

**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-26.1, Section 460(4).

between:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***W. Kipp, Presiding Officer
K. Coolidge, Board Member
D. Pollard, 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 2010 Assessment Roll as follows:

ROLL NUMBER: 138152418

LOCATION ADDRESS: 3445 – 114 Avenue SE, Calgary AB

HEARING NUMBER: 56450

ASSESSMENT: \$32,570,000

This complaint was heard on the 18th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- D. Mewha

Appeared on behalf of the Respondent:

- K. Gardiner

Property Description:

A mixed use property with one 70,300 square foot multi-tenant industrial warehouse building built in 2002 and two office buildings built in 2009. Assessment records show the offices as containing 99,588 square feet but a January 2009 measurement indicated rentable areas of 47,586 and 47,586 square feet for a total of 95,688 square feet.

The warehouse building was assessed as a multi-tenant warehouse using the City's mass appraisal multiple regression model at a rate of \$112.10 per square foot of rentable area. The office buildings were assessed by use of the income approach which incorporated a rental rate of \$21.00 per square foot, vacancy allowance of 6.0%, vacancy shortfall rate of \$12.50 per square foot, non-recoverable allowance of 2.0% and a capitalization rate of 7.50% to yield a total assessment of \$24,691,000. When the warehouse building assessment is added, the total 2010 assessment is \$32,570,000.

Issues:

The Complainant raised the following matters in section 4 of the complaint form: *Assessment amount (No. 3 on form) and Assessment class (No. 4 on form).*

The Complainant also raised several specific issues in section 5 of the Complaint form, however, only two were carried through to the hearing:

The assessment does not recognize significant vacant space in the subject property. The vacancy rate should be adjusted to account accordingly.

The municipality has incorrectly calculated the area and dimensions of the subject property by claiming an office space square footage of 99588 and should be 95,688 sqft.

1. The Complainant was not requesting special consideration of the actual vacancy in the office buildings. The request was that the vacancy allowance of 6.0% used in the income approach be adjusted upwards to a 9.5% rate as had been set by other 2010 CARBs.

The Respondent offered that since it was the finding of CARBs that the southeast office vacancy rate should be 9.5%, there would be no opposition to the requested adjustment.

2. The Complainant asked that the floor area of the office buildings be set at the amount indicated by the measurement undertaken in January 2009.

The Respondent stated that the areas used in calculating the assessment were preliminary sizes based on available data at the time of making the assessment. There would be no objection to the assessment being revised to reflect the measured area.

Board's Decision:

The Complainant requested that the vacancy rate for the office buildings on the subject property be adjusted upwards to 9.5% in line with decisions made by the City of Calgary CARB in other southeast Calgary office assessments. The Respondent did not challenge that position.

Also, the Complainant provided evidence to show a more accurate measurement of the rentable area in the office buildings. The Respondent did not object to that more recent, more accurate area being used in calculating the assessment.

The CARB set the vacancy rate for the office component of the subject property at 9.5%. The rentable area of the office buildings, in total, was set at 95,688 square feet.

The assessment on the warehouse building was unchallenged.

The 2010 assessment for the subject property is reduced from \$32,570,000 to \$30,680,000.

DATED AT THE CITY OF CALGARY THIS 21 DAY OF September 2010.



W. Kipp
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.*