

**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:**

***H. Kim, PRESIDING OFFICER***

***D. Pollard, MEMBER***

***J. Pratt, 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:

<b>ROLL NUMBER:</b>	<b>009004482</b>
<b>LOCATION ADDRESS:</b>	<b>6815 8 St NE</b>
<b>HEARING NUMBER:</b>	<b>57600</b>
<b>ASSESSMENT:</b>	<b>\$40,680,000</b>

This complaint was heard on the 13<sup>th</sup> of December, 2010 at the office of the Assessment Review Board located on the 4<sup>th</sup> Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

**Property Description:**

The subject property is a 3 storey office building in the Deerfoot Business Centre submarket of Northeast Calgary. It consists of 165,139 SF of office space and 243 parking stalls on a 184,582 SF parcel. It is assessed on the income approach based \$20/SF office rental rate and \$1200/annum parking rate. 9% office vacancy, \$12.50 operating costs and 2% nonrecoverables are deducted and the resulting net operating income is capitalized at 7.5% to arrive at the assessment under complaint.

**Issues:**

The Complainant identified a number of issues on the Complaint form; however at the hearing the only issue argued was the vacancy allowance.

**Complainant's Requested Value:** \$18,640,000 revised to \$37,140,000 at the hearing.

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

The Respondent's vacancy rate study excluded a single very large building that was substantially vacant, deeming it to be an outlier, resulting in an overall vacancy of 9%. The Complainant presented a vacancy rate study to demonstrate 13.8% direct vacancy existed at the valuation period. This is supported by third party market reports that also report vacancy rates in the Suburban North zone substantially higher than the allowance used by the Respondent. A number of previous CARB decisions based on the same evidence set the vacancy rate at 14%. The Complainant presented a calculation of the income approach valuation using 14% and requested that the assessment be reduced to that value.

**Decision and Reasons:**

The Board finds that the overall vacancy rate applied should reflect the total amount of vacant space in the market and agrees that 14% is the appropriate allowance for the valuation period, based on the actual vacancies reported and the third party market reports.

**Board's Decision:**

The complaint is allowed and the assessment reduced to \$37,140,000.

DATED AT THE CITY OF CALGARY THIS 22 DAY OF December 2010.

  
H. Kim

Presiding Officer

**APPENDIX "A"****DOCUMENTS RECEIVED AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
C1	Complainant Form
C2	Complainant's submission
C3	Income Approach Calculation per assessment
C4	Income Approach Calculation per requested assessment
R1	Respondent's submission

**APPENDIX 'B'****ORAL REPRESENTATIONS**

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
Giovanni Worsley	Altus Group Limited, Complainant
Christina Neal	Assessor, City of Calgary, Respondent

*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.*