



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:

Certus Developments Inc.
(as represented by Colliers International Realty Advisors Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER
T. Livermore, 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:	093166304
LOCATION ADDRESS:	4545 25 ST SE
FILE NUMBER:	76524
ASSESSMENT:	\$1,450,000

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

Appeared on behalf of the Complainant:

- T. Howell (Colliers International Realty Advisors Inc.)

Appeared on behalf of the Respondent:

- K. Ivinac (City of Calgary)
- G. Jones (City of Calgary)

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

- [1] There were no concerns with the Composite Assessment Review Board (CARB) as constituted.
- [2] The Complainant has visited the site while the Respondent has not.
- [3] The parties have not discussed the file.
- [4] There were no preliminary matters. The merit hearing proceeded.

Property Description:

[5] The subject property is a 0.72 acre parcel located in the Valleyfield community in SE Calgary. The site is improved with a 3,154 square foot (sf) McDonald's restaurant that was constructed in 1999 and is classified B quality. The Sub Property Use is CM0201 Retail – Freestanding.

[6] For the 2014 tax year the subject was assessed as "Land Only", using the Sales Comparison Approach to Value. The subject assessment is at \$1,450,000 which equates to a rate of \$46.13 per square foot (psf).

Issues:

[7] An assessment amount was identified on the Assessment Review Board Complaint Form as the matter that applies to the complaint. At the outset of the hearing, the Complainant advised that there was one outstanding issue, namely; market value.

Complainant's Requested Value: \$1,261,500 (Complaint Form)
\$850,000 (Hearing)

CARB's Decision:

- [8] The 2014 assessment is confirmed at \$1,450,000.

Legislative Authority, Requirements and Considerations:

The CARB derives its authority from the Act, Section 460.1:

- (2) *Subject to section 460.1(1), 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).*

The Act requires that:

- 293(1) *In preparing an 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.*

Matters Relating to Assessment and Taxation Regulation (MRAT) requires that:

- 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.*
- 4(1) *The valuation standard for a parcel of land is*
(a) *market value, or*
(b) *if the parcel is used for farming operations, agricultural use value*

CARB's Decision in Respect of Each Matter or Issue

Issue: What is the market value of the subject property, for assessment purposes?

Complainant's Position:

[9] The Complainant's Disclosure is labelled C-1.

[10] The Complainant, on page 10, provided a table titled Colliers Land Sales Analysis. The table contains sale details of three comparables that were in close proximity to the subject property. The sales occurred during the period February 17, 2011 to March 2, 2012. The sale prices ranged from \$18.78 psf to \$38.18 psf. The median sale price was \$23.91 psf and the mean sale price was \$26.96 psf. The Complainant requested that a rate of \$27.00 be applied in the assessment.

Respondent's Position:

[11] The Respondent's Disclosure is labelled R-1.

[12] The Respondent noted that the Complainant's sale comparables were all Industrial Property Use while the subject is Commercial Property Use.

[13] The Respondent submitted that the subject property is zoned DC/C-N2 (Commercial Neighbourhood 2) and has been assessed as per its size and utility (zoning).

[14] The Respondent, on page 17, provided a table titled Commercial Land Sales 2014. The table contains sale details of ten comparables from throughout the City that had occurred during the period July 8, 2011 to October 15, 2012. The time adjusted sale price per square foot (TASP/sf) ranged from \$27.56 to \$120.88. The median TASP/sf was \$54.43 and the average TASP/sf was \$58.41. The Respondent noted the subject is assessed at the equivalent rate of \$46.13 psf.

[15] The Respondent, on page 56, provided a table titled 2014 Industrial Land Values noting industrial zoned land in SE Calgary is assessed at \$645,000 per acre which is equivalent to \$14.81 psf. The Respondent, on page 58, provided a table titled 2014 Commercial Land Values noting C-N zoned land in Calgary is assessed on a graduated scale where the first 10,000 sf is assessed at the rate of \$70.00 psf, from 10,001 sf to 40,000 sf is assessed at the rate of \$35.00 psf and the remainder is assessed at the rate of \$10.00 psf. The Respondent submitted that land zoned CN-2 has significantly different value than land zoned I-G.

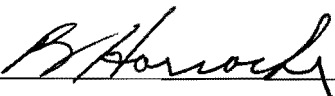
CARB's Findings:

[16] The subject property is zoned DC/C-N2 and should be assessed at the same rate as other land in the City that is zoned C-N.

CARB's Reasons for Decision:

[17] The subject property is equitably assessed with other land that is zoned C-N in the City.

DATED AT THE CITY OF CALGARY THIS 22nd DAY OF August 2014.


B. Horrocks

Presiding Officer

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

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 Administrative Use Only

Property Type	Property Sub-Type	Issue	Sub-Issue
<i>Retail</i>	<i>Stand Alone</i>	<i>Market Value</i>	<i>Sales Comparison</i>