

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:

***3934381 Canada Inc., (as represented by Colliers International Realty Advisors Inc.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***R. Fegan, PRESIDING OFFICER
Y. Nesry, BOARD MEMBER
D. Pollard, BOARD 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 2013 Assessment Roll as follows:

ROLL NUMBER:	175216902
LOCATION ADDRESS:	600 Crowfoot Cr NW
FILE NUMBER:	70150
ASSESSMENT:	\$45,270,000

This complaint was heard on the 4th day of September, 2013 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:

- B. Peacock, (Colliers International Realty Advisors Inc.)

Appeared on behalf of the Respondent:

- C. Neal, (City of Calgary)

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

- [1] No procedural or jurisdictional matters were raised.

Property Description:

- [2] The subject property is a suburban office complex with a total area 114,278 square feet. The leasable area is composed of 5,230 square feet of bank space, 10,975 square feet of retail space and 98,073 square feet of office space. It has 234 underground parking spaces.

Issues:

- [3] The issue raised in this complaint is that of the rental rate that has been applied to the office space. The subject property has been classified for assessment purposes as a class "A+" office and assessed using a rental rate of \$22.00 per square foot. The Complainant is requesting that the subject be classed as a class "A" office and assessed using a \$20.00 rate.

Requested Value: \$42,130,000.

Board's Decision: The assessment is confirmed at \$45,270,000.

Position of the Parties

Complainant's Position:

- [4] The Complainant argued that with the exception one sub-lease the highest recent office leasing in the subject building is \$20.00 per square foot. The Complainant provided three leases from comparable buildings with 2012 leases ranging from \$20.00 to \$25.00 and an average of \$21.84. The buildings in which these leases took place were assessed at rate of \$20.00. The Complainant argued that if the subject was achieving the same rent as these other

properties it should also be assessed using the \$20.00 rate.

[5] The Complainant provided a copy of MGB 109/10, a 2010 decision of the MGB reducing the assessment of the subject property. In that decision the MGB found that the 2008 sale price of the subject property was influenced by the fact that the purchaser owned the two adjoining properties and needed the subject property to supplement the parking available for the adjoining properties and therefore the purchaser was motivated to purchase the subject property. The Complainant argued that the sale price was the only reason that the subject property had been moved into the A+ class.

Respondent's Position:

[6] The Respondent provided a rental analysis of 8 leases taken from "A+" buildings in the Northwest quadrant of the City. This analysis contained the \$20.00 lease from the subject but did not include the sublease, referred to by the complainant. The median rate from the analysis was \$22.18 and the mean was \$22.80.

[7] The Respondent's analysis included one lease from the subject property and leases from three other buildings. The Respondent provided pictures and some basic descriptive information regarding the similarity between these buildings and the subject property.

[8] The Respondent provided pictures and some basic descriptive information regarding the similarity of the buildings used in the Complainant's rental analysis.

[9] In her summation, the Respondent introduced CARB70602P-2013, this decision involved a similar building in the immediate vicinity of the subject property and in that case, the Board found that the Complainant's comparable properties were not similar to the subject.


Board's Reasons for Decision:

[10] CARB70602P-2013 involved a different complainant and the decision did not identify which properties were introduced as comparable properties. This Board did not rely on CARB70602P-2013.

[11] The Board found that the properties used in the Complainant's rental analysis were not similar to the subject. These properties were significantly older than the subject property, they all lacked a retail component and none of them had underground parking. The Board was not prepared to reduce the rental rate used to value the subject property based solely on one lease from within the subject property.

[12] The Board found that the properties used in the Respondent's rental analysis had a greater degree of similarity to the subject property than those used by the Complainant.

DATED AT THE CITY OF CALGARY THIS 25th DAY OF September 2013.



R. Fegan
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.*

CARB Identifier Codes

Decision No.		Roll No.		
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Commercial	Office	Market Value	Rental Rate

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