

**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:

L. Wood, PRESIDING OFFICER

B. Jerchel, MEMBER

R. Cochrane, 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: 067091504

LOCATION ADDRESS: 809 10 AVENUE SW

HEARING NUMBER: 58255

ASSESSMENT: \$8,380,000

This complaint was heard on 20th day of September, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- Mr. G. Worsley

Appeared on behalf of the Respondent:

- Mr. D. Lidgren
- Mr. K. Gardiner

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

There were no procedural or jurisdictional matters raised by the parties during the hearing.

Property Description:

The subject property, known as McLean & Partners, is a six storey office building located in the Beltline Community. The building has a net rentable area of 35,793 sq ft. and is situated on a 0.45 acre parcel. It is of vintage quality, constructed in 1920, and had undergone renovations in 1996. There are 81 parking stalls associated with this site. It is assessed as a class B+ office.

Issue:

1. The assessed rental rate of \$20 per square foot is not equitable when compared to similar type office buildings being assessed in the range of \$17 to \$15 per square foot.

Complainant's Requested Value: \$7,260,000

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

The Board notes that there were several statements on the appendix to the complaint form; however, it will only address the issue pertaining to equity that was raised at the hearing.

The assessed rental rate of \$20 per square foot is not equitable when compared to similar type office buildings being assessed in the range of \$17 to \$15 per square foot.

The Complainant requested an assessed office rental rate of \$17 psf for the subject property's office space (31,359 sq ft) which is currently assessed on the income approach to value at a market net rental rate of \$20 psf (Exhibit C1 page 12). He provided six equity comparables with assessed office rental rates from \$15 to \$17 psf in the SW and SE quadrants. The equity comparables are 2- 4 stories with office space that ranged from 9,034 sq ft to 72,207 sq ft., and are class B, B- or B+ offices. The buildings were constructed between 1906- 1914 and had undergone renovations between 1992- 2008. The six equity comparables were assessed between \$150 psf- \$198 psf for a median of \$190 psf (Exhibit C1 page 25).

The Respondent provided 13 equity comparables of class B+ offices with market net rental rates of \$20 psf (Exhibit R1 page 19). The buildings are 3- 16 stories, with assessed office areas that ranged from 32,048 sq ft to 188,477 sq ft., constructed between 1920- 1982. The equity comparables were assessed between \$230 psf to \$285 psf, with the subject property at the lower end of the range at \$234 psf. The Respondent also provided 49 office lease rates for the Beltline region of class B+ offices that commenced during the valuation period in support of the market net rental rate of \$20 psf (Exhibit R1 pages 26 & 27).

The Board placed less weight on the Complainant's evidence because he did not provide any market evidence pertaining to the lease rates of the equity comparables and he did not provide the lease rates for the subject property. Moreover, the Board notes the comparable located at 224 11 Avenue SW is incorrectly identified as having an assessed office rental rate of \$17 psf instead of \$20 psf.

The Board prefers the Respondent's equity comparables because they are class B+ offices, located in the immediate vicinity of the subject property, and the office space is consistently assessed at \$20 psf. The Board also finds the comparable lease rates that commenced during the valuation period support the market net rental rate of \$20 psf. The Respondent provided the rent roll dated March 1, 2009 for the subject property. Although some of the leases are dated, six of the nine leases are generating rents of \$20 psf- \$31 psf, which in the Board's opinion, supports the market net rental rate of \$20 psf (Exhibit R1 page 18).

Board's Decision:

The decision of the Board is to confirm the 2010 assessment for the subject property at \$8,380,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF OCTOBER 2010.



Lana J. Wood
Presiding Officer

APPENDIX A**DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

NO.	ITEM
Exhibit C1	Evidence Submission of the Complainant
Exhibit R1	City of Calgary's Assessment Brief

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.*