

**CALGARY
COMPOSITE ASSESSMENT REVIEW BOARD (CARB)
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(4).

between:

Colliers International Realty Advisors, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Fleming, PRESIDING OFFICER

T. Usselman, MEMBER

R. Glenn, 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: 047041108

LOCATION ADDRESS: 3025 12 St. NE

HEARING NUMBER: 57400

ASSESSMENT: \$2,100.000

This complaint was heard on the 1st day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *D. Porteous for the Complainant*

Appeared on behalf of the Respondent:

- S. Powell; City of Calgary *for Respondent*

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

There were no procedural or administrative matters raised.

Property Description:

The property is Class "C" suburban one storey multi-tenant flex building known as Dorset House in South Airways. The site is 1.09 acres, and is developed with a 14,851 square foot building built in 1981. The Land Use designation is Industrial Business and the site has a Traffic Collector influence. The property is valued on the Income approach.

Issues:

1. What is the best evidence of rental rate for the subject: the most recent lease rate in the building, or the City typical rate for suburban office?
2. Does the property's current vacancy justify a 15.0% vacancy rate.

Complainant's Requested Value:

\$1,500,000

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

1. The City typical rate is the best rental rate evidence.
2. The appropriate vacancy rate is the rate established from the City vacancy study amended to remove two owner occupied buildings. This revised rate is 11.00%.

Board's Decision:

The Complaint is allowed in part and the assessment is set at \$2,010,000.

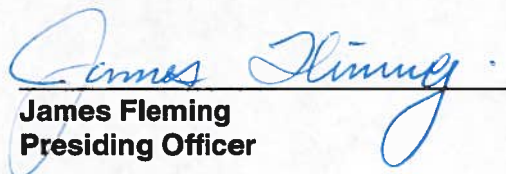
REASONS:

The Complainant advised that the most recent lease in the building was signed in Dec. 2009 at \$12.50 per square foot. In addition, he indicated that the building is atypical because it does not offer amenities found in other neighbouring buildings. The Complainant asserted that this was why the most appropriate rental rate was \$12.00 and why the vacancy rate should be set at 15% (the actual building vacancy) which coincidentally approximated the market vacancy (14.86%) reported in 3rd party publications. The Complainant asked that the assessment be changed to \$1,500,000 reflecting the value with the requested attributes. The Respondent provided rental rate comparables (Ex. R1 pg. 19) which supported the assessed rent at \$14.00 per square foot. In reviewing the information, the CARB placed greater weight on the 12 rental comparables of the Respondent and were convinced that these were better evidence than the one recent actual lease in the subject. The

Complainant did not provide any evidence to convince the CARB that the building was atypical except for the statement that it was. Accordingly, the CARB confirms the rental rate at \$14.00.

As noted above, the Complainant asked that the vacancy be adjusted to 15%. The Respondent provided a NE Quadrant Vacancy analysis of 72 buildings (Ex. R1 pg. 20) which supported their 9% request. However, upon questioning and analysis of this study on other similar properties heard at the same time as this complaint, the CARB determined that two owner occupied properties should be removed from the analysis. This resulted in an amended vacancy rate of 11%. Accordingly the vacancy rate will be amended to 11% for the subject.

DATED AT THE CITY OF CALGARY THIS 14th DAY OF September 2010.


James Fleming
Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB

No.	Item
1.	Exhibit C1
2.	Exhibit C2
3.	Exhibit R1

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.*