



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:

801 SEVENTH INC.
(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:

ROLL NUMBER:	067057208
LOCATION ADDRESS:	667-7St SW
FILE NUMBER:	75128
ASSESSMENT:	\$4,820,000

This complaint was heard on Tuesday, the 10th day of June, 2014 at the offices 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, The City of Calgary
- S. Gill, Assessor, The City of Calgary

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

[1] There were no questions of Jurisdiction raised prior to, or during the hearing. However, prior to the matter being heard, the Complainant requested that the argument and evidence previously presented as a part of **CARB 75101-2014-P** be incorporated as a part of the argument and evidence in this matter, as well as being incorporated into: **CARB 75109-2014-P**, **CARB 75108-2014-P**, and, **CARB 75107-2014-P**. This request was not objected to by the Respondent. The Board granted the request.

Property Description:

[2] The subject property is an atrium building attached to two adjacent high rise buildings by a plus 15 walkway located on 17,572 sf (square feet) of land, near the downtown LRT line on the corner of 7th St and 8th Ave SW.

Issue:

[3] Whether the subject parcel should be assessed at the current land only base rate of \$305/sf, totalling \$4,820,000 or a base rate of \$289/sf, totalling \$4,570,477.

Complainant's Requested Value: \$289/sf, or, \$4,570,000

Board's Decision:

[4] The Board finds the Complainant's requested value of \$289/sf, or, \$4,570,000 (rounded) 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 2 sales comparables they provide where the median of the two sale prices provided is \$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 1111-9th Ave SW) 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 617-8th 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.

[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 sales (land rates) have not changed. The Complainant argued that the rate for sales 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 instant matter 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 a proper reason for not including the Globe sale in the analysis for 2014.

[15] 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.

[16] The subject assessment is herewith reduced to \$289/sf, or an overall assessment of \$4,570,000.

DATED AT THE CITY OF CALGARY THIS 18 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.

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