

**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: 200838951**

**LOCATION ADDRESS: 4311 12 ST NE**

**FILE NUMBER: 66086**

**ASSESSMENT: \$22,470,000.**

This complaint was heard on 17th 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. Goresht
- S. Ubana

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.

**Property Description:**

Subject property is located in NE Calgary in the community of McCall. The property contains 3 stand alone office buildings that were constructed in 2008 and are classed "A" for assessment purposes. The buildings contain 102,372 square feet and have multiple tenants. Under the City of Calgary Land Use Bylaw the property is classified with a designation of "Industrial Business District".

**Issues:**

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.
- Rental rates.

**Complainant's Requested Value:** \$21,183,000.

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

[2] Complainant's Position: It was requested that the evidence presented the previous day for CARB 1108 and 1109-2012-P (files 66102 and 66103 respectively) be carried forward as part of this file. The primary assessment issue associated with the subject property is the rental rate applied by the City. The rental rate applied in the assessment is \$19.00 per square while the complainant determined that the rate applied should be \$18.00 per square foot. In support of the request, the Complainant brought forward the case that this particular property is not typical in comparison to other suburban office properties and that a change (rental rate) of the

income approach is warranted. The commercial rent roll information dated April 30, 2012 was highlighted which showed a range of rents per square foot from \$18.00 to \$28.60. In addition the real estate transaction record was presented which showed the subject property sold as part of a portfolio transaction in March 2011. The Complainant used the information contained within the transaction record to depict the subject site as a-typical in terms of land area, building configuration and building condition.

[3] Respondent's Position: The focus of the Respondent's presentation was on the sale of the property in March of 2011, within the evaluation period. The income approach was reviewed in general terms and how the rental rate was arrived at for typical buildings in NE Calgary although no rental evidence was presented. Two previous Board Orders were presented (CARB 1331 and 1342/2011-P) which dealt with similar issues and in particular changing one input (rental rate) without consideration of the impact on the other inputs. The City felt no data was presented to show that the subject property and its improvements are an a-typical situation.

[4] The Respondent objected to the rebuttal document submitted by the Complainant citing new information was being introduced. The Complainant withdrew the rebuttal voluntarily.


**Board's Decision:**

[5] 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 \$22,470,000.

**Reasons:**

- The sale of the property, which was presented by both parties, within the evaluation year, outlined a transaction value for the property of \$29,800,000. As this sale was part of a portfolio transaction it was not considered by the Board.
- The rent roll information provided by the Complainant showed that actual rental returns on the subject property were in excess of the typical market rent applied by the City to determine the assessment.
- The Board found that to change an input to the income approach, an independent analysis should be presented. No such evidence was provided for the Board's consideration.
- The request to have the subject property considered as a-typical in terms of its size, building configuration and conditions was not supported by evidence.

DATED AT THE CITY OF CALGARY THIS 21<sup>st</sup> DAY OF Aug 2012.

  
F.W. Wesseling  
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. 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><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Office Building	Income Approach	Rental rate	Typical vs. a-typical property