

**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:

***Ribtor Manufacturing and Distributing Co Ltd. (as represented by Altus Group),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***R. Glenn, PRESIDING OFFICER
D. 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 2011 Assessment Roll as follows:

ROLL NUMBER:	068117209
LOCATION ADDRESS:	318 11 Ave SE
HEARING NUMBER:	64399
ASSESSMENT:	\$ 8,950,000

This complaint was heard on the 23rd day of June, 2011 at the offices of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, in Boardroom 9.

Appeared on behalf of the Complainant: Giovanni Worsley (Agent), Altus group Ltd.

Appeared on behalf of the Respondent: Dan Satoor (Assessor), The City of Calgary

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

There were no issues of procedure or jurisdiction raised.

Property Description:

The subject is a 4 storey converted and updated warehouse, with 57,925 SF, of A2 quality, built in 1914, located on the south edge of downtown Calgary, now used as office space.

Issues:

Whether the subject assessment is correct in light of queries regarding rental rate and capitalization rate.

Complainant's Requested Value:

\$ 5,800,000

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

The assessment is confirmed

Board's Decision:

The Complainant requests a change in the rental rate from \$19/SF to \$14/SF, and a change in the capitalization rate from 7.75% to 8.50%.

In argument, the Complainant suggested (but did not directly state) that the subject building was a Heritage Building. They then presented a considerable commentary on Heritage Buildings generally. In addition, the Complainant presented Rent Rolls, suggesting that the trend in the area was to a lower rental rate generally.

The Complainant also presented comparable Heritage Buildings which showed a lower rent and suggested it was unreasonable for these (Heritage) buildings to be at a lower rate than the

subject. More Heritage Building comparables were also presented, as well as other comparables of similar age, but of differing quality. The Heritage comparables were assessed at \$14/SF.

The Complainant did everything he could do to try to convince the Board that the subject was a Heritage Building (without actually stating that it was), when in fact, it was not designated by any level of Government as such.

The subject apparently had the potential of being designated in the future because of its age, but there is no current designation. The subject has been significantly and extensively renovated for its current role. The Complainant's position was simply that it is incorrect to compare the subject to anything other than heritage assets.

The Respondents stated clearly that the subject was not designated and further, that the subject should have income added to the assessment for parking, thereby increasing the assessment for 2011, though this potential increase was not pursued. The Respondents also had good comparables from the Beltline area which demonstrated a median rental rate of \$19.88/SF, and therefore supported the subject assessment.

The Respondents responded directly to the Complainants lease comparables, showing differences, and confirming that no regard had been given to the building classification of the properties for assessment purposes. The Respondents did the same thing with the Complainants rental rate equity comparables, once again supporting the subject assessment.

The Respondent also commented on the leases in the Complainant's package which were essentially post facto. Post facto information of this type is not acceptable. In addition, they showed that relevant leasing information regarding the Complainants lease comparables provided a contrast to the conclusions of the CARB from the 2010 roll year.

The comparables regarding capitalization rates presented by the Respondent adequately demonstrated that the cap rate relied on for the assessment was appropriate for the given assessment period.

The Complainant summarized by saying that the market was declining, so the rental rate should have been reduced. The Respondent summarized by saying that the subject building did not have any Heritage restrictions, it showed as though it was a class A building, and finally, confirming that the Respondents cap rate was accurate for the time frame.

Based on all of the foregoing, the Complainant has not met the necessary onus to show that the subject assessment is in error, and accordingly, the subject assessment is confirmed in the amount of \$ 8,950,000.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF JULY, 2011.



Richard Glenn
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

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.*