

## **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:**

**Cheviot Propeties (Commercial) Ltd., (as represented by Linnell Taylor Assessment Strategies), COMPLAINANT**

**and**

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

**before:**

***R. Fegan, PRESIDING OFFICER***

***H. Ang, BOARD MEMBER***

***P. Charuk, BOARD 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 2013 Assessment Roll as follows:

|                          |                      |
|--------------------------|----------------------|
| <b>ROLL NUMBER:</b>      | <b>066097007</b>     |
| <b>LOCATION ADDRESS:</b> | <b>1615 10 AV SW</b> |
| <b>FILE NUMBER:</b>      | <b>71799</b>         |
| <b>ASSESSMENT:</b>       | <b>\$6,310,000</b>   |

This complaint was heard on the 18<sup>TH</sup> day of July 2013 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:

- D. Sheridan, (Linnell Taylor Assessment Strategies)
- J. Mayer (Observer)

Appeared on behalf of the Respondent:

- H. Yau, (City of Calgary)

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

[1] No procedural or jurisdictional matters were raised.

**Property Description:**

[2] The subject property is a three storey office building in the community of Sunalta. The subject property was built in 1976, it has 26,605 square feet of office space and 2,058 square feet of storage space and thirty-two parking stalls. The subject property has 12,986 square feet of land.

**Issues:**

[3] The issues raised by the complainant were; the rental rate applied to the subject office space and the number of actual parking stalls in the subject building.

**Complainant's Requested Value: \$ \$5,440,000.**

**Board's Decision:**

**The complainant is denied and the assessment is confirmed.**

**Position of the Parties**

**Complainant's Position:**

[4] The complainant argued that the actual rents being achieved by the subject property were lower than the market rent applied by the assessor. The complainant argued that the subject property was in the community of Sunalta and not in the Beltline; saying, that respondent's analysis was taken from superior locations in the Beltline and should not be used to value the subject.

[5] The complainant provided an e-mail from the property manager indicating that the number of parking stalls was 30 not 32. The complainant also provided a copy of the 2013 Assessment Request for Information which indicated 30 stalls. One of the two former parking stalls is now empty space and the other had a bike rack installed.

[6] The complainant provided a rental study taken from leasing within the subject property. The most recent lease (04/2012) in that study was to Cheviot the building owner. The

remaining leasing took place in 2010 and 2011.

**Respondent's Position:**

[7] The respondent provided a market rental rate study which included a sample of 21 leases taken from Class C office buildings located throughout the Beltline in 2011 and 2012. The respondent argued that there were too few office buildings in Sunalta to complete a market rent study and that the Beltline study provided the best evidence of market rent for the subject property.

[8] The respondent also provided a vacancy rate study for the Beltline indicating a typical vacancy rate of 8%.

[9] The respondent provided the Board with a copy of the 2011 Assessment Request for Information showing that the property manager had reported 32 parking stalls. The respondent acknowledged that the 2013 Assessment Request for Information indicated 30 stalls. In response to questions from the Board the respondent said that there was no 2012 Assessment Request for Information on file.

[10] The respondent argued that assessments must be based on "*typical market conditions for properties similar to that property*" and suggested that if the assessment was to be based on actual rent, then actual vacancy should also be used in the assessment calculation.


**Board's Reasons for Decision:**

[11] The Board found that a number of the recent leases in the subject property were signed at \$14.00 or higher. The Board did not place any weight on the 2012 lease to Cheviot, because Cheviot are the buildings owners. The Board noted that a number of the leases in place have escalation clauses within the terms of the lease. The Board found that although all of the recent actual leasing in the subject property does not attract the \$14.00 rate; that in itself, was not sufficient reason to assess the subject property using actual rents rather than typical rents.

[12] The Board noted that the subject property was fully occupied but had a typical vacancy rate of 8% applied for assessment purposes. No evidence was provided to indicate whether or not the lower than typical vacancy within the subject was a result of the rents in place.

[13] The Board could not determine at what point in time the City was made aware of the change to the number of parking stalls. The Board accepted the assessor's explanation that because the City did not become aware of the change until 2013, the change would be made for the 2014 assessment.

DATED AT THE CITY OF CALGARY THIS 20<sup>th</sup> DAY OF August, 2013.



R. Fegan

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  |
| 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.*

**CARB Identifier Codes**

|                                       |                             |                                 |                           |                         |
|---------------------------------------|-----------------------------|---------------------------------|---------------------------|-------------------------|
| <b>Decision No. CARB 71799-P-2013</b> |                             |                                 | <b>Roll No. 066097007</b> |                         |
| <b><u>Complaint Type</u></b>          | <b><u>Property Type</u></b> | <b><u>Property Sub-Type</u></b> | <b><u>Issue</u></b>       | <b><u>Sub-Issue</u></b> |
| CARB                                  | Commercial                  | Office                          | Rental Rate               | No. of parking stalls   |

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