

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:

M & K LAN INDUSTRIES INC.

Complainant

and

THE CITY OF CALGARY

Respondent

before:

T. Shandro, PRESIDING OFFICER

J. Kerrison, BOARD MEMBER

D. Morice, 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 2013 Assessment Roll as follows:

ROLL NUMBER: 057026809

LOCATION ADDRESS: 1006 Edmonton Trail NE, Calgary, Alberta

FILE NUMBER: 70367

ASSESSMENT: \$280,500

This complaint was heard on September 3, 2013, 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:

- K. Lan, Complainant
- M. Lan, Complainant

Appeared on behalf of the Respondent:

- F. Taciune, Assessor, The City of Calgary
- B. Galle, Assessor, The City of Calgary

Procedural or Jurisdictional Matters

[1] There were no procedural or jurisdictional matters arising.

Property Description

[2] The subject property is a vacant lot located in the community of Renfrew and assessed as a parcel size of 3,125 square feet ("SF"). It is located on Edmonton Trail between a temple and another property owned by the Complainant.

[3] The Property Assessment Detail Report indicates "Residential Parcel – small" and "Traffic Main" as influences, but under Market Adjustment, it indicates "No".

Issues

[4] At the hearing the Respondent characterized the issues as:

- 1) Is the assessed value fair and equitable, based on the market data; and
- 2) Is the "Residual Small" influence applicable for this property?

Complainant's Requested Value

[5] In the Assessment Review Board Complaint, the Complainant requested a reduced assessment of \$175,000. In its evidence package, the Complainant amended the requested amount to \$188,250. At the hearing the Complainant amended the requested value to \$181,000.59.

Board's Decision

[6] The Board amends the assessment of the subject property to \$225,000.

Complainant's Position

[7] The Complainant's greatest concern was that the subject property increased from \$140,500 in 2012 to \$280,500. The Complainant submitted that the increase of 99.6% is unfair.

[8] The Complainant also referred to a number of vacant land sales provided by the Respondent, which the Complainant argued indicated the assessment for the subject property is inequitable.

[9] The Respondent provided to the Complainant by email correspondence a list of nine vacant properties which sold in 2011 and 2012:

- 1) 2020 – 34 Avenue SW, which is a parcel size of 2,367 SF, at \$120.87/SF (the "Marda Loop Property");
- 2) 2815 Centre Street NW, which is a parcel size of 5,248 SF, at \$95.69/SF (the "Centre Street Property");
- 3) 210 – 16 Avenue NE, which is a parcel size of 6, 241 SF, at \$107.15/SF (the "Tuxedo Park Property");
- 4) 309 – 16 Avenue NW, which is a parcel size of 11,805 SF, at \$85.21/SF (the "Crescent Heights Property");
- 5) 5103 Elbow Drive SW, which is a parcel size of 13,504 SF, at \$63.79/SF adjusted for corner lot influence to \$60.25/SF (the "Elbow Drive Property");
- 6) 1319 Edmonton Trail NE, which is a parcel size of 15,152 SF, at \$79.20/SF adjusted for corner lot influence to \$75.43/SF;
- 7) 4504 – 17 Avenue SE, which is a parcel size of 19,602 SF, at \$51.37/SF adjusted for environmental concerns influence to \$73.39/SF;
- 8) 102 – 64 Avenue NE, which is a parcel size of 47,916 SF, at \$29.32/SF adjusted for various influences to \$36.66/SF; and
- 9) 3301 – 17 Avenue SE, which is a parcel size of 63,079 SF, at \$30.55/SF.

[10] The Respondent advised at the hearing that this list is an exhaustive list of land sales for vacant properties which have a land designation of "Commercial – Corridor 1" and "Commercial – Corridor 2", which the Respondent abbreviates as "CCOR1" and "CCOR2". The Respondent at the hearing further advised that CCOR1 and CCOR2 are assessed the same for the submarket areas in which these properties are located.

[11] The Complainant argued that the Elbow Drive Property is not applicable and that the Crescent Heights Property should have had a corner lot influence.

[12] The Complainant argued that, excluding the Elbow Drive Property, the above properties are all applicable and should be used to calculate the land rate. The Complainant calculated the mean as \$80.32/SF.

[13] The Complainant provided further information about the property, such as the fence, whether a driveway could be built to access Edmonton Trail, an Enmax pole in the rear of the property, and whether parking could occur in the rear. The Complainant argued that these reasons should result in a decreased value of the subject property.

Respondent's Position

[14] The Respondent took the position that only one property in the above list, the Marda Loop Property, is comparable to the subject property and only the Marda Loop Property can inform what the land rate should be for the subject property.

[15] First, the Respondent advised that it distinguishes between vacant properties which are a parcel size of below 10,000 SF and those which are 10,000 SF and greater. Parcel sizes less than 10,000 SF, the Respondent argued, have a distinctly larger price per SF.

[16] That leaves only the Marda Loop Property, the Centre Street Property and the Tuxedo Park Property. The Respondent then made further distinctions between the subject property and the Centre Street Property and the Tuxedo Park Property.

[17] Regarding the Residual Small influence, the Respondent advised that it deducted 25% for this influence, but argued that it should not have done so: the point was to show that the Respondent has provided the Complainant with an assessment which was more than fair.

Board's Reasons for Decision

[18] The difficulty with the Respondent's position is that there is no information about how the Respondent calculated the assessment for the subject property: it is unclear what land rate was used or if the Residual Small influence was in fact deducted from the subject property.

[19] The Respondent advised at the hearing that it used a land rate of \$120/SF and that it deducted 25%, but that would result in an assessed value of \$281,200, so the Respondent's calculation was unclear.

[20] Regarding the Residual Small influence, the Respondent advised that it deducted 25% for this influence, but from the details of the assessment (i.e., that Market Influence indicates "No") and the fact that the Respondent could not provide its calculation for its assessment, it is unclear whether the Residual Small influence was actually included. It is possible from the information before the Board to conclude the Respondent could have used a land rate of \$89.76/SF.

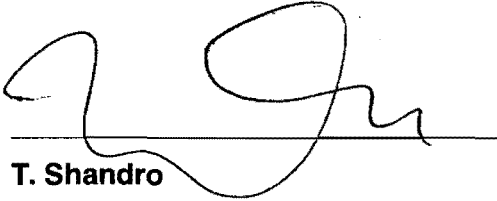
[21] In determining the land rate for the subject property, the Board accepted the Respondent's argument that the properties larger than 10,000 SF should be distinguished from the subject property. The Board however determined there was insufficient information provided to distinguish the Centre Street Property and the Tuxedo Park Property.

[22] From the limited information before it, the Board determined the land rate to be \$96/SF.

[23] The Board determined on a balance of probabilities from the information before it that Residual Small was correctly applied to the property and 25% should correctly be deducted to determine the assessed value. This resulted in an assessed value of \$225,000.

[24] For these reasons, the Board therefore amends the assessment of the subject property to \$225,000.

DATED AT THE CITY OF CALGARY THIS 20th DAY OF September 2013.

A handwritten signature in black ink, appearing to read 'T. Shandro', is written over a horizontal line.

T. Shandro
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.*

For Administrative Purposes Only

Property Type	Property Sub-Type	Issue	Sub-Issue
Other	Vacant	Sales approach	Land rate