

**CALGARY
COMPOSITE 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 Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L.R. Loven, PRESIDING OFFICER

D. Cochrane, MEMBER

E. Reuther, MEMBER

This is a complaint to the Calgary Combined 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: 067092700

LOCATION ADDRESS: 708 11 Avenue S.W.

HEARING NUMBER: 58258

ASSESSMENT: \$25,930,000

This complaint was heard on the 28th day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant: B. Ryan

- *Complainant* - Altus Group Limited

Appeared on behalf of the Respondent: D. McCord

- *Respondent* - The City of Calgary

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

This matter was originally scheduled to be heard on September 29th, 2010, and was brought forward at the request of the parties.

Property Description:

The subject property consists of a 102,274 square foot six storey commercial office building known as Joffre Place. It was constructed in 1980, is in the Beltline Community, and is on a 24,523 square foot parcel of land. The 2010 assessment is \$25,930,000.

Issue: Market office rent should be \$14.00 /SF (square foot).

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

[1] The Complainant, Mr. Ryan, submitted a Rent Roll for the subject property highlighting six leases as follows.

BASE RENT (/SF)	AREA (SF)	TERM (yrs)	START DATE
\$12.00	3,058		1-May-2009
\$13.00	936	5	1-Jun-2010
\$13.00	4,767	5	1-Jun-2010
\$13.50	2,881	3	1-Jun-2010
\$14.00	2,256	5	1-Jun-2010
\$16.00	18,169	10	1-Feb-2010

[2] The Board notes that also shown on the Rent Roll was: A lease for 2,619 square feet starting on May 1, 2008 for a five year term at \$28.00 /SF; another lease for 1,981 square feet starting on November 1, 2008 for a five year term at \$25.00 /SF and, and third for 19,912 square feet for a five year term commencing August 1, 2008 at \$30.00 /SF.

[3] Mr. Ryan provided a table summarizing Avison and Young Market Reports for Class "B" Beltline, with a rate for Q3 2008 at \$25.00 /SF and Q4 2009 at \$14.00 /SF, suggesting the 2010 typical asking rates would be between \$14.00 /SF and \$21.00 /SF for the valuation date. Mr. Ryan requested a value of \$21,490,000.

[4] The Respondent, Mr. McCord, provided a rent rate study containing seventeen B+ class Beltline 3 office leases, all assessed at \$20.00 /SF, showing: For January 1, 2009 to July 1, 2009 - \$22.00

/SF mean, \$23.00 /SF median and \$22.61 /SF weighted mean; and for the period July 1, 2009 - \$21.33 /SF mean, \$20.00 /SF median and \$22.47 weighted mean, respectively.

[5] Mr. McCord referenced ARB 1487/2010-P regarding 1015 - 4th Street SW, located in the same economic zone, which was assessed and confirmed at \$20.00 /SF, and where the subject property was used as a comparable. He said that with the lease information as provided, and his data, the assessment was shown to be correct.

[6] The Board notes that the valuation method applied was the Income Approach, which was not challenged by Mr. Ryan as not being applicable in this instance. The only issue argued by Mr. Ryan was the office rent rate.

[7] The Board firstly finds that many leases for the subject property referenced by Mr. Ryan commenced after July 1, 2009. Secondly, the Board finds that the information and data provided by Mr. McCord supports the assessed rate applied. Also, the Board further finds that the recent non post-facto leases on the Rent Roll for the subject property support the assessed office rent rate.

Board's Decision:

The assessment is confirmed at \$25,930,000.

DATED AT THE CITY OF CALGARY THIS 17 DAY OF NOVEMBER 2010.



L.R. LOVEN
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.*