

**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:

1195183 Alberta Ltd. (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***W. Kipp, PRESIDING OFFICER
Y. Nesry, MEMBER
D. Pollard, MEMBER***

These are nine 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 2011 Assessment Roll as follows:

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
068 128 909	103 – 11 Ave. SE, Calgary	63349	\$3,570,000
068 129 097	122 – 12 Ave. SE, Calgary	63350	\$1,360,000
068 129 501	114 – 12 Ave. SE, Calgary	63353	\$3,410,000
068 129 600	108 – 12 Ave. SE, Calgary	63354	\$1,360,000
068 129 709	102 – 12 Ave. SE, Calgary	63356	\$2,030,000
200 608 446	123 – 11 Ave. SE, Calgary	64712	\$2,040,000
200 608 453	121 – 11 Ave. SE, Calgary	64714	\$1,360,000
200 608 461	117 – 11 Ave. SE, Calgary	64716	\$1,360,000
200 608 479	113 – 11 Ave. SE, Calgary	64718	\$1,360,000

This complaint was heard on the 26th day of September, 2011 at the office of the Assessment Review Board located at Floor No. 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *S. Sweeney-Cooper (Altus Group)*

Appeared on behalf of the Respondent:

- *D. Satoor (Assessment Business Unit)*

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

There were no jurisdictional matters to be decided by the Board.

Both the Complainant and Respondent filed only one copy of disclosure evidence that pertained to all nine of the above noted complaint files. Details of each of the nine properties were read into the record and the parties each made a single presentation of evidence and argument to support their positions for all nine files.

Property Description:

The nine addresses that comprise the subject properties are commercial land in the Beltline known as the former Calgary Co-operative land. The lands comprise the westerly two-thirds of the block bounded on the north by 11 Avenue SE, on the west by Centre Street and on the south by 12 Avenue SE. Immediately to the east, occupying the remainder of the block, is a gas bar operated by the Calgary Co-operative Association. The land is occupied as a parking lot.

Property and assessment details are set out in the table below:

Address	Area (Sq. Ft.)	Assessment	Assessment/Sq. Ft.
102 – 12 Ave. SE	9,962	\$2,030,000	(Corner Lot) \$203.77
103 – 11 Ave. SE	17,480	\$3,570,000	(Corner Lot) \$204.23
108 – 12 Ave. SE	6,993	\$1,360,000	\$194.48
114 – 12 Ave. SE	17,488	\$3,410,000	\$194.99
122 – 12 Ave. SE	6,998	\$1,360,000	\$194.34
113 – 11 Ave. SE	6,995	\$1,360,000	\$194.42
117 – 11 Ave. SE	6,986	\$1,360,000	\$194.68
121 – 11 Ave. SE	6,986	\$1,360,000	\$194.68
123 – 11 Ave. SE	10,497	\$2,040,000	\$194.34

The base rate for Beltline land is \$195.00 per square foot. A +5% adjustment is made for corner lots. Assessment/Sq. Ft. rates vary due to rounding of final assessed values.

Issues:

Assessment Review Board Complaint forms were filed for each roll number on March 7, 2011. On the forms, boxes 3 (Assessment amount) and 4 (Assessment class) were checked in Section 4 – Complaint Information. Section 5 – Reason(s) for Complaint contained a list of 13 grounds for appeal.

At the hearing, the Complainant pursued one issue: “What is the correct land rate to be applied to this land?”

Complainant’s Requested Value: \$170.00 per square foot, plus 5% increase for corner lots

Party Positions on the Issues:

Complainant’s Position:

The Complainant, while not agreeing with them, acknowledged that there have been a number of prior CARB decisions regarding the valuation of Beltline land.

The subject land is situated in the BL2 Beltline zone. It and six adjoining zones all have land assessed at the \$195 per square foot base rate. The remaining two zones (BL1 and BL5), at the most easterly and westerly ends of the Beltline are assessed at \$145 and \$155 per square foot, respectively.

A table in the Complainant’s evidence brief shows year over year changes in assessment of improved Beltline properties from 2010 to 2011. For BL2, assessments had declined by 28% to 32% on average. The subject land assessments only declined by 9.0% to 9.5% (about \$20 per square foot).

Data on nine property sales that were considered to be essentially land sales are reported by the Complainant. One of the sale properties is located in downtown. Two of the sales are in BL1, two in BL2, three in BL3 and one in BL4. Sales closed between the months of January 2009 and January 2011. Three of the sale transfers were past the July 1, 2010 valuation date. Sale prices ranged from \$116.42 to \$221.57 per square foot. The median and average are \$172-\$173 per square foot.

Respondent’s Position:

The Respondent introduced a number of 2011 Calgary CARB decisions regarding Beltline land assessments and pointed out that in each decision, the assessed land rate was confirmed.

It was pointed out that four of the Complainant’s sales were “court-ordered” or distress sales which typically means that the price paid was less than market value. Three of the Complainant’s sales closed after the effective valuation date so that information would not have been available to the assessor as at July 1, 2010. The Complainant was also criticized for including some properties with old buildings but excluding others where the prices were higher.

Sales evidence from the Respondent is limited to five sales. These are in BL3, 4 and 7 and FS1, all zones where the land assessment rate is \$195. Four of the properties had older buildings on them but an adjustment is made to the sale price by deducting an amount equivalent to the depreciated cost of the buildings. All sales occurred within the period from January 2009 to May 2010. Sale prices attributed to land range from \$151 to \$324 per square foot. Mean, median and weighted mean are \$228, \$196 and \$210, respectively.

This sale data supports the \$195 base rate applied to Beltline land for assessment purposes.

Board's Decision:

All nine of the assessments are confirmed.

Reasons for the Decision:

The Respondent's sales are given consideration by the Board. Properties that were improved were adjusted to provide a residual land value. There was no convincing evidence from the Complainant to dispute the land residual analysis.

Sales from the Complainant were not sufficient to convince the Board that the assessed rate for land is too high. One sale was in downtown, and two were in areas of the Beltline where it seems values are typically lower. Evidence from the Respondent shows that the sale price of one of these properties was actually at \$136 per square foot and not at \$116 as reported by the Complainant. The Board does not totally disregard court-ordered or distress sales however those sales should be part of a market analysis that also includes other arms-length sales of similar properties. Three of the sales occurred past the valuation date and while these types of sales can be useful in showing market trends, they cannot be given full weight in a July 1, 2010 valuation analysis.

In conclusion, the Complainant's sale evidence does not convince the Board that the base land rate of \$195 per square foot is incorrect.

DATED AT THE CITY OF CALGARY THIS 25th DAY OF October 2011.



W. Kipp
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure – Files 63349, 63350, 63353, 63354, and 63356
3. R2	Respondent Disclosure – Files 64712, 64714, 64716, 64718

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:

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other	Vacant Land	Sales Approach	Land Value