

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

between:

***Altus Group Ltd., COMPLAINANT***

and

***The City Of Calgary, RESPONDENT***

before:

***L. Wood, PRESIDING OFFICER***

***C. McEwen, MEMBER***

***A. Wong, MEMBER***

These are complaints to the Calgary Assessment Review Board in respect of Property assessments prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

|                            |  |
|----------------------------|--|
| <b>ROLL NUMBERS:</b>       | <b>201162724</b><br><b>201162641</b><br><b>201162658</b><br><b>119008308</b>                                 |
| <b>LOCATION ADDRESSES:</b> | <b>8815 52 STREET SE</b><br><b>8802 48 STREET SE</b><br><b>8923 52 STREET SE</b><br><b>4930 90 AVENUE SE</b> |
| <b>HEARING NUMBERS:</b>    | <b>57428</b><br><b>57425</b><br><b>57427</b><br><b>57411</b>   |
| <b>ASSESSMENTS:</b>        | <b>\$2,160,000</b><br><b>\$1,880,000</b><br><b>\$2,020,000</b><br><b>\$2,520,000</b>                         |

This complaint was heard on 28th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *Mr. D. Mewha*

Appeared on behalf of the Respondent:

- *Mr. J. Lepine*

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

At the commencement of the hearing, the parties had requested that files **57425, 57428, 57411 and 57427** be heard together as they are adjacent vacant land parcels. The Board agreed with their request. Cross referencing of the parties' evidence to file **57425** may be required. The Board will base its decision and reasons for each of the parcels under complaint in this single board order, starting with the two parcels of land that are subject to a utility right of way.

**Property Description:**

The subject properties are four adjacent parcels of vacant industrial lands located in South Foothills. The four parcels vary in size from 3.80 acres to 4.72 acres and they are all owned by Tricycle Lane Ranches Ltd. A utility right of way affects two of the parcels under complaint.

**Issues: (as indicated on the complaint form)**

1. An inadequate allowance was permitted for land use restrictions and caveats. The subject property has a ROW that runs through it restricting its use and thus its market value. The ROW should be valued no more than 10% of Full Market value.
2. The assessment of the subject property is in excess of its market value for assessment purpose when using the direct sales comparison approach. The land rate should be no higher than \$350,000/acre.
3. The aggregate assessment per acre applied is inequitable with the assessments of other similar and competing properties and should be no more than \$350,000/acre.
4. The assessment does not account for the effect of the local improvement levy on the value of the property.

**Complainant's Requested Values:** \$1,488,600 (8815 52 Street SE);  
\$1,157,400 (8802 48 Street SE);  
\$1,535,400 (8923 52 Street SE); and  
\$1,620,000 (4930 90 Avenue SE).

**Board's Decision in Respect of Each Matter or Issue:**

The Board notes that an appendix to the complaint form contains several statements as to why the subject properties' assessments are incorrect; however, the Board will only address those issues that were raised at the hearing.

**An inadequate allowance was permitted for land use restrictions and caveats. The subject property has a ROW that runs through it restricting its use and thus its market value. The ROW should be valued no more than 10% of Full Market value.**

The Complainant submitted that a utility right of way (a gas line) affects a portion of two parcels under complaint, 8815 52 Street SE and 8802 48 Street SE. This utility right of way is a high pressure gas line which does not allow for building or storage and it affects 0.65 acres on each of the sites (Exhibit C1 pages 39-55).

The Complainant stated the land located at 8815 52 Street SE was sold in a land exchange with the City of Calgary for \$928,350 in August 2007. The portion that has the right of way is comprised of 0.65 acres of the total site which is considered to be encumbered land and sold for 10% of its market value at \$22,500/acre. The remainder of the site was sold for \$225,000/acre.

The Complainant requested a base rate of \$360,000/acre to be applied to 4.07 acres and the encumbered portion of 0.65 acres at 10% of its value (which equates to \$23,400) for a total assessed value of \$1,488,600 for 8815 52 Street SE. The same criteria would apply to 8802 48 Street SE which has a total of 3.80 acres of which 0.65 acres is encumbered for a total assessed value of \$1,157,400 (Exhibit C1 page 56).

