

**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:

886765 Alberta 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: 067086801

LOCATION ADDRESS: 1324 11 AVE SW

HEARING NUMBER: 63960

ASSESSMENT: \$5,320,000

This complaint was heard on the 29th 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. Genereux

Appeared on behalf of the Respondent:

- L. Wong

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, known as Winwood Plaza, is a 29,450 square foot three storey office building located in the Beltline district of SW Calgary. The subject improvement, constructed in 1979, 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 Net Operating Income (NOI) used to determine the subject assessment be \$248,278?

Complainant's Requested Value:

\$2,920,917

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

The Board finds the assessment of the subject property fair and equitable based upon the evidence before it.

The Complainant provided a recalculation of the subject assessment based upon a Rent Summary and Operating Costs document (C1, page 31) provided by the owner. The subject assessment was calculated using the city's typical inputs for a B-class, Beltline office building.

The Board does not accept the Rent Summary and Operating Costs document as sufficient evidence to support a revision of the subject's NOI and subsequent assessment.

- The resulting Net Income shown on the document is not understood by the Board. How was Net Income calculated? The Complainant was not able to defend the calculation to the Board's satisfaction.

- The subject rent rates and operating costs are supportive of the typical inputs applied by the city for assessment purposes. The subject vacancy appears high but vacancy was not argued as an issue by the Complainant.
- The Board finds the Complainant's methodology of plugging an actual NOI into the city's valuation model (which uses typical inputs) fundamentally flawed. It is impossible for a model using identical inputs to deliver two entirely different results. As the Complainant did not challenge the assessed area, rent rates, vacancy, operating costs or capitalization rate, the Board cannot accept the resulting NOI request.

In summary, the Board finds the subject assessment reasonable as the Complainant's evidence to support a reduction is found to be insufficient.

Board's Decision:

The subject assessment is confirmed at \$5,320,000.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF OCTOBER 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	Improvement Calculation