

**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:

***Telus Communications Inc., as represented by Colliers International Realty Advisors Inc.,
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***S. Barry, PRESIDING OFFICER
E. Bruton, MEMBER
D. Morice, 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:	068076108
LOCATION ADDRESS:	120 7 AV SW
HEARING NUMBER:	66060
ASSESSMENT:	\$18,910,000

This complaint was heard on the 29th day of August, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *C. Hartley, Colliers International Realty Advisors Inc.*
- *A. Farley, Colliers International Realty Advisors Inc.*

Appeared on behalf of the Respondent:

- *A. Czechowskyj, City of Calgary*

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

[1] The Parties originally requested that, other than information and evidence specific to this building, that all the relevant evidence, questions and argument from CARB 1641/2012-P, Hearing 66062, heard on August 27, 2012 by this Board, be carried forward to this complaint. The Complainant made his presentation on that basis. However, when it came time for the Respondent to present, he changed his position and said that he intended to speak to his R1 disclosure document in its entirety.

Property Description:

[2] The property under complaint is located at 120 7 Av SW in the DT1 district of the Downtown. It is assessed as a B- building using the Income Approach to value. It contains 151,675 square feet (sq.ft.) of assessable space of which 72,019 sq.ft. is assessed as office at a rate of \$15 per sq.ft. and 79,656 sq.ft. is assessed as storage at \$8.00 per sq.ft. with a vacancy rate of 8 per cent and a capitalization rate (cap rate) of 7.5 per cent.

Issues:

1. Is the subject appropriately classed as a B- building?
2. Consistent with C class buildings, would a reduction in the rent rate to \$12 per sq.ft., an increase in the vacancy rate to 15 per cent and an increase in the cap rate to 8 per cent result in more correct market value for assessment purposes?

Complainant's Requested Value:

[3] The requested value on the Complaint Form was \$10,915,500. In the Complainant's C1 disclosure document, the assessment request was revised to \$13,900,000.

Board's Decision in Respect of Each Matter or Issue:**Issue 1: Building Classification:**

[4] The Complainant noted that, with the subject building, the lack or functionality of windows is still a significant issue with windows to the front and back of the building but not the sides.

[5] In addition to the Complainant's arguments and evidence contained in CARB 1641/2012-P and not reproduced here, the Complainant noted that there were no sales of buildings in DT1 that were mostly or even half storage space and, therefore, he had nothing against which to test the requested assessed value per sq.ft.

[6] The Respondent reiterated the same issues and argument as with Hearing 66062, providing, however, additional sales in support of his market value position.

Board's Decision and Reasons:

[7] As with the related hearing and decision at CARB 1641/2012-P, the underlying argument is that the valuation parameters should be adjusted because the building is a C class, not a B-class building. For the same reasons as articulated in CAB 1641/2012-P, the argument failed. The lack of rental or vacancy rates and clear physical descriptors to support the argument do not justify the significant decrease in assessment requested by the Complainant.

Issue 2: Reduction in Rent, Vacancy and Cap Rate:

[11] The Complainant failed to demonstrate that the premises are of a lesser class than the one in which it was assessed. Accordingly, the Board found no merit in adjusting the value of the requested components

Board's Decision:

The 2012 Assessment is confirmed at \$18,910,000

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


S. Barry
Presiding Officer

APPENDIX "A"

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

NO.	ITEM
1. C1	Complainant's Disclosure
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.:		Roll No.:		
Subject	Property Type	Ppty Sub-type	Issue	Sub-Issue
CARB	Office	High Rise	Income App	Bldg Class