

**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-26.1, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER

A. Zindler, MEMBER

R. Roy, MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) 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: 067180901

LOCATION ADDRESS: 524 – 17 Avenue SW

HEARING NUMBER: 59231

ASSESSMENT: \$4,800,000.

This complaint was heard on 19th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- B. Ryan

Appeared on behalf of the Respondent:

- D. Grandbois

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

There were no Procedural or Jurisdictional matters brought forward.

Property Description:

The subject property is an office/retail building that was originally constructed in 1962. The property is located in the Beltline district of Calgary. The property contains a net rentable area of 14,595 Sq. Ft.

Issues:

The grounds for appeal identified on the Complaint Form are as follows:

1. The subject property is assessed in contravention of Section 293 of the Municipal Government Act and Alberta Regulation 220/2004.
2. The use, quality and physical condition attributed by the municipality to the subject property is incorrect, inequitable and does not satisfy the requirement of Section 298 (2) of the Municipal Government Act.
3. The assessed value should be reduced to the lower of market value or equitable value based on numerous decisions of Canadian Courts.
4. The assessment of the subject property is in excess of its market value for assessment purposes.
5. The assessment market analysis has insufficiently and incorrectly considered, and adjusted most recent property sales.
6. The market office rental rate should not exceed \$14 psf.
7. The retail assessed rental rate is inequitable and should be lowered to \$24 psf.
8. The below grade retail area is only storage and should be lowered to no more than \$3 psf.
9. The assessed cap rate is too (sic) low and should be increased to no less than 8%.
10. The assessed office and retail vacancy should be 12%.
11. The assessed office and retail operating cost adjustment should be \$15.50
12. The apportionment of the leasable area is incorrect. There is 8,060 sf of office, 3,743 sf of restaurant, 2,415 sf of below grade retail storage and 1,292 of ground level retail.
13. The information requested from the municipality pursuant to Section 299 or 300 of the Municipal Government Act (MGA) was not provided.
14. This notice is filed based on information contained in the Assessment Notice as well as preliminary observations and information from other sources. Therefore the requested assessment is preliminary in nature and may change.

At the Hearing the Complainant confirmed with the CARB that the single Issue to be considered by the CARB is that of the rental rate applied to the office component of the subject property.

Complainant's Requested Value:

\$2,240,000. Revised at the Hearing, as shown in Exhibit C1 page 3, to **\$4,030,000.**

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

The Complainant summarized the situation relating to the subject property as follows: the property is categorized by the Assessor as being in the A+ Classification due to its excellent retail exposure and the retail rents it is able to command. Unfortunately, by giving the property this classification it automatically puts all of the other required inputs, including office rents, into the highest category and while there is no issue or disagreement with the quality of the retail space, the office space is not of an A+ category and it does not generate the types of rental

rates input by the Assessor. The Assessor concurred that this did indeed appear to be the only issue and that there was a reasonable doubt as to the ability of the subject's office component being able to generate the applied \$26/Sq. Ft. rental rate.

After the presentation of the Complainant's Exhibit C1 and questioning of same by both the Respondent and the CARB, the Respondent essentially claimed 'No Contest' and stated that there was nothing in his evidence, Exhibit R1, that would refute the contentions of the Complainant nor was there any evidence that would persuade the CARB that the applied office rate was correct.

The CARB is appreciative of both parties recognition of the situation and the forthright manner that was adopted to provide a timely resolution for the CARB to consider. Upon review of the information presented in both Exhibits, the CARB concurs with the office rental rate of \$17/Sq. Ft. as suggested by the Complainant.

Board's Decision:

The assessment is reduced to: **\$4,030,000.**

DATED AT THE CITY OF CALGARY THIS 27 DAY OF October 2010.


C. W. GRIFFIN

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.*