

**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:**

***620301 Alberta Ltd. (as represented by Altus Group Ltd.), COMPLAINANT***

**and**

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

**before:**

***L. Wood, PRESIDING OFFICER  
D. Pollard, MEMBER  
R. Kodak, 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 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>024007007</b>
<b>LOCATION ADDRESS:</b>	<b>1107 53 AV NE</b>
<b>HEARING NUMBER:</b>	<b>64179</b>
<b>ASSESSMENT:</b>	<b>\$3,340,000</b>

This complaint was heard on 25 day of July, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *Ms. S. Sweeney- Cooper*                      *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Ms. A. Jerome*                                      *Assessor, City of Calgary*

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

There were no procedural or jurisdictional matters raised by the parties during the hearing.

**Property Description:**

The subject property is an office/warehouse, known as P3C Communications Inc., located in the Skyline East Community. The improvement, built in 2008, is comprised of 20,300 sq. ft. and is situated on 1.38 acres of land. The land designation is I-G, Industrial General. It was assessed as an A quality office/warehouse.

**Issues:**

1. The assessed rental rate should be reduced from \$15.00 psf to \$12.00 psf based on equity.
2. The vacancy rate should be increased from 1% to 12%.

**Complainant's Requested Value:** \$2,210,000

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

1. The assessed rental rate should be reduced from \$15.00 psf to \$12.00 psf based on equity.

The Complainant requested that the assessed rental rate of \$15.00 psf be reduced to \$12.00 psf based on equity. The Complainant submitted an office rent analysis based on 19 office spaces in the NE and SE quadrants whose leases had commenced in late 2009 to 2010 (Exhibit C1 page 17). The office spaces were 274 sq. ft. to 12,289 sq. ft. with face rents between \$8.00-\$12.00 psf. The Complainant requested that the subject property's office space (12,180 sq. ft.) should be assessed at \$12.00 psf and the warehouse space (8,120 sq. ft.) should be assessed at \$11.00 psf (Exhibit C1 page 26).

The Respondent submitted the "combined" rate of office/warehouse space was a reflection of how tenants (in general) report that space and that the Board has confirmed a combined rate in 2010. The Respondent submitted the subject property was equitably assessed and provided three equity comparables of office warehouses located in the NE quadrant that were assessed

at a market rental rate of \$15.00 psf (Exhibit R1 page 29).

The Respondent presented two recent leases of office/warehouse properties that are 21,063-36,428 sq. ft. which lease for \$14.00- \$16.00 psf (median of \$15.00 psf) (Exhibit R1 page 38). The Respondent also submitted the Assessment Request for Information for the subject property which was received on March 26, 2010. It indicates the tenant was leasing the subject property at \$25.00 psf for a 10 year term, which had commenced in April 2008 (Exhibit R1 pages 22 & 23). The Respondent also included the current listing for the subject property of \$5,490,000 (Exhibit R1 pages 25-27).

The Respondent submitted the Complainant's comparables were not similar to the subject property as they were lease rates from B and C class suburban office buildings, constructed in the 1980s, with no warehouse space (Exhibit R1 pages 43-52). She submitted office/warehouse properties are assessed differently than suburban office which is comprised of 100% office.

The Board finds there was insufficient evidence presented by the Complainant to bring the assessed rental rate into question. The lease comparables were not office/warehouses like the subject property. Moreover, there was no evidence to support the \$11.00 rate for warehouse space.

2. The vacancy rate should be increased from 1% to 12%.

The Complainant submitted the vacancy rate should be increased from 1% to 12%. She submitted the tenant, P3C Communications Inc. had vacated the premises in May 2010 and provided the rent roll to show the tenant had vacated as of July 2010 (Exhibit C1 page 18). The Complainant also submitted the Assessment Request for Information dated September 21, 2010 which also reflected that the premises were vacant (Exhibit C1 pages 19 & 20).

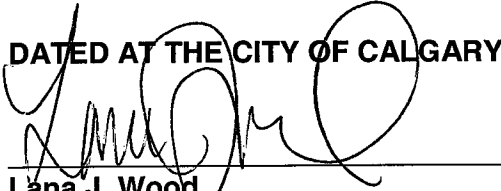
The Respondent submitted the typical vacancy rate of 1% is applied to all office/warehouse properties. The vacancy rate of 12% is applied to suburban offices for pure suburban office space. The Respondent submitted that the building is between tenants.

The Board finds the Complainant presented insufficient evidence in support of a 12% vacancy rate. The Board placed little weight on the fact that the building was vacant at the valuation date since the tenants had only vacated the premises two months prior to July 1, 2010.

**Board's Decision:**

The decision of the Board is to confirm the 2011 assessment of the subject property at \$3,340,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF SEPTEMBER 2011.

  
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Lana J. Wood  
Presiding Officer

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

<b>EXHIBIT NO.</b>	<b>ITEM</b>
1. C1	Complainant's Submission
2. R1	Respondent's Submission

*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.*