

**CALGARY
COMPOSITE 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:

***Northland Professional Centre Holdings Inc. , as represented by Altus Group Limited,
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***S. Barry, PRESIDING OFFICER
J. Rankin, MEMBER
A. Wong, MEMBER***

This is a complaint to the Calgary Composite Assessment Review Board (CARB) 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:	038001905
LOCATION ADDRESS:	4600 CROWCHILD TR NW
HEARING NUMBER:	68255
ASSESSMENT:	\$14,620,000

This complaint was heard on the 9th day of October, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- *D. Chabot, Altus Group Limited*

Appeared on behalf of the Respondent:

- *M. Lau, City of Calgary*

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

- [1] There were no procedural or jurisdictional matters raised at the hearing.

Property Description:

[2] The property under complaint is an A quality, multi-tenanted, medical/dental, suburban office building, known as the Northland Professional Centre, located in the community of Brentwood at 4600 Crowchild Tr. NW. The land use district is Commercial – Regional 3. It was built in 1978 and has an assessable building area of 50,603 square feet (sq.ft.). It is assessed using the Income Approach to value applying a vacancy rate of 4.50 per cent.

Issues:

[3] Does a vacancy rate of 10 per cent better reflect the value of the property on July 1, 2011?

[4] There was no dispute with respect to any of the other inputs to the assessment calculation.

Complainant's Requested Value:

- [5] The Complainant requested that the assessment be reduced to \$13,260,000

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

[6] The Complainant charted vacancies in the subject building supported, in all but one case, by rent rolls with the following result: July 31, 2009: 3.66 per cent; December 7, 2009: 6.24 per cent; June 30, 2010: 14.21 per cent; December 31, 2010: 11.27 per cent; July 2011: 11.27 per cent; December 31, 2011: 17.45 per cent. The July 2011 vacancy rate was taken from the City's vacancy rate study dated June 21, 2012 which represents the 2011 Assessment Request for Information (ARFI) return.

[7] The Complainant noted that this is a site specific request but that it is obvious that the vacancy is extreme, well in excess of the 4.5 per cent applied by the City, and prolonged. She

had been unable to determine a reason for the vacancy situation and agreed that this high vacancy was very unusual for medical/dental space .

[8] The Respondent produced its 2012 Northwest Suburban Office Vacancy Analysis in support of the rate applied and noted that the study included the 11.27 per cent vacancy rate for the subject as well as a 42 per cent vacancy rate for another property at 1716 16 Av. NW. It was her position that these numbers were included in the analysis that produced the 4.50 per cent rate used for mass appraisal purposes.

Board Decision and Reasons:

[9] While the rent rolls were incomplete, the Board was not asked to support a rent rate reduction where additional information would be relevant and necessary. It only required evidence of the vacancy. It is clear that going forward from December 2009, there was an increasing trend to high vacancy levels.

[10] The Board would not necessarily adjust an assessment because a property does not fit neatly within one of the parameters in the mass appraisal model; however, this property is clearly an outlier and the vacancy rate applied through that model does not result in a true estimation of value for the subject on July 1, 2011.

[11] In this situation, the Board is prepared to amend the assessment.

Board's Decision:

[12] The 2012 Assessment is reduced to \$13,260,000

DATED AT THE CITY OF CALGARY THIS 22 DAY OF OCTOBER 2012.


S. Barry
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant's Disclosure
2. R1	Respondent's 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.*

For MGB Administrative Use Only

Decision No.: 2122/2012-P		Roll No.: 038001905		
Subject	Property Type	Ppty Sub-type	Issue	Sub-Issue
CARB	Office	Low Rise	Vacancy	