



## **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:

***Sunstone (Healthplus) Holdings 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>156128506</b>
<b>LOCATION ADDRESS:</b>	<b>290 Midpark Way SE</b>
<b>FILE NUMBER:</b>	<b>73145</b>
<b>ASSESSMENT:</b>	<b>\$8,570,000.</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 Detail Report (Exhibit C-1 pg. 19), the subject property is an A- Classified suburban medical/dental office building containing a total assessed office area of 31,648 Sq. Ft. The building, which was constructed in 1980, is a modern, three storey structure located in the Midnapore community of southeast Calgary.

**Issue(s):**

[2] The Complainant introduced a single issue (Exhibit C-1 pg. 7) for the CARB's consideration and it is:

- The assessed office rental rate is in excess of market rent and a reduction from the assessed rate of \$22/Sq. Ft. to \$21/Sq. Ft. is requested.

**Current Assessment(s):**

[3] \$ 8,570,000.

**Complainant's Requested Value:**

[4] \$ 8,130,000.

**Board's Decision:**

[5] The assessment is **confirmed** at:  
\$ 8,570,000.

**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. 24) a copy of the Assessor's *2013 Suburban Medical/Dental Office Rental Analysis: A Quality SE* which indicates three leases, all extracted from the subject property, having lease commencement dates of July 2011 and Sept. 2011 which indicate a Mean rate of \$21/Sq. Ft., a Median of \$21/Sq. Ft. and a Weighted Mean of \$21.22/Sq. Ft., none of which support the assessed rate of \$22/Sq. Ft. and all of which support the requested \$21/Sq. Ft. rate.

Respondent's Position:

[7] The Respondent defended the assessment on the basis that the assessed \$22/Sq. Ft. rate is within the range of the lease comparables presented and that it was within the 5% legislated allowance. Accordingly the Respondent requested the assessment be confirmed.

**Complainant's Rebuttal**

[8] The Complainant introduced in their Rebuttal (Exhibit C-2 pg. 3) a copy of the Assessor's *2013 Suburban Office Capitalization Rate Summary* which contains a reference to a medical/dental property located at 31 Sunpark Plaza SE in which, the Complainant maintains, the Assessor utilized a \$19/Sq. Ft. rental rate to generate the indicated 6% capitalization rate.

**Board's Decision Reasons:**

[9] The CARB is of the judgment that requesting a reduction from \$22/Sq. Ft. to \$21/Sq. Ft., equating to approximately 5%, is a request that requires a very finite analysis as opposed to the more general analyses provided by both parties. The CARB notes that there is no legislated requirement that any assessment deemed to be within 5% of market value not be changed. In this regard the Respondent is somewhat confused and is referring to the legislated requirement that the entire assessment roll must be within a 5% Assessment to Sales Ratio (ASR) tolerance. That being said, there is case law that states, basically, that market value is a range as opposed to a specific value and that if one is within 5% then one has achieved market value. The CARB maintains that the referenced term 'market value' can be substituted with the term 'market rent' without altering the impact of the statement. Accordingly, the CARB has determined that the assessed office rental rate of \$22/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. 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**

Municipality: Calgary	Decision No. 73145/P-2013	Roll No: <b>156128506</b>	
<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 Office	M.V.	Assessed office rental rate and