

**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:

Newvest Realty Corporation, 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:

ROLL NUMBER:	091002303
LOCATION ADDRESS:	807 42 Ave SE
HEARING NUMBER:	61087
ASSESSMENT:	\$15,190,000

This complaint was heard on the 19th 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 178,829 square feet of assessable land, and three multi-tenanted buildings with a combined assessable building area of 77,940 square feet. The subject was built in 2000 of an A- quality predominantly used for suburban office space. The Income Approach was utilized by the Respondent calculating a Net Operating Income (NOI) of \$1,139,950 using \$18.00 for office rental rate, 7.50% capitalization rate and 10% office vacancy. The result is a current assessment of \$15,190,000.

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 office classification of the subject premise is unfair, inequitable and incorrect.
- iv. The assessed value is unfair, inequitable and incorrect because; a) the rental rate should be no more than \$13.00, b) the vacancy and credit allowance should be no less than 15%.
- v. The current assessment does not reflect the physical condition of the unfinished space in the Subject as of the relevant assessment dates.

Complainant's Requested Value: \$9,570,000 (complaint form)
\$10,440,000 (disclosure document using 14% 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 32 of their document C1. The Board notes and heavily weighted this evidence as; 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 the same building, and some leases were not typical lease terms or outside of the valuation period.

The Respondent presented 13 lease comparables on page 38 of their document R1. Six leases were from one building and a substantial distance from the subject; however they are within the stratification zone utilized by the Respondent. The Respondent also provided the April 2010 rent roll and Assessment Request for Information (ARFI) from the subject which indicated active leases averaging \$17.64 per square foot.

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? And 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 correct, fair and equitable.

The Complainant did not provide any equity comparables for the Board to consider. The Respondent provided a table on page 35 of their document R1 showing the subject is treated equitably with comparable properties of similar size, condition and age.

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

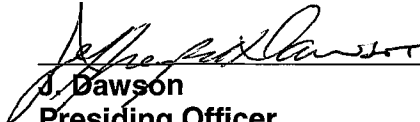
The Board finds the office classification of the subject property to be correct, fair and equitable.

The Complainant provided no evidence to support this claim.

Board's Decision:

After considering all the evidence and argument before the board, the assessment is confirmed at \$15,190,000.

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:**

NO.	ITEM
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.*

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