

**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, Section 460(4).

**between:**

***Altus Group Ltd., COMPLAINANT***

**and**

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

**before:**

***L. Wood, PRESIDING OFFICER***

***M. Peters, MEMBER***

***T. Usselman, 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: 024024507**

**LOCATION ADDRESS: 5055 11 STREET NE**

**HEARING NUMBER: 59062**

**ASSESSMENT: \$11,980,000**

This complaint was heard on 27th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *Mr. B. Ryan*
- *Ms. D. MacArthur*

Appeared on behalf of the Respondent:

- *Mr. P. Colgate*

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

Both parties raised preliminary matters at the commencement of the hearing:

1. The vacancy rate of 14%. The Complainant submitted that recent board decisions have indicated a vacancy allowance for suburban office buildings in the NE quadrant of 14%. The Respondent indicated that he was aware of those decisions as well. It was agreed that the Board would proceed on the basis that the vacancy rate was not in issue.
2. The Complainant's witness. The Respondent raised an objection regarding the Complainant's witness. It was not the same person as identified on the will say statements. The Respondent raised concerns if it was the witness's intent to give evidence on the current lease negotiations for the subject property, then that testimony has no bearing on the valuation date of July 1, 2009 and should not be allowed. The Complainant indicated that the witness is the property manager and the purpose of her testimony is to speak to tenant improvements. The Board ruled that it is prepared to hear evidence pertaining to the subject property up to December 31, 2009 based on what was disclosed to the City. If the Board has any questions in regards to that evidence, the witness is available to speak to it.

**Property Description:**

The subject property is a suburban office building comprised of 64,168 sq ft, located on a 4.48 acre site in Skyline East. It was formerly known as the Westjet Building. Westjet rented the building for ten years before vacating the premises in April of 2009.

**Issues: (as indicated on the complaint form)**

1. The use, quality, and physical condition (attributed by the municipality to the subject property) are incorrect, inequitable and do not satisfy the requirement of Section 289(2) of the *Municipal Government Act*.

**Complainant's Requested Value:** \$6,010,000

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

The Board notes that there were several statements on the appendix to the complaint form; however, it will only address those issues that were raised at the hearing.

**The use, quality, and physical condition (attributed by the municipality to the subject property) are incorrect, inequitable and do not satisfy the requirement of Section 289(2) of the *Municipal Government Act*.**

The Complainant is seeking a reduction to the office space market net rental rate for the subject property. The office below grade (17,645 sq ft) is currently assessed at a market net rental rate of \$9.00 psf and the office space in north east (46,523 sq ft) is assessed at a market net rental rate of \$20.00 psf (Exhibit C1 page 9). The Complainant is seeking a flat rate of \$10.00 psf to apply to the total office space (64,168 sq ft) based on the state and condition of the property as of December 31, 2009 (Exhibit C1 page 355).

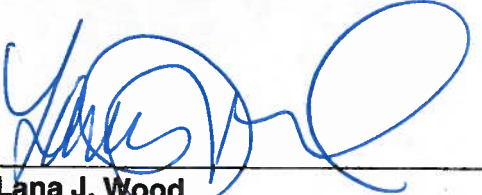
The Complainant submitted that Westjet had vacated the premises in April of 2009 after ten years of occupying the building and the tenant improvements left in the building had no value. The Complainant's witness, the property manager, Ms. Donna MacArthur, provided testimony regarding the physical condition of the subject property shortly after Westjet vacated the premises. She submitted that the building was in a state of disrepair. It was stripped of workstations, the elevator was damaged, and there was significant wear and tear.

Based on the condition of the property, the Board finds a reduced rental rate of \$15 psf is warranted for the office space in north east (46,523 sq ft) and the office space below grade (17,645 sq ft) remains unchanged at \$9.00 psf. The Board accepts the 14% vacancy rate for suburban offices in the NE quadrant as acknowledged by both parties as the rate based on recent board decisions. This results in a final assessed value of \$8,120,000.

**Board's Decision:**

The decision of the Board is to reduce the 2010 assessment for the subject property from \$11,980,000 to \$8,120,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF SEPTEMBER 2010.

  
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Lana J. Wood  
Presiding Officer

**APPENDIX A****DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

<b>NO.</b>	<b>ITEM</b>
Exhibit C1	Evidence Submission of the Complainant
Exhibit R1	City of Calgary's Assessment Brief

*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.*