

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

B. Horrocks, PRESIDING OFFICER

I. Fraser, MEMBER

Y. Nesry, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of Property/Business assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	031004393
LOCATION ADDRESS:	3321 27 ST NE
HEARING NUMBER:	59305
ASSESSMENT:	\$7,350,000

This complaint was heard on the 18th day of August, 2010 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:

- Mr. B. Bickford (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- Ms. C. Neal

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

None. The merit hearing proceeded.

Property Description:

The subject property, commonly referred to as Centre 32 is a 6.04 acre site located in the Horizon community in NE Calgary. The site contains a 29,298 sq. ft. strip mall with various tenants and a 3,916 sq. ft. free standing building occupied by General Paint. The buildings were constructed in 1981 and are described as A- quality.

Issues:

The "Assessment Review Board Complaint" form contained 6 grounds for appeal, but the complainant advised that there was only 1 issue outstanding, namely: "The assessed rental rate applied to the subject property should be between \$16.00 / sq. ft and \$20.00 / sq. ft."

Complainant's Requested Value: \$6,760,000

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

Issue: "The assessed rental rate applied to the property should be between \$16.00 /sq. ft and \$20.00 / sq. ft."

The complainant provided evidence package labelled C-1. On page 27 there is a "Centre 32 - 3321 27 St. NE Rental Summary" that indicates current lease rates ranging from a low of \$9.50 / sq. ft. to a high of \$28.00 / sq ft. with an average of \$18.45 / sq. ft., yielding a Gross Income of \$613,275.

The complainant argued that the Potential Net Income (PNI) of \$690,626 as prepared by the City on Page 34 of C-1 was unachievable.

The respondent provided evidence package labelled R-1. The respondent in referencing the Assessment Request for Information (ARFI) dated March 14, 2009 on Page 18 argued that the lease rates achieved by Kids & Company Ltd. @ \$20.00 / sq. ft. and IS2 staffing @ \$28.00 / sq. ft. were indicative of rents that can be achieved within the subject.

In addition, the respondent at Page 21, provided an Inventory of Rent Rates from purported Retail Store - Strip comparables in the NE in support of the lease rates applied by the City.

The Board finds the requested PGI of \$637,348 as shown on page 36 of C-1, which utilized a lease rate of \$16.00 / sq. ft. for the largest CRU and a lease rate of \$20.00 for the remainder, to be well supported.

Board's Decision:

The assessment is reduced to \$6,760,000.

DATED AT THE CITY OF CALGARY THIS 25 DAY OF August 2010.



B. Horrocks
Presiding Officer

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.*