



**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:

**CALGARY REAL ESTATE BOARD CO-OPERATIVE LIMITED**

**Complainant**

and

**THE CITY OF CALGARY**

**Respondent**

before:

**T. Shandro, PRESIDING OFFICER**  
**I. Fraser, BOARD MEMBER**  
**M. E. Bruton, 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>070030739</b>
<b>LOCATION ADDRESS:</b>	<b>300 Manning Road NE, Calgary, Alberta</b>
<b>FILE NUMBER:</b>	<b>72013</b>
<b>ASSESSMENT:</b>	<b>\$12,390,000</b>

This complaint was heard on the 17th day of July, 2013, 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:

- D. Bowman, Agent, Assessment Advisory Group Inc.

Appeared on behalf of the Respondent:

- C. MacMillan, Assessor, The City of Calgary
- C. Neal, Assessor, The City of Calgary

### **Procedural or Jurisdictional Matters**

- [1] There were no procedural or jurisdictional matters to be decided.

### **Property Description**

[2] The subject property is a suburban office building located at 300 Manning Road NE in the community of Mayland. The building is 54,080 square feet ("SF"), including 47,587 SF of office space (the "Office Space") and 6,493 SF of storage space, located on a parcel size of 135,296 SF. The building was constructed in 1999.

[3] The Complainant submitted that the building is owner occupied and that the owner occupies the entire building. There is evidence however that there is at least one tenant, located in Unit 303 of the building.

[4] The building is classified by The City for assessment purposes as having a quality of "A+".

### **Issues**

[5] For the following reasons, the issue to be determined by the Board can be reduced to:

1. Is the quality of the subject property equitably assessed as "A+"; and
2. Should the market rental rate used in the Income Approach be adjusted for the subject property?

[6] In Section 4 of the Assessment Review Board Complaint form, filed March 4, 2013 (the "Complaint Form"), the following were marked:

- 1) Box 3, "an assessment amount"; and
- 2) Box 5, "an assessment subclass".

[7] At the hearing the Complainant advised that the latter was marked incorrectly and that this was not an issue for the Board to consider and withdrew any matter related to Box 5.

[8] The Complainant presented a completed Assessment Review Board Complaint Form

and responded to Section 5, "Reasons for Complaint", by indicating that the assessment value was incorrect. The Complaint Form suggested a market rental rate of \$16/SF for the Office Space, as opposed to the \$18/SF market rental rate used by the Respondent in the Respondent's assessment.

[9] At the hearing, the Complainant advised that the reason a market rental rate of \$16/SF was correct was because the quality of building was inequitably determined to be "A+" in relation to comparables submitted by the Complainant.

### **Complainant's Requested Value**

[10] In the Complaint Form the Complainant requested a reduced assessment of \$11,000,000. At the hearing the Complainant amended the requested value to \$10,920,000.

### **Position of the Complainant**

[11] The Complainant submitted that the quality of the subject property was determined incorrectly to be "A+" and that the quality should instead be determined as "A2". The Complainant then claimed that if the subject property has a quality of "A2", then the rental rate should decrease from \$18.00/SF to \$16.00/SF which would result in a reduced assessment.

[12] It was submitted that "A+" suburban office buildings include amenities such as fitness centres, underground parking, cafeterias, water features, etc. It was further submitted that "A+" properties are the highest quality and command the highest rents.

[13] In support of this argument, the Complainant provided two lists of properties:

- 1) One list of nine properties which were assessed by the City to be "A+", constructed between 1997 and 2009 (the "List of A+ Properties"); and
- 2) A list of seven properties which were assessed by the City as "A2" quality, constructed between 1980 and 2000.

[14] From the former list, the Complainant provided further details, including photographs, from the three most recently constructed buildings (constructed between 2006 and 2009), as well as a fourth "A+" building, and the Complainant made submissions regarding the differences between those buildings and the subject property.

### **Position of the Respondent**

[15] The Respondent provided a rental analysis of suburban office buildings in the NE which were determined to be "A+" quality [R-1, page 17]. This analysis included 18 leases with a mean of \$18.14/SF and a median of \$18.00/SF for the rental rate. The Respondent submitted that this evidence demonstrated that the assessed value for the subject property is fair and equitable.

### **Board's Reasons for Decision**

[16] There were some concerns with the submission of the Complainant.

- 1) Details of several properties on the List of A+ Properties, including one constructed in 1998, two in 1999 and one in 2000, were not provided. The Board was unable to distinguish those properties from the subject property.

- 2) No lease analysis or market evidence was submitted by the Complainant, and no market evidence was submitted in support of the comparables.
- 3) The Complainant's response to the Assessment Request for Information, which states that the tenant in Unit 303 is renting that space at \$22.50/SF on a lease renewal for a lease originally executed for a five-year term in 2007 [p. 17, C-1].

[17] As the Complainant provided no market evidence or comparable lease analysis information, there is a paucity of evidence to compare or verify the assessment of the quality of the comparable properties. The Board has no information before it regarding whether these alleged comparables are representative of the market.

[18] The Board finds that the Respondent provided strong market evidence and that this evidence supports the assessment. In fact, the tenant in unit 303 of the subject property, occupying 1,700 SF at \$22.50/SF on a lease renewal originally executed in 2007, indicates that the assessment may even be generous to the Complainant.

[19] Therefore, from the information before the Board, the Board finds that the Complainant provided insufficient information to demonstrate that the assessment was either incorrect or inequitable.

DATED AT THE CITY OF CALGARY THIS 16<sup>th</sup> DAY OF August, 2013.

  
T. Shandro

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 Administrative Purposes Only

Property Type	Property Sub-Type	Issue	Sub-Issue
Office	Lowrise	Income approach	Rental rate