



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:

PRIMROSE LANE SHOPPING CENTRE LTD.

Complainant

and

THE CITY OF CALGARY

Respondent

before:

T. Shandro, PRESIDING OFFICER

I. Fraser, BOARD MEMBER

M. E. Bruton, 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:	156118507
LOCATION ADDRESS:	239 Midpark Way SE, Calgary, Alberta
FILE NUMBER:	71867
ASSESSMENT:	\$2,340,000

This complaint was heard on the 18th day of July, 2013, at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- D. Bowman, Agent, Assessment Advisory Group Inc.

Appeared on behalf of the Respondent:

- C. MacMillan, Assessor, The City of Calgary
- D. Gioia, Assessor, The City of Calgary

Procedural or Jurisdictional Matters

[1] There were no procedural or jurisdictional matters to be decided.

Property Description

[2] The subject property is a suburban office building located at 239 Midpark Way SE, in the community of Midnapore. It is assessed as being 1,548 square feet ("SF") on a parcel size of 54,296 SF.

[3] From the Respondent's response, dated September 25, 2012, to the City's Assessment Request for Information, there are nine units and all of the units of the subject property are stated to be occupied [p. 23, Exhibit R-1]. This could not be confirmed at the hearing by the Complainant. Information about the tenants and the current leases in the subject property were not included in Exhibit C-1 provided by the Complainant.

[4] For assessment purposes, the quality of the subject property is classified by the City as "B-".

Issues

[5] In Section 4 of the Assessment Review Board Complaint form, filed March 4, 2013 (the "Complaint Form"), the following were marked:

- 1) Box 3, "an assessment amount"; and
- 2) Box 5, "an assessment subclass".

[6] At the hearing the Complainant advised that the latter was marked incorrectly and that this was not an issue for the Board to consider and withdrew any matter related to Box 5.

[7] In Exhibit C-1, the Complainant raised the following issue:

1. Is the quality of the subject property equitably assessed as "B-", and, if not, should the market rental rate used in the Income Approach be adjusted?

Complainant's Requested Value

[8] In the Complaint Form the Complainant requested a reduced assessment of \$2,100,000. At the hearing the Complainant amended the requested value to \$1,770,000.

Position of the Complainant

[9] The Complainant submitted that the quality of subject property was determined incorrectly to be "B-" and that the quality should be determined as "C". The Complainant submitted that should the quality of the subject property be assessed differently, then the market rental rate for the property should be reduced from \$16.00/SF to \$12.00/SF.

[10] In support of this argument, the Complainant provided three comparable properties.

[11] The comparables presented by the Complainant included a medical/dental office at 83 Deerpoint Road SE constructed in 1990, and two suburban office buildings constructed in 1972 and 1979 and located at 2882 Glenmore Trail SE and 8989 Macleod Trail SW, respectively.

Position of the Respondent

[12] As above, the Respondent provided the Assessment Request for Information for the subject property and the Complainant's responses, dated April 3, 2012, and September 11, 2012. There appeared to be leases for the nine units. The Respondent also provided a market analysis of approximately 66 leases, ranging from \$10.04/SF to \$23.16/SF. Twenty-nine of the leases within the analysis were from buildings in Midnapore, including five in the subject building.

[13] The lease rates in the analysis from the subject property were for \$15.00/SF, \$16.57/SF, two for \$13.00/SF, and \$17.00/SF. The mean rate of the analysis was \$15.76 and the median rate was \$16.00.

[14] The Respondent submitted that the comparables of the Complainant were distinguishable from the subject property: one is from the South-west quadrant, and another was a medical/dental office building.

[15] The Respondent concluded that it was the Respondent's position that the evidence of the Respondent demonstrated that the assessed value is correct, fair and equitable.

Board's Reasons for Decision

[16] First, the Complainant provided no market evidence.

[17] Second, the Complainant's comparables appear to be distinguishable from the subject property. Two are either a different type of building or in another quadrant of the City. There is also no information before the Board regarding whether the quality of the Complainant's comparables are correct.

[18] Third, the evidence of the current rent rates within the subject property appear to confirm that the assessed values are fair and equitable.

[19] For these reasons, from the information before the Board, the Board cannot find on a balance of probabilities that the assessed value of the subject property is not fair and equitable.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF August, 2013.


T. Shandro

Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

At the hearing, the Complainant provided the Board and the Respondent with colour copies of some of the pages within C-1. The Respondent agreed that this was not new information and these documents were considered by the Board as a part of C-1.

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.*

For Administrative Purposes Only

Property Type	Property Sub-Type	Issue	Sub-Issue
Office	Lowrise	Income approach	Rental rate