



## **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:**

***719491 Alberta Inc (as represented by Altus Group Ltd), COMPLAINANT***

**and**

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

**before:**

***F. Wesseling, PRESIDING OFFICER***

***K. Farn, BOARD MEMBER***

***P. Cross, 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 2014 Assessment Roll as follows:

**ROLL NUMBER: 067024307**

**LOCATION ADDRESS: 505 4 Ave SW**

**FILE NUMBER: 76100**

**ASSESSMENT: \$58,100,000**

This complaint was heard on 6th day of August, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *J. Weber, Agent, Altus Group Ltd*

Appeared on behalf of the Respondent:

- *C. Chichak, Assessor, City of Calgary*
- *M. Byrne, Assessor, City of Calgary*

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

[1] The Board derives its authority to make this decision under Part 11 of the Municipal Government Act (the Act). The parties did not object to the panel representing the Board as constituted to hear the matter. No procedural or jurisdictional matters were raised and the merit hearing proceeded. The Complainant and Respondent agreed that the market information presented for file 75918 be carried forward for this file.

**Property Description:**

[2] The subject property is located in downtown Calgary. The property contains 0.80 acres and consists of a high rise apartment building with a small amount of retail space. The building was constructed in 1968 and contains 289 residential units. The property was valued using the income approach. The City of Calgary land Use Bylaw classifies the property as Downtown Business District.

**Issues:**

[3] The Complainant raised the following matter in Section 4, item 3 of the Assessment Complaint form: Assessment amount.

[4] The issues were further clarified as: The market rental rate for the retail space should be \$16 per square foot instead of \$20 per square foot.

**Complainant's Requested Value: \$56,440,000**

**Board's Decision:**

[5] Upon reviewing the evidence provided by the parties, the Board found that the Complainant failed to demonstrate that the assessment was in excess of market value.

[6] The Board confirms the assessment at **\$58,100,000**.

**Legislative Authority, Requirements and Considerations:**

[7] Both parties submitted background information in the form of photographs, aerials, site maps as well as evidence on the issues at hand. In the interest of brevity, the Board will restrict its comments to those items the Board determined to be relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[8] The Board was presented with a number of previous decisions of the Assessment Review Board. While the Board respects the decisions rendered by those Boards, it is mindful that those decisions were made in respect of issues and evidence that may be dissimilar to the evidence presented to this Board. This Board will therefore give limited weight to those decisions, unless the issues and evidence are shown to be timely, relevant and materially similar to the subject complaint.

**Position of the Parties****Complainant's Position:**

[9] The only issue addressed by the Complainant is with regard to the subject's retail rate. The Complainant accepts all the assessment parameters applied to the assessment however cannot accept the rental rate.

[10] In support of the request to amend the rental rate from \$20 per square foot to \$16 per square foot the Complainant reviewed the 2014 Mixed use Multi Residential Analysis (C1, p18-19). In addition, two comparables (C1, p.35 & 39) were shown to have a \$16 rate. It was noted the actual performance of the building is below the rental rates established for assessment purposes.

**Respondent's Position:**

[11] The Respondent indicated that the retail components in residential buildings achieve different financial returns than those in office buildings. The Assessment Request for Information (ARFI) was reviewed in detail to show actual financial return on the retail space.

[12] The Respondent also provided background information on how the retail market rate was established for multi residential mixed use projects. The subject property was further compared with the assessment of 3 similar projects in downtown Calgary.

**Board's Reasons for Decision:**

[13] Based on the evidence submitted the Board found that the argument presented by the Complainant could not be supported as the some of the lease information was dated and the actual rents achieved tended to support the typical values applied by the City for the assessment.

[14] The greatest weight of evidence rested with the Respondent thereby making the argument to confirm assessment more compelling.

DATED AT THE CITY OF CALGARY THIS 12 DAY OF SEPTEMBER 2014.

  
F. Wesseling

Presiding Officer

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

NO.	ITEM
1. C1 Evidence Submission	Complainant Disclosure
2. R1 Assessment Brief	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*

<i>Decision No.</i>		<i>Roll No.</i>		
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Mixed Use	Assessment Value	Retail component in a large residential high rise	Rental rate