The Respondent indicated that the City is applying a broad rate of \$1,050,000 for the first acre, recognizing a premium on the first acre, and \$350,000/acre (1- 10 acres) for vacant lands regardless of their location in the City. He submitted several sales comparables in support of the assessment (Exhibit R1 page 24). The Respondent does not dispute that a gas line exists on the subject properties.

The Board finds that an adjustment should be made to reflect the utility right of way that affects 0.65 acres of the two parcels to 10% of their market value.

**The assessment of the subject property is in excess of its market value for assessment purpose when using the direct sales comparison approach. The land rate should be no higher than \$350,000/acre.**

The Board considered the sales comparables submitted by both parties (Exhibit C1 page 57; Exhibit R1 page 24).

The Board does not accept the Respondent's land assessment formula of \$1,050,000 (first acre) and \$350,000/acre (1-10 acres) because it does not reflect how the market works and it does not capture the unique characteristics of individual parcels (e.g. levies, locations etc).

The Board finds the sales comparable located at 6620-86 Avenue SE which sold in January 2009 for \$2,984,400 or \$360,000/acre to be a good indication of value as it is in close proximity to the

properties under complaint (Exhibit C1 page 57). The Board notes that this parcel is 8.29 acres and it is not serviced so it would likely require a 25% adjustment upwards to make it similar to the properties under appeal, increasing it to \$450,000/acre.

The Board also considered two sales comparables that were submitted by the Respondent (Exhibit R1 page 24). The property located at 10912 72 Street SE (15.81 acres) sold in July of 2007 for \$8,614,650 or \$544,886/acre. The City applied a time adjusted sales price (TASP) of \$664,761/acre. The property located at 7310 108 Avenue SE (25.07 acres) sold in July of 2007 for \$9,377,302 or \$374,044/acre. The City applied a TASP of \$456,334/acre. Based on these two sales comparables, the Board derived a time adjustment factor of 20%. When the Board applied it to the sale of 8815 52 Street SE that occurred in August of 2007, it equated to a TASP of \$270,000/acre.

Based on these sales comparables, the Board finds that \$360,000/acre is a reasonable rate to apply to the subject properties with an adjustment for the utility right of way as follows:

**8815 52 Street SE:**

|  |                    |
|--|--------------------|
| 4.07 acres x \$360,000/acre                | \$1,465,200        |
| 0.65 acres x \$360,000/acre x 10% of value | \$ 23,400          |
| 4.72 acres total value                     | <b>\$1,488,600</b> |

**8802 48 Street SE:**

|  |                    |
|--|--------------------|
| 3.15 acres x \$360,000/acre                | \$1,134,000        |
| 0.65 acres x \$360,000/acre x 10% of value | \$ 23,400          |
| 3.80 acres total value                     | <b>\$1,157,400</b> |

**The aggregate assessment per acre applied is inequitable with the assessments of other similar and competing properties and should be no more than \$350,000/acre.**

Since these are adjacent parcels of land, the Board has applied the same base rate of \$360,000/acre to the remaining two (unencumbered) properties under complaint, as follows:

**8923 52 Street SE** 4.27 acres x \$360,000/acre = \$1,537,200

**4930 90 Avenue SE** 4.50 acres x \$360,000/acre = \$1,620,000

**The assessment does not account for the effect of the local improvement levy on the value of the property.**

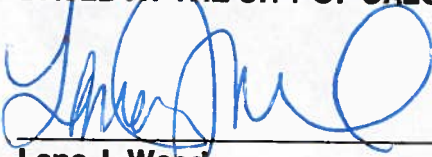
The Board notes these lands are subject to a local improvement levy which is reflected in the sales from South Foothills. The Board has addressed this issue in its reasons for the reduction.

**Board's Decision:**

The decision of the Board is to revise the 2010 assessments for the subject properties as follows:

- The assessment for the property located at 8815 52 Street SE has been reduced from \$2,160,000 to \$1,488,000 (truncated);
- The assessment for the property located at 8802 48 Street SE has been reduced from \$1,880,000 to \$1,157,000 (truncated);
- The assessment for the property located at 8923 52 Street SE has been reduced from \$2,020,000 to \$1,535,000 (truncated); and
- The assessment for the property located at 4930 90 Avenue SE has been reduced from \$2,520,000 to \$1,620,000.

DATED AT THE CITY OF CALGARY THIS 31 DAY OF AUGUST 2010.



**Lana J. Wood**  
**Presiding Officer**

*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.*