

**CITY OF CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of a complaint filed with the City of Calgary Assessment Review Board pursuant to Part 11 of the *Municipal Government Act*, Chapter M-26, Revised Statutes of Alberta 2000 (the Act).

**BETWEEN:**

***Altus Group, COMPLAINANT***

**and**

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

**BEFORE:**

***J. Krysa, PRESIDING OFFICER***

***A. Zindler, MEMBER***

***S. Rourke, MEMBER***

A hearing was convened on July 5, 2010 in Boardroom 8 at the office of the Assessment Review Board, located at 1212 - 31 Avenue NE, Calgary, Alberta in respect of the property assessment prepared by the assessor of the City of Calgary, and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER:** 031003197

**LOCATION ADDRESS:** 2723 37 Ave NE

**HEARING NUMBER:** 59063

**ASSESSMENT:** \$6,860,000

**PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

The subject property is a 92,499 square foot (sq.ft.) parcel of land zoned Industrial Business, improved with a 52,269 sq.ft. two storey suburban office building constructed in 1981, and asphalt surface parking.

**PART B: PROCEDURAL or JURISDICTIONAL MATTERS**

The Assessment Review Board derives its authority under Part 11 of the Act. No specific jurisdictional or procedural matters were raised during the course of the hearing.

**PART C: MATTERS / ISSUES**

The Complainant raised the following matters in section 4 of the complaint form:

3. an assessment amount
4. an assessment class

At the commencement of the hearing, the Complainant withdrew matter 4, and indicated that the evidence and submissions would only apply to matter number 3, an assessment amount. The Complainant set out 11 grounds for the complaint in Section 5 of the Complaint form, however, the Complainant stated only the following issue, condensed from the grounds in Section 5 of the complaint form, was in dispute:

Issue 1: The market office rental rate should be \$12 per sq.ft. to establish market value for assessment purposes.

The Complainant submits that a correct assessment value is \$ 5,790,000 [C1 pg 1].

**Issue 1:** The market office rental rate should be \$12 per sq.ft. to establish market value for assessment purposes.

The Complainant submitted the subject property's rent roll information as of July 31, 2009 and as of May 31, 2010, with an analysis thereof to establish a trend that would suggest a lease rate of under \$12 per sq.ft. was evident as of the July 01, 2009 valuation date. Further information consisting of current (2010) lease listings, and (2010) third party market reports were presented to demonstrate a decline in the market since the commencement of the leases relied upon by the assessor. The Complainant further suggested that the leases to broadcasting tenants within the subject should not be considered typical market leases, as they were influenced by access to the rooftop radio towers on the subject [C1 pgs 16-29].

The Respondent supplied 4 leases signed between August and October of 2008, ranging from \$13 to \$16.75 per sq.ft. to support the \$14.00 market rent rate deemed to be typical in the preparation of the assessment, as well as the assessed rents for the same properties at \$14.00 to indicate that they were all correctly and equitably assessed. The Assessor's request for information form and attached rent roll was also provided indicating there were leases signed within the subject during 2007 and 2008 for up to \$16.00 [R1 pgs 24-38].

In rebuttal the Complainant submitted that the Respondent's comparables with \$16+ office rent rates were not similar to the subject due to a different land use zoning which provided for office use as "discretionary".

**Decision- Issue 1**

The Board finds that a typical office market rental rate of \$14.00 is appropriate for the subject property.

The Board was not persuaded by the Complainant's analysis of leases signed within the subject property that suggests that market rates had declined below \$14.00 as of the valuation date of July 01, 2009, due to the limited number of leases upon which the analysis was based, as well as the fact that the leases were in most part, lease renewals. The most recent lease in January 2009, (prior to the valuation date) to Rogers Broadcasting at \$14.00, falls within the range of leases provided by the Respondent. The Board also did not accept the Complainant's argument that leases to broadcasters could not be considered typical as there was no evidence in support of that claim.

Although the Respondent's leases were within properties that were subject to different zoning restrictions, the Board found that the other leases within those buildings [C2 rebuttal] were not entirely dissimilar to the subject, and therefore acceptable as comparables.

The Board was also not persuaded by the Complainant's 2010 third party lease rate information indicating that lease rates are currently in the \$12.00 net rent range, as this reflects the marketplace well beyond the legislated valuation date of July 01, 2009 for the assessment under complaint, as does the Mattamy Homes (March 01, 2010) lease renewal, signed on December 14, 2009.

**PART D: FINAL DECISION**

The assessment is confirmed at \$6,860,000.

Dated at the City of Calgary in the Province of Alberta, this 10<sup>th</sup> day of August, 2010

  
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J. Krysa  
Presiding Officer

**APPENDIX "A"****DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

<b>NO.</b>		<b>ITEM</b>
1.	Exhibit C1	Complainant's Brief
2.	Exhibit R1	Respondent's Brief
3.	Exhibit C2	Complainant's Rebuttal

**APPENDIX 'B'****ORAL REPRESENTATIONS**

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
1. B. Ryan	Representative of the Complainant
2. B. Duban	Representative of the Respondent

*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.*