

**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: 200705143

LOCATION ADDRESS: 326 11 Avenue S.W.

HEARING NUMBER: 59078

ASSESSMENT: 52,410,000

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

- Altus Group Ltd – Complainant

Appeared on behalf of the Respondent: D. McCord

- The City of Calgary - Respondent

Procedural or Jurisdictional Matters:

Note: The original Hearing was scheduled to be Heard on September 30th, 2010, and was brought forward at the request of the parties.

Property Description:

The subject consists of two, eight-storey commercial office towers located in the Beltline known as Vintage Towers I and II. Vintage Towers I has a listed year of construction of 1929, has 98,657 SF(square feet), and is B class. Vintage Towers II has a listed year of construction of 2004, has 102,200 SF, and is A class. The total 2010 aggregate assessed value is \$52,410,000.

Issue: Rental Rate:

- Office retail space is in excess of market
- Office rate is above market and not equitable

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

Issue: Rent Rate

[1] The Complainant, Mr Ryan, said it had been his intention to show that the assessed retail rates of \$24.00 /SF and \$26.00 /SF were above market, but upon further consideration, he would now concede these rates were fair.

[2] Mr. Ryan submitted that, based on the Rent Rolls for the subjects, as well as market comparables and previous CARB Decisions, the office rate applied of \$23.00 /SF for 102,192 SF was neither fair nor equitable and should be reduced to \$20.00 /SF, and this rate had been applied to the remaining 80,716 SF of office space.

[3] Mr. Ryan presented the current Rent Roll for Vintage Towers I, which showed several large leased areas on five floors (Schlumberger) totalling 52,837 SF, which reflected a rate of \$18.50 /SF. Although the lease date was April 2010, he said this still reflected market. He then presented a Rent Roll for Vintage Towers II which showed 47,287 SF at \$20.00 /SF, leased to Royal & Sun Alliance Insurance for ten years starting in 2005, plus 3,499 SF also at \$20.00 /SF, to PPI Financial for five years starting in Nov. 2009. He said this data showed \$23.00 /SF was too high.

[4] Mr. Ryan referenced Calgary Assessment Review Board Hearing No. ARB 0800/2010-P, regarding another Beltline property, which he said was similar, located at 402 - 11 Avenue SW.,

where the Board reduced the assessed office rental rate to \$20.00 /SF; other recent Decisions were also presented in support of his request.

[5] Mr. Ryan submitted a table containing 26 Beltline office leases, showing a median value of \$16.00 /SF in July of 2009, he said this indicated the requested \$20.00 /SF was fair.

[6] The Respondent, Mr. McCord, submitted no evidence package and said, based on the evidence as presented, he was in agreement to reduce the market net rental rate for the 102,192 SF of office space from \$23.00 to \$20.00 per square foot, and submitted the final assessment accordingly would be \$48,680,000.

[7] The Board agrees with the evidence as submitted by Mr. Ryan as to the fairness and equity of the requested \$20.00 /SF office rental rate for the 102,192 SF, and notes that there was agreement from Mr. McCord on this as well.

Board Decision on the Matters:

The Board reduces the assessment to \$48,680,000

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.
