

**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, Revised Statutes of Alberta 2000 (the Act).

**between:**

***Verena Bentzien (as represented by Altus Group), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***R. Glenn, PRESIDING OFFICER  
D. Cochrane, MEMBER  
E. Reuther, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

**ROLL NUMBER: 047040803**

**LOCATION ADDRESS: 1223 31 Ave NE**

**HEARING NUMBER: 64014**

**ASSESSMENT: \$ 3,640,000**

This complaint was heard on the 21st day of June, 2011 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 9.

Appeared on behalf of the Complainant: Giovanni Worsley ( Agent ), Altus Group Ltd.

Appeared on behalf of the Respondent: Gary Good ( Assessor ), The City of Calgary

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

No issues of procedure or jurisdiction were raised.

**Property Description:**

The subject is a 3 storey suburban office building, class B type, comprising 36,000 SF, built in 1981.

**Issues:**

Whether the subject building is properly assessed in light of queries regarding the rental rate generally and also the rental rate of storage space.

**Complainant's Requested Value:**

\$ 2,560,000

**Board's Decision in Respect of each Issue:**

The Complainant did not agree that the main floor and basement areas of the subject should attract rent at the full normal office rate, because the full building tenant used them only for storage, and also, a shop. In order to prove this, the Complainant hired a building measurement company to confirm their position through both photos and building measurements. The measurement report formed part of the Complainant's brief. However, the report did not assist the Complainant. As a side note, the basement of the subject is not currently being assessed, even though it is shown on the report to be storage.

The Complainant also presented comparables showing that similar buildings had some storage space as a part of their lease, where the rent was at \$3.00 /SF. The lease of the subject building did not make separate mention of storage space, at least, none was adverted to in argument. The subject lease was not put into evidence.

The building owner did not recognize the so-called storage space as storage space per se, and billed the rent on that space as typical office space. The decision to use the space as storage was the tenant's decision.

Regarding the rental rate generally, the Complainant presented a fair number of lease comparables, none of which were the same or even similar size ( most were much smaller ).

Only a few of these supported the Complainants position. Several equity comparables were also presented, but once again, none were the same size, and all were of a different building class. The Complainants also presented two analyses, which included several post facto leases.

The Respondent presented 7 equity comparables, all of which were of the same class as the subject, and all were located nearby. All of them supported the assessed typical office rental rate of \$12.00/SF. The Respondent argued that the subject property was assessed fairly with respect to the typical office rental rate that was applied in the income approach to value.

The Complainant's argument regarding storage space does not succeed. If the subject lease does not mention storage space or make allowance for it, and in addition, the landlord bills rent for the space in issue as normal office space, that is determinative.

The Complainant's comparables regarding the rental rate generally were not close enough in detail to convince the Board that the assessment was incorrect. The Board finds the Respondents evidence to be more relevant. Accordingly, the Complainant has not met the required onus to prove its case, and the assessment is therefore confirmed in the amount of \$ 3,640,000.

**Board decision:**

The Assessment is confirmed

 DATED AT THE CITY OF CALGARY THIS 13 DAY OF JULY, 2011.

Richard Glenn  
Presiding Officer

**APPENDIX "A"**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

3 C2  
4 C3

Complainant Color Photos  
Complainant Rebuttal

*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.*