



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:

William J. Holdings Ltd., (as represented by Assessment Advisory Group),
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Fegan, PRESIDING OFFICER
B. Bickford, BOARD MEMBER
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:	066144205
LOCATION ADDRESS:	1928 10 AV SW
FILE NUMBER:	71887
ASSESSMENT:	\$3,020,000

This complaint was heard on the 29th 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:

- D. Bowman, (Assessment Advisory Group)

Appeared on behalf of the Respondent:

- H. Yau, (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 assessed as a 12,348 square feet office building located in the community of Sunalta. The land use designation is Direct Control (DC) and the site area is 13,889 square feet. The building has two stories and was built in 1976.

Issues:

[3] The primary issue is that of classification. The complainant believes that the subject building is incorrectly classified as a "B" building. The complainant argues that if the subject property were correctly classified as a "C" building the rental rate would be reduced to \$14.00 from the current \$15.00 and the capitalization rate applied to the subject would be 5.75% and not 5.25%.

Requested Value: \$2,600,000.

Board's Decision: The complaint is allowed and the assessment is revised to \$2,600,000.

Position of the Parties

Complainant's Position:

[4] The Complainant argued that the subject property should be classified as a "C" class office building. It is a two storey building with no elevator, built in 1976. The subject property is a combination of wood frame and concrete block construction.

[5] The Complainant provided a comparable building that is classified as a "C" building, (The Cheviot Building at 1615 10 AV SW) which the Complainant argued is in fact superior to

the subject.

[6] The Complainant provided two additional buildings that are classified as "B" buildings, (1638 10 AV SW and 1944 10 AV SW) and the Complainant made the argument that if these buildings were "B" buildings the subject must be a "C" building because it is inferior to these buildings.

Respondent's Position:

[7] The Respondent argued that the subject was correctly assessed as a "B" building. The respondent stated that some of the characteristics that were considered when classifying buildings were; physical characteristics, location, floor plate, and parking.

[8] The Respondent stated that the rates used to assess the subject property were derived from the "Beltline" model.

[9] The Respondent pointed out that although the subject has limited underground parking it had sufficient surface parking.

[10] The Respondent pointed to the leasing in the subject as evidence that the subject is a "B" building.

Board's Reasons for Decision:

[11] The Board found that the Cheviot Building (1615 10 AV SW) was comparable to the subject building. In fact it was superior in some aspects; it is closer to the LRT station and it has a larger floor plate than the subject building. The Board found that the subject property was not equitably assessed when compared to the Cheviot Building.

[12] The Board found that because the subject property had been valued using the Beltline model, and given that location is one factor in the classification system, a "C" classification would be a better reflection of the subject property's ability to compete with other similar office buildings in the Beltline.

[13] The Board noted that there was some leasing within in the subject property which indicated that the subject property could achieve rental rates in line with those used to assess the subject property. However, neither party provided a rental study of typical rents for similar buildings in Sunalta or the Beltline. The Board was not prepared to base the classification of the subject building on the actual rent being paid by one tenant.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF August 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. CARB-71887-P			Roll No. 066144205	
<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	Classification

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