

**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 Ltd, *COMPLAINANT*

and

The City Of Calgary, RESPONDENT

before:

J. Noonan, *PRESIDING OFFICER*

A. Wong, *MEMBER*

C. McEwen, *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:	049002934
LOCATION ADDRESS:	2675 36 St. NE
HEARING NUMBER:	56380
ASSESSMENT:	\$11,080,000

This complaint was heard on the 17th day of August, 2010 at the office of the Assessment Review Board located at the 4th Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- B. Bickford, B. Ryan, Sr. Consultants, Altus Group

Appeared on behalf of the Respondent:

- P. Colgate, Assessor, *The City of Calgary*

Property Description:

The subject is located at 2675 36 Street NE, Calgary. It is a 108,640 sq.ft. lowrise suburban office building built in 1984 and classed as A2 by the City. The assessment was prepared by the income approach using \$22 lease rate, 9% vacancy and 7.5% cap rate. After allowance for 3 exempt sub-accounts related to the property, the assessed value is \$11,080,000.

Issues:

1. Should the vacancy rate be increased to 14%?
2. Should the subject be considered a "B" class rather than A2?

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

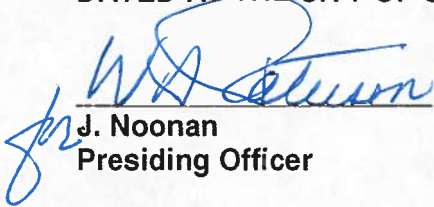
1. The parties acknowledged that the issue of appropriate vacancy rate for NE suburban offices had been extensively argued before other panels, and their decisions (ARB 1074/2010P and ARB 1089/2010P) had found 14% vacancy better reflective of the NE market. Specifically, those decisions had found that some office/warehouses ought to be excluded from the vacancy study, and that some substantial new inventory should be included. The Board accepts the conclusion of those decisions, and finds a 14% vacancy rate appropriate.

2. The Complainant presented an alternate scenario, based on the argument that the subject ought to be considered a "B" class property, especially considering its age. This would change the typical cap rate from 7.5% to 8%, and produce a very close result to that achieved by altering the vacancy allowance. However, the Complainant candidly volunteered that changing both the cap rate and vacancy allowance would produce an inequitable result in comparison to other "B" class properties, and so one or the other would suffice. The Board concurs with this line of reasoning, and having found in favour of a higher vacancy, considers the class issue moot.

Board Decisions on the Issues:

The Board reduces the assessment of the taxable portion of the subject to \$9,980,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF September 2010.



J. Noonan
Presiding Officer

JN/sd

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.*