

**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(4).

**between:**

***Altus Group Ltd., COMPLAINANT***

**and**

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

**before:**

***Hatem Naboulsi, PRESIDING OFFICER***

***J. Kerrison, MEMBER***

***B. Jerchel, 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 2010 Assessment Roll as follows:

**ROLL NUMBER:           067044693**

**LOCATION ADDRESS: 503 7 Street SW**

**HEARING NUMBER:   57923**

**ASSESSMENT:           \$ 12,640,000**

This complaint was heard on the 16<sup>th</sup> day of November, 2010 at the office of the Assessment Review Board located at 4<sup>th</sup> floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom #2.

Appeared on behalf of the Complainant:

- Giovanni Worsley *Altus Group Ltd.*
- Doug Hamilton *Altus Group Ltd.*

Appeared on behalf of the Respondent:

- Dorian Thistle *The City of Calgary*

### **PROPERTY DESCRIPTION:**

The subject property is a 41,526 sf parcel of land improved with a 30,335 sf single office building in the downtown commercial core of Calgary designated as DT2 located at 503 7 St SW and zoned CM2 known formerly as the Calgary Real Estate Board building.

The base assessment land rate applied to the subject property is \$290 psf plus an additional 5% for a corner lot influence.

### **ISSUES:**

The Board notes that the Section 5 of the complaint form contains 26 grounds for appeal. However, the Complainant elected to use the following issues only:

1. Should a building rate of \$30 psf be applied to the subject property?
2. Should the property be valued using the income approach instead of land value?

### **POSITION OF THE COMPLAINANT:**

The Complainant presented the Board with 17 sale comparables ranging in size from 3,250 sf to 124,653 sf located in various downtown areas (C1 page 25) with an average buildable rate of \$30 psf.

When applying the \$30 psf to the subject property would equate to a requested assessment of \$8,720,460 in support of the requested value the Complainant also submitted an income approach employing typically accepted City parameter resulting in an assessment value of \$8,455,500 (C1 Page 20).

The Complainant admitted that the best 3 sale comparables that are similar to the subject are:

<b>Address</b>	<b>Sale Date</b>	<b>Sale Price</b>	<b>PSF</b>	<b>Area</b>	<b>Lot Size SF</b>	<b>Zoning</b>	<b>Floor Area Ratio</b>	<b>Buildable S/Footage</b>	<b>Building Rate (\$SF)</b>
1110 9 Av SW	Sep01/06	\$22,750,000	\$241.72	D.T.WEnd	94,090	DC	7	658,630	\$34.54
633 3 Av SW	Jun02/08	\$20,500,000	\$630.01	D.T.	32,539	CM-2 DC	19.95	649,159	\$31.58
907 9 Av SW	Sep12/08	\$8,250,000	\$266.75	D.T.	30,928	CM2	7	216,496	\$38.11

Result in an average of \$35 psf which equates to a total assessment of \$10,170,000.

**POSTION OF THE RESPONDENT:**

The Respondent submitted to the Board that highest and best use of land or site as though vacant. The value of the fee simple estate on the legally permissible, physically possible, financially feasible, use that produces the highest value by the market price.

The Respondent presented the Board with 3 sale comparables averaging \$421.58 psf (R1 Page 54) where the subject property assessed at \$290 psf plus an additional 5% for corner lot influence.

The Respondent also included a judicial post facto sale located at 919 5 Ave SW which was sold for \$384.46 psf to demonstrate the trend in the market.

The Respondent prepared an income approach valuation to the subject resulting in a market value of \$6,760,000 (R1 Pages 16 & 17)

In support of the assessment the Respondent also submitted 37 equity comparables all located in DT2 market zone and all assessed at a base rate like the subject at \$290 psf (R1 Page 53).

The Respondent requested the Board to confirm the assessment of \$12,640,000.

**DECISION:**

The decision of the Board is to confirm the 2010 assessment of \$12,640,000.

**REASONS FOR THE DECISION:**

The Board finds that the argument of "FAR" (Floor Area Ratio) raised by the Complainant as a function of "highest and best use" of a site will be taken into account by a potential purchaser upon sale depending on the conditions at the time of sale. The "FAR" may be subject to bonussing allowances available under the By-Law. The Board could not find justification in evidence presented to support what future condition relating to "FAR" might hold. Therefore the Complainant argument on "FAR" is not a valid value indicator.

The Board notes that during cross examination and summary the Complainant revised the assessment request to \$10,170,000. Based on his best 3 sale comparables listed in the Complainant's position with an average of \$35 psf.

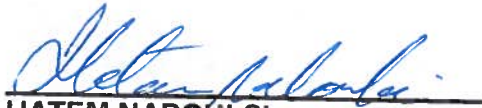
The Board also notes that 3 of the 17 sale comparables submitted by the Complainant are comparables to the subject property.

Address	Sale Date	Sale Price	PSF	Area	Lot Size SF	Zoning	Floor Area Ratio	Buildable S/Footage	Building Rate (\$SF)
1021 5 Av SW	Nov01/06	\$14,500,000	\$383.72	D.T.W	37,788	DC	7	264,516	\$54.82
633 3 Av SW	Jun02/08	\$20,500,000	\$630.01	D.T.	32,539	CM-2 DC	19.95	649,159	\$31.58
907 9 Av SW	Sep12/08	\$8,250,000	\$266.75	D.T.	30,928	CM2	7	216,496	\$38.11

With an average of \$41.50 SF which equates to an assessment market value of \$12,063,303 or 95.4% of the current assessment of the subject property, also support the assessment.

The Board is persuaded by the Respondent's sales, equity comparables and land rate utilized to prepare and support the assessment of the subject.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF November, 2010.

  
HATEM NABOULSI  
Presiding Officer

*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.*