

**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-26.1, Section 460(4).

**between:**

***Altus Group Limited, COMPLAINANT***

**and**

***The City of Calgary, RESPONDENT***

**before:**

***H. Kim, PRESIDING OFFICER***

***D. Pollard, MEMBER***

***J. Pratt, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessments prepared by the Assessor of the City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBERS:</b>	<b>201050119</b>	<b>201050127</b>
<b>LOCATION ADDRESSES:</b>	<b>935 8 Ave SW</b>	<b>923 8 Ave SW</b>
<b>HEARING NUMBERS:</b>	<b>59166</b>	<b>59170</b>
<b>ASSESSMENTS:</b>	<b>\$4,800,000</b>	<b>\$3,960,000</b>

This complaint was heard on the 14<sup>th</sup> of December, 2010 at the office of the Assessment Review Board located on the 4<sup>th</sup> Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

**Property Description:**

The subject properties are two adjacent vacant lots on the south side of 8<sup>th</sup> Avenue SW at 9 St in the DT2 East district of downtown Calgary. Parcel 1 is 17,438 SF on the corner of 9 St and is assessed at the DT2E land rate of \$290/SF with influences of +5% for Corner Lot and -10% for SNC Blend 1 which is applied when a parcel is adjacent to a zone with a lower land rate, in this case DT2 West at \$200/SF. Parcel 2, to the east of Parcel 1, is 15,188 SF and also assessed at the DT2E land rate of \$290/SF, with -10% for SNC Blend 1.

Both parcels are zoned CM2 and are used for surface parking. They were originally owned by Torode Realty Group, the developer of the adjacent 8 West office building, who purchased the subject parcels along with the site of the 8 West building for \$8,420,000 in July 2005. The 8 West building was developed and sold separately from the subject parcels, which sold together in July 2010 for \$6,000,000.

**Issues:**

The Complainant identified a number of issues on the Complaint form; however the disclosure contained only issues with respect to whether the parcels should be assessed on a rate per buildable SF and whether the land rate should be adjusted to reflect the selling prices of the subject parcels in 2005 and 2010. At the hearing the rate per buildable SF was not pursued other than to derive a time adjustment, and the only issue argued was market value.

**Complainant's Requested Values:**

Roll Number 201050119: \$2,615,700 revised to \$3,200,000 at the hearing  
Roll Number 201050127: \$2,278,200 revised to \$2,790,000 at the hearing

**Board's Decision in Respect of Each Matter or Issue:****Complainant's position:**

The subject parcels sold on July 6, 2010 for \$6,000,000 which equates to \$184/SF. The previous sale in 2005 was \$130/SF. The July 2010 sale was a court ordered sale but it was actively marketed for 6 months and the sale price reflects market value. The Complainant noted that the Respondent had used court ordered sales in previous submissions to the Board in support of the assessment. A time adjustment analysis was presented to suggest that the 2005 sale time adjusted to the July 2009 valuation date would be \$174/SF. This is very close to the \$184/SF sale price in 2010.

The Complainant stated that the sale was the best evidence of market value and requested the assessment be reduced to \$184/SF for both parcels.

**Respondent's position:**

A court ordered sale lacks a willing seller and is not market value by definition under the

*Municipal Government Act.* While the sale cannot be used in the analysis, the Respondent agrees that the property was actively marketed and took a long time to sell. In view of the lack of sales in the relevant time frame, this sale cannot be ignored and likely is an indication of market value. The Respondent does not agree that the assessment should reflect the sale price, as values dropped about 1% per month between July 2009 and 2010. The Respondent suggested that the subject parcels may be more similar to DT2 West. The 8 West office building was recently completed and the amount of development was substantially less than allowable under the CM-2 zoning. The boundary between DT2W and DT2E is 9 Street SW.

**Decision and Reasons:**

The Board agrees that although the subject sale did not have a willing seller, the length of exposure to the market suggests that the sale price did reflect market value. The Board considered the Complainant's time adjustment analysis and noted that the July 2010 sale of the subject was time adjusted to \$215/SF (p35, C3). The July 2005 sale was some time in the past and the Board considered the time adjustment to be less reliable. On balance, a July 2009 value between \$174 and \$215 appeared appropriate. The Board agreed the sale price as well as the amount of development on the 8 West site supported a value more consistent with the DT2W rate of \$200/SF. Accordingly the assessment is reduced to \$200/SF with a 5% corner lot influence added to Parcel 1.

**Board's Decision:**

The complaint is allowed, in part, and the assessment reduced to:

Roll Number 201050119: \$3,660,000

Roll Number 201050127: \$3,030,000

DATED AT THE CITY OF CALGARY THIS 22 DAY OF December 2010.



H. Kim  
Presiding Officer

**APPENDIX "A"****DOCUMENTS RECEIVED AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
C1	Complainant Form Parcel 1
C2	Complainant Form Parcel 2
C3	Complainant's submission
R1	Respondent's submission

**APPENDIX 'B'****ORAL REPRESENTATIONS**

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
Giovanni Worsley	Altus Group Limited, Complainant
Dorian Thistle	Assessor, City of Calgary, Respondent

*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.*