

**CITY OF CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of a complaint filed with the City of Calgary Assessment Review Board pursuant to Part 11 of the *Municipal Government Act*, Chapter M-26, Revised Statutes of Alberta 2000 (the Act).

BETWEEN:

Altus Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

BEFORE:

**J. Krysa, PRESIDING OFFICER
I. Zacharopoulos, MEMBER
H. Ang, MEMBER**

A hearing was convened on July 23, 2010 in Boardroom 4, at the office of the Assessment Review Board, located at 1212 - 31 Avenue NE, Calgary, Alberta in respect of the property assessment prepared by the assessor of the City of Calgary, and entered in the 2010 Assessment Roll as follows:

| | |
|--------------------------|------------------------------|
| ROLL NUMBER: | 111162004 |
| LOCATION ADDRESS: | 7515 MACLEOD TRAIL SW |
| HEARING NUMBER: | 59498 |
| ASSESSMENT: | \$2,340,000 |

PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

The subject property is a 21,623 square foot (sq.ft.) parcel of land, improved with a 8,890 sq.ft. strip retail structure constructed in 1985, and paved surface parking and known as Macleod Village Plaza.

PART B: PROCEDURAL or JURISDICTIONAL MATTERS

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

PART C: MATTERS / ISSUES

The Complainant raised the following matters in section 4 of the complaint form:

- 3. an assessment amount
- 4. an assessment class

At the commencement of the hearing, the Complainant withdrew matter 4, and indicated that the evidence and submissions would only apply to matter number 3, an assessment amount. The Complainant set out 11 reasons for complaint in Section 5 of the Complaint form, however at the hearing the Complainant stated only the following issues remained in dispute:

Issue 1: The assessed building area of 9,410 sq.ft. is incorrect; the correct area is 8,890 sq.ft.

Issue 2: The assessed market rent exceeds actual current market and is inequitable with competing properties.

The Complainant requested an assessment of \$1,690,000.

Issue 1: The assessed building area of 9,410 sq.ft. is incorrect; the correct area is 8,890 sq.ft.

The Complainant submitted the Assessment Request For Information (ARFI) form indicating the total leased area of the improvement is 8,890 sq.ft.

The Respondent submitted that the current assessment was established on a total improvement area of 9,410 sq.ft., and requested that the Board revise the assessment to \$2,240,000 to reflect the correct area of the improvement. [R1 pg 17]

Decision - Issue 1

The Board accepts the Respondent's recalculated assessment of \$2,240,000.

Issue 2: The assessed market rent exceeds actual current market and is inequitable with competing properties.

The Complainant submitted an analysis of recent leases signed within the subject property to illustrate that the contract rents in the subject average \$21.12 per sq.ft. in contrast to the \$23.00 to \$24.00 relied on, in the preparation of the assessment. [C1 pg 37]

To demonstrate that the assessment of the subject property is inequitably assessed in relation to other properties, the Complainant submitted 3 assessment calculations of retail properties in the vicinity of the subject, exhibiting assessed main floor retail rental rates from \$16.00 to 18.00 per sq.ft. [C1 pgs 48-58]

The Respondent submitted a summary of the coefficients applied to various stratifications of properties to demonstrate that the assessments were properly prepared using mass appraisal techniques. Noticeably absent from these standardized coefficients were the market rent rate coefficients applied. [R1 pg 18]

To demonstrate equity with respect to the \$24.00 per sq.ft. rent rate assigned to commercial retail units (CRU's) of under 1,000 sq.ft., and from 1,000 to 2,500 sq.ft., the Respondent provided 2 equity comparables for each size range. [R1 pgs 20 and 22].

Decision - Issue 2

The Board finds that the assessed market rent of \$23.00 and \$24.00 is correct, and equitable with competing properties

The Board placed little weight on the Complainant's analysis of the subject's rent roll, as the data in the subject's rent roll was inconsistent with the data in the ARFI. For example, the ARFI indicates there are 6 tenants, the rent roll analysis was calculated on the basis of only 5 tenants. Further, the ARFI indicated the "Daily Liquor" tenant pays an annual rental rate of \$25.00 per sq.ft., whereas the rent roll analysis calculation reflected a \$21.25 per sq.ft. rent for this space.

With respect to the matter of equity, the Board did not find the Respondent's evidence very compelling, as none of the equity comparables were even from the same market area (MT4), however, the ARFI documents that the Respondent provided to the Board did confirm that the Complainant's equity comparables did not exhibit the same level of lease rates as evident in the subject's ARFI document. As a result, the Board found that they could not be considered comparable to the subject, and therefore did not confirm that an inequity exists.

PART D: FINAL DECISION

The assessment is revised from \$2,340,000 to \$2,240,000.

Dated at the City of Calgary in the Province of Alberta, this 25 day of August, 2010.



J. Krysa, Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:

| NO. | ITEM |
|------------|-----------------------------------|
| 1. | Exhibit C1 Complainant's Brief |
| 2. | Exhibit R1 Respondent's Brief |

APPENDIX 'B'

ORAL REPRESENTATIONS

| PERSON APPEARING | CAPACITY |
|-------------------------|-----------------------------------|
| 1. S. Sweeney-Cooper | Representative of the Complainant |
| 2. B. Duban | Representative of the Respondent |

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.*