



## 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, Revised Statutes of Alberta 2000 (the Act).

between:

**1402801 Alberta Ltd.**  
**(as represented by Altus Group ), COMPLAINANT**

and

**The City Of Calgary, RESPONDENT**

before:

**R. Glenn, PRESIDING OFFICER**  
**B. Jerchel, BOARD MEMBER**  
**J. Kerrison, 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>201872637</b>    |
| <b>LOCATION ADDRESS:</b> | <b>610 8 Ave SW</b> |
| <b>FILE NUMBER:</b>      | <b>75101</b>        |
| <b>ASSESSMENT:</b>       | <b>\$9,120,000</b>  |

This complaint was heard on Monday, the 9<sup>th</sup> day of June, 2014 at the office of the Assessment Review Board located at Floor Number 3, at 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 8.

Appeared on behalf of the Complainant:

- M. Cameron, Agent, Altus Group

Appeared on behalf of the Respondent:

- D. Zhao, Assessor, City of Calgary
- S. Gill, Assessor, City of Calgary

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

[1] There were no questions of Procedure or Jurisdiction raised prior to, or during the hearing. The Complainant requested that the argument and evidence from **CARB 75780-2014-P and CARB 75663-2014-P** be incorporated into this matter. The Respondent agreed. The Board so ordered.

**Property Description:**

[2] The subject properties consist of two immediately adjacent buildings close to the southwestern edge of downtown Calgary, one, a large ten storey office building, built in 1949, known as the Barron Building, and the other, a single storey retail building, formerly known as the Chicago Chophouse, built in 1954, the titles of which have been consolidated. The larger building is currently gutted and is being re-developed, though not as a historic building.

**Issue:**

[3] Whether the subject parcel should be assessed at the current land only base rate of \$305/sf, totalling, \$9,120,000 or a base rate of \$289/sf, totalling \$8,640,000.

**Complainant's Requested Value: \$289/sf, or, \$8,640,000**

**Board's Decision:**

[4] The Board finds the Complainant's requested value of \$289/sf, or, \$8,640,000 is the correct value for the subject property.

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

[5] The Complainant argued that their request for a reduction is fully justified by the two sales comparables they provide with a mean and median of \$289/sf, which agrees with their request. They argued that the Respondent will also rely on two sales in their argument (although, only one is the same as the Complainant's comparables). The Complainant argued that one of the two sales relied on by the Respondent ( the Metro Ford property located at 1111-9<sup>th</sup> Ave SW in DT2W ) does not meet the criteria for a comparable, because the supposed comparable property is almost twenty times as large as the other comparable and the subject.

[6] This position raises the issue of whether the Complainant's other comparable (located at 617-8<sup>th</sup> Ave SW) should be a part of the comparison. This is the Globe Theatre property which is still operating as a going concern and not vacant land at this time. It was a part of the 2013 analysis, but not a part of the Respondent's 2014 analysis. The reason for its not being included was not explained.

[7] Last year, the rate for the DT2E zone (where the subject is located) was reduced to \$289/sf, though the Respondent has increased the rate to \$305/sf this year, keeping in mind that there are no new sales. The Complainant argued that the land rate in DT2E should remain unchanged. The Complainant also argued that the Respondents have provided no time adjusted sale prices for comparison in their evidence.

[8] The Complainant also provided two prior CARB decisions ( **CARB 71453-2013-P** and **CARB 71455-2013-P** ) which utilized the same two comparables as the matter currently before the Board and came to the same conclusion, that is, \$289/sf as an appropriate rate. The Complainant also notes that the assessed rate of \$310/sf in 2013 was reduced to \$289/sf on appeal.

**Respondent's Position:**

[9] The Respondent argued that their 2 sales comparables fully support their assessment. They query whether the sale of the Globe Theatre was "brokered". They suggested that a next door business was the purchaser of the Globe property. Apparently, the next door business already owned 50% of the property. They provide a 2014 Assessment Explanation Supplement which they say supports the subject assessment.

[10] The Respondent also provides a Rate Support Analysis with details from the Metro Ford property sale, but the size of that property puts it well outside what could be considered a proper comparable for this subject. It provides an adjusted sale price of \$200/sf and an Assessment to Sales Ratio (ASR) of .99

[11] When queried by the Board, the Respondent acknowledged that it would be difficult for just one sale to establish a market price per square foot for a whole area. The Respondent also asserted that they were not sure that the Globe Theatre property was assessed as vacant land.

**Board's Reasons for Decision:**

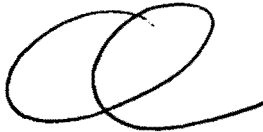
[12] The Board accepts the argument and evidence of the Complainant. The Complainant's comparable evidence was right on point, given the relative dearth of sales in the subject area. The Board agrees with the Complainant's argument that notwithstanding the Respondent's 2014 increase in the land rate, there was no change in the market for this area, and therefore, no proper reason to increase the subject rate.

[13] The Board finds that the issue here really turns on the Globe sale comparable, which was part of the 2013 analysis, but not a part of the 2014 analysis. The Respondent did not provide any proper reason for not including the Globe sale in the analysis for 2014.

[14] Based on all of the foregoing the Complainant's evidence was simply more compelling and rational. The Complainant's evidence supports a reduction to \$289/sf

[15] The subject assessment is herewith reduced to \$289/sf, or an overall assessment of \$8,640,000.

DATED AT THE CITY OF CALGARY THIS 18<sup>th</sup> DAY OF July, 2014.



R. Glenn  
Presiding Officer

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

| NO.   | ITEM                   |
|-------|------------------------|
| 1. C1 | Complainant Disclosure |
| 2. R1 | 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.

**For Administrative Use Only**

| Appeal Type | Property Type | Property Sub-type | Issue        | Sub-issue                   |
|-------------|---------------|-------------------|--------------|-----------------------------|
| CARB        | Vacant Land   |                   | Market Value | Dearth of sales comparables |