

**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:**

***534 Capital Corp/Strategic Group (as represented by Altus Group Limited),  
COMPLAINANT***

**and**

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

**before:**

***R. Mowbrey, PRESIDING OFFICER  
H. Ang, MEMBER  
T. Usselman, 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:

<b>ROLL NUMBER:</b>	<b>201561214</b>
<b>LOCATION ADDRESS:</b>	<b>534 17<sup>th</sup> Avenue SW</b>
<b>HEARING NUMBER:</b>	<b>64130</b>
<b>ASSESSMENT:</b>	<b>\$6,640,000</b>

This complaint was heard on 14<sup>th</sup> day of October, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- *D. Chabot      Agent, Altus Group Limited*

Appeared on behalf of the Respondent:

- *D. Satoor      Assessor, City of Calgary*

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

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board advised the parties that the Board had no bias on this file.

The Complainant noted that the Assessment Review Board did not receive any disclosure documents from the Respondent and questioned whether the disclosure documents from the Respondent should be allowed into evidence. The Board recessed, deliberated and rendered a decision to both parties. The decision of the Board was to allow the Respondent's evidence to be entered into evidence. The Board noted that disclosure evidence had met the time frame between the parties and the Board only receives the disclosure documents on the day of the hearing.

**Property Description:**

The subject property is located in the beltline and is assessed as a class A building. The building has approximately 25,199 square feet with 27 parking stalls. The building was constructed in 1976 and is assessed for \$6,640,000.

**Issues:**

What is the correct building class for the subject property?

**Complainant's Requested Value:** \$5,030,000.

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

What is the correct building class for the subject property?

The Complainant presented to the Board a 2011 requested office building assessment valuation. The Complainant used \$14 per square feet for the office portion and a 8.5% capitalization rate to arrive at a \$5,030,000 valuation conclusion. (Exhibit C-1 page 12).

The Complainant presented evidence to the Board showing why the subject property does not compare with class A buildings. The class A buildings have a median of

42,600 square feet of office space compared to the subject property's 20,339 square feet of office space. The Complainant further advised the Board that the median for the year of construction was 2004, whereas the year of construction was 1976 for the subject property. (Exhibit C-1 page 14).

The Complainant presented to the Board equity comparables to the subject property regarding class B buildings noting the important tight range for the year of construction. The median for the year of construction of class B office building equity comparables is 1979, whereas the subject property is 1976. (Exhibit C-1 page 15).

The Complainant presented third party documents showing the building was indeed a class B building. (C-1 page 16 Altus InSite). In addition, the Complainant showed the Board market data indicating the subject property should be classed as a B building.

The Respondent advised the Board that the assessment was based on the income approach to value as an A class building.

In addition, the Respondent advised the Board that the rental rates in the subject property does manifest itself to that of a class A building. (Exhibit R-1 pages 29 to 34).

The Respondent presented the Board with an equity chart for office A class buildings that indicate an office rental rate of \$19 PSF and a capitalization rate of 7.75%. (Exhibit R-1 page 37).

The Respondent advised the Board that the subject property had been sold twice in the last several years. The subject property was sold for \$10,540,000 in January 2007 and later sold for \$9,000,000 in March 2009 for a price per square foot of \$383. (Exhibit R-1 77-79).

**Board's Decision:**

The decision of the Board is to confirm the 2011 assessment of \$6,640,000 as fair and equitable.

**Reasons for the Board's Decision.**


The Board was persuaded by the rent roll of the subject property indicating the rental rates achieved were in line with a class A building.

The Board was further persuaded by the fact of the sale of the building itself. The Board notes that the Courts have held that the best indicator of market value is the sale of the subject property close to the valuation date.

Even though the sale occurred over one year prior to the date of assessment, the Board finds that the Complainant has provided insufficient evidence to show that the

assessment would warrant a 40% reduction.

DATED AT THE CITY OF CALGARY THIS 21<sup>st</sup> DAY OF OCTOBER 2011.

  
**Robert Mowbrey**  
Presiding Officer

**APPENDIX "A"**

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

<b>NO.</b>	<b>ITEM</b>
1. C1-61 pages	Complainant Disclosure
2. R1-79 pages	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.*