

**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:

COMPLAINANT, Altus Group Ltd.

and

RESPONDENT, The City Of Calgary

before:

R. Irwin PRESIDING OFFICER

A. Blake, MEMBER

D. Morice, 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: 067 072 900

LOCATION ADDRESS: 736 – 8 Avenue S.W., Calgary, Alberta

HEARING NUMBER: 58233

ASSESSMENT: \$35,120,000

This complaint was heard on 29 day of September, 2010 at the office of the Assessment Review Board located at 3rd Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- G. Worsley, *Altus Group Ltd.*

Appeared on behalf of the Respondent:

- D. Lidgren, *Assessor City of Calgary*

Preliminary Matters:

None. The merit meeting proceeded

Property Description:

The subject property is a 168,734 square feet office building located at 736 – 8 Avenue S.W. known as the *Petro Fina* building. There are 74 parking stalls and 32,099 square feet of retail space. The property is assessed at \$35,120,000.

Issues:

The issues outlined on the complaint form that apply to this complaint were:

3. An assessment amount
4. An assessment class

Complainant's Requested Value:

The requested value on the complaint form was \$23,000,000. This was revised to \$21,800,000 minus \$1,000,000 'cost to cure' allowance in the evidence and further revised to \$23,010,000 minus \$1,000,000 'cost to cure' allowance equals \$22,010,000.

Board's Findings:

Both parties agreed that the general information from Hearing 59030 should be cross referenced and considered in this hearing.

The Complainant presented argument citing the subject property had what may be considered as chronic vacancy and the vacancy rate should be increased from 10% to 15%. The Complainant also presented a Rental Analysis chart that supported the request to reduce the office space rental rate from \$22.00 per square foot to \$16.00 (original request) which was revised to \$18.00 at the hearing. In addition the Complainant requested a Capitalization Rate adjustment from 8.5% to 9.0%.

The Respondent replied that the subject property's 'Assessment Request For Information' indicated the subject actually had a 10% vacancy as assessed.

The Respondent presented a rent roll (page 18 R1) that was very difficult to review and a chart

of Downtown leases that included different market zones than the subject.

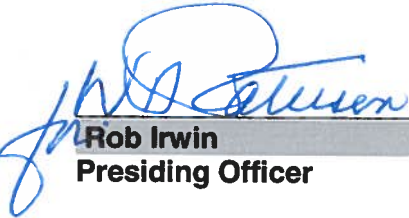
The Respondent also highlighted that the Complainant had not presented any evidence to support the reduction in Capitalization Rate.

Board's Decision:

The Board accepted the Complainants persuasive evidence on the Office rental Rate and agreed to apply an \$18.00 rate.

This resulted in a Total Effective Net Income of \$2,807,523, a Net Operating Income of \$2,515,884 and the assessment is set at \$29,600,000.

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



Rob 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.*