

**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:

Atrium VII 340 Midpark Way Group Ltd., (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. McEwen, PRESIDING OFFICER

J. Rankin, MEMBER

J. Pratt, 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: 156141905

LOCATION ADDRESS: 340 MIDPARK WY SE

HEARING NUMBER: 63677

ASSESSMENT: \$21,080,000

This complaint was heard on the 26th day of September, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, AB, Boardroom 11 .

Appeared on behalf of the Complainant:

- D. Chabot

Appeared on behalf of the Respondent:

- A. Jerome

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

There were no jurisdictional or procedural matters raised by either party.

Property Description:

The subject property is a 101,961 square foot suburban office building located in the Midnapore district of SE Calgary. The subject improvement, constructed in 1981, is classified as A+ for assessment purposes and is assessed using the Income Approach to Value.

Issues:

Is the subject property assessed higher than market value and is the assessment, therefore, inequitable to comparable properties? Specifically, should the rent rate used to assess the subject property be reduced to \$17 per square foot?

Complainant's Requested Value:

\$18,684,000

Board's Findings and Reasons in Respect of Each Matter or Issue:

The Board finds \$17 per square foot to be the appropriate rent rate to apply to the subject property for assessment purposes. The subject assessment was calculated using \$19 per square foot, the typical rate applied to suburban office properties rated as A+.

The Board notes that the subject property was constructed in 1981 and is significantly older than the lease comparables provided by the Respondent (R1, page 21). The photographs of the comparable properties (R1, pages 22, 23) support the Complainant's argument that the subject property is less desirable than the comparables and, therefore, commands rent rates at the low end of the range of these properties.

The Board accepts the recalculation of the median (typical) rent rate derived from the Respondent's 2011 Lease Comparable Chart (R1, page 21). One of the leases used, the lease at 340 MIDPARK WAY SE, is an atypical, short-term lease for space which has since been vacated. Removing this lease from the calculation provides a median of \$18.05 per square foot.

The Board accepts the two most recent subject leases (C1, page 20) as the best indicators of

value for the subject property. The median of the two leases provided is \$17 per square foot.

In summary, the Board finds \$17 per square foot to be the appropriate rent rate to apply to the subject property for assessment purposes.

Board's Decision:

The subject assessment is reduced to \$18,680,000.

DATED AT THE CITY OF CALGARY THIS 29th DAY OF SEPTEMBER 2011.

C. McEwen

C. McEwen
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.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Office	Low Rise	Income Approach	Net Market Rent / Lease Rates