



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:

205 Quarry Park GP Ltd., (as represented by Altus Group Limited),

COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, T. Hudson PRESIDING OFFICER
BOARD MEMBER, G. Milne
BOARD MEMBER, T. Usselman***

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 2014 Assessment Roll as follows:

ROLL NUMBER: 201101870

LOCATION ADDRESS: 205 Quarry Park BV SE

FILE NUMBER: 74282

ASSESSMENT: \$175,530,000

This complaint was heard on the 14th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Board room 5.

Appeared on behalf of the Complainant:

- *Mr. B. Neeson, Agent, Altus Group Limited*

Appeared on behalf of the Respondent:

- *Ms. L. Dunbar-Proctor, Assessor, City of Calgary*
- *Mr. M. Ryan, Assessor, City of Calgary*

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

[1] There were no procedural or jurisdictional matters in dispute between the Parties.

Property Description:

[2] The subject property is a 22.12 acre parcel of commercial land located in the Douglas/Glen community at 205 Quarry Park BV SE. The property was improved in 2008 with a four storey "A+" quality class suburban office building incorporating 356,021 square feet (sf.) of net rentable area.

[3] The property is currently assessed based on capitalized income.

[4] Details of the assessment include the 356,020 sf. of office space assessed at a rate of \$26.00 per square foot (psf.), and 237 enclosed parking stalls assessed at \$1,440 per stall. The assessed vacancy rate is 2%, \$13.50 psf. for operating costs, a 1% non-recoverable expense allowance, and a capitalization (cap) rate of 5.25%.

[5] The total assessed value is \$175,536,381 or \$175,530,000 (rounded).

Issue: Market Value

[6] The Complainant contends that the recent sale of the subject property is the best evidence of market value.

Complainant Requested Value: \$171,000,000 (rounded).

Board's Decision:

[7] The assessment of the subject property is reduced to **\$171,000,000 (rounded).**

Legislative Authority, Requirements and Considerations:

[8] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of the Act:

Section 460.1(2): Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a)

[9] For purposes of the hearing, the CARB will consider the Act Section 293(1):

In preparing the assessment, the assessor must, in a fair and equitable manner,

(a) apply the valuation and other standards set out in the regulations, and

(b) follow the procedures set out in the regulations.

[10] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to the Act section 293(1) (b). The CARB consideration will be guided by MRAT Part 1 Standards of Assessment, Mass appraisal section 2:

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.

Position of the Parties

Complainant

[11] The Complainant submitted the Real Net summary report on the May 13, 2013 sale of the subject property for \$171,000,000. The report characterized the sale as a market sale with no conditions, (Exhibit C1, pages 33 and 34).

[12] The Complainant submitted several assessment tribunal decisions and case law including reference to the Acton decision in Alberta, (i.e. 697604 Alberta Ltd. v Calgary, 2005 ABQB 512), whereby the arms-length sale of the subject property close to the valuation date is considered to be the best indicator of market value.

Respondent

[13] The Respondent argued that the subject property is currently assessed within an acceptable range of market value per accepted legislated standards, with an assessment to sale price ratio of 1.03. Such a nominal reduction does not warrant a change to the assessment.

Board's Reasons for Decision:

[14] The Board finds that the arms-length sale of the subject property is the best indication of its market value, as the current case law and decisions suggest.

[15] The sale occurred less than two months prior the valuation date, and therefore the purchase price should be respected and replace the current assessed amount for the subject property.

DATED AT THE CITY OF CALGARY THIS 11 DAY OF August 2014.



J. B. Hudson
Presiding Officer

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

NO.	ITEM
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.*

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<i>Decision No. 74282P-2014</i>			<i>Roll No 201101870</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Office	Low Rise	Market Value	Sale of the Subject