

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:

Second Real Properties Limited (as represented by Avison Young Property Tax Services), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

K. Thompson, PRESIDING OFFICER
P. Grace, BOARD MEMBER
P. Pask, 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: 067055400

LOCATION ADDRESS: 718 7 Av SW

FILE NUMBER: 76872

ASSESSMENT: \$3,210,000

This complaint was heard on 19 day of June, 2014 at the office of the Assessment Review Board located at Floor Number 4 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *C. Hartley* *Agent, Avison Young Property Tax Services*
- *A. Farley* *Agent, Avison Young Property Tax Services*

Appeared on behalf of the Respondent:

- *S. Gill* *Assessor, City of Calgary*

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

[1] No procedural or jurisdictional issues were raised. The Board continued to hear the merits of the complaint.

Property Description:

[2] The subject property is a 12,390 square foot (sf) parking lot located at 718 7 Av SW in the downtown district (DT2 east market area).

[3] The subject property is assessed using the sales comparison method of valuation and the assessment is based on a land only value. The land rate for DT2 east is \$305.00 per square foot (psf). The subject property has one negative influence: a light rail transit giving a -15% reduction to the assessed value.

Issues:

[4] The value of the subject property would better reflect market value if it were based on a land rate of \$255.00 psf.

Complainant's Requested Value: \$2,680,000

Board's Decision:

[5] Assessment is confirmed at \$3,210,000.

Legislative Authority, Requirements and Considerations:

[6] The Act, 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 460.950 that is shown on an assessment notice for property, other than property described in Subsection (1)(a).

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

[7] The Complainant stated that the subject property is a parking lot on the north side of the Light Rail Transit (LRT) line in the DT2 east market area. There were two sales in the DT2 market area; one in the east side at \$305.00 psf and the other in the west side which sold for \$200.00 psf. The City split the DT2 market area and applied the rate developed from a single sale to each of DT2 east and DT2 west.

[8] The Complainant contends that the subject property is assessed inequitably when compared to other similar properties that sold in the downtown core. In the case of the DT1 and the Muni market areas, each had one sale: in the DT1 market area the sale was at \$309.00 psf and in the Muni market area \$459.00 psf. The City chose to combine the two areas and took the median value of the two sales and applied \$370.00 psf for the 2014 land rate. The Complainant went on further to state that both these sales were purchased by the same pension fund, there was a difference of \$150.00 psf between the two sales and that would speak to the fact that there must be market reasons why the rates were so different. In the DT2 market area the two sale properties were bought by different purchasers so any variation in the sale price would be better understood. The logical sales to combine into a single rate would be those in the DT2 market area. The resolution to this inequity is to combine DT2 east and west and rate the vacant land at the median of the two sales.

[9] The Complainant provided assessment details for the subject property [C1, pg 12].

[10] A sales analysis of the two sales in the DT2 market area was provided resulting in a median value of \$255.00 psf [C1, pg 14]. A land sale analysis was provided for the entire downtown core [C1, pg 15] along with the Realnet summaries for the sales in DT1, DT2 and Muni market areas [C1, pg 19-26]. The list of influences and their descriptions was included [C1, pg 16-17].

[11] The requested calculation of \$2,680,000 was given [C1, pg 28].

Respondent's Position:

[12] The Respondent stated that the land sales in the downtown core were all analyzed and the resulting assessment to sale ratios reviewed. It was determined that a clear difference in land value emerged between DT2 east and west, almost a \$100 psf. Both submarket areas show a 0.99 ASR which indicates the assessments are almost at market. The land rate determined for DT1 and Muni market areas produces assessments that fall well within the acceptable range as per MGA regulations.

[13] The Respondent provided assessment information, maps and influence information for the subject property [R1, pg 6-15].

[14] The downtown land map and analysis for the DT1, Muni and DT2 market areas was presented along with the assessment to sale ratios (ASR) for each sale and the typical land values. The Respondent also included the downtown land ASR study [R1, pg 21] and some *post facto* sales [R1, pg 23].

[15] Sales for DT1 and Muni:

Address	Parcel size in sf	Infl	Sale date	Sale price	Adj SPpsf	2012 Assessment	ASR
515 Macleod Tr SE	118,299	-5%	06/2012	36,500,000	\$294	\$45,959,162	1.26
2 Av SW/ 215, 227 Riverfront	107,728	-5%	11/2012	49,500,000	\$438	\$40,893,196	0.83
				Median	\$366		1.04
				Assessed	\$370		

[16] DT2 sales:

Address	Parcel size in sf	Infl	Sale date	Sale price	Adj SPpsf	2012 Assessment	ASR
718 8 Av SW	6,506		01/2012	2,000,000	\$307	\$1,984,330	0.99
			East	Assessed Value	\$305		
1111 9 Av SW	136,296	10 %	04/2013	24,800,000	\$202	\$24,530,000	0.99
			West	Assessed	\$200		


Board's Reasons for Decision:

[17] The Board reviewed the evidence provided by both parties and will limit its comments to the relevant facts pertaining to this case. In particular the Board reviewed the four sales presented by the Complainant and how they related to the subject property and equity. The sales were not in question, just the application of the rates derived from the sales to the particular market areas. In review of the different market areas the Board found the ASR's to be well within an acceptable range for both DT2 west and DT2 east and for DT1/Muni as a whole. There doesn't appear to be any inequity based on the evidence presented. The resulting assessed values are reasonable. The sale in DT2 east supports the subject assessment and the assessments.

[18] The Board notes that while it is not bound by previous Board Orders, it did consider those that were submitted but based its decision on the evidence before it.

[19] The Board has two tests to meet, that of equity and market value. The Board notes that the Subject property appears to be assessed equitably with similar properties and based on the nearby sale, is assessed at a reasonable representation of market value. The assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 11th DAY OF July 2014.


K. Thompson

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.*

Property Type	Property Sub-Type	Issue	Sub issue
other	Vacant land		