



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:

PBA LAND DEVELOPMENT LTD. (as represented by MNP LLP), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

E. K. Williams, PRESIDING OFFICER

A. Maciag, BOARD MEMBER

J. Rankin, 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: 067025601

LOCATION ADDRESS: 625 4 AV SW

FILE NUMBER: 74355

ASSESSMENT: \$2,990,000

This complaint was heard on 23rd day of June, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, and Boardroom 8.

Appeared on behalf of the Complainant:

- W. Van Bruggen Agent, MNP LLP

Appeared on behalf of the Respondent:

- D. Zhao Assessor, The City of Calgary

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

- [1] No additional Procedural or Jurisdictional Matters were raised by the parties.

Property Description:

[2] The subject property at 625 4 AV SW is a 10,823 square foot (SF) low rise office building on 0.26 acre (11,381 SF) of land with a 1968 year of construction (yoc), assigned a quality classification of C, a Property Use: Commercial and Subproperty Use: CS1050 Office/Marginal. The subject is located in the community of Downtown Commercial Core in Sub Market Area of NONRES DT2 and is in the assessment land zone of DT2E.

[3] The subject property has an exempt area of 2,029 SF assessed on the Income Approach. The exempt assessment is \$472,500 and is not under appeal.

[4] The assessment was prepared on the Sales Comparison Approach (Valued as Land Only) based on the DT2E Land Rate of \$305.00 per square foot (psf).

Issues:

[5] The assessed value of the subject property is not reflective of recent sales in the DT2E Zone. The assessed rate per square foot (psf) should be reduced from \$305 psf to \$270 psf.

Complainant's Requested Value: \$2,550,000

Board's Decision:

- [6] The assessment is reduced to \$2,600,000 based on an assessed rate of \$270 psf.

Legislative Authority, Requirements and Considerations:

[7] The Act Section 293 Duties of Assessors requires that:

- (1) In preparing an assessment, the assessor must, in a fair and equitable manner,*
 - (a) apply the valuation and other standards set out in the regulations, and*
 - (b) follow the procedures set out in the regulation.*

[8] Matters Relating to Assessment and Taxation Regulation (MRAT) Part 1 Standards of Assessment Section 2 Mass Appraisal requires that:

An assessment of property based on market value

- (a) must be prepared using mass appraisal,*
- (b) must be an estimate of the value of the fee simple estate in the property, and*
- (c) must reflect typical market conditions for properties similar to that property.*

and Section 4 Valuation standards for a parcel of land requires

4(1) The valuation standard for a parcel of land is

- (a) market value, or*
- (b) if the parcel is used for farming operations, agricultural use value.*

Position of the Parties

[9] The Complainant and Respondent presented a wide range of evidence consisting of relevant and less relevant evidence. In the interests of brevity, the Board will restrict its comments to those items the Board found relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[10] The Complainant's evidence package included a Summary of Testimonial Evidence, a map identifying the location of the property, photographs of the subject property, the City of Calgary 2014 Assessment Explanation Supplement Industrial & Commercial Vacant Land and Cost Approach, Property Assessment Detail Report, the Assessment Request for Information (ARFI). In support of the Complainant's position a table titled Comparable Market Transactions including supporting documentation for each comparable, documentation from the City of Calgary Assessment Information Package related to Land rates for Submarket Areas DT1-DT9, a section on Relevant Legislation and Calgary Assessment Review Board decisions.

[11] The Respondent's evidence package included a Summary of Testimonial Evidence, a photograph of the exterior of the subject property, the City of Calgary 2014 Property Assessment Notice, the 2014 Assessment Explanation Supplement Industrial & Commercial Vacant Land and Cost Approach, the Property Assessment Detail Report, the ARFI, a section titled Comparable Information – Downtown which included map, tables and supporting documentation for the Respondent's land rates, as well as details on a DT2E and DT2W comparable sales including supporting documentation.

[12] Both parties placed technical, professional and academic excerpts before the Board in support of their position. This Board finds that any specific passage or quote (i.e. excerpt) from a larger document may not capture the true intent of the document and is, therefore, seen by the Board as incomplete material and may be given limited weight.

[13] As noted above, both parties placed before this Board a number of Alberta Court of Queen's Bench, Assessment Review Board and Municipal Government Board decisions in support of their position. These decisions were made in respect of issues and evidence that may however be dissimilar to that before this Board.

Complainant's Position:

[14] In support for the requested \$270 psf the Complainant reviewed the table titled Comparable Market Transactions, the Map of Comparable Sales and the supporting documentation for each of the comparable sales (page 25 to 85 of Exhibit C1).

[15] The table titled Land Sale Analysis (page 101 of Exhibit C1) presented the sales analysis that was used in the Respondents subject valuation model. The only sale used in the valuation model for the DT2E land zone was the January 24, 2012 sale of the property at 718 8 AV SW. The Complainant argued that although the sale is in the DT2E land zone the use of a single sale while excluding two comparable DT2E sales that were included in the Complainant's evidence is not reflective of the market in DT2E.

[16] The following table presents particulars on the 3 DT2E sales the Complainant argued supports the requested land rate. The Complainant advised that each of the sales reported in the table on page 25 of Exhibit C1 has been adjusted according to the Respondent's land adjustments to make them comparable to the subject property.

Address	Date Sold	Lot Size (SF)	Sale Price psf	Assessed Class
604 8 AV SW	18-Sept-2012	6,504	\$261.38	B
718 8 AV SW	24-Jan-2012	6,506	\$307.41	C
617 8 AV SW	15-Nov-2011	6,172	\$271.39	C
			Average	\$280.06
			Median	\$271.39

[17] In summary the Complainant argued that the analysis of the 3 DT2E sales (page 25 of Exhibit C1) presented in paragraph [16] determined a median sale price of \$271.39 psf which supports the requested land rate of \$270 psf.

Respondent's Position:

[18] The Respondent reviewed the table on page 16 of Exhibit R1 which presented the analysis in support of the land rate for the DT2E. The analysis of the January 24, 2012 sale of 718 8 Av SW a 6,506 SF parcel of land determined a sale price of \$307 psf.

[19] In summary the Respondent argued that the TASP for the DT2E transaction supports the assessed rate of \$305 psf.

Board's Reasons for Decision:

[20] The Respondent based the Land Rate for DT2E of \$305 psf on a single sale dated January 24, 2012 for 718 8 AV SW which reported a sale price of \$307 psf. This analysis excluded 2 other sales in DT2E with sale dates of November 2011 and September 2012 which are within the 36 month period July 01, 2010 to July 01, 2013. The Respondent's evidence was

silent on the basis for their exclusion.


[21] A review of the Property Assessment Detail Report for the subject property (page 16 Exhibit C1), and for each of the comparables (page 50 and 82 of Exhibit C1) determined that the Respondent used the Sales Comparison (Value as Land Only) as the Valuation Approach for the subject and the comparable. Which further supports the use of the 2 comparable sales excluded by the Respondent in the determination of the Land Rate for DT2E.

[22] The Complainant's analysis, presented in paragraph [16] above, reported an average sale price of \$280.06 and a median sale price of \$271.39 for the 3 comparables in the DT2E land zone and sale dates within the 36 month period (July 01, 2010 to July 01, 2013).

[23] A review of the evidence and arguments presented the Board supports the use of the \$270 psf in the determination of the assessment.

[24] The Board, therefore, reduces assessment to \$2,600,000.

DATED AT THE CITY OF CALGARY THIS 22 DAY OF July 2014.



E. K. Williams

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.*

ADMINISTRATIVE USE

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