

**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:**

***607347 Alberta Ltd., COMPLAINANT (as represented by Altus Group Limited)***

**and**

***The City of Calgary, RESPONDENT***

**before:**

***J. Dawson, PRESIDING OFFICER***

***R. Kodak, MEMBER***

***J. Mathias, 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 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>201367992</b>
<b>LOCATION ADDRESS:</b>	<b>808 42 Ave SE</b>
<b>HEARING NUMBER:</b>	<b>61083</b>
<b>ASSESSMENT:</b>	<b>\$19,330,000</b>

This complaint was heard on the 19<sup>th</sup> day of August, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *S. Sweeny-Cooper* Agent, Altus Group Limited

Appeared on behalf of the Respondent:

- *A. Jerome* Assessor, The City of Calgary

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

No objections on procedure or jurisdiction were raised.

**Property Description:**

The subject property is located in the southeast neighbourhood of Highfield Industrial with 259,419 square feet of assessable land, and three multi-tenanted buildings with a combined assessable building area of 105,492 square feet. The subject was built in 2005 of an A- quality predominantly used for suburban office space. There are 33 assessable parking stalls on site. The Income Approach was utilized by the Respondent calculating a Net Operating Income (NOI) of \$1,577,155 using \$18.00 for office rental rate, \$1080.00 for parking rental rate, 7.50% capitalization rate and 10% office and 2% parking vacancy. There is a \$1,690,000 exemption on the property resulting in the current assessment of \$19,330,000.

**Issues:**

The Complainant identified two matters on the complaint form:

1. assessment amount is incorrect,
2. assessment class is incorrect, and

During the review of the complaint form the Complainant confirmed the only matter to be argued before the Board was an assessment amount therefore the other issue has been resolved. These are the relevant remaining grounds for appeal listed on the complaint form;

- i. The assessment of the subject property is in excess of its market value for assessment purposes.
- ii. The assessment of the subject property is unfair and inequitable considering the assessments of comparable properties.
- iii. The information requested from the municipality pursuant to Section 299 or 300 of the Municipal Government Act was not provided.
- iv. The office classification of the subject premise is unfair, inequitable and incorrect.
- v. The assessed value is unfair, inequitable and incorrect because the rental rate should be no more than \$13.00.

**Complainant's Requested Value:** \$13,650,000 (complaint form)  
\$14,780,000 (disclosure document using 10% vacancy,  
7.50% capitalization rate and \$14.00 office rental rate)

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

Is the assessment of the subject property in excess of its market value for assessment purposes?

**The Board finds the assessment of the subject property is assessed at market value.**

The Complainant presented a table of 22 lease comparables on page 38 of their document C1. There are several problems with this list; 16 of the comparables are from one complex and outside of the stratification zone used by the Respondent, three leases were omitted from the table though the Complainant used other leases within one building, and some leases were not typical lease terms or outside of the valuation period.

The Respondent presented 13 lease comparables on page 28 of their document R1. There appeared to be problems with 6 leases as they were from the same building and a great distance from the subject and may not be comparable however they remained within the stratification zone utilized by the Respondent.

On balance the Board found the lease comparables from the Respondent to be more relevant and accepted the \$18.00 assessed lease rate.

Is the assessment of the subject property unfair and inequitable considering the assessments of comparable properties?

**The Board finds the assessment of the subject property to be fair and equitable.**

The Complainant did not provide any equity comparables for the Board to consider. The Respondent provided a table on page 25 of their document R1 showing the subject is treated equitably with comparable properties of similar size, condition and age.

Was the information requested from the municipality pursuant to Section 299 or 300 of the Municipal Government Act provided?

**The Board finds the assessment no fault with the Respondent's conduct.**

The Complainant provided no evidence to support this claim.

Is the office classification of the subject premise unfair, inequitable and incorrect?

**The Board finds the office classification of the subject property to be correct, fair and equitable.**

The Complainant provided no evidence to support this claim.

Is the assessed value unfair, inequitable and incorrect because the rental rate should be no more than \$13.00?

**The Board finds the assessment of the subject property to be fair and equitable and at market value.**

The Complainant presented a table of 22 lease comparables on page 38 of their document C1. There are several problems with this list; 16 of the comparables are from one complex and outside of the stratification zone used by the Respondent, three leases were omitted from the table though the Complainant used other leases within one building, and some leases were not typical lease terms or outside of the valuation period.

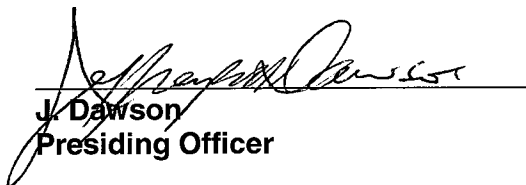
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On balance the Board found the lease comparables from the Respondent to be more relevant and accepted the \$18.00 assessed lease rate.

**Board's Decision:**

After considering all the evidence and argument before the board, the complaint is denied, and the assessment is confirmed at \$19,330,000.

**DATED AT THE CITY OF CALGARY THIS 15 DAY OF September 2011.**

  
J. Dawson  
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. R1	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.*

<b>Municipal Government Board use only: Decision Identifier Codes</b>				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Office	Low Rise	Income Approach	Net Market Rate