



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:

310666 Alberta Ltd. (as represented by Altus Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member, P. Pask
Board Member, J. Lam***

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: 067209205

LOCATION ADDRESS: 924 - 17 Avenue SW

FILE NUMBER: 76168

ASSESSMENT: \$3,070,000

This complaint was heard on the 15th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *K. Fong, Agent, Altus Group*

Appeared on behalf of the Respondent:

- *H. Yau, Assessor, City of Calgary*

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 subject is a retail office building, referred to as the Auburn Building, located in the BL6 sub-district of the Beltline district of SW Calgary. The building contains 9,108 square feet (s.f.). According to the current assessment scheme, the building has two quality classifications. The office retail space, and a main floor restaurant, are classified as "A" quality. The office space is categorized as "C" quality. The building was built in 1967.

Issues:

(3) The property is currently being assessed by the income approach. Because of the split quality classification, the City is applying two separate categories of rents. The office retail space is assigned an A quality rent of \$41.00 per s.f. The main floor restaurant is also assigned the "A" quality typical rent of \$49.00 per s.f. The office space, however, is assigned a "C" quality, with a "C" quality rent of \$15.00 per s.f.

(4) The Complainant does not dispute the method of valuation. However, the Complainant objects to the split quality classification, and contends that the entire building should be assigned a "C" quality rating, with the appropriate rents; i.e; \$23.00 per s.f. for the office retail space, and \$24.00 per s.f. for the restaurant space.

(5) Other inputs utilized in the income approach calculations for the assessment are not in dispute.

Complainant's Requested Value: \$2,040,000

Board's Decision:

- (6) The assessment is confirmed.

Legislative Authority, Requirements and Considerations:

- (7) This Board derives its authority from section 460.1(2) of the Act.
- (8) Section 2 of Alberta Regulation 220/2004, being the Matters Relating to Assessment and Taxation Regulation (MRAT), 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 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.
- (11) The Board notes that the assessment has increased from \$2,090,000 in 2013, to \$3,070,000 in 2014. The increase is 46.9 per cent over one year.

Position/Evidence of the Parties

- (12) Except to argue that splitting the classification of a single building into two separate categories violates the spirit of mass appraisal as defined in Section 2 of MRAT, the Complainant offered little tangible evidence to indicate that the practise violates any regulations, or that it is even "frowned" upon.
- (13) The Respondent, on the other hand, stated that the 17 Avenue corridor is a major retail corridor that is a sought after location for restaurants and other entertainment facilities, hence the "A" classification for the restaurant and retail component. On the other hand, the lack of parking in the area renders the location as secondary for office space; hence the "C" classification for the office component.
- (14) The Respondent submitted a rent roll in response to the City's Assessment Request For Information form that revealed that the subject office component is currently leased for \$10.00 and \$18.00 per s.f., plus operating costs. Those rates are similar to class "C" office rents. The retail bay, and the restaurant are achieving \$48.00 and \$50.00 per s.f. plus operating costs. Those rates are higher than the assessed rents applied to class "A" space.

Findings and Reasons for Decision:

- (15) This Board will not comment on the assessment practices of the City, unless those practices violate the statutes, or offend the principles of equity or market value. None of those circumstances exist in this instance.
- (16) The Complainant did not dispute the typical rents being used by the City in the various space categories, only which categories should apply.
- (17) Nothing in the evidence presented would prompt the Board to consider a change in the

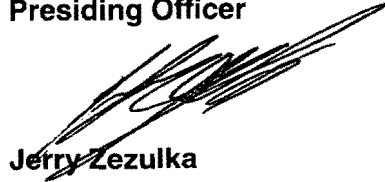
existing assessment.

DATED AT THE CITY OF CALGARY THIS

28th

DAY OF July, 2014.

Presiding Officer



Jerry Zezulka

APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	ITEM
1.	C1 Complainant Submission regarding Exemption
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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Decision No. CARB 75907P/2014			Roll No. 200775286	
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Retail office	Market Value	Income Approach	Rental Rate & vacancy