

**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(4).

**Between:**

***Colliers International Realty Advisors Inc., COMPLAINANT***

**And**

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

**Before:**

**D. Sanduga, PRESIDING OFFICER  
R. Cochrane, MEMBER  
P. Pask, MEMBER**

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>068205509</b>
<b>LOCATION ADDRESS:</b>	<b>1520 - 4 ST SW</b>
<b>HEARING NUMBER:</b>	<b>57479</b>
<b>ASSESSMENT: (AMENDED)</b>	<b>\$22,620,000</b>

This complaint was heard on 7 day of October, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10

Appeared on behalf of the Complainant:

- S. Meikljohn  
Colliers International Realty Advisors Inc.  
B. Dell  
Solicitors for the Complainant

Appeared on behalf of the Respondent:

- Emilia Borisenko , Assessor
- Christina Dao, Law department  
The City of Calgary

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

The question of bias was raised and all parties indicated that there was no bias

**Preliminary:**

At the start of the hearing the Complainant advised the Board, on the basis of the prohibitions set out in sec 9(4) of Regulation 310/2009. The Assessor's submission are inadmissible in these proceedings, and further more the Assessor cannot rely upon any materials not disclosed to the Complainant pursuant to section 8(2) and 9(2) of AR 310/2009.

Colliers international realty advisors, the authorized agent of the owner of the property made an information request of the City of Calgary, in the form required by the City, to provide the details of the property assessment issue. The Assessor replied with a 2010 assessment explanation supplement indicating that the assessment was based upon a land area of 30,860 sq. ft. at a land rate of \$215/sq. ft. with a positive site influence of 5% yielding a total assessment of \$6,960,000.

**Decision of the board as regards Preliminary Matter**

The Complainant's preliminary issue , is that on February 18, the complainant submitted an assessment information request – 2010 property assessment , the complainant also acknowledges that he is requesting a written assessment explanation supplement under MGA Section 299 for the property assessment account identified in section A and for 2010 assessment roll and tax year only.

On February 24, 2010 the assessor replied to the Complainant. The Board noted that the city did not provide the complainant with the correct information as requested. However, the city stated that it does not warrant, covenant or guarantee the completeness and accuracy of the information, and advised the property owner to contact the city customer service centre for further information.

The decision of the Board is to dismiss the complainant preliminary request and to processed with the merit hearing of the appeal.

**Property Description:**

The subject property is a multi-tenanted office/ retail building located at 1520- 4<sup>th</sup> Street SW, and known as Alberta Place, and is assessed as having 105,861 sq. ft. of rentable area. The subject is assessed on the income approach to value. The subject was constructed in 1973.

**(As indicated on the complaint form)**

**Issues:**

The Complainant listed 14 issues in section 5 of the complaint form, and selected 5 issues as applicable to this complaint.

The assessed value is not reflective of the income potential of the subject property, and therefore the subject is assessed in excess of market value.

The capitalization rate used in the preparation of the assessment does not reflect the risk factor and return requirements necessary for the property to transact within the market place between a willing buyer and willing seller at the most probable price.

The assessment of similar or competing properties suggests that the assessment is inequitable with these and other properties.

The assessments of superior properties suggest that the assessment is inequitable with these and other properties.

The subject's assessment was not prepared in accordance Municipal Government Act.

**Complainant's Requested Value:**

\$18,600,000

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

The 37 years old subject property had issues with its mechanical system, HVAC, life safety, elevator system and is in need for urgent repairs, as a result the property management had to lower the face rate in order to compete on a gross basis.

The Board places less weight on the Respondent's 5 sales comparables (R1 pages 124 to 143) as they are newer , and superior location, sales number 1, 2, 3, and 5 are AA – A classified and sale number 4 is B classified recently fully renovated, whereas the subject property is classified as B- to C .

The Board is of the opinion that the direct sales approach to value is appropriate.

The Board further noted that the evidence provided by the Respondent is wide-ranging and do not reflect a fair comparison to the subject.

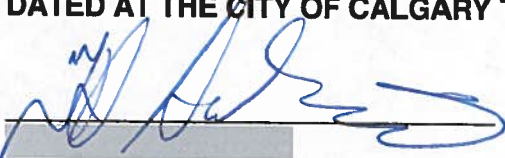
The Board is persuaded by the Complainant's listing of the subject property for sale on the open market for that total asking price of \$ 28,000,000 which includes additional 5 parking lots currently assessed at total of \$9,400,000 ( R1 Pages 52 to 123) .

The Board is of the opinion that the assessment of the subject property should be reduced to \$18,600,000 less tax exempt allowance of \$1,239,000. The 2010 assessment to be set at \$17,361,000.

**Board's Decision:**

The decision of the Board is to reduce the 2010 assessment from \$22,620,000 to \$ 17,361,000.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF October 2010.



**Presiding Officer**

*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.*