

## **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:

***Homburg (15) L.P. Management Inc.***  
***(as represented by Altus Group Limited), COMPLAINANT***

and

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

before:

***C. J. Griffin, PRESIDING OFFICER***  
***D. Julien, BOARD MEMBER***  
***G. Milne, BOARD MEMBER***

This is a complaint to the 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:

<b>ROLL NUMBER(S):</b>	<b>091005603</b>
<b>LOCATION ADDRESS:</b>	<b>4124 – 9<sup>th</sup> Street SE</b>
<b>FILE NUMBER:</b>	<b>72606</b>
<b>ASSESSMENT:</b>	<b>\$9,670,000.</b>

This complaint was heard on the 4<sup>th</sup> day of September, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 4.

Appeared on behalf of the Complainant:

- D. Chabot

Appeared on behalf of the Respondent:

- M. Ryan

**Board's Decision in Respect of Preliminary and/or Procedural Matters:**

There were no Preliminary or Procedural Matters brought forward by either party.

**Property Description:**

[1] According to the Property Assessment Summary Report (Exhibit C-1 pg. 18), the subject property is an A- Classified lowrise suburban office/warehouse building containing a total assessed office area of 46,976 Sq. Ft. The building, which was constructed in 1961 but it has been completely renovated and modernised, is a modern, single storey structure located in the Highfield Industrial area of southeast Calgary.

**Issue(s):**

[2] The Complainant introduced a single issue (Exhibit C-1 pg. 2) for the CARB's consideration and it is:

- The assessed office rental rate at \$13/Sq. Ft. is in excess of market rent and a reduction to \$12/Sq. Ft. is requested.

**Current Assessment(s):**

[3] \$ 9,670,000.

**Complainant's Requested Value:**

[4] \$ 8,920,000.

**Board's Decision:**

[5] The assessment is **confirmed** at:  
\$ 9,670,000.

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

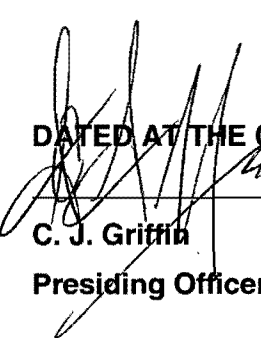
[6] In support of their contention that the assessed office rental rate exceeds market rent, the Complainant introduced (Exhibit C-1 pg. 23) evidence of a lease from within the subject property for a space of 28,856 Sq. Ft. with a commencement date of September 1, 2011 at a rate of \$12/Sq. Ft. The Complainant also introduced (Exhibit C-1 pgs.24 – 40) copies of a 2013 Local Assessment Review Board (LARB) decision and 2011 CARB decisions that support utilization of actual leases from the subject as being the best evidence.

Respondent's Position:

[7] The Respondent introduced (Exhibit R-1 pg. 15) the *2013 Suburban Office Warehouse Rental Analysis: A2 and A- Quality* which shows three leases ranging from \$11/Sq. Ft. to \$14/Sq. Ft. with a Mean of \$12.35/Sq. Ft., a Median of \$12/Sq. Ft. and a Weighted Mean of \$13.55/Sq. Ft. Additionally the Respondent provided (Exhibit R-1 pg. 18) a copy of the Assessor's *2013 Suburban Office Capitalization Rate Summary* which includes an office/warehouse property located at 6010 – 12 St. SE which, as a result of applying a \$13/Sq. Ft. rental rate resulted in an Assessment to Sales Ratio (ASR) of 1.0.

**Board's Decision Reasons:**

[8] Having reviewed the evidence of both parties, the CARB is of the judgment that there are areas of the Respondent's position which could well be open to challenge; however, the Complainant failed to pursue same with sufficient evidence of their own to justify a change in the assessed value. It is the responsibility of the Complainant to provide sufficient, well supported evidence to the CARB to convince the Board that a change is warranted and in this case we were not convinced. Accordingly, the CARB has determined that the assessed office rental rate of \$13/Sq. Ft. is representative of 'market rent' and no reduction in the assessed value derived from this assessed rental rate is warranted.

 DATED AT THE CITY OF CALGARY THIS 4<sup>th</sup> DAY OF October 2013.

C. J. Griffin  
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.*

**For MGB Administrative Use Only**

Municipality: Calgary	Decision No. 72606/P-2013	Roll No: 091005603	
<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
Office	Suburban Med./Dental Office	M.V.	Assessed office rental rate