



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:

Melcor Developments LTD. (as represented by MNP LLP), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Golden Board Chair, PRESIDING OFFICER
A Huskinson, BOARD MEMBER
T Usselman, 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: 175036920
LOCATION ADDRESS: 400 Crowfoot CR NW
FILE NUMBER: 70602
ASSESSMENT: \$27,820,000

This complaint was heard on 17 day of July, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *J. Langelaar*

Appeared on behalf of the Respondent:

- *C. Neal*

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

- [1] There were no preliminary issues.

Property Description:

- [2] The subject property contains two A+ class suburban office buildings. Both surface and underground parking is provided on site. Retail uses are on the main level of the 64,530 square feet (sq ft) and a single retail use occupies 4640 sq ft in the second building. An assessment was prepared on the income approach and the rental rate is the only contention. Both buildings have a 2001 year of construction.

Issues:

- [3] Issue 1: Should the rental rate of \$22.00 per sq ft applied to A+ quality suburban office buildings also be applied to the subject?

Complainant's Requested Value: \$26,400,000

Board's Decision:

- [4] The Board confirms the assessment at \$27,820,000.

Board's Decision on Issue 1:

Position of the Parties

- [5] **Issue 1:** The rental rate of \$22.00 per sq ft applied to A+ quality building suburban office buildings should be applied to the subject.

Complainant's Position:

[6] The Complainant approached the rental rate argument firstly by submitting to the Board 2 leases in the subject and 1 from a nearby building demonstrating that the rental rate for the immediate vicinity is \$20.00 per sq ft. The \$20.00 per sq ft rate was also supported by the recent rents on the rent roll. In a related argument the Complainant suggested that \$20.00 per sq ft coincided with the rental rates the Respondent applied to A and A- suburban office buildings. The subject building should be reclassified and the \$20.00 rate be applied.

Respondent's Position:

[7] In the Respondent's opinion the classification of a building consisted of more than the rental rate of a building. The rental rate of \$22.00 per sq ft is appropriate to this property and supported the rental rate by providing the "2013 Suburban Office Rental Analysis: A+ Quality". The Respondent's analysis includes 8, 2011 and 2012 leases from A+ buildings in the NW and NE. These leases have a median of \$22.18 per sq ft supporting the assessment. The Complainant's lease information was from a narrow area and amounted to site specific evidence unlike the Respondent's broader approach.

Board's Reasons for Decision:

[8] The Board notes the requested assessment is just over 5% of the actual assessment indicating the difference between the requested amount and the assessment is small. The request for a reclassification to an A- building and therefore a \$20.00 per sq ft rental rate was supported by the Complainant's 3 comparables that the board found to be unlike the subject. The rental rate from the three comparable leases from the Complainant are from the immediate area of the subject and less indicative of market rent than the information provided by the Respondent and therefore the Board is not adjusting the rental rate nor the classification of the building.

DATED AT THE CITY OF CALGARY THIS 29th DAY OF August 2013.



Tom Golden

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.*

Roll	Address	Subject	Issue	Detail	Sub Detail
175036920	400 Crowfoot CR NW	office	income	rent	