

**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:**

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

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***Board Chair, J. Zezulka  
Board Member, R. Roy  
Board Member, T. Usselman***

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 2012 Assessment Roll as follows:

**ROLL NUMBER: 066190406**

**LOCATION ADDRESS: 1525 - 10 Avenue SW**

**HEARING NUMBER: 66059**

**ASSESSMENT: \$9,650,000**

This complaint was heard on 19th day of October, 2012 at the office of the Assessment Review Board located at Floor Number Three, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom nine.

Appeared on behalf of the Complainant:

- *T. Howell*

Appeared on behalf of the Respondent:

- *R. Fegan*

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

- (1) There were no procedural or jurisdictional issues raised by either party.

**Property Description:**

- (2) The subject consists of a class B suburban office building containing 66,834 square feet (s.f.). The land area is 1.20 acres.

**Issues:**

- (3) The subject is currently assessed on the income approach to value. The Complainant does not dispute the valuation method, nor does the Complainant dispute the vacancy rate, operating costs, non-recoverable allowance, or the capitalization rate used. The only issue in this complaint is the rent applied. The City has used a rent of \$13.00 per s.f. in the preparation of the assessment. The Complainant argues that a rent of \$11.00 per s.f. is more appropriate.

There are no other issues.

**Complainant's Requested Value:** \$8,120,000

**Evidence**

- (4) In support of his requested rent rate, the Complainant submitted five Beltline leases in class B office buildings. The rents indicated range from \$9.50 to \$13.00 per s.f., with an average and median of \$11.10 and \$11.00 respectively. No details regarding the source of the information, the tenant, or the lease terms was provided.

- (5) The Respondent produced 72 leases in the 2012 Beltline Office Class B Rent Study. The leases have commencement dates that cover a one year period prior to the effective date of the assessment. The mean and median of the rents appears at \$13.21 and \$13.00 per s.f.

**Board's Findings**

- (6) In the Board's view, the quality of the individual rent comparables provided by both parties is equal. The Board recognizes that the market does not operate within confined boundaries. As such, market values, and market rents, are seldom precise amounts, but generally fall within an acceptable range. For that reason, an argument could be made for

market rents that are near the top, or near the bottom, of that range. And either argument could be equally well supported by market evidence. In this instance, however, the sheer volume of evidence provided by the Respondent outweighs the Complainant's submission.

(10) The onus of proving that an assessment is incorrect lies with the individual alleging it. The onus rests with the Complainant to provide convincing evidence to justify a change in the assessment. The Complainant has failed to do that.

### **Board's Decision**

(12) The assessment is confirmed at \$9,650,000.

DATED AT THE CITY OF CALGARY THIS 15<sup>th</sup> DAY OF November, 2012.



Jerry Zezulka  
Presiding Officer

### **APPENDIX "A"**

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

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1. C1 Complainant Submission of Evidence,
  2. R1 City of Calgary Assessment Brief

*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.

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**For MGB Administrative Use Only**

Decision No. 2315/2012 - P			Roll No. 066190406	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Office	Income	Rents	