

**CALGARY
COMPOSITE 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

Safeway Holdings (Alberta) Ltd., (as represented by Meyers, Norris, Penny LLP (MNP LLP), COMPLAINANT

And

The City Of Calgary, RESPONDENT

Before:

***M. Chilibeck, PRESIDING OFFICER
E. Reuther, MEMBER
D. Pollard, 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: 033035908

LOCATION ADDRESS: 1323 – 44 AV NE

HEARING NUMBER: 66521

ASSESSMENT: \$3,590,000

[1] This complaint was heard by the Composite Assessment Review Board on 13th day of August, 2012 in Boardroom 9 on Floor Number 3 at the office of the Assessment Review Board located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

- M. Uhryn

Appeared on behalf of the Respondent:

- K. Buckry

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

[2] Neither party raised any objections to a member of the Board hearing the subject complaint.

[3] There were no preliminary matters raised by either party.

Property Description:

[4] The subject property consists of two, one storey, multi-tenant, suburban, class C, low-rise, office buildings with a total 42,450 square feet of office space constructed in 1974. It is situated on 2.71 acres of land located on 44 Avenue in between 12th Street and 14th Street in Northeast (NE) Calgary. The subject is known as McCall Park Place.

Issues:

[5] The Complainant identified the matter of an assessment amount on the Assessment Review Board Complaint and attached a list outlining several reasons and grounds for the complaint. At the hearing the Complainant identified the issue as follows:

1. The market net rental rate should be reduced to \$8 per square foot of office area (from \$9).

Complainant's Requested Value: \$3,100,000.

Board's Findings in Respect of Each Issue:

[6] The subject property is valued using the capitalized income method. The assessment is determined by applying a net rental rate of \$9 per square foot of building area.

[7] The Complainant requests a net rental rate of \$8 per square foot and accepts all other valuation coefficients used by the Respondent.

1. Rental Rate

[8] The Complainant provided a list of eight recent net rental rates of the subject property and 20 net rental rate comparables from four buildings in support for the requested rate of \$8 per square foot.

[9] The Board finds that the Complainant's rental rate comparables from the four buildings are not similar to the subject because they are industrial/office buildings as supported in evidence with photographs by the Respondent.

[10] The Board turned their mind to the recent leases of the subject property. Both parties provided an analysis and argument regarding the eight lease rate comparables of the subject and the supporting rent roll information. The Respondent added one lease rate and altered the rate of another which resulted in a median rate of \$9 per square foot. The Complainant, in rebuttal, accepted the Respondent's addition of the one lease rate (start date of September, 2010) and eliminated four; a renewal in August, 2009 at \$9, a month to month at \$5.96, start date of January, 2009 at \$13 and a post facto at \$11 (start date of December 2011).

[11] The Board was convinced by the Complainant's analysis in rebuttal wherein four rate comparables were eliminated and one rate comparable was added which results in five comparables with a median rate of \$8 per square foot and mean rate of \$8.20 per square foot. This supports the requested rate of \$8 per square foot.

Board's Decision:

[12] The Board changes the assessment to \$3,100,000.

DATED AT THE CITY OF CALGARY THIS 28 DAY OF AUGUST 2012.



M. Chilibeck
Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Disclosure
2. C2	Complainant's Rebuttal
2. R1	Respondent's 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. 046-1492-2012P			Roll No. 033035908	
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Office	Low Rise	Income Approach	-Rent Rate