

**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(4).

between:

International Avenue Properties Inc., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

S. Barry, PRESIDING OFFICER

J. Rankin, MEMBER

A. Zindler, MEMBER

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

ROLL NUMBER:	075173609
LOCATION ADDRESS:	4015 17 Ave S.E
HEARING NUMBER:	57143
ASSESSMENT:	\$1,780,000

This complaint was heard on the 28th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- There was no appearance by the Complainant

Appeared on behalf of the Respondent:

- A. Jerome

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

There were no procedural or jurisdictional matters raised.

Property Description:

The subject property is a Class C office building located in southeast Calgary and was constructed in 1972. It occupies 19,864 sq.ft. of land and encompasses 15,742 sq.ft. of leasable area.

Issues:

1. Is the assessment too high having regard to the lease rate, vacancy rate and cap rate used by the Respondent?
2. Should the assessment be based on the actual revenue of the subject property?
3. Can the Board accept the Assessment Request for Information document as evidence?

Complainant's Requested Value: \$1,079,000

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

1. The Complainant provided contradictory information in his submissions, at one point requesting the assessment as noted above and at others suggesting an assessment of \$1.8 million was appropriate. A master rent roll was provided in the written submission which showed rental rates ranging from \$2 to \$20 a sq.ft. and which identified lease start and end dates that covered a significant time span and that resulted in total annual rental revenue of \$127,894. There are no calculations to average these rent rates or to adjust for value on July 1, 2009, the valuation date. There was no evidence or calculations specific to a requested rental rate, vacancy rate or cap rate. A package of information was attached relating to Shopping Centre Assessments that may have been included in the package inadvertently and which was given no weight by the Board.

The Respondent applied a lease rate of \$9.00/sq.ft., to the office space below grade and \$13.50/sq.ft. to the other office and rental space. The assessment also employed a 6% vacancy rate and an 8% capitalization rate. The Respondent noted that the actual

assessment of the property is \$2,209,800 but that it had been reduced by \$421,000 because of one tax-exempt tenant. The Respondent provided listings for the subject property showing asking lease rates of \$14.50 and \$20.00 per sq.ft. and a sales listing, active as of November 2009 asking \$3,200,000. It was noted that these were asking rates only and none were confirmed as completed or closed. The Respondent provided four comparables that showed rental rates of between \$13 and \$14 per sq.ft. based on submitted ARFI's and, in particular identified two of these as having leases new leases current at the valuation date in those two amounts. The respondent also included Southeast Suburban Office Vacancy Study and identified the comparables in that listing. Vacancy rates ranged from 0% to 14.29% and, overall, resulted in 6% for the subject area.

In the Board's opinion the Respondent's evidence supports the assessment and the Complainant provided little or no evidence to justify changing it.

2. The Complainant asked that the assessment be based on the actual revenue from the property. The Respondent raised the issue of mass appraisal requirements and using typical information in preparing the income approach calculations. The Complainant provided no evidence or documentation that would show how that re-assessment could be calculated or evidence that the assessment was unfair or inequitable.
3. The Complainant also submitted a completed Assessment Request for Information in support of the master rent roll. The Respondent noted that the ARFI had been requested in March 2009 but was not returned until November 2009, beyond the 60 day return period required by the City and after the assessments in this area had been completed. The Respondent asked the Board to use s.295 of the Municipal Government Act to preclude the submission of the late ARFI as part of the disclosure.

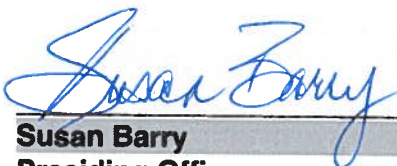
The Board notes that s.295(4) could preclude a complaint pursuant to s.460 of the MGA however, the Respondent did not file an objection to the Complaint being received or scheduled and no preliminary matters were raised in this respect. The Board notes that s.9(3) of Regulation AR 310/2009, Matters Relating to Assessment Complaints Regulation (M.R.A.C.) precludes the Board from hearing evidence requested but not disclosed pursuant to s.295(4) of the MGA. The Board notes that the disputed ARFI was included in the Respondent's evidence package.

Board's Decision:

There was no written evidence presented by the absent Complainant to warrant a change in the assessment and the question of the ARFI is moot since it was disclosed by the Respondent.

The assessment is confirmed at \$1,780,000.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF August 2010.


Susan Barry
Presiding Officer

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.*