



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:

**Zadi Investments Ltd., (as represented by Linnell Taylor Assessment Strategies),
COMPLAINANT**

and

The City Of Calgary, RESPONDENT

before:

**R. Fegan, PRESIDING OFFICER
H. Ang, BOARD MEMBER
P. Charuk, 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:	044033108
LOCATION ADDRESS:	2003 14 ST NW
FILE NUMBER:	72003
ASSESSMENT:	\$1,550,000

This complaint was heard on the 15th day of July, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- J. Mayer (Linnell Taylor Assessment Strategies)

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 building with 11,200 square feet of office space and 23 parking stalls. For assessment purposes the subject property has been classified as a class "C" office. A market rent of \$11.00 per square foot has been used to value the office space and a parking rate of \$960 per annum has been used to value the parking stalls.

Issues:

[3] The only issue raised by the Complainant was the value of the parking stalls. The complainant argued that the parking stalls did not add any value to the property and should be assessed at a zero value.

Requested Value: \$ 1,232,000

Board's Decision: The complaint is denied and the assessment is confirmed.

Position of the Parties

Complainant's Position:

[4] The complainant argued that the 23 parking stalls did not contribute any value to the subject property. Of the 23 stalls available in the building only 4 are leased. The annual rental rates being paid for these 4 stalls ranges from \$600 to \$1,200. The complainant argued that the subject building was a "disadvantaged" office building due to the median in the centre of 14th Street, only southbound traffic can turn into the building. The complainant pointed out that a number of the side streets in the area had been closed off from 14th Street, making it more

difficult to get from the northbound lanes to the southbound lanes of 14th Street. The Complainant argued that in order to achieve market rents the landlord was forced to offer free parking.

[5] The Complainant provided the Board with a copy of CARB 1115/2012-P, to demonstrate to the Board that the subject property had a history of high vacancy.

Respondent's Position:

[6] The Respondent provided rental information for the subject property indicating that recent leasing in the subject property was in the \$10.00 to \$12.00 range and that the subject was fully occupied. Two of the three leases signed in 2012 were at a rental rate of \$12.00 and the Respondent suggested this actual rent was higher than typical market rent as a result of the parking being made available to tenants.

[7] The Respondent provided a parking rate analysis taken from 16 buildings in the north west quadrant of the City. This analysis included the 4 leased parking stalls in the subject building. This analysis supported the \$960 annual parking rate used to value the subject property.

[8] The Respondent also provided pictures and rental information taken from a surface parking lot located immediately across the street from the subject.

Board's Reasons for Decision:

[9] The Board found that there was demand for parking in the immediate area of the subject property. The Board found that 4 of the parking spaces in the subject property were leased at rates that bracket the amount used to calculate the assessment. Neither party provided the actual leases or other documentation to demonstrate whether or not the remaining parking was included in the rental rate. Without knowing the terms of each lease the Board was not able to determine the impact that the parking stalls had on the lease rate. The Board found that based on the evidence no adjustment to the parking rate was warranted.

[10] The Board noted that the issue raised in CARB 1115/2012-P was that of chronic vacancy, however the evidence in this case, indicated that in 2012 the subject property was fully occupied. The Board found that CARB 1115/2012-P was not relevant to the 2013 complaint.

DATED AT THE CITY OF CALGARY THIS 14 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 72003			Roll No. 044033108	
<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	Parking Rate

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