



Calgary Assessment Review Board

DECISION WITH REASONS

In the matter of the complaints against the property assessments as provided by the *Municipal Government Act*, Chapter M-26, Section 460, Revised Statutes of Alberta 2000 [the Act].

between:

1368373 Alberta Ltd.

(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER

K. B. Bickford, BOARD MEMBER

T. Livermore, BOARD MEMBER

These are complaints to the Composite Assessment Review Board [the Board] in respect of property assessments prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

ROLL NUMBER:	069051514	069053007	069053106
LOCATION ADDRESS:	1501 9 AV SE	1538 9 AV SE	1552 9 AV SE
FILE NUMBER:	75156	75155	75154
ASSESSMENT:	\$1,560,000	\$2,910,000	\$766,000

These complaints were heard on 15th day of July, 2014 at the office of the Calgary Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *S. Cobb* *Agent, Assessment Advisory Group Inc.*

Appeared on behalf of the Respondent:

- *J. S. Villeneuve-Cloutier* *Assessor, City of Calgary*

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

[1] The Complainant and the Respondent agreed to hear all three complaints in one hearing along with two other complaints from a different owner as they share the same complaint issues. The decision for the two additional complaints are found in CARB 75143P-2014.

[2] There are no additional preliminary, procedural, or jurisdictional issues.

Property Description:

[3] The subject properties are assessed as land only using the Direct Sales Comparison Approach to Value. The subjects are located in the Non-Residential Zone [NRZ] of AT1, which is Inglewood. The Respondent used a base land rate of \$125 per square foot for the first 20,000 square feet and \$45 per square foot for any remaining square footage. Influence adjustments have been applied where applicable.

[4] The subject property located at 1501 9 AV SE is comprised of 11,955 square feet and has a Direct Control [DC] 1Z93-SITE 3 Land Use Designation [LUD]. A corner lot influence adjustment of positive five percent (5%) has been applied.

[5] The Subject property located at 1538 9 AV SE is comprised of 29,194 square feet and has a DC 1Z93-SITE 3 LUD. No influence adjustments are applied to the property.

[6] The Subject property located at 1552 9 AV SE is comprised of 6,128 square feet and has a DC 1Z93-SITE 3 LUD. No influence adjustments are applied to the property.

Issues:

[7] The single issue before the Board is the assessment amount with the Complainant requesting a base land rate of \$39 per square foot based on an equity argument.

Complainant's Requested Value:	1501 9 AV SE	\$483,500
	1538 9 AV SE	\$1,125,000
	1552 9 AV SE	\$236,000

Board's Decision:

[8] The Board confirmed the original assessments with 1501 9 AV SE remaining at \$1,560,000, 1538 9 AV SE remaining at \$2,910,000, and 1552 9 AV SE remaining at \$766,000.

Legislative Authority, Requirements, and Considerations:**The Municipal Government Act**

Revised Statutes of Alberta 2000 Chapter M-26

Interpretation

1(1) *In this Act,*

(n) *"market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;*

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

[9] The Complainant argues that the subject properties are assessed too high when compared to nearby comparable properties.

[10] The Complainant reviewed the particulars of all five properties before the Board, including; 1501 9 AV SE (labelled: Subject #3) [#3], 1538 9 AV SE (labelled: Subject #2) [#2], and 1552 9 AV SE (labelled: Subject #5) [#5].

[11] Property #3 experienced a 39% assessment increase year over year, and is used as an automotive sales lot. The Complainant testified that five doors down towards the SE along 9 AV is a property being assessed at \$12 per square foot that is very similar to the subject when you compare the LUD (C1 pp. 18-23).

[12] Property #2 experienced a 32% assessment increase year over year, is used as a parking lot, is adjacent to property #5, and is across the street on 9 AV to a property being assessed at \$12 per square foot that is very similar to the subject when you compare the LUD (C1 pp. 12-17).

