Respondent indicated that no adjustment was required, without objection from the Complainant.

[32] The actual sale values for the two selected sales, with no adjustments for perceived influences, were then divided by the size of the parcels to arrive at the actual sale price per square foot for each parcel.

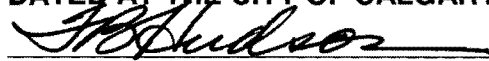
[33] The average of the two sales represents a value of \$238.50 psf.

[34] The decision on Complaint file #75848, determined that base land rate for BL3 properties similar to the subject should be adjusted to between \$245 and \$254 psf.

[35] The Board therefore determined that the subject property should be assessed at a rate of \$254 psf. reduced 10% to \$229 psf., for location in the "transition zone" west of 2nd ST SW.

[36] The Board views this result as an equitable assessment value, and a reasonable estimate of market value for the subject.

DATED AT THE CITY OF CALGARY THIS 9th DAY OF July 2014.



T. B. Hudson

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 MGB Administrative Use Only

<i>Decision No. 76072P-2014</i>			<i>Roll No 068110808</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Other Property Types	Vacant Land	Market Value and Equity	Land Rate