

**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:

Real Equity Centre Inc., as represented by Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

S. Barry, PRESIDING OFFICER

J. Rankin, MEMBER

A. Wong, 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:	044053650
LOCATION ADDRESS:	1716 16 AV NW
HEARING NUMBER:	68098
ASSESSMENT:	\$4,030,000

This complaint was heard on the 9th day of October, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- *D. Chabot, Altus Group Limited*

Appeared on behalf of the Respondent:

- *M. Lau, City of Calgary*

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

- [1] There were no procedural or jurisdictional matters raised at the hearing.

Property Description:

[2] The property under complaint is a B quality, multi-tenanted, suburban office building, located in the Capitol Hill community at 1716 16 Av. NW. The land use district is Commercial – Corridor 2. It was built in 1973 and has an assessable building area of 26,215 square feet (sq.ft.). It is assessed using the Income Approach to value applying rent rates of \$14 per sq.ft. for the office space and a vacancy rate of 4.5 per cent.

Issues:

- [3] Does a rent rate of \$13 per sq.ft. better reflect the value of the property on July 1, 2011?
- [4] There was no dispute with respect to any of the other inputs to the assessment calculation.

Complainant's Requested Value:

- [5] The Complainant requested that the assessment be reduced to \$3,740,000.

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

[6] The Complainant provided a chart indicating four current leases in the subject property. They ranged from \$11 to \$14 per sq.ft. with a median of \$13. There were no rent rolls in evidence to support the chart. The Complainant explained that she had been unable to obtain them.

[7] She pointed to the high vacancy rate of 42 per cent as evidenced in the City's 2012 Northwest Suburban Office Vacancy Analysis as well as the 2011 City-accepted vacancy rate and suggested that, on this site specific basis, this high vacancy rate would support the rationale for a lower rental rate.

[8] The Respondent provided three of the same lease comparables as the Complainant but added a post facto lease that started on November 1, 2011 for \$17 per sq.ft. and a redacted 2012 Assessment Request for Information (ARFI) return. The Respondent also charted eight leases in six buildings that ranged from \$10 to \$16.83 per sq.ft. with a median rate of \$14 per sq.ft. These leases were not supported by rent rolls.

[9] The Board placed no weight on the post facto lease; however, the evidence does not support an amendment to the assessment.

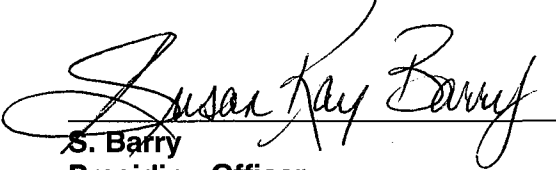
Board Decision and Reasons:

[10] The Board weighed the Complainant's site specific information against a larger list of leases from the Respondent and found that the rents presented supported the assessment. In the absence of rent rolls or more compelling information from the Complainant there was nothing before the Board to support the request.

Board's Decision:

[11] The 2012 assessment is confirmed at \$4,030,000

DATED AT THE CITY OF CALGARY THIS 22 DAY OF OCTOBER 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.: 2123/2012-P		Roll No.: 044053650		
Subject	Property Type	Ppty Sub-type	Issue	Sub-Issue
CARB	Office	Low-Rise	Rent Rate	