



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:

Petro-Canada Exploration Inc. and Suncor Energy Inc., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***K. D. Kelly, PRESIDING OFFICER
J. Mathias, BOARD MEMBER
J. Pratt, 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:	073213803
LOCATION ADDRESS:	5300 – 17 AV SE
FILE NUMBER:	76590
ASSESSMENT:	\$1,240,000

This complaint was heard on 26th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *L. Sangdaan – Suncor Energy Services Inc.*

Appeared on behalf of the Respondent:

- *M. Byrne – Assessor, City of Calgary*

Regarding Brevity:

[1] The Composite Assessment Review Board (CARB) reviewed all the evidence submitted by both parties. The nature of the submissions dictated that in some instances certain evidence was found to be more relevant than others. The CARB will restrict its comments to the items it found to be most relevant.

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

[2] None

Property Description:

[3] The subject is a 14,316 square foot (SF) vacant land parcel formerly used as a Petro-Canada gas bar. The subject is zoned Commercial Corridor (C-COR2) and is located at the intersection of 52 ST SE and 17 AV SE in the community of Forest Lawn. It is assessed using a land value rating of \$86.62 per SF for a total assessed value of \$1,240,000.

Issues:

[4] What is the correct value per SF to be applied to the subject vacant land parcel when calculating its value for assessment purposes?

Complainant's Requested Value

[5] The Complainant requested that the assessment be reduced to \$550,000

Board's Decision:

[6] The Board reduced the assessment to \$646,300.

Legislative Authority, Requirements and Considerations:

[7] None

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

[8] The Complainant clarified that the subject is not a contaminated site but has been listed for sale since 2008, starting at a value in excess of \$1 Million. She noted that about two years ago, an offer of \$600,000 was received "from a qualified developer", but did not proceed. The Complainant advised that over the past number of years the initial listing price has been steadily reduced, but these actions have not produced a buyer. As of 2014 the List Price was reduced to \$700,000, and two (undated for the Board) offers of \$600,000 and \$500,000 respectively were received, neither of which were accepted. The Complainant advised that currently (in 2014) there are active negotiations to complete a sale of the subject pursuant to an offer of \$550,000.

[9] The Complainant provided a professionally completed Property Appraisal prepared by Altus Group Limited, with an effective date of March 25, 2014. The Direct Comparison Approach used by Altus in preparing the Appraisal, suggested the market value for the subject as of March 25, 2014 was \$500,000. The Complainant argued that the several offers presented for the subject on the open market, all as described above, is the best indication of value for it.

[10] The Complainant noted that according to her calculations the subject was assessed at approximately \$86.62 per SF. However, based on market sales of two property comparables and an active Listing, two of which were vacant land like the subject, the assessed value should be \$38.43 per SF or \$550,000 (rounded). The Complainant argued that five additional comparable properties, all with improvements and presented for equity purposes, also supported this value. She suggested that vacant land parcels should be valued lower than improved properties. She noted that her property comparables were generally in proximity to the subject and hence more valid, unlike those submitted by the Respondent.

Respondent's Position:

[11] The Respondent argued that the Complainant's two market sales are not comparable to the subject. She noted that the third was a "Listing" which the City does not consider when it analyzes the market. She noted that the site at 1823 – 37 ST SE is a former institutional (Church) site and was not assessed using the Commercial land rate applied to the subject. The Respondent noted that the assessed value of the "Listed" property at 2640 – 36 ST SE was negatively affected and reduced by 25% as a result of several influences such as "Light Rail Transit (LRT)" and "Shape".

[12] The Respondent provided the City's "2014 Assessment Explanation Supplements" for each of the Complainant's two market sales and five equity comparables. She argued that the Complainant's five equity comparable properties are also not comparable to the subject since they all contain improvements, whereas the subject is vacant.

[13] The Respondent provided a table containing twelve market sales of "Commercial Corridor C-COR" zoned lands from various sectors of the city. The sales were used to establish a per SF land value for the subject and C-COR lands generally in the city. The Respondent detailed the individual site and market characteristics relating to each of the twelve sales, and their relevance to the subject's assessment. She argued that this market data supports the assessment of the subject at \$1,240,000.

Board's Reasons for Decision:

[14] The Board finds that the extensive and ongoing market activity related to the subject, as outlined in detail by the Complainant, indicates an over-assessment.

[15] The Board finds that except for two parcels along and nearby 17 AV SE, the Respondent's twelve market sales comparables are generally remote from the subject, whereas the Complainant's sales and equity evidence is nearby the subject and considered to be marginally more relevant in valuing the subject.

[16] The Board finds that two of the Respondent's market sales on and about 17 AV SE near the subject, those being 3301 – 17 AV SE for \$53.85 per SF, and, 1823 – 37 ST SE for \$32.77 per SF indicate an average value of \$43.31 per SF instead of the assessed \$86.52 per SF.

[17] The Board finds that two of the recent (but unfulfilled) offers of \$600,000 each for the subject, neither of which were disputed by the Respondent, indicate a market driven value of \$41.97 per SF instead of the assessed \$86.52 per SF.

[18] The Board finds that the recent pending offer of \$550,000 for the subject which was not disputed by the Respondent, indicates a market driven value of \$38.42 per SF instead of the assessed \$86.52 per SF.

[19] The Board finds that while the subject's Altus Group Limited Appraisal is considerably *Post Facto*, nevertheless at \$500,000 it supports the several recent \$600,000, \$500,000, and \$550,000 offers advanced for the subject, and also indicates an over-assessment.

[20] The Board finds that based on the market evidence before it in this hearing, and particularly that supplied by the Respondent as noted in [16] above, the fair and equitable assessed value of the subject should be based on \$43 per SF or \$646,300.

DATED AT THE CITY OF CALGARY THIS 18th DAY OF September 2014



K. D. Kelly
Presiding Officer

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

NO.	ITEM
1. C-1	Complainant Disclosure
2. R-1	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.*

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Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	commercial	Vacant Land	market value	land value per square foot