

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:

Picket Fences Inc.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

J. Dawson, PRESIDING OFFICER
A. Huskinson, BOARD MEMBER
P. McKenna, BOARD MEMBER

This is a complaint to the Calgary Composite Assessment Review Board [CARB] 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:	066114398
LOCATION ADDRESS:	1711 10 AV SW
LEGAL DESCRIPTION:	Plan 5380V; Block 216; Lot 13
FILE NUMBER:	72088
ASSESSMENT:	\$ 4,290,000

This complaint was heard on the 12th day of July, 2013 at the office of the Assessment Review Board [ARB] located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4

Appeared on behalf of the Complainant:

- *S. Meiklejohn* *Agent, Altus Group Ltd.*
- *M. Cameron* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *M. Byrne* *Assessor, City of Calgary*

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

[1] The Complainant and Respondent requested that all evidence, discussion, questions and answers heard during decision CARB 71535P-2013 on the Beltline office B rental rates be considered for this complaint.

[2] There are no additional preliminary, procedural, or jurisdictional issues.

Property Description:

[3] The subject property is a low-rise, two storey office space located in the Non-Residential Zone [NRZ] of TA2, between 16th Street and 17th Street SW along 11th Avenue. Graded at a B quality, the structure was constructed some 34 years ago in 1979 and is assessed as 15,750 square feet of office use, 3,240 square feet of office below grade space, and 360 square feet as office storage. The Respondent utilised the Income Approach to Value to arrive at the assessment of \$4,290,000 using a capitalisation rate of 5.25%.

Issues:

[4] Numerous issues have been raised by the Complainant during the complaint process. At the time of hearing two issues are identified; i) the building quality grading with typical parameters, and ii) the office rental rate of for the subject.

Complainant's Requested Value: \$3,420,000

Board's Decision:

[5] The Board found the correct assessment of the subject to be \$3,590,000 changing the quality grading to C and using the typical parameters for a C graded Beltline office building.

Position of the Parties**Complainant's Position:**

[6] The Complainant provided testimony that the subject is better stratified as a C quality to recognise the low-rise characteristic of the subject and its ability to secure tenants versus similar high-rise properties. The Complainant provided photos and location map of the subject and the buildings the Respondent is asking to compare with versus the buildings that the subject should be compared with (C1 pp. 16, 38, 57, 62, 64, 66, 68, and 70).

[7] The Complainant provided various Income Approach Valuation calculation sheets from the Respondent of other C grade office buildings to show that typically they are assessed at \$14 per square foot for office space and \$8 per square foot for below grade office space (C1 pp. 53-59).

[8] However, when C graded office space is segregated to BL1 and BL3, the Complainant showed that the office rental rates in comparable buildings achieve an office rental rate of \$13 per square foot (C1 p. 52). There is no recent rental activity in the immediate area of the subject and the BL1 and BL3 combination shows the best evidence:

[9] The Complainant provided the Assessment Request for Information [ARFI] of the subject to show that the leases in place better reflect a C quality office building (C1 pp. 11-15).

Respondent's Position:

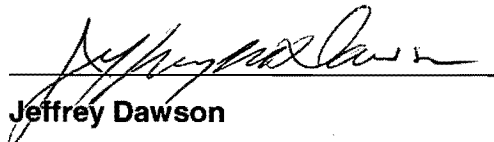
[10] The Respondent provided the ARFI of the subject to show the leasing in place (R1 pp. 16-20).

[11] The Respondent included their Beltline studies for typical rates for B graded office buildings in the Beltline (R1 pp. 22-26).

Board's Reasons for Decision:

[12] The Board found the pictorial evidence presented suggests the correct quality grading of the subject property is a C. Evidence within the Complainant's package indicates that other typical C graded office buildings in the Beltline achieve \$14 per square foot for office rent, \$8 per square foot for office below grade and a capitalisation rate of 5.75%.

DATED AT THE CITY OF CALGARY THIS 14 DAY OF August 2013.



Jeffrey Dawson
Presiding Officer

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

NO.	ITEM
1.	C1 Complainant Disclosure
2.	R1 Respondent Disclosure
3.	71535P-2013 C1 Additional Complainant Disclosure – <i>via cross-reference</i>
4.	71535P-2013 R1 Additional Respondent Disclosure – <i>via cross-reference</i>
5.	71535P-2013 C2 Rebuttal Disclosure – <i>via cross-reference</i>

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.*

Municipal Government Board use only: Decision Identifier Codes				
Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Office	Low Rise	Income Approach	Quality Grading
				Rental Rate