

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

**between:**

***Altus Group Ltd. COMPLAINANT***

**and**

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

**before:**

***Board Chair, T Golden  
Board Member R Deschaine  
Board Member R Glenn***

This is a complaint to the Calgary Assessment Review Board in respect of Property/Business assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>070032909</b>
<b>LOCATION ADDRESS:</b>	<b>221 18 St SE</b>
<b>HEARING NUMBER:</b>	<b>59906</b>
<b>ASSESSMENT:</b>	<b>\$7,340,000.00</b>

This complaint was heard on 23 day of July, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- D. Chabot

Appeared on behalf of the Respondent:

- T. Neal

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

A preliminary matter related to the disclosure of information within the time limits prescribed in MRAC section 8. The complainant stated that their office had not received the package of evidence that the City had prepared for the purpose of this hearing. As such they were in no position to respond to the City position and would be at a considerable disadvantage should any evidence be introduced. The City agreed that it appeared that the evidence package was not submitted to the complainant. Copies were apparently only sent to the ARB office, within the required time frame. Records show that the ARB received the information on July 7 2010. No reason for the non disclosure was provided by the City representative and the information was never disclosed.

The City stated that they would not request a postponement or request to have the disclosure dates extended allowing for the complainant adequate time to review the evidence package. Instead the representative agreed to proceed with the hearing with no presentation to the ARB only requesting the ARB allow questioning of the complainants material. The complainant expressed concern that the questions may introduce topics that could not be responded to given that no disclosure occurred.

The panel found that the hearing could proceed and cautioned the City that the purpose of questioning was to allow for clarification of the presentation and would not be an avenue for the introduction of evidence and since no evidence was submitted there would also be no summary entered. With this understanding and agreement of the parties the hearing continued.

**Property Description:**

The subject property is a class B suburban office building of 48,431 sq ft. It is located in an industrial area of the City totally surrounded by industrial uses. As of December 2008 the building was vacant likely for renovations. New leasing activity stated in mid 2009. Assessable areas include office areas both above and below grade. The assessment was conducted on the income approach.

**Issues: The assessment**

1. Does the typical vacancy rate used to complete the assessment reflect the market value?
2. Are the rental rates used by the city applicable to this property?

**Complainant's Requested Value:**

\$3,690,000.00

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

The ARB was only able to consider limited evidence given the preliminary matters considered earlier in the hearing.

1) Vacancy rate

With respect to the vacancy rate the ARB finds that in the absence of evidence from the City the rental rate on this structure for this specific year to be 15%.

The complainant submitted a series of 3rd party documents demonstrating from 14% to 20% vacancy over 3 quarters for suburban offices in SE Calgary. Normally the ARB would be presented with more specific data and a third party presentation would be used to support a conclusion. Actual vacancy for the building was greater than 80% and the complainant suggested rather than actual vacancy a typical vacancy of 15% was supported by the evidence. The evidence before the ARB supported a 15% vacancy rate, in this case.

2) Rental rate

With respect to the rental rate the ARB finds that \$10.00 per sq ft applies based on the evidence presented.

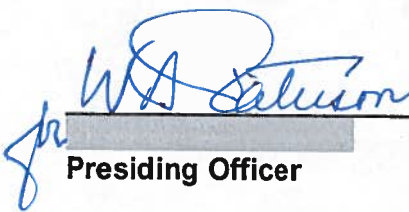
To support the requested \$10.00 rate the Complainant provided a rent roll showing the lease rates achieved as the building begins to be leased out. Although post facto of the appraisal date this roll indicates a value of \$10.00. Evidence was not available to provide any argument that this would not be typical.

These new values when placed into the proforma calculation yields a value of \$3,690,000.00

**Board's Decision:**

The assessment be reduced to \$3,690,000.00

DATED AT THE CITY OF CALGARY THIS 3<sup>rd</sup> DAY OF August 2010.

  
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Presiding Officer

*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.*