

**CALGARY  
COMPOSITE 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, Revised Statutes of Alberta 2000 (the Act).

**between:**

***801 Seventh Inc. (as represented by Altus Group Ltd.), COMPLAINANT***

**and**

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

**before:**

***M. Chilibeck, PRESIDING OFFICER***

***J. Joseph, MEMBER***

***D. Pollard, 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 2011 Assessment Roll as follows:

**ROLL NUMBER: 067057208**

**LOCATION ADDRESS: 667 – 7 ST SW**

**HEARING NUMBER: 63408**

**ASSESSMENT: \$4,340,000**

This complaint was heard by the Composite Assessment Review Board on 3rd day of October, 2011 at the office of the Assessment Review Board located in Boardroom 6 on Floor Number 4 at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- S. Sweeney-Cooper

Appeared on behalf of the Respondent:

- D. Satoor

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

Neither party raised any objections to a member of the Board hearing the subject complaint.

There were no preliminary matters raised by either party.

**Property Description:**

The subject property is located in the downtown commercial core of the City of Calgary. It comprises of a multi storey office building containing 23,156 sq. ft. on a parcel of land containing 17,572 sq. ft. It is known as the Nexen Annex.

**Issues:**

The Complainant identified the matters of an assessment amount and assessment classification on the Assessment Review Board Complaint (complaint form) and attached a letter outlining several reasons for the complaint. At the hearing the complainant advised that the assessment amount is under complaint. The Board summarized the issues as follows:

1. The assessment should be determined using the capitalized income method.
2. The assessment for subject property is not fair and equitable.

**Complainant's Requested Value:** \$3,255,000 per the complaint form.  
\$2,290,000 per the evidence disclosure.

**Board's Findings in Respect of Each Issue:**

The subject property, though improved with an office type building, is assessed on the basis of land value because the capitalized income value is outstripped by its land value.

The Complainant argued that the subject property should be valued by the capitalized net income method because it is subject to long term leases and is affiliated and operated together with an adjacent property, known as the Nexen tower, located across the roadway. The subject is connected to the adjacent property by a plus 15 walkway.

On questioning by the Respondent, the Complainant agreed that there was an error in the total building area and that it should be corrected from 14,994 sq. ft. to 23,156 sq. ft. which changes

the capitalized income value from \$2,290,000 to \$4,410,000 and conceded that this supports the assessed value.

Four sale comparables with a median at \$195 (rounded up) were provided by the complainant to refute the assessed land rate of \$275 per sq. ft. for land in the DT2E market area in downtown Calgary. Neither of these sales is in the same market area as the subject. Two comparables are distress sales and two sales are of much smaller parcels sold by The City of Calgary. After questioning by the Respondent and discussion with the Respondent during a recess of the hearing, the Complainant conceded that previous board decisions confirmed the base land rate.

As a result, the Respondent did not make his presentation/argument and no reference was made to the Respondent's evidence disclosure.

**Board's Decision:**

The Board confirms the assessment at \$4,340,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF OCTOBER 2011.



**M. Chilibeck**  
**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant 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.*

**FOR MGB ADMINISTRATIVE USE ONLY**

<b>Decision No. 046-2494-2011-9</b>			<b>Roll No. 067057208</b>	
<b><u>Complaint Type</u></b>	<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
CARB	Office	Low-Rise	Sales Approach	Land Value