



CENTRAL ALBERTA REGIONAL  
**Assessment  
Review Board**

Complaint ID 0262 1591  
Roll No. 30001620376

COMPOSITE ASSESSMENT REVIEW BOARD DECISION  
HEARING DATE: AUGUST 9, 2022

PRESIDING OFFICER: E K WILLIAMS  
BOARD MEMBER: D. DEY  
BOARD MEMBER: A. TARNOCZI

BETWEEN:

SERVUS CREDIT UNION LTD  
As Represented by Altus Group Limited

Complainant

-and-

REVENUE & ASSESSMENT SERVICES  
City of Red Deer

Respondent

This decision pertains to a complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by an Assessor of The City of Red Deer as follows:

ROLL NUMBER: 30001620376

MUNICIPAL ADDRESS: 4901 49 Street

ASSESSMENT AMOUNT: \$8,401,700

REQUESTED AMOUNT: \$6,984,400

The complaint was heard by the Composite Assessment Review Board the 9<sup>th</sup> of August 2022, via videoconference.

Appeared on behalf of the Complainant: A. Izard, Altus Group Limited

Appeared on behalf of the Respondent: T. Johnson, City of Red Deer

**DECISION:** The assessed value of the subject property is changed to \$6,984,400

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**JURISDICTION**

- [1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 455 of the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”].

**PROPERTY DESCRIPTION AND BACKGROUND**

- [2] The subject property known as the Parkland Square is a 59,138 square foot (sf) office building located in the Downtown built in 1980 on 10,718 sf. The subject property is classified as an Office Building/Office-High Rise/4-range with the tenant space assigned a 4-range designation.
- [3] The property was assessed using the Income Approach.

**PRELIMINARY MATTERS**

- [4] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them, and neither party raised any objection to the panel hearing the complaint.
- [5] The Complainant advised the Board that to ensure accuracy for the record two of the four-evidence disclosure filed in respect of this hearing should be retitled as follows:
- a) C3 RED DEER OFFICE PROPERTY REBUTTAL APPENDIX ALL IN ONE (Initially entered as C4)
  - b) C4 DISCLOSURE REQUIREMENTS REQUIRED UNDER MRAC 9(2)(b)(i) (Initially entered as C3)
- [6] The Parties advised the Board that evidence disclosures identified as C1 and R2 are property specific documents. Disclosures identified as C2, C3, C4, R1 and R3 are relevant to all files under appeal and are to be carried forward and identified in the relevant file.
- [7] The Complainant and Respondent identified to the Board that the evidence and argument to be presented in respect of the hearing on the subject property regarding the Vacancy Rate for all space will be the same as presented in respect of File 0262 1590 for Property Roll No. 30001620215 and requested that the testimony, discussions, and arguments be cross referenced to the subject property. The Complainant also noted that where applicable the Rebuttal is to be carried forward.
- [8] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints.

**PROPERTY ISSUES**

- [9] The Complainant and the Respondent identified to the Board that the issue identified in respect of the assessment of the subject property is the Vacancy Rate which should be increased from 19% to 25%.

**POSITION OF THE PARTIES**

- [10] The Complainant and Respondent each presented substantial evidence varying in its relevancy. In the interests of brevity, the Board will restrict its comments to those items the Board found relevant

to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

- [11] In respect of decisions of the Board, the Municipal Government Board, and the Alberta Court of Queen's Bench, which were submitted as evidence in support of the parties' positions, it should be noted that those decisions were made in respect of issues and evidence that may be dissimilar to that before this Board.

**Issue: Vacancy Rate increased from 19% to 25%**

- [12] The Board wishes to advise that to ensure clarity when outlining the Party positions on this issue, the Total Area reported in square feet (sf) for the property is based on the Party's evidence and the area reported may differ by Party.

**Position of the Complainant**

- [13] The Complainant requested that the vacancy rate be increased from 19% to 25% based on the vacancy analysis of four High Rise Office buildings as presented in the following table

ADDRESS/BLDG NAME	TOTAL AREA	VACANT SF	% VACANT
SUBJECT 4909 49 St/Millennium Ctr	147,841 sf	44,762 sf	30.28%
4901 48 St/Parkland Sq	59,138 sf	10,023 sf	16.9%
5010 43 St/Centre 5010	76,618 sf	14,448 sf	19.98%
4911 50 St/First Red Deer Place	94,391 sf	26,169 sf	27.72%
<b>TOTAL AREA</b>	<b>377,988 sf</b>	<b>95,402 sf</b>	
<b>WEIGHTED MEAN</b>			<b>25.67%</b>

**Position of the Respondent**

- [14] Respondent noted that the Complainant's analysis supporting the requested 25% was inaccurate on the basis that:
- Stantec Executive Place, a High-Rise Office building was excluded from their analysis. Although, the annual Non-Residential Property Request for Information (RFI) has not been received, a review of other documentation filed with the Respondent determined the total area of the office space to be 103,670 sf with a vacant area of 5,230 sf.
  - Parkland Square's 2021 RFI (July 8, 2021) reported the total building area to be 67,456 sf with 4,812 sf vacant not 10,018 sf vacant as reported by the Complainant.

