



## **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

***Safeway Holdings (Alberta) Ltd.***  
***(as represented by MNP LLP), COMPLAINANT***

and

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

before

***L. Yakimchuk, PRESIDING OFFICER***  
***E. Reuther, BOARD MEMBER***  
***A. Zindler, 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:** 033035908  
**LOCATION ADDRESS:** 1323 44 Av NE  
**FILE NUMBER:** 70995  
**ASSESSMENT:** \$4,490,000

This complaint was heard on October 1, 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:

- *W. Van Bruggen, MNP LLP*

Appeared on behalf of the Respondent:

- *C. Fox, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.

**Property Description:**

- [2] The subject property has been assessed as two 1974, "C" Class low rise office buildings in the McCall Community of NE Calgary. One building is 18,897 square feet (sf) and one is 23,553 sf for a total of 42,450 sf.

**Issues:**

- [3] Is the Income for this property assessed correctly? Specifically, the Complainant is asking for a reduction in rental rate from \$11.00/sf to \$9.50/sf.

**Complainant's Requested Value: \$3,710,000**

**Board's Decision:**

- [4] The Board confirms the assessment at \$4,490,000.

**Legislative Authority, Requirements and Considerations:**

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 Section 460.1:

- (2) Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

### **Position of the Parties**

#### **Complainant's Position:**

[5] W. Van Bruggen (MNP), argued that the rent rate for this class of property was too high, based on a rent rate analysis performed by MNP. The analysis (C1p18) included leases from eight properties (with accompanying photographs). The photographs showed various buildings, most with loading bays. The analysis showed a Median rent of \$8.75/sf, with a weighted average of \$9.58/sf.

[6] The Complainant also included a Vacancy study (C1p26) but did not pursue it in his presentation.

#### **Respondent's Position:**

[7] C. Neal, City of Calgary Assessor, presented the City of Calgary 2013 Suburban Office Rental Analysis: C and D Quality NE. It showed a median of \$11.00/sf and a weighted mean of \$10.81/sf, with an assessed rate of \$11.00/sf. (R1p27)

[8] The Respondent pointed out that most of the proposed comparables in the Complainant's study were warehouses with some office space which are valued lower than office space. The documentation to support this argument was included.

[9] The Respondent presented a Northeast Suburban Office Vacancy Study which showed a vacancy rate of 16.88% and which were assessed at 16% vacancy. (R1p52,53)

#### **Board's Reasons for Decision:**

[10] The Board considered the arguments and evidence presented by both parties. The Complainant had included leases for buildings which were valued lower than, and not

comparable to the subject in its studies. Warehouses rent at a lower rate than offices and have their own vacancy rates.

[11] The Board found the evidence provided by the Respondent to be more accurate and more compelling than the evidence provided by the Complainant.

[12] The Board confirms the 2013 Assessment.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF October 2013.



**Lana Yakimchuk**

**Presiding Officer**

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
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.*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Office	Low Rise	Income Approach	Rent