

**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:

Project 58 Inc.
(as represented by Altus Group Limited), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER
M. Grace, MEMBER
J. Pratt, 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:	101013506
LOCATION ADDRESS:	444 58 Avenue SE
LEGAL DESCRIPTION:	Plan 5219GO; Lot 8
HEARING NUMBER:	68227
ASSESSMENT:	\$ 7,180,000

- [1] This complaint was heard on the 16 day of October, 2012 at the office of the Assessment Review Board [ARB] located at Floor Number 3, 1212 31 Avenue NE, Calgary, Alberta, Boardroom 8.
- [2] Appeared on behalf of the Complainant:
- B. Neeson Agent, Altus Group Limited
 - K. Fong Agent, Altus Group Limited
- [3] Appeared on behalf of the Respondent:
- R. Farkas Assessor, City of Calgary

SECTION A: Preliminary, Procedural or Jurisdictional Issues:

- [4] No preliminary, procedural, or jurisdictional matters were identified.

SECTION B: Issues of Merit

Property Description:

- [5] Constructed between 1973 and 2007, the subject – 444 58 Avenue SE, is comprised of four buildings: 1) a single-storey retail building with a quality grade of 'A+', built in 1996 with 3,650 square feet of assessable area; 2) a single-storey retail building with a quality grade of 'A+', built in 1992 with 2,600 square feet of assessable area; 3) a two-storey warehouse building with a quality grade of 'A+', built in 1973 with 19,902 square feet of assessable area that is broken down into 4,193 square feet of office space and 15,709 square feet of storage; and 4) a single-storey office building with a quality grade of 'A+', built in 2007 with 11,739 square feet of assessable office space. The subject is located three blocks west of Blackfoot Trail at 58 Avenue SE in a community known as Manchester Industrial. The site has an area of 155,759 square feet.

Matters and Issues:

- [6] The Complainant identified two matters on the complaint form:
- Matter #3 - an assessment amount*
Matter #4 - an assessment class
- [7] Following the hearing, the Board met and discerned that these are the relevant questions which needed to be answered within this decision:
1. *Is the assessed rental rate correct for the office space?*

Complainant's Requested Value:

- \$5,250,000 on complaint form
- \$5,480,000 in disclosure document and confirmed at hearing as the request

Board's Decision in Respect of Each Matter or Issue:***Matter #3 - an assessment amount*****Question 1 Is the assessed rental rate correct for the office space?*****Complainant's position***

- [8] The Complainant argued the assessed office rental rate of \$24 per square foot is too high, and that the assessment should be \$15 per square foot based on similar nearby office space achieving \$15 per square foot, and similar city-wide office space is achieving \$14.50 per square foot. (C1 p. 3)
- [9] The Complainant reviewed; the 2012 Property Assessment Notice, Property Assessment Summary Report, Non-Residential Properties – Income Approach Valuation, maps, and photos of the subject. (C1 pp. 84-96)
- [10] The Complainant provided a city-wide report entitled; '2012 Leasing Analysis – Retail Office Space', which concluded a median of \$14.50 during the valuation period. (C1 pp. 100-101)
- [11] The Complainant provided a report entitled; 'Macleod Trail & Area – 2012 Retail Office Leasing' analysis, which resulted in a median of \$14.00 during the valuation period. (C1 pp. 100-101)
- [12] The Complainant supplied photos, property sketches, and Non-Residential Properties – Income Approach Valuation reports from comparable properties to establish their level of comparability. (C1 pp. 103-115)
- [13] The Complainant reviewed a report authored by the Respondent and presented during a previous hearing that demonstrated that similar properties within the area are assessed at \$15 per square foot. (C1 pp. 117-122)
- [14] The Complainant concluded with the request of \$5,480,000 as demonstrated in their report; 'Requested 2012 Municipal Shopping Centre Assessment Summary'. (C1 p. 124)

Respondent's position

- [15] The Respondent asserted that the assessment is correct and will be demonstrated with equity and lease comparables. (R1 p. 2)
- [16] The Respondent reviewed the subject details, including; maps, photos, and Assessment Request for Information [ARFI]. (R1 pp. 4-11)
- [17] The Respondent provided the assessed details and calculations that resulted in the assessment

of \$7,180,000. (R1 pp. 12-13)

- [18] The Respondent presented equity assessment information from two properties deemed to be comparable in the northwestern portion of the city. A single lease was identified in each comparable; however, no photos, *ARFI*, or other evidence was provided to establish comparability. (R1 pp. 14-15)
- [19] The Respondent analysis of the subject's *ARFI* concludes that the subject is achieving the assessed rental rates, concluding that the assessment is correct, fair and equitable. (R1 p. 16)

Board's findings

- [20] The Board finds that the Complainant established a *prima facie* case; therefore, the *onus of proof* has shifted to the Respondent.
- [21] The Board finds the evidence of the Respondent does not defend the assessment; therefore, the Board has relied upon the evidence supplied by the Complainant and reduces the assessment as requested.


Matter #4 - an assessment class

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

Board's Decision:

- [23] After considering all the evidence and argument before the Board it is determined that the subject's assessment is changed to a value of \$5,480,000 which reflects market value and is fair and equitable.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF December 2012.


J. Dawson
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure – 146 pages
2. R1	Respondent Disclosure – 34 pages
3. C2	Rebuttal Disclosure – 87 pages

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	Market Rent