



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:

***BCIMC Realty Corporation
(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: | 068227206 |
| LOCATION ADDRESS: | 515 Macleod Trail SE |
| FILE NUMBER: | 75526 |
| ASSESSMENT: | \$45,950,000 |

This complaint was heard on Monday, the 9th 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
- J. Webber, 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 Procedure or Jurisdiction raised prior to, or during the hearing.

Property Description:

[2] The subject is a 2.72 acre parcel of land (essentially a whole city block) with a vacant five storey concrete building with below ground parking and a public park with a large piece of historic artwork on it, located in the extreme east end of downtown Calgary on Macleod Trail South. The building is the former head office complex of the Calgary Board of Education.

Issues:

[3] Whether the subject parcel should be assessed as vacant land, in as much as the current owner suggests that they will eventually re-develop the subject lands as a commercial complex, including a hotel and other associated businesses?.

[4] What method should be utilized to arrive at the proper value for the subject land?

[5] What is the proper market value of the subject land?

Complainant's Requested Value: \$ 36,500,000

Board's Decision:

[6] The Board finds the Complainant's requested value of \$36,500,000 is the correct value.

To answer the issues as stated:

- (A) The subject parcel should be assessed as vacant land.
- (B) The subject land should be valued according to the last sale price.
- (C) The proper market value of the subject land is \$36,500,000

Position of the Parties

Complainant's Position:

[7] The Complainant's position was that there are very few parcels in the city that are similar to this one, and, there are very few comparable sales of similar properties, and so, the most accurate way to value the subject is to look at the price of the subject when it was last sold.

[8] The current owner purchased the subject in an arm's length transaction on June 12, 2012. The Complainant relies on the Acton Decision (**2005 ABQB 512**) for support for the proposition that the best value indicator for the subject land is the last sale of the subject property itself, relying on the fact that the subject sale took place only a year prior.

[9] The Complainant goes on to argue that when the original purchase price of the subject is compared to the current assessment, that is: \$36,500,000, compared to \$49,950,000, the Assessment to Sales ratio (ASR) would be 1.26, which is extremely high, considering that the ASR should be in the range of .95 up to 1.05. The Complainant notes that the Respondent has not provided any time adjusted sales figures, except for the East Village, which did not fit the criteria here.

[10] There was one other sale introduced (referred to as the "Riverfront sale") which did not meet the criteria for the "willing seller/willing buyer" test, so it should be rejected as a comparable. The Complainant also argued that the anticipated use, that is the current owners prospective re-development scheme has no impact on the value of the subject property, and therefore should not even be considered.

[11] The Respondent by providing their ASR study did not advance the Respondent's position, it merely showed that the median of all the sales raised by the Respondent provide a median ASR of 1.00.

[12] The Complainant also argues that the post facto sales provided by the Respondent cannot be considered by the Board. The Complainant completes their argument by reiterating that the subject sale (after 18 months on the market) is the best indicator of value, that is, it is a valid sale within an acceptable time frame and it meets the definition of a willing seller and a willing buyer. All of this is supported by **CARB 72741-P-2013**, which was provided by the Complainant as a part of their argument.

Respondent's Position:

[13] The Respondent provided two sales (the subject and the Riverfront sale) in their Land Rate Support Analysis, and many others in their Downtown Land ASR Study. In addition, they provide a number of Post Facto Downtown Land Sales.

[14] The Respondent was fairly brief in their argument which was mainly a direct denial of the points which the Complainant had put forward, without the Respondent really suggesting a reasonable and rational alternative point of view.

Board's Reasons for Decision:

[15] The Board accepts the argument and evidence of the Complainant. The Complainant's evidence regarding the subject sale convinced the Board that the Complainant's position was both supportable and correct.

[16] The Respondent's position was for the most part, a simple denial of the Complainant's argument and evidence. The Complainant provided adequate credible evidence to convince the Board of its position, where a mere denial without much more support carries little weight in a matter of this nature. The Board was simply not convinced of the veracity of the Respondent's argument and the applicability of their evidence to this subject.

[17] The subject assessment is herewith reduced to \$36,500,000.

DATED AT THE CITY OF CALGARY THIS 16 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 | Valuation Method |