

**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**

***Vintage Towers (Luxembourg) Holdings S.A.  
(as represented by Altus Group Limited), COMPLAINANT***

**and**

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

**before**

***L. Yakimchuk, PRESIDING OFFICER  
D. Julien, MEMBER  
H. Ang, 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: 200705143**

**LOCATION ADDRESS: 326 11 Av SW**

**FILE NUMBER: 68211**

**ASSESSMENT: \$47,760,000**

This complaint was heard on July 18, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *D. Genereux, Altus Group Limited*

Appeared on behalf of the Respondent:

- *E. Currie, City of Calgary Assessment*

**Property Description:**

[1] Vintage Towers 1 and 2 is assessed as an eight-storey, 213,751 square foot (sf) office building on a 37,675 sf site in Calgary's Beltline community. Assessment Website information shows Tower 1, constructed in 1929, is 98,356 sf and Tower 2, constructed in 2004 with a connector between the two towers, is 115,697 sf.

**Issues:**

[2] Is the assessment equitable? Should Vintage Tower 1 be assessed as an "A" class building? Are the rates for "B" class buildings more appropriate for Vintage Tower 1?

**Complainant's Requested Value:** \$37,090,000

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

**Evidence and Arguments**

[3] The Complainant, D. Genereux, Altus Group Limited, asked that arguments and discussion from file 68331, CARB 1131-2012-P, be included in the support for these issues. Accordingly, the Board considered that information along with any new information presented, and included it in this decision.

[4] The Complainant argued that Vintage Tower 1 is older and constructed in a different manner from Vintage Tower 2. He said that it should be rated as a "B" building, one level lower than Vintage Tower 2, which is rated "A". In his argument he included the location of the elevators, which are on the side of Tower 1 rather than at the core as in Tower 2, thereby removing space available for window offices, and the need for steps to get from the joint access for the two buildings to Tower 1.

[5] Mr. Genereux included a list of comparable "B" properties, all of which were built between 1976 and 1995. He suggested that Vintage 1, built in 1929, used construction material, floor plans and a window to floor area ratio reflective of that era. The list of "B" properties, he said, included buildings which would have used modern building materials and designs. Therefore, he concluded, "B" classification was superior for the Vintage 1, but would be acceptable to the Complainant.

[6] Further, the Complainant included a capitalization rate study which concluded that the effective capitalization rate for "B" class office buildings should be 12.00%, not 7.75% as used by the City of Calgary Assessment Offices. The resulting rate would be applied to Vintage 1

building only, as Vintage 2 is accurately classified. A list of sales of class "B" buildings was also presented.

[7] The Respondent, E. Currie, on behalf of the City of Calgary, provided third party information that Vintage Tower 1 had been renovated in 1999 and again in 2003-4, when Vintage Tower 2 and the connecting structure were built. As well, RealNet information indicated that the subject property had been sold in 2005 for \$62,100,000.

[8] In her documentation, the Respondent included the ARFI for the subject property which confirmed that it was achieving rents higher than the rate used in the Income Approach property evaluation (\$14 to \$35). She provided tables showing that the 2012 Beltline Office "A" rent study indicates \$16/sf as the current rate, with 10% vacancy and a capitalization rate of 7.25%.

[9] The Respondent also included a sale (August 11, 2011) of a Beltline "A" office building which achieved a sale price of \$557/sf (\$90,000,000), superior to the assessed value for Vintage Towers.

[10] Both the Complainant and the Respondent were familiar with the subject property. The Respondent stated that the two towers were finished identically. The Complainant and Respondent agreed that each tower had two elevators, with steps to access the bottom level of Vintage 1 from the main entrance.

#### Board Findings

[10] The Board found that the Complainant did not have evidence from comparable buildings to support the "B" classification for Vintage Tower 1, nor to support the increased capitalization rate to create an equitable assessment. Further he had no evidence to support his argument that the construction of Vintage Tower 1 was inferior to construction of other "A" class buildings.

[11] The Board found that the subject ARFI, which supports current rent rates, was the best evidence available before the Board. The value achieved through the Income Calculation was supported by the subject sale (2005). These numbers confirm the assessment rate was calculated in a way which achieved a fair market value assessment.

#### **Board's Decision:**

[12] The Board confirms the assessment at \$47,760,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF August 2012.



**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	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.*

**For MGB Administrative Use Only:**

Decision No. 0808-2012-P

Roll No. 092028703

<b>Subject</b>	<b>Type</b>	<b>Issue</b>	<b>Detail</b>	<b>Issue</b>
CARB	Offices	Multi	Income	Class