

**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:

***The Standard Life Assurance Company of Canada 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: 067094706

LOCATION ADDRESS: 1015 4 ST SW

HEARING NUMBER: 63475

ASSESSMENT: \$16,270,000

This complaint was heard on the 28th 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:

- J. Toogood

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

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

Property Description:

The subject property is a 117,403 square foot twelve storey office building located in the Beltline district of SW Calgary. The subject improvement, constructed in 1978, is classified as B 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 office rent rate used to assess the subject property be reduced to \$12.00 per square foot from \$14.00 per square foot?
- Should the number of assessed parking stalls be reduced to seventy-three from seventy-seven?

Complainant's Requested Value:

\$13,840,000

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

The Board finds \$12.00 per square foot to be the appropriate office rent rate to apply to the subject property for assessment purposes. The subject assessment was calculated using \$14 per square foot, the typical rate applied to B-rated Beltline office properties.

The Board accepts the ten most recent subject leases (C1, page 13) as the best indicators of value for the subject property. Although four of the leases are post facto, the Board finds them relevant as they support the lease rate trend established by the other leases. The weighted average rate of the ten leases is \$11.95 per square foot, very comparable to the weighted average of the six leases signed prior to the valuation date (\$12.00 per square foot). The Board also accepts that the ten leases represent 25% of the subject's leasable space and so are highly representative of the subject property's leasing power during the valuation period.

The Board notes that the subject property has only one of ten 2010 leases achieving the assessed rate of \$14.00 per square foot.

The Board finds the Respondent's lease rate survey (R1, page 28) to be too selective in the comparable leases used to support the typical rate applied to the subject. Why were none of the leases from the subject property used in the study?

Finally, the Board accepts the \$11.98 per square foot weighted average derived from the aggregate of nineteen Complainant and Respondent leases (C2, page 6) as further support for the requested rate. This calculation used all of the leases in evidence with the exception of one dated lease from 1177 11 AVE SW.

In summary, the Board finds \$12.00 per square foot to be the appropriate rent rate to apply to the subject property for assessment purposes.

In the matter of the correct number of assessed parking stalls, the Board finds that the Complainant has provided insufficient evidence to meet onus. The subject 2011 Assessment Request for Information (ARFI) indicates eighty-three parking stalls on the subject site (C1, page 15), higher than the seventy-seven stalls assessed (R1, page 17). There is no evidence before the Board to support the Complainant's request to reduce the parking stall count to seventy-three.

In summary, the Board finds the appropriate subject rent rate for assessment purposes to be \$12.00 per square foot. The Board also finds the number of subject parking stalls to be correctly assessed.

Board's Decision:

The subject assessment is reduced to \$13,950,000.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF OCTOBER 2011.


C. McEwen
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. 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	High Rise Parking	Income Approach	Net Market Rent / Lease Rates