



**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:**

***Community Natural Foods Ltd. (as represented by MNP LLP), COMPLAINANT***

**and**

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

**before:**

***K. D. Kelly, PRESIDING OFFICER  
J. Mathias, BOARD MEMBER  
J. Pratt, 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:

<b>ROLL NUMBER:</b>	<b>067244400</b>
<b>LOCATION ADDRESS:</b>	<b>1310 – 10 AV SW</b>
<b>FILE NUMBER:</b>	<b>75068</b>
<b>ASSESSMENT:</b>	<b>\$2,740,000</b>

This complaint was heard on 25<sup>th</sup> day of August, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *W. Van Bruggen – MNP LLP*

Appeared on behalf of the Respondent:

- *R. Ford – Assessor, City of Calgary*

**Regarding Brevity:**

[1] The Composite Assessment Review Board (CARB) reviewed all the evidence submitted by both parties. The nature of the submissions dictated that in some instances certain evidence was found to be more relevant than others. The CARB will restrict its comments to the items it found to be most relevant.

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

[2] Both the Complainant and Respondent requested that the Board carry forward all of their respective arguments and evidence in file 75066, to this file and files 75132; 75133; and 75134.

**Property Description:**

[3] The subject is an 11,325 square foot (SF) vacant land parcel zoned CC-X and located in the Beltline 4 (BL4) district of Calgary. It is assessed using a typical \$285 per SF but receives a 15% reduction because it abuts a train track. The subject's assessment is therefore calculated to be \$2,740,000.

**Issues:**

[4] What is the correct per SF land value to be applied when calculating the subject's assessment?

**Complainant's Requested Value**

[5] The Complainant requested that the assessment be reduced to \$2,200,000

**Board's Decision:**

[6] The Board confirmed the assessment at \$2,740,000.

**Legislative Authority, Requirements and Considerations:**

[7] None

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

[8] The Complainant argued that the base rate of \$285 per SF used by the Respondent to calculate the subject's assessment, should be reduced to \$229 per SF. The Complainant's argument was based on his review and analysis of nine Beltline market land sales relied upon by the Respondent to produce the subject's assessment. He noted that the Respondent had combined market sales from BL3 and BL4 but should have used only BL4 sales to assess the subject. He argued that the Respondent's methodology produced erroneous and inflated values that were then used to improperly assess the subject and similar properties.

[9] The Complainant provided a matrix containing six of the Respondent's nine market sales, all of which were from BL3. He calculated that the six sales demonstrated a median value of \$323.79 per SF and an average value of \$313.66 per SF. He reiterated that the subject had been assessed using \$285 per SF. He argued therefore that while the subject is in BL4, it is over-assessed because the Respondent used higher BL3 market values in doing so. He also provided the Commercial Edge information sheets, and Alberta Land Titles documents for each of the sales.

[10] The Complainant provided a second matrix containing the remaining three of the Respondent's nine vacant land market sales, all three of which were from BL4. These three sales demonstrated a median value of \$229.13 per SF and an average value of \$192.72 per SF. The Complainant reiterated that the City has therefore erred by combining the market sales from BL3 and BL4 because a higher per SF value results. He argued that as one "moves outward" (east, south, and west) in the beltline from the City core, property values decrease. The Complainant argued therefore that the subject should be assessed using \$229 per SF, which is the median value of the Respondent's own sales data for BL4 properties.

**Respondent's Position:**

[11] The Respondent argued that in the current assessment cycle, there was a distinct lack of market sales in the Beltline overall, and certainly none in BL6 and BL7 that the City could use to help it determine land values for assessment purposes. He clarified that the City decided therefore to combine the market sales of BL3 and BL4 to identify a broader range of land values that could reasonably be applied to other beltline properties for assessment purposes. He clarified that the City has consistently followed this practice from year to year, whenever it was faced with a limited number of transactions in any sector of the city.

[12] The Respondent noted that while some BL3 market sales appeared to be higher in value than those in BL4, nevertheless he considered that on a broader scale, the range of sale values from both BL3 and BL4 reasonably and fairly represented beltline market values. He suggested that "all sales contribute to market value".

[13] The Respondent argued that even if one discards the highest and lowest sale values from his list of nine property sale comparables, the resulting value is still \$285 per SF. He also argued that three of the market sales used by the City to assess the subject, but rejected by the Complainant, are on the same block and same street as the subject, and therefore cannot be ignored. The Respondent noted that the median value of these four sales was \$281 per SF. He argued that the three BL4 sales relied on by the Complainant are nearly five blocks away further south from the subject, and the Respondent considered them to be less relevant.

[14] The Respondent noted that the Complainant had offered no independent market data of his own, but instead relied upon selectively re-worked aspects of the City's data. The Respondent also provided the RealNet and Alberta Land Titles documents for each of his nine sales, all to support their indicated market values. He further provided copies of previous Calgary Composite Assessment Review Board (CARB) decisions which he argued support his position in this appeal.

**Board's Reasons for Decision:**

[15] The Board finds from the evidence and argument presented, that the Respondent has not erred procedurally by combining nine valid market sales from BL3 and BL4 in order to identify a reasonable and representative range of values for assessment purposes. The limited number of market sales in the Beltline area generally, effectively dictates that this procedure be implemented under the Mass Appraisal process that the Respondent is mandated by legislation to use.

[16] The Board finds that the Respondent has not erred in applying the \$285 per SF median sale value of its nine market sale transactions to the subject, because analysis of the nine market sales presented into evidence before the Board, supports this value.

[17] The Board finds that the detailed market evidence (RealNet; Commercial Edge; Land Titles documents) provided to it by both parties in this hearing, confirms that the nine property sales relied on by both parties are valid and representative market sales, and support the \$285 per SF used to assess the subject.

[18] The Board finds that the Respondent has consistently and equitably applied the \$285 per SF value to other similar and comparable properties in BL3 and BL4 when assessing those properties.

[19] The Board finds that of the nine market sales advanced by the Respondent, three are in BL3 in close proximity to the subject, whereas the three sales relied upon by the Complainant are remote from the subject. The Board concurs with the Respondent that the property sales in close proximity to the subject are more relevant to valuing the subject, and also display a median value of \$281 per SF which supports the \$285 per SF assessed.

[20] The Board finds that the Complainant provided insufficient information to demonstrate to the Board that the assessment is not correct, fair, or equitable.

DATED AT THE CITY OF CALGARY THIS 18<sup>th</sup> DAY OF September 2014



K. D. Kelly  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C-1	Complainant Disclosure
2. R-1	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.*

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<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	commercial	vacant land	market value	Assessment parameters - land value