

## **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:**

***Ribtor East Ltd. (as represented by Altus group Ltd.) COMPLAINANT***

**and**

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

**before:**

***Board Chair; J. Zezulka  
Board Member; R. Deschaine  
Board Member; P. Charuk***

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: 200206910**

**LOCATION ADDRESS: 334 - 11 Avenue SE**

**FILE NUMBER: 72993**

**ASSESSMENT: \$13,620,000**

This complaint was heard on 8 day of August, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *D. Chabot*

Appeared on behalf of the Respondent:

- *R. Ford*

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

- (1) There were no procedural or jurisdictional matters raised by either party.

**Property Description:**

- (2) The property consists of a 49,844 s.f., four storey office building located in the Beltline area in southwest Calgary. The building was built in 2008.

- (3) There is a tax exempt roll attached to this property that is not at issue. The total property assessment is \$16,870,383, of which the exempt portion is \$3,250,000, leaving the subject roll number at \$13,620,000.

**Issues / Appeal Objectives**

- (4) The subject is currently being assessed using the income approach. The Complainant does not dispute the valuation method. The Complainant agrees with all of the inputs utilized by the Respondent in the capitalization calculations except for the office rent. The Respondent has utilized a rental rate of \$19.00 per s.f.. The Complainant asserts that \$17.50 per s.f. is more appropriate.

**Complainant's Requested Value:**

- (5) \$12,700,000

**Board's Decision:**

- (6) The assessment is reduced to \$12,700,000

**Legislative Authority, Requirements and Considerations:**

- (7) This Board derives its authority from section 460.1(2) of the Municipal Government Act,

being Chapter M-26 of the revised statutes of Alberta.

(8) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAC), states as follows;

*"An assessment of property based on market value*

*(a) must be prepared using mass appraisal*

*(b) must be an estimate of the value of the fee simple estate in the property, and*

*(c) must reflect typical market conditions for properties similar to that property"*

(9) Section 467(3) of the Municipal Government Act states;

*"An assessment review board must not alter any assessment that is fair and equitable, taking into consideration*

*(c) the assessments of similar property or businesses in the same municipality."*

(10) For purposes of this Complaint, there are no extraneous requirements or factors that require consideration.

### **Position/Evidence of the Parties**

#### **Evidence**

(11) The Board notes that the assessment has increased from \$9,260,000 in 2012, to \$13,620,000 in 2013, an increase of 47 per cent.

(12) The Complainant submitted eight comparable leases, and immediately eliminated one. Rental rates range from \$14.00 to \$22.00 per s.f. The average of the remaining seven was \$17.71 per s.f.. Lease commencement dates ranged from February, 2011, to May, 2012. According to the City's classification system, the buildings are all physically similar to the subject. Locations also appear similar.

(13) The Respondent submitted 14 rental comparables, contained in seven buildings. Three of the comparables are post facto, with commencement dates from August to November, 2012. The median of the entire sampling is \$18.00. If the three post facto leases are excluded from the sampling, the average appears at \$17.45, and the median is \$17.00.

(14) If the two sets of lease data are combined, and the three post facto leases are eliminated, the median rent indicated is \$18.00 per s.f., and the mean is \$17.45. The weighted mean is \$17.77.

#### **Board's Reasons for Decision:**

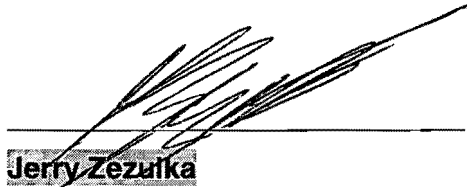
(15) In the opinion of this Board, the Respondent's own evidence falls short of supporting the rental rate adopted for the subject. At the very least, the evidence indicates that the City has adopted the very highest rental rate possible with the information at hand. This Board took a more moderate approach.

(16) The Board finds that a rental rate of \$17.50 per s.f. is more supportable based on the

evidence submitted by both parties, and is therefore considered the more appropriate.

(17) The revised calculations produce a value estimate of \$15,730,000 including the exempt portion. The roll number under complaint calculates to \$12,700,000, truncated.

DATED AT THE CITY OF CALGARY THIS 26<sup>th</sup> DAY OF September 2013.

  
A handwritten signature in black ink, appearing to read 'Jerry Zezulka', is written over a horizontal line.

**Jerry Zezulka**

**Presiding Officer**

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:****NO. ITEM**

1. C1 Complainant Disclosure
2. C2 Complainant Rebuttal
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**

<i>Decision No. CARB 72993P/2013</i>			<i>Roll No. 200206910</i>	
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Office	Market Value	Income Approach	Rental Rate