

**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:

***CPP Investment Board Real Estate Holdings Inc., (as represented by Altus Group),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***C. McEwen, PRESIDING OFFICER
A. Blake, MEMBER
R. Roy, 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: 067235101

LOCATION ADDRESS: 400 3 AVE SW

HEARING NUMBER: 64003

ASSESSMENT: \$361,650,000

This complaint was heard on the 19th day of September, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, AB, Boardroom 11.

Appeared on behalf of the Complainant:

- D. Genereux

Appeared on behalf of the Respondent:

- A. Czechowskyj

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

There were no jurisdictional or procedural matters raised by either party.

Property Description:

The subject property is the Canterra Tower, a downtown AA office building constructed in 1987. The subject improvement has an assessed area of 841,198 square feet with 419 parking stalls and two levels of retail space. The subject property is assessed using the Income Approach to Value.

Issues:

Is the subject property assessed higher than market value and is the assessment, therefore, inequitable to comparable properties? Specifically, should the assessed office rent rate be reduced from \$30 per square foot to \$27 per square foot?

Complainant's Requested Value:

\$329,140,000

Board's Findings and Reasons in Respect of Each Matter or Issue:

The parties provided the overall context of this matter. At dispute was the typical \$30 per square foot rent rate applied to AA downtown office spaces including the subject's office space.

The AA office rent rate has already been argued before multiple Boards and the typical rate confirmed in each case (CARB 0958/2011-P, CARB 1313/2011-P, CARB 1571/2011-P, CARB 1606/2011-P). The Board decisions have given greater weight to the Respondents rent rate analysis than to the Complainant's analysis (including the leases used in their rent rate study) and the Complainant's arguments regarding lease start dates, construction leases and deal done dates.

Nonetheless, both parties reviewed their submissions for the Board. The evidence and argument in this matter is almost identical to that provided previous Boards. The one material difference is the removal of the Penn West Plaza leases from the Respondent's Downtown Office AA Class rental analysis (R1, page 37) as the Penn West building is no longer classified AA following a Board decision. The removal of Penn West from the analysis reduces the

weighted average rent rate for AA office buildings from \$32.51 per square foot to \$31.19 per square foot, supportive still of the assessed typical rate of \$30 per square foot.

Given the similarity of the current complaint to previous AA office rent rate complaints, the near identical evidence and argument submissions by both parties along with previous Board decisions confirming the typical assessed rent rate of \$30 per square foot, the Board confirms the subject assessment.

Board's Decision:

The subject assessment is confirmed at \$361,650,000.

DATED AT THE CITY OF CALGARY THIS 26th DAY OF OCTOBER 2011.

C. McEwen

C. McEwen
Presiding Officer

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

NO.	ITEM
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 ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Office	High Rise	Income Approach	Net Market Rent/Lease Rates