[13] Property #5 experienced a 39% assessment increase year over year, is used as an automotive sales lot, is adjacent to property #2, and is across the street on 9 AV to a property being assessed at \$12 per square foot that is very similar to the subject when you compare the LUD (C1 pp. 30-35).

[14] The Complainant presented a 'Batch Comparison and Analysis' chart to show the five properties before the hearing alongside two (2) other properties labelled; Subject #6, and Subject #7 (that are not before the Board), and six (6) comparables. The six comparables are either across the street, or nearby the subject properties.

[15] The Complainant testified that the six (6) comparables achieved an assessment range of \$12 to \$63 per square foot with a median and average (mean) of \$39 and \$38 per square foot. The Complainant's request is based on the median of the comparables for equity reasons (C1 pp. 36-37).

[16] The Complainant reviewed the six (6) comparables and the 1P2007 Land Use Bylaw to

show the comparability (C1 pp. 38-70).

[17] The Complainant reviewed information regarding a sale (July 19, 2012) that took place in the vicinity of the subject properties. The Complainant testified that; "one sale does not make a market". In addition the Complainant showed the assessed value of the sale property to show that the Respondent over assessed that property along with the subject properties (C1 pp. 71-73).

[18] The Complainant disclosed information on other nearby sales labelling "For Reference" (C1 pp. 74-83).

Respondent's Position:

[19] The Respondent presented information on four of the five properties before the Board including three for this decision. The subject details for 1515 9 AV SE were not disclosed because at the request of the Complainant the hearing was moved up to July 15 from its previous schedule in August. The Respondent relied upon the general argument for the other four properties and the subject details disclosed by the Complainant. The preliminary hearing is covered in decision 75151-PRELIMINARY-2014.

[20] The Respondent reviewed the subject details and issues for the Board to consider (R1 pp. 6-29).

[21] The Respondent provided the '2014 Commercial Land Values' chart and 'Industrial/Commercial Vacant Land Influences' chart, wherein the NRZ of AT1 (Inglewood) has been assessed at \$125 per square foot for the first 20,000 square feet and \$45 per square foot for the remaining square footage, and the influence adjustments are quantified with Partial Serving receiving a -25% influence adjustment (R1 pp. 31-32).

[22] The Respondent disclosed information on commercial land sales in the area. The first sale is across from or beside the subjects with an identical LUD and was found to have a value of \$120.88 per square foot. The second sale was also in the Complainant's package and the value per square foot was found to be \$128.75 with a similar LUD (R1 pp. 34-57).

[23] The Respondent included equity information to support the assessment; 1206 9 AV SE and 1431 9 AV SE (R1 pp. 58-63).

[24] The Respondent presented DC 1Z93 LUD along with excerpts of 1P2007 Land Use Bylaw to show that the comparable properties provided by the Complainant have a LUD of Industrial-Edge [I-E] and are not comparable to the subjects (R1 pp. 69-86).

Board's Reasons for Decision:

[25] The Board understands the construction of Land Use Bylaws and the assignment of LUD within the bylaw. The general provisions of direct control districts, as highlighted to the Board by the Complainant, are not the information that is compared to an actual LUD. The Respondent correctly provided the details of the subject LUD and compared it to the Complainant's comparable LUD and it becomes obvious that the LUD of each are vastly different.

[26] The Board agrees that location is of primary importance when valuing a property; however, the use that is legally permitted is also a key factor that cannot be ignored. The Board found little in common between the subject's DC 1Z93 LUD and the Complainant's comparable I-E LUD.

[27] The Board found that the Complainant had no valid argument for the Board to consider a reduction; therefore, the subject properties' assessments are confirmed.

DATED AT THE CITY OF CALGARY THIS 8th DAY OF August 2014.



Jeffrey Dawson

Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1 – 84 pages	Complainant Disclosure
2. R1 – 92 pages	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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other Property Types	Vacant Land	Sales Approach	Land Value