

**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: 067095703**

**LOCATION ADDRESS: 525 11 Avenue S.W.**

**HEARING NUMBER: 58261**

**ASSESSMENT: 10,310,000**

This complaint was heard on the 29<sup>th</sup> 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, representing Altus Group Limited, on behalf of George Schluessel Real Estate Investments Ltd. 550 Capital Corp. c/o Procura Real Estate Services Ltd.

Appeared on behalf of the Respondent:

- D. McCord, representing the City of Calgary

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

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

**Property Description:**

The subject property consists of a 42,852 square foot office/retail commercial building known as the Duff Building, constructed in 1982, located in the Beltline Community, on a 16,248 square foot site with 79 parking stalls. The assessment is \$10,310,000.

1. Office Rental Rate.

**Complainant's Requested Value:** \$9,800,000

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

**Issue 1. Office Rental Rate**

The Complainant submitted that the appropriate rent rate of B-class office buildings in the Beltline is \$17.00 per square foot,

The Complainant provided the rent roll for the subject property showing rent rates from \$12.00 to \$21.00 per square foot, highlighted \$15.00 per square foot, and indicated recent rent rates in the range of \$13.00 to \$15.00 per square foot.

The Complainant referred to a chart summarizing the Avison Young Market Overview Reports for the Q1 and Q3 2008, Q1 and Q4 2009, and Q1 2010 indicating the asking market rates would be between \$14.00 and \$21.00 per square foot for Beltline B-class office buildings.

The Complainant provided a chart containing 26 leases giving averages of July 15, 2009 lease start date, area of 2,756 square feet, \$16.45 per square foot rent rate, and 5 year term; and medians of July 16, 2009, area of 1,970 square feet, and 5 years respectively with a coefficient of dispersion of

0.12 and a weighted average of \$15.70 per square foot.

The Complainant provided a chart a Beltline 2009 office rental rate analysis showing a downward trend line and noted the mid-point value of \$16.00 per square foot.

The Complainant acknowledged that \$17.00 per square foot rent rate may be the appropriate rate for Class B office space located in the Beltline.

The Respondent confirmed \$17.00 per square foot is the assessed market rent rate for the subject property. above changes.

The Respondent submitted a current listing for the subject property showing a asking price of \$12,000,000.

The Respondent provided an Assessment Request for Information for the subject property showing recent leases ranging from \$16.00 to \$20.00 to \$21.00 per square foot, and argued that this supports the assessed rate of \$17.00 per square foot.

Based on its consideration of the foregoing evidence and argument, the Board finds the rate of the office space is \$17.00 per square foot.

**Summary:**

The only issue argued by the Complainant was regarding office rental rate, no other issue was argued.

The valuation method applied in this instance was the Income Approach. The use of this approach to value is contextually allowed in the legislation. The Complainant and Respondent each confirmed that the assessed office rental rate of \$17.00 per square foot is fair and equitable.

**Board's Decision:**

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: \$10,310,000.

DATED AT THE CITY OF CALGARY THIS 28<sup>th</sup> DAY OF October 2010.

  
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**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.*