

**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 Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Irwin, PRESIDING OFFICER

P. Charuk, MEMBER

R. Deschaine, 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:	200149508
LOCATION ADDRESS:	37 Richard Way SW
HEARING NUMBER:	56313
ASSESSMENT:	\$10,750,000

This complaint was heard on the 12th day of August, 2010 at the office of the Assessment Review Board located at 4th floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom # 2.

APPEARED:

- D. Chabot (Altus Group Ltd., Complainant)

and

- M. Ryan (City of Calgary Assessment, Respondent)

PROPERTY DESCRIPTION:

The subject property is a 36,199 sq. ft. suburban office building located at 37 Richard Rd. SW. The site area is 1.77 acres and is located in the community of Lincoln Park. The property is assessed at \$10,750,000

ISSUES:

- vacancy
- rental rate

COMPLAINANT'S REQUESTED VALUE:

Filed in the complaint form \$7,900,000 and revised to \$8,840,000 in the evidence.

BOARD'S FINDINGS IN RESPECT OF EACH MATTER OR ISSUE:

It was agreed by both parties to carry forward evidence presented in hearing #59791 and #59918 including Tenant Inducements arguments and rebuttal.

VACANCY:

The Complainant requests that the Vacancy rate be increased from 6% to 9.5%. The complainant presented a 2010 Vacancy Rate Study-Suburban Office (south) beginning on page 46 that included third party market reports from Avison Young and CBRE. The Avison Young Calgary Overview stated that the citywide office space is forecast to be 9.3% while the CBRE reported a Vacancy rate South total as being 7.9%.

In response the Respondent presented a Southwest Suburban Office Vacancy Study that concluded a 6.47% weighted mean and a rate of 4.13% when the outlier was removed. The Board decided that the vacancy is supported at 6% as per the evidence presented.

RENTAL RATE:

The Complainant presented a list of comparable properties that indicated an assessed rental rate range from \$21.00 to \$25.00.

The Respondent presented evidence including a chart indicating the range to be \$22.00 to \$25.00 for "A" buildings in the southwest quadrant as well as 3 equity comparables with an assessed rental of \$25.00.

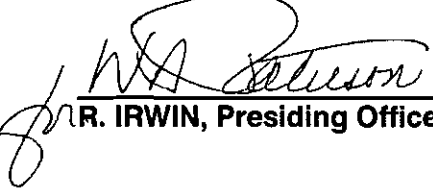
The Complainant noted that the respondent's evidence included primary leases of \$22.00 and others included a step up lease.

The Board agreed and set the rental rate at \$22.00.

DECISION:

The assessment is reduced to \$9,410,000.

DATED AT THE CITY OF CALGARY THIS 16th DAY OF September, 2010.


R. IRWIN, 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.*