

**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:

Loblaw Properties West Inc. (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:	048045801
LOCATION ADDRESS:	3225 12 ST NE
HEARING NUMBER:	64016
ASSESSMENT:	\$ 10,260,000

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, in 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 88,957 SF, built in 1981.

Issues:

Whether the subject building is properly assessed in light of queries regarding: the lack of tenant improvements required for occupancy, no allocation for parking vacancy, and the rental rate generally.

Complainant's Requested Value:

\$ 6,050,000

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

The Complainant suggests that the current assessment does not account for those areas that do not have tenant improvements installed to the typical levels required for occupancy. In addition, there is no allocation for parking vacancy, although a significant portion of the office and parking is vacant and currently offered to the market place for lease. Finally, the Complainant also argues that the rental rate applied to finished office space is simply too high.

The Complainant said that the space that has had its finishings removed should be assessed at a lower rate than the typical market rent for the area. But an area that has had its finishing removed is definitely not treated the same way as an area that has never been finished. The Respondent provided sales comparables demonstrating that renovations do not have an impact on market value, and then suggested that the subject should be assessed at full market rent.

The Complainant provided pictures of the underground parkade with few vehicles in place to support their contention that the vacancy rate for the parkade should be higher. They say it is unreasonable not to apply the same vacancy allowance for the office to the parking as the two are "interlinked".

The Respondent provided both a suburban office parking study and a parking study calculation explanation that made their point and adequately demonstrated that no additional allowance is necessary or warranted for the parking, notwithstanding the vacancies.

The Complainant argued that they had provided all of the leasing information in their possession for north east "B" class suburban office space which occurred in proximity to the valuation date and within the valuation and taxation year. They say their comparables show that \$12.00/SF was at the top end of rents achieved at the time, and that \$10.00/SF was much more typical.

The Respondent provided a table of same class lease comparables which demonstrated a median of \$12.00/SF and a weighted mean of \$12.41/SF. From this, the Board took that the assessed typical office rental rate for properties such as the subject is \$12.00/SF.

On balance, the Board finds the evidence of the Respondent to be more relevant and therefore preferable over the evidence of the Complainant. Based on that, the Board finds that the Respondent proved through their sales and equity comparables that the assessment is correct, and accordingly, it is confirmed in the amount of \$10,260,000.

Board's Decision:

The assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 20 DAY OF JULY, 2011.



Richard Glenn
Presiding Officer

APPENDIX "A"

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Color Photos

4 C3

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.*