- [15] Based on the above noted changes the sample of five High Rise Office buildings supports the vacancy of 19% as detailed in the following table:

ADDRESS/BLDG NAME	TOTAL AREA	VACANT SF	% VACANT
SUBJECT 4909 49 St/Millennium Ctr	147,841 sf	44,762 sf	30.28%
4901 48 St/Parkland Sq	67,456 sf	4,812 sf	7.13%
5010 43 St/Centre 5010	72,497 sf	14,488 sf	19.98%
4911 50 St/First Red Deer Place	90,433 sf	26,167 sf	28.93%
4900 50 St/Stantec Exec. Place	103,670 sf	5,230 SF	5.04%
<b>TOTAL AREA</b>	<b>481,897 sf</b>	<b>95,402 sf</b>	
<b>WEIGHTED MEAN</b>			<b>19.18%</b>

### **Position of the Complainant – Rebuttal**

[16] In rebuttal the Complainant focused on the two properties which were the focus of the Respondent’s evidence, specially:

- a) Parkland Square’s vacant space measuring 2,802 sf, 2814 sf and 4,407 sf for a total of 10,023 sf’s vacancy was confirmed by email and supported by a commercial real estate marketing brochure.
- b) Stantec Executive Place’s April 29, 2002 Rent Roll obtained by the Complainant reported two units of vacant space 25,132 sf and 1,488 sf for a total of 26,620 as well as a total rentable area of 104,930 sf.

[17] Based on the above changes the sample of five High Rise Office buildings has a total vacant space of 104,930 sf which based on a total building area of 483,157 sf yields a weighted mean vacancy rate of 25.26% which supports the requested vacancy of 25%.

### **BOARD FINDINGS and DECISION**

[18] Based on the evidence presented the Board determined in respect of:

- a) Parkland Square,
  - i. the change in the total building area to 67,456 sf is supported by the 2021 RFI;
  - ii. the vacancy of 10,023 sf is supported by an email from the property owner as well as the Remax Commercial Properties leasing brochure for the property;
- b) Stantec Executive Place, as there was:
  - i. no independent support was presented by the Respondent for the 5,230 sf of vacant space, and
  - ii. the Complainant’s vacancy of 26,620 sf was based on a June 2022 Rent Roll which is post facto as the data is 10 months after the July 1,2021 Valuation date,

the property was excluded from the sample of properties for the vacancy analysis.

- c) A sample of four High Rise Office buildings is representative of the market and is presented in the following table

ADDRESS/BLDG NAME	TOTAL AREA	VACANT SF	% VACANT
SUBJECT 4909 49 St/Millennium Ctr	147,841 sf	44,762 sf	30.28%
4901 48 St/Parkland Square	67,456 sf	10,023 sf	14.86%
5010 43 St/Centre 5010	72,497 sf	14,488 sf	19.98%
4911 50 St/First Red Deer Place	90,433 sf	26,167 sf	28.93%
<b>TOTAL AREA</b>	<b>378,227 sf</b>	<b>95,440 sf</b>	
<b>WEIGHTED MEAN</b>			<b>25.23%</b>

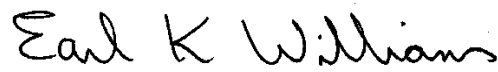
which reports a weighted mean vacancy of 25.23% and supports the requested 25% vacancy rate.

[19] In summary the Vacancy Rate for Office High Rise Buildings is increased from 19% to 25%.

**DECISION SUMMARY**

[20] The Board address the issue related to the assessment of the subject property and decided as the Vacancy Rate will be increased to 25%. Based on the above decisions the original assessed value is changed to \$6,984,400.

[21] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 03 day of October, 2022 and signed by the Presiding Officer on behalf of all the panel members who agree that the content of this document adequately reflects the hearing, deliberations and decision of the Board.



E. Williams  
Presiding Officer

*If you wish to appeal this decision you must follow the procedure found in section 470 of the MGA which requires an application for judicial review to be filed and served not more than 60 days after the date of the decision. Additional information may also be found at [www.albertacourts.ab.ca](http://www.albertacourts.ab.ca).*

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**APPENDIX**

Documents presented at the Hearing and considered by the Board.

<u>NO.</u>	<u>ITEM</u>
1. A.1	Hearing Materials provided by Clerk (64 pages)
2. C.1	Complainant – Parkland Square 4901 48 St (188 pages)
3. C.2	Complainant – Red Deer Office Appendix (51 pages)
4. C.3	Complainant – Red Deer Office Rebuttal Appendix (232 pages)
5. C.4	Complainant – Disclosure Requirements Required under MRAC s.9(2)(b)(i) (231 pages)
6. R.1	Respondent – Disclosure Multiple Roll Numbers (18 pages)
7. R.2	Respondent – 4901 48 St Parkland Square (217 pages)
8. R.3	Respondent – Multiple Rolls Law Brief (66 pages)