

**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

***Whiterock 9705 Horton Road
(as represented by D. Mewha, Altus)
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before

***Lana Yakimchuk, PRESIDING OFFICER
A. Blake, 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:	124192204
LOCATION ADDRESS:	9705 Horton Road SW
HEARING NUMBER:	61107
ASSESSMENT:	\$6,090,000

This complaint was heard on October 21, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 - 31 Avenue NE, Calgary, Alberta, Boardroom 6

Appeared on behalf of the Complainant:

- *Mr. D. Mewha, Altus*

Appeared on behalf of the Respondent:

- *Ms. C. Neal, City of Calgary Assessment Business Unit*

Property Description:

9705 Horton Road SW is a CS0302 suburban 3-building office complex in an industrial-business area of Haysboro. The four-storey and 2 two-storey B-rated buildings have 53,619 square feet of rentable area situated on 74,273 square feet of land. The property is located on Horton Road and backed by the LRT, with the Southland LRT station several blocks away. It is assessed at \$6,090,000.

Issues:

Is the rental rate of \$14.00 correct for this property?

Complainant's Requested Value: \$4,700,000 (\$11 per square foot)

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

Mr. D. Mewha, Altus, on behalf of the Complainant, Whiterock 9705 Horton Road, stated that the rental rate of \$14.00 used by the City was excessive for this property. He requested a rate of \$11.00.

In support of his request, he presented the subject property rent roll, as well as the assessments of six two-level office buildings as comparables. He also included the rent roll for one of the comparable buildings.

The weighted average of rents for the five subject leases dated in the assessment period was \$11.34. These leases represented 19% of the total leasable area.

The six comparable office buildings presented by the Complainant all have been assessed at \$11.00 per square foot. These buildings are all two level buildings with similar exteriors to the subject property, and are all from similar areas.

Mr. Mewha also referred to previous CARB decisions where the actual rents were accepted in the calculation of value.

Ms. C. Neal, on behalf of the City of Calgary, explained that the rental rate chosen for the subject buildings is the typical rate for B-class office buildings in this area.

In support of her argument, she showed a list of B-class comparables from southwest Calgary. The two best comparables were 10325 Bonaventure Dr. SE and 5920 Macleod Tr. SW. These properties are both located on Macleod Trail and were assessed as B-quality buildings with a rental rate of \$14.00. She stated that the location of the subject property near a C-train station made its location similar to the comparables, and the buildings themselves were similar.

The Respondent, Ms. C. Neal, also provided the ARFI for 9705 Horton Rd. (the subject) which confirmed a range of rentals from \$6 to \$22.50, similar to the rent roll presented by the Complainant.

Ms. Neal contended that the comparables presented by Mr. Mewha were C-class buildings, not comparable to the subject B-class building. Mr. Mewha questioned the criteria for classification, and Ms. Neal said the list included age, finish, amenities, and achievable rent among others.

Ms. Neal argued that with mass assessment, typical values are used for rent rather than specific property rents. Further, the *typical* vacancy rate used by the City was higher than the *specific* vacancy rate indicated by the property ARFI, resulting in an incorrectly reduced assessment. Typical and specific rates should not be mixed into the same calculation.

To defend the City's assignment of B-value to the buildings, Ms. Neal also produced the owner's advertisements for the lease of the subject property which indicate that the property is B-quality.

The Board decided that the Complainant did not provide sufficient evidence to prove that the subject property was either atypical or C-quality, to justify a reduction in rate. Photographs provided as evidence of comparables did not indicate inferior finish on the subject, and there was no evidence that the location or finish of the City comparables were superior to the subject.

There was some evidence to indicate that rent rates could be decreasing from the previous year, but the assessment has also decreased in that time.

For these reasons, the Board accepts the current assessment.

Board's Decision:

The Board confirms the City assessment of \$6,090,000.

DATED AT THE CITY OF CALGARY THIS 9th DAY OF November 2011.



Lana Yakimchuk
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.*

This information is for MGB Records Only

File Number	Roll Number	Subject Type	Issue	Detail	Sub-Detail
2555	124192204	Commercial	Rent Rate	Property class	