

**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:

***Canadian Leaseback (GP) Inc.
(as represented by Altus Group Limited), COMPLAINANT***

and

The City of Calgary, RESPONDENT

before:

***J. Dawson, PRESIDING OFFICER
P. Pask, MEMBER
I. Fraser, MEMBER***

This is a complaint to the Calgary Composite Assessment Review Board [CARB] 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:	068232404
LOCATION ADDRESS:	220 4 Avenue SE
LEGAL DESCRIPTION:	Plan 7610177; Block 127
HEARING NUMBER:	67042
ASSESSMENT:	\$ 75,860,000

- [1] This complaint was heard on the 7th day of August, 2012 at the office of the Assessment Review Board [ARB] located at Floor Number 4, 1212 31 Avenue NE, Calgary, Alberta, Boardroom 2.
- [2] Appeared on behalf of the Complainant:
- G. Kerslake Senior Director, Altus Group Limited
 - S. Meiklejohn Director, Altus Group Limited
- [3] Appeared on behalf of the Respondent:
- H. Neumann Assessor, City of Calgary

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

- [4] No procedural or jurisdictional matters were raised.

Property Description:

- [5] Constructed in 1976, the subject – 220 4 Avenue SW, is a high-rise downtown office building located along 4th Avenue between 1th Street and MacLeod Trail SE in the DT3 sub market area.
- [6] The Respondent prepared the assessment showing 450,722 square feet of office space rated as a 'B' quality, 200 square feet of food court, 2047 square feet of retail space, and 302 enclosed parking stalls. The site is 238,213 square feet.

Issues:

- [7] The Complainant identified two matters on the complaint form:
- #3. *an assessment amount*
 - #4. *an assessment class*
- [8] Following the hearing, the Board met and discerned that this is the only relevant question that need be answered within this decision:
- 1. *Is the subject property assessed correctly?*

Complainant's Requested Value:

- \$57,560,000 on complaint form
- \$54,900,000 in disclosure document
- \$65,700,000 at hearing confirmed as the request

Board's Decision in Respect of Each Matter or Issue:***Matter #3 - an assessment amount*****Question 1 Is the subject property assessed correctly?**

- [9] The Complainant argued the subject building is a quality grade 'B-' versus the 'B' that it has been assessed at. The material difference between these quality grades is \$2 per square foot typical rental rate. The chart (C1 p. 29) shows all the assessment parameters used to derive a value. The only variance indicated is under typical rental rate, with a 'B' receiving a typical rental rate of \$14, while a 'B-' has a typical rental rate of \$12.
- [10] The Complainant indicated that most comparables are in fact superior to the subject and that if the Board did not find the subject to be a 'B-' that a change in the rental rate to \$12 would be an acceptable alternative.
- [11] The Complainant provided charts (C1 pp. 64-66) to illustrate the lease rates for 'B' graded buildings is actually \$12.39 on average for typical rental rate, and three of these buildings are superior to the subject in year of construction and location.
- [12] The Respondent noted that the Complainant included two leases in their charts which are actually 'C' graded buildings, which has the effect of lowering the average. The Respondent provided his own chart of comparable leases (R1 pp. 30-31) that support the \$14 typical rental rate.
- [13] The Complainant argued that three buildings listed within the Respondent's chart are 'B+' versus 'B' and need to be removed to correct error. The Complainant did not provide a new calculation, simply stating that the mean, median and weighted mean will all drop with this correction.
- [14] The Respondent argued that the subject is in fact a 'B' and that it should not be changed. The Respondent charges that the Complainant has provided no evidence to suggest a change in quality grading. The Respondent cites the building, built in 1976, was built to a high standard and has been well maintained. If anything the Respondent indicates there is an argument to classify the building as an 'A'.
- [15] The Respondent indicates from an equity stand point the assessment has hit the mark; there is no evidence to suggest the assessment is incorrect. The Respondent has supplied 104 leases, and several sales which lead to a confirmation.
- [16] During Last Word, the Complainant argued that from an equity stand point that the subject's assessment must be corrected and that a grading change to 'B-' will correct the assessment.
- [17] **The Board finds insufficient evidence to grant the request of the Complainant. There is no Assessment Request for Information, no rent roll, no evidence to suggest that the subject is incorrectly assessed. The subject property is correctly assessed.**

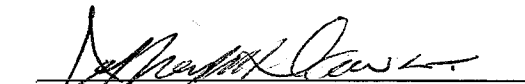
Matter #4 - an assessment amount

- [18] The Board did not hear any evidence requesting a change in an assessment class from its current non-residential designation.

Board's Decision:

- [19] After considering all the evidence and argument before the Board it is determined that the subject's assessment is confirmed at a value of \$75,860,000.

DATED AT THE CITY OF CALGARY THIS 12th DAY OF Sept 2012.


J. Dawson
Presiding Officer

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

NO.	ITEM
1.	C1 Complainant Disclosure
2.	C2 Complainant Disclosure Appendix
3.	R1 Respondent Disclosure
4.	C3 Rebuttal 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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Office	Low Rise	Income Approach	Rental Rate