

**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**

***Harvest Hills Office Park Ltd.***  
***(as represented by Linnell Taylor and Associations), COMPLAINANT***

**and**

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

**before**

***L. Yakimchuk, PRESIDING OFFICER***  
***R. Cochrane, MEMBER***  
***E. Reuther, MEMBER***

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 2012 Assessment Roll as follows:

**ROLL NUMBER: 201622354**

**LOCATION ADDRESS: 5000 333 96 Av NE**

**HEARING NUMBER: 66166**

**ASSESSMENT: \$19,790,000**

This complaint was heard on July 6, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 - 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *J. Mayer, Linnell Taylor and Associates*

Appeared on behalf of the Respondent:

- *H. Yau, City of Calgary Assessor*

**Property Description:**

[1] The subject of this appeal is a three level (68,542 sq ft) "A+" suburban office building on 4.41 acres of land located in Aurora Business Park, in the northwest quadrant of the City of Calgary. It was constructed in 2009.

**Issues:**

[2] Is the assessment equitable in comparison to other similar properties in Calgary?  
Does the assessment reflect market value?

**Complainant's Requested Value:**

[3] \$16,780,000

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

**Evidence and Arguments**

[4] The Complainant, Mr. J. Mayer (Linnell Taylor and Associates), argued that the property assessment for the subject property was inequitable based on the assessments of six properties he presented. The properties all had a rating of "A+" or "A2", ranged in size from 27,569 sq ft to 80,091 sq ft and were constructed between 1999 and 2010. Three were in the Office/Lowrise (1-4 storey) category. The proposed comparables were located in several parts of the city.

[5] Mr. Mayer argued that the location of the buildings should have little bearing on the assessment value provided the buildings were similar and had access to the same amount of traffic. He said that all the proposed comparables would be competing for the same market for tenants.

[6] The average assessed value for the properties presented by Mr. Mayer was \$243.69/sq ft and the median was \$245.94/sq ft. The subject assessment is \$290.13/sq ft.

[7] Two of the proposed comparables have recently been sold. 110 Country Hills Landing NW, which is in the same quadrant as the subject, traded for \$231/sq ft in December 2010. Mr. Meyer did add that this may have been part of a portfolio sale and may not meet the test for a market value sale. The other sale was 14505 Bannister Road SE, which sold for \$259.70/sq ft in

September 2010. Mr. Mayer argued that this building is in a superior location with greater traffic volume (access to Macleod Trail) to the subject location.

[8] Given the proposed comparables and using only the second sale comparison, Mr. Meyer asked for a reduced assessment of \$16,780,000 (\$246/sq ft).

[9] The Respondent, Mr. H. Yau, City of Calgary, explained that office building assessment rates are based on the quadrant in which the building is located. In the case of the subject building, the quadrant designation is northwest. (Buildings in the north half of Calgary are considered to be in the west quadrant if they are west of Deerfoot Trail.) For this reason, properties comparable to the subject would also have to be located in the northwest quadrant.

[10] Mr. Yau also indicated that several of the proposed comparables presented by the Complainant have less parking available than the subject. Parking attracts 5% - 10% of the income of the property.

[11] The Respondent argued that building date has an effect on income and sales value. Newer buildings will attract higher rents.

[12] The Respondent presented assessed values based on an income approach for the properties, verifying that the northwest quadrant buildings attracted higher rents and that parking contributed to the income of the properties. Further, he presented the Assessment Request for Information documents for the subject property which confirm that the northwest quadrant mass assessment rental rate is appropriate when compared to the income achieved by the property.

#### Board Findings


[13] The Board found that the list of equity comparisons presented by the Complainant was not representative of the subject property. The Complainant did not take location, ages of buildings, and parking into consideration when proposing appropriate assessed values.

[14] As the Complainant's calculations were based on the proposed equity comparisons, the Board could not support the proposed reduced assessment.

#### Board's Decision:

[15] The board confirms the assessment at \$19,790.00.

DATED AT THE CITY OF CALGARY THIS 12<sup>th</sup> DAY OF July 2012.



**Lana Yakimchuk**  
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. 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:**

Decision No. 0804-2012-P

Roll No. 092028703

<b>Subject</b>	<b>Type</b>	<b>Issue</b>	<b>Detail</b>	<b>Issue</b>
CARB	Suburban office	3-Level	Equity Approach	Equity