

**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(4).

between:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Steven C. Kashuba, PRESIDING OFFICER

R. Deschaine, MEMBER

R. Cochrane, MEMBER

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

ROLL NUMBER: 201367992

LOCATION ADDRESS: 808 – 42 Avenue SE

HEARING NUMBER: 59116

ASSESSMENT: \$21,560,000

This complaint was heard on 5th day of August, 2010 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:

- *C. Van Staden*

Appeared on behalf of the Respondent:

- *J. Young*

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

At the outset of the hearing the Complainant submitted two recent decisions of Composite Assessment Review boards which support a vacancy rate of 9.5% as opposed to the Respondent's 6%. These two decisions, which apply a vacancy rate of 9.5% for suburban office buildings in southeast Calgary, are presented in ARB 00505/2010-P and ARB 0629/2010-P.

The Complainant advised that one of the issues in this complaint is the vacancy allowance and the evidence and argument are substantially the same. As a result, the Complainant is requesting the same decision.

The Respondent is aware of these CARB decisions and accepts that the assessment for the subject property should take into account a vacancy rate of 9.5% as opposed to the original 6%.

With the agreement of the parties, a vacancy rate of 9.5% is used to arrive at a reduced assessment of \$20,170,000.

Property Description:

The subject commercial property is located in the subdivision of Highfield wherein the land description is IG, Industrial – General. The assessable land area is 5.96 acres. Constructed in 2005, the quality of the building is rated as A-minus. Three areas consisting of 26,401 square feet, 51,076 square feet and 28,016 square feet are rated as Suburban office space. In summary, the development features 102,042 square feet of office space, and 3,450 square feet of retail space. The current assessment is \$21,560,000.

Issues:

Is the vacancy allowance rate of 6% as ascribed to the building correct?

Complainant's Requested Value: \$19,970,000

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

It is the decision of CARB to accept the recommendation of both parties to apply a vacancy rate allowance of 9.5% as reflected in two CARB decisions noted in the Preliminary Matter.

Board's Decision:

It is the decision of the board to reduce the assessment of the subject property for 2010 from \$21,560,000 to \$20,170,000.

Reasons:

The board accepts the recommendation of the parties to increase the vacancy allowance for the subject property for 2010 from 6% to 9.5%. The Complainant sought support for their request by referring to recent CARB decisions which dealt with appeals of commercial properties in the same sector of the City which exhibit similarities wherein a vacancy rate of 9.5% was applied. The board is satisfied that these earlier CARB decisions dealt with a similar issue and that the application of an increased vacancy allowance does reflect the reality in the marketplace.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF August 2010.


Steven C. Kashuba
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.*