

**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, Revised Statutes of Alberta 2000 (the Act).

between:

The Standard Life Assurance Company of Canada (as represented by Cushman & Wakefield Ltd), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***F.W. Wesseling, PRESIDING OFFICER
R. Roy, MEMBER
B. Bickford, 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 2012 Assessment Roll as follows:

ROLL NUMBER: 071133409

LOCATION ADDRESS: 2536 3 Ave SE

FILE NUMBER: 66087

ASSESSMENT: \$3,270,000

This complaint was heard on 17th day of July, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *J. Goresht*
- *S. Ubana*

Appeared on behalf of the Respondent:

- *C. Neal*

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

[1] No specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint

Property Description:

[2] Subject property is located in NE Calgary in the community of Meridian. The property contains a single tenant 22,058 square feet office/warehouse building which is classified "B" for assessment purposes. The building was constructed in 1980 and contains close to 7,000 square feet of laboratory space. In addition, the site contains 57 surface parking spots.

Issues:

The Complainant raised the following matter in Section 4 of the Assessment Complaint form:
Assessment amount

Presentation of the Complainant and Respondent were limited to:

- Assessment market value is overstated in relation to comparable properties.
- Vacancy rate

Complainant's Requested Value: \$2,670,000.

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

[3] Complainant's Position: The primary issue identified by the Complainant is the vacancy rate applied in the assessment calculation. The rate applied by the City for offices that also contain warehouse or laboratory space is 1% while the complainant requests that a 10% vacancy be applied. In support the Complainant presented the current rent roll for the building which showed the building has been fully occupied since January 2011 and that the lease terminates in December 2015. Data was provided, based on the City's listing of similar buildings, to depict that the typical market vacancy rate is higher than 1%.

[4] Respondent's Position: The City's position is that this kind of buildings that have a warehouse and laboratory component are assessed differently than typical office buildings. The *2012 City of Calgary Suburban Office-Warehouse Vacancy Analysis* was presented which outlined a mean vacancy rate for the City as a whole of 0.07 %. In addition, information was

provided that the subject property has been fully occupied since 2005. Two of the complainant's comparables are shown to be strictly office use only buildings. Through photographs the respondent showed the subject property has significant laboratory space.

[5] In rebuttal, the Complainant claimed that the City's vacancy analysis is flawed by presenting information on one specific property (2728 Hopewell place NE) to indicate the property is vacant. Through questioning however it was shown that the property is still generating income to the owner as the lease is still being paid and as such the property is not considered vacant in terms of the analysis completed by the City

Board's Decision:

[6] Upon reviewing the verbal and written evidence provided by the parties, the Board found that the Complainant failed to demonstrate that the assessment was in excess of market value. The Board confirms the assessment at \$3,270,000.

Reasons:

- While the issue of building classification was raised and a change requested, the Board was not provided with evidence to support the change.
- The building has been fully occupied for some time and a lease to the end of 2015 is in place.
- The requested 10% vacancy was not supported by evidence, data or analysis.

DATED AT THE CITY OF CALGARY THIS 9th DAY OF Aug 2012.


F.W. Wesseling
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2 Rebuttal	Complainant Disclosures
2. R2 Assessment Brief	Respondent Disclosure

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.*

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<i>Decision No.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Office/Warehouse Building	Income Approach	Vacancy rate	Classification of commercial buildings

