

**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

K. Coolidge, MEMBER

D. Pollard, 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: 138154802

LOCATION ADDRESS: 11505 35 STREET SE

HEARING NUMBER: 58991

ASSESSMENT: \$9,230,000

This complaint was heard on 16th day of August, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *Mr. D. Mewha*

Appeared on behalf of the Respondent:

- *Ms. T. Woo*
- *Mr. I. McDermott*

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

The Complainant raised a preliminary matter at the outset of the hearing in regards to the Respondent's failure to file any disclosure pursuant to section 8(2)(b) of *Matters Relating to Assessment Complaints Regulation* AR 310/2009 ("MRAC"). The Respondent acknowledged that no evidence was filed by the City in this instance. The Board allowed the Respondent to ask questions based on the Complainant's evidence and to provide a summary at the conclusion of the hearing.

Property Description:

The subject property consists of two buildings: a multi tenant warehouse comprised of 25,456 sq ft, with 49% finish, built in 2004; and a low- rise office building comprised of 20,318 sq ft, built in 2009. The two buildings are located on a 2.88 acre, corner lot, in Shepard Industrial.

Issues:

1. The rental rate applied to building 2 is too high (warehouse).
2. The subject property is inequitably assessed compared to similar and competing properties.
3. The vacancy rate for the office building is too low and should be increased to 9.5%.

Complainant's Requested Value: \$8,040,000

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 rental rate applied to building 2 is too high (warehouse).

The Complainant is seeking a reduced rental rate for building 2 (warehouse) from \$15.00 psf to \$12.00 psf (Exhibit C1 page 22). The Complainant indicated that the Respondent used the income approach to valuation to assess the subject property. He provided the Assessment Request for Information for the subject property which shows that two tenants are leasing the premises at an

annual rental rate of \$9.45 psf and \$11.25 psf based on a 5 year lease that commenced in December 2004 (Exhibit C1 page 24). These leases were renewed by the same tenants for another 5 years at a rate of \$11.15 psf and \$12.50 psf starting on December 1, 2009 (Exhibit C1 page 25). The Board finds the actual rent renewal within the subject warehouse is insufficient to show that the \$15.00 psf rate applied by the Respondent is not correct.

The subject property is inequitably assessed compared to similar and competing properties.

The Complainant provided several equity comparables to suggest the 2010 assessment of \$165 psf for the warehouse should be reduced to \$131 psf (Exhibit C1 page 32). However, the Board finds there was no evidence provided by the Complainant to show how the comparables were assessed (income approach vs. sales approach). As such, the Board finds there is insufficient evidence to warrant a reduction.

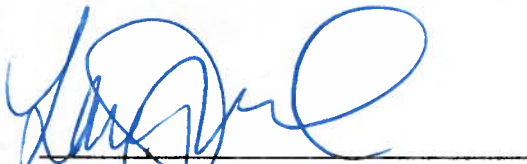
The vacancy rate for the office building is too low and should be increased to 9.5%.

The Complainant submitted that the vacancy rate should be increased from 6% to 9.5% for building 1, the south east suburban office, based on recent board decisions including CARB 0505/2010P (Exhibit C1 pages 20, 119- 124). This was uncontested by the Respondent. The Board accepts the increased vacancy rate from 6% to 9.5%.

Board's Decision:

The decision of the Board is to reduce the 2010 assessment for the subject property from \$9,230,000 to \$8,920,000.

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



Lana J. Wood
Presiding Officer

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

NO.	ITEM
Exhibit C1	Evidence Submission of the Complainant

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.*