



## **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:**

***Idasam Investments Ltd., LindaMayer Holdings 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: 200411700**

**LOCATION ADDRESS: 1210 11 AV SW**

**FILE NUMBER: 76360**

**ASSESSMENT: \$9,240,000**

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 with respect to complaint file #74858 and #75040 in reaching a decision on this complaint (i.e. file #76360).

**Property Description:**

[3] The subject property consists of three retail mixed use buildings on a 30,893 square foot (sf.) parcel located at 1210 11 AV SW in the BL4 sub-market 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% influence adjustment for a corner lot location. The adjusted land value rate is \$299 psf.

[6] The calculated assessed value is \$9,244,730, or \$9,240,000(rounded).

**Issue:**

**Assessed Land Value Rate**

[7] The Complainant contends that the land value rate should be reduced to \$209 psf.

**Complainant Requested Value: \$6,450,000(rounded).**

**Board's Decision:**

[8] The assessment of the subject property is reduced to **\$7,900,000(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 six assessment equity values of similar properties in the area (Exhibit C1 page 9).

[13] The median of the sales and assessment equity comparables demonstrate a base land value rate of \$242 psf.

[14] The Complainant argued that their best comparable is the combination of the equity comparable properties located at 1130 11 AV SW and 1115 10 AV SW which are directly across 10 AV SW from the subject and assessed at \$209 psf.

#### **Respondent**

[15] 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 119).

[16] The Respondent applied the +5% corner lot influence adjustment to arrive at the \$299 psf. rate used to assess the subject property.

[17] The Respondent noted that two of the three sales submitted by the Complainant were financed by vendor take back mortgages, and therefore the sale values are likely not indicative of land value in the BL3 or BL4 submarket areas of the Beltline community, (Exhibit R1 pages 74 and 103).

[18] The Respondent advised that the assessment equity comparable at 1115 10 AV SW has development restrictions, restrictive covenants, and two underground strata lots associated with the property that are not similar to the subject, or any other property in the Beltline, (Exhibit R1 page 24).

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

[20] 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.

**Board's Reasons for Decision:**

[21] 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.

[22] 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.

[23] 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 BL4 submarkets.

[24] The typical parcel characteristics identified are corner lots, between 15,000 and 20,000 sf., in size, and that are not "abutting" the train tracks.

[25] The most similar parcels in evidence that sold, include the parcel at 633 10 AV SW, the parcel at 301 11 AV SW, the parcel at 901 10 AV SW and the parcel at 1515 8 ST SW. The first three sales were submitted by the Respondent, and the fourth was common to both Parties, (Exhibit R1 page 119), and (Exhibit C1 page 9).

[26] There was also one other similar parcel that sold post facto in October of 2013 for \$278 psf. and located at 1215 5 ST SW in BL3, (Exhibit R1 page 123).

[27] None of the selected sale prices were time adjusted to the valuation date by either Party. In fact, the Respondent indicated that no adjustment was required, without objection from the Complainant.

[28] The actual sale values for the four 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.

[29] The results include an average of \$252 psf. and median of \$245 psf. for the four sales.

[30] The Board finds that the assessed rate of \$299 psf. is not supported by sufficient market evidence to be confirmed.

[31] The assessment of the subject property is therefore reduced to \$256 psf. which is both equitable with the decision on file #74858, and a reasonable estimate of market value.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF July 2014.



T. B. Hudson

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.*

**For MGB Administrative Use Only**

<i>Decision No. 76360P-2014</i>			<i>Roll No 200411700</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Retail	Strip Plaza	Market Value and Equity	Land value only Rate