

**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:

The Standard Life Assurance Company of Canada (as represented by Cushman & Wakefield Ltd), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***F.W. Wesseling, PRESIDING OFFICER
R. Roy, MEMBER
B. Bickford, 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 2012 Assessment Roll as follows:

ROLL NUMBER: 201276839

LOCATION ADDRESS: 160 Quarry Park BV SE

FILE NUMBER: 66103

ASSESSMENT: \$18,340,000

This complaint was heard on 16th day of July, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, and Boardroom 10.

Appeared on behalf of the Complainant:

- *J. Goresh*

Appeared on behalf of the Respondent:

- *C. Neal*

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

[1] No specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint

[2] The Board agreed to hear the evidence for this file jointly with file 66102 (CARB #1109-2012-P).

Property Description:

[3] Subject property is located in Quarry Park. The property contains an office building constructed in 2009. The building is rated A+ for assessment purposes. The building consists of 59,969 square feet and 32 enclosed parking spaces. The subject site has excellent access to and from Glenmore and Deerfoot Trails. Under the City of Calgary land Use Bylaw the property is classified with a designation of "Direct Control District".

Issues:

{4} The Complainant raised the following matter in Section 4 of the Assessment Complaint form: Assessment amount.

Presentation of the Complainant and Respondent were limited to:

- Assessment market value is overstated in relation to comparable properties.
- Income Approach.

Complainant's Requested Value: \$13,306,000.

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

[5] Complainant's Position: The main thrust of the Complainant's presentation centred on inequity in that suburban office properties located in Quarry Park are treated differently for assessment purposes than similar offices in SE Calgary. The Assessed market rent rate for Quarry Park is set at \$24.00 per square foot. The Complainant takes the position that Quarry Park is not unique and there is no evidence support the City's position.

[6] The Board was presented with sales comparables of various quality ratings around Calgary however was only asked to focus on the equity of assessments of these properties in relation to the subject site. The Complainant used an assessment average of \$221.88 per square foot for the basis of the request while for the subject site the assessment equates to just under \$306 per square foot.

[7] Respondent's Position: The Respondent provided background on the subject property by showing photographs and emphasizing the uniqueness of Quarry Park. The area is far superior to other suburban office areas and as such, for assessment purposes, it is treated differently. The Respondent presented the *Assessment Request for Information* (ARFI), dated Sept 2011, for the subject site which included a summary of rent roll information. In addition, a transaction summary was presented which outlined the sale of both properties for a combined price of \$61,000,000 in August of 2010.

[8] A review of the Complainant's comparables by the Respondent provided documentation that the validity of some of the data and the similarity of the properties is questionable.

[9] In rebuttal, the Complainant provided additional information on one of the NE comparable properties (McCall Place) and made a case that it is similar to the subject sites in Quarry Park. A market rental rate of \$19.00 per square foot is applied to this property for assessment purposes. An ARFI, dated April, 2012, was also introduced which showed a few of the new leases going at \$18.00 per square foot for this particular property.

Board's Decision:

[10] Upon reviewing the verbal and written evidence provided by the parties, the Board found that the Complainant failed to demonstrate that the assessment was in excess of market value. The Board confirms the assessment at \$18,340,000.

Reasons:

- The basis of the Complainant's argument to reduce the assessment was focused on inequity. The evidence presented to the Board failed to establish that the approach used by the City to treat Quarry Park differently is erroneous.
- The equity comparables in Quarry Park presented to the Board support the assessment for the subject property.
- The Board considered the information about the sale of the property, as one of the best indicators of market value.
- The newer lease information as presented in the 2012 ARFI was considered to be after the evaluation date and the Board placed little weight on the data.

DATED AT THE CITY OF CALGARY THIS 9th DAY OF Aug 2012.


F.W. Wesseling
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2 Rebuttal	Complainant Disclosure
3. R2 Assessment Brief	Respondent Disclosure

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.*

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<i>Decision No.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Office Building	Income approach	Land and improvement comparables	Equity

