



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:

DUNDEE FLEX PROPERTIES INC. (as represented by Altus Group Ltd), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***R. Glenn, PRESIDING OFFICER
T. Usselman, BOARD MEMBER
D. Julien, 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: 049016108
LOCATION ADDRESS: 3030 Sunridge Way NE
FILE NUMBER: 73046
ASSESSMENT: \$6,110,000

This complaint was heard on Wednesday, the 26th day of June, 2013 at the offices of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 4.

Appeared on behalf of the Complainant:

- Danielle Chabot, Agent

Appeared on behalf of the Respondent:

- Christina Neal, Assessor

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

[1] When asked, neither party raised any issues with regard to either Jurisdiction or, Procedure.

Property Description:

[2] Please note that the subject property and another adjacent property (file #73049, with property located at 2886 Sunridge Way NE) are very similar. The matters were heard simultaneously and the same argument and evidence was called on both hearings. The subject is an A- suburban single storey multi-tenanted office building, comprising 27,016 SF, built in 2000, located in the NE community of Sunridge, and is assessed on the income approach at \$6,110,000.

Issues:

[3] The only issue raised in this hearing was whether the subject rental rate should be lowered from the assessed rate of \$16/SF to the requested rate of \$14/SF.

Complainant's Requested Value:

[4] \$5,290,000

Complainant's Position:

[5] The Complainant suggests that the subject has been underperforming when the rental rate achieved is compared to the assessed rental rate. They present leasing figures from the subject properties. They state that there is only one lease which supports the \$16/SF rental rate. That lease is from 2009. The rest of the rental rates range from \$13.25/SF to \$15.00/SF with occupancy dates spanning from 2003 to 2011. Thus they argue that the subject has not

achieved a \$16/SF rental rate since 2009. In addition, they present comparables from other nearby buildings, but none are in the same class as the subject.

[6] The Complainant carries on providing a rent roll for the subject, but only some of the numbers provided support the \$14.00/SF request. They go on to present a 2013 Suburban Office Rental Analysis for B Quality (and subsequently for A+ and C and D Quality) properties in NE Calgary.

[7] The Complainant goes on to present reference to the decision in: **CARB 2397-2011-P** which seems to vaguely suggest that in comparables, close counts. There, the Board determined that some of the lease comparables were too selective. In addition, some were simply not comparable. Some of the leases considered in that case were post facto. That Board found the comparables were supportive of a rate trend established by the other comparable leases.

[8] Here, the Complainant completes their argument by stating that the subject property does not follow the "A Class trend". The Complainant argues that the Respondent in several cases, only relied on one lease and made adjustments to arrive at the assessed lease rate for a particular quality of building.

Respondent's Position:

[9] The Respondent argues that the Complainant's comparables are not comparable enough. They say that for the Complainant to rely on A+, B, C and D class buildings as comparables is just plain inadequate. The Respondent relies on a number of comparables, some of which are multi-storey. They say the number of stories a building has does not matter. For the mainstay of their position, the Respondent relies on a broad based typical rent approach. They say that the B class comparables provided by the Complainant are simply not comparable. They complete their argument by stating that the Complainants only present one A- Class comparable, which is not adequate to justify the requested reduction.

Board's Decision in Respect of Each Matter or Issue:

[9] The comparables presented by the Complainant did not in the Board's view justify a reduction, nor confirm that the assessment in issue is incorrect. The Complainant provided no evidence to show that the lease rate for a one storey A- building should be different than the lease rate for a multi-storey building.

[10] The Board considered the leases in one of the subject buildings and added 2 of these leases not listed in the Respondent's Suburban Office Rental Analysis to determine if a reduction in the assessed rate was warranted. The median lease rate was \$16.00/SF, the mean was \$15.67, and the weighted mean was \$16.91.

[11] The Complainant's comparables presented were mainly in different classes. Even the

Complainant's comparable leases presented from the subject building did not adequately support a reduction. There was simply not enough credible evidence to allow the Board to vary the assessment.

[10] The Board finds that it has no option but to confirm the subject assessment

Board's Decision:

[11] The within assessment is hereby confirmed in the amount of \$6,110,000.

DATED AT THE CITY OF CALGARY THIS 26th DAY OF JULY, 2013.



R. Glenn, 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. C2	Complainant Rebuttal 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.*