

**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:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Irwin, PRESIDING OFFICER

D. Morice, MEMBER

M. Peters, MEMBER

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

ROLL NUMBER:	068 078 708
LOCATION ADDRESS:	444 7 AVE SW
HEARING NUMBER:	58748
ASSESSMENT:	\$78,690,000

This complaint was heard on the 30th day of August, 2010 at the office of the Assessment Review Board located at 4th floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom # 5.

APPEARED:

- G. Worsley
- D. Generaux

(Altus Group Ltd., Complainant)

and

- H. Neumann
- W. Krynski

(City of Calgary Assessment, Respondent)

PROPERTY DESCRIPTION:

The subject is a 262,884 sq. ft. office building located at 444 7 AVE SW, CALGARY. There is 233,904 sq. ft. of office space, 18,200 sq. ft. of retail, 11,080 sq. ft. of storage space and 27 parking stalls. The property is assessed at \$78,690,000.

ISSUES:

- rental rate
- vacancy
- cap rate

COMPLAINANT'S REQUESTED VALUE:

\$53,030,000

BOARD FINDINGS:

Both parties request to cross reference and bring forward evidence presented in hearing 58791

Rental Rate:

The complainant requested an assessed rate of \$28.00/SF be lowered to \$20.00 for the subject property. The complainant also highlighted that the lack of parking was a concern and that the complainant also noted that the main floor was being used as office space not retail.

The respondent evidence included a list of comparable DT1 properties that supported the \$28.00 assessed rate. They also noted that the subject had superior location and visibility on the LRT route. It was noted that the subject has abundant main floor signage and advertisements posted to attract business much as in retail usage.

Vacancy:

The complainant requests an increase in vacancy rate from 8% to 12% on the complaint form. This was increased to a request for 16% vacancy in the evidence and at the hearing. The respondent replied that their evidence included a Downtown Class B survey of 2009 ARFI AREA and ARFI vacant area that shows the subject has 0% vacancy.

Cap Rate:

The complainant requested an increase in the cap rate from 8% to 8.5%. Their evidence requested that the board consider age, rent abatement and capital expenditures.

The respondent countered that the subject was a superior B property and could be considered a B+. The respondent also noted the subject's excellent corner location, superior exposure and access to the LRT.

The respondent evidence included a Cap Rate Summary that supported the 8% rate.

BOARD DECISION:

The Board confirms the assessment at \$78,690,000.

DATED AT THE CITY OF CALGARY THIS 31 DAY OF AUGUST, 2010.



R. IRWIN, 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.*