

**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, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Hudson, PRESIDING OFFICER

H. Ang, MEMBER

R. Deschaine, MEMBER

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

ROLL NUMBER:	101050508
LOCATION ADDRESS:	6200 McLeod Trail SW
HEARING NUMBER:	58893
ASSESSMENT:	\$8,180,000

This complaint was heard on 13th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- A. Izard (Altus Group Ltd., Agent)

Appeared on behalf of the Respondent:

- R. Ford (City of Calgary, Assessor)

Property Description:

The subject property includes a branch of the CIBC, and a restaurant located in the Chinook Station Shopping Centre in the Manchester Industrial Area at 6200 McLeod Trail SW. The property is on a 1.86 acre site and includes the bank space at 11,714 sq. ft., CRU space of 7,326 sq. ft. and office space of 7,326 sq. ft. The current assessment prepared using the income approach to value method is \$8,180,000. The requested assessment is \$7,040,000.

Issues/Grounds for Complaint:

The Complaint Form indicated that the assessment amount and the assessment class are in dispute. In addition the following items are listed as issues:

1. The subject property is assessed in contravention of section 293 of the MGA and Alberta Regulation 220/2004.
2. The use, quality, physical condition attributed by the Municipality to the subject property is incorrect, inequitable, and does not satisfy the requirements of the section 289(2) of the MGA.
3. The assessed value should be reduced to the lower of marketable or equitable value based on numerous decisions of Canadian Courts.
4. The classification of the subject premises is neither fair, equitable or correct.
5. The assessment of the subject property is not fair and equitable considering the assessed value of comparable properties.
6. The assessment of the subject property is in excess of its market value for assessment purposes.
7. The Bank area assessed rental rate is incorrect and should be no higher than \$28 psf.
8. The assessed capitalization rate is incorrect and should be increased to 9%.
9. The Municipality has incorrectly calculated the assessable area and dimensions of the subject property by areas which are incorrect, based on the physical condition of the subject property, the ARFI and the Rent Roll for the assessment year.
10. The assessed vacancy allowance applied to the subject property should be increased to reflect the current market conditions for CRU rental spaces of 5%.
11. The correct assessable area and dimensions of the subject property for the purpose of calculating the assessment under the income approach is 19,040 sq. ft.

CARB Findings with Respect to the Issues/Grounds for Complaint:

Based on the presentations of the parties, the CARB finds the assessment amount and the rental rate to be applied to 7,326 sq. ft. of CRU retail space of the subject property, are the only matters remaining in dispute between the parties. All of the factors used by the Respondent to prepare the income approach to value assessment (other than the CRU retail rental rate) are accepted by the Complainant.

In Summary, only the rental rate for the CRU retail space remains to be decided by the CARB, and this finding will lead to a final decision on the 2010 assessment amount for the subject property.

CARB Findings on the Rental Rate for the CRU Retail Space:

The consensus of the parties is that the rental rate for the 7,326 sq. ft. of CRU retail space should be set at \$22/per sq. ft. rather than the assessed rate of \$30/per sq. ft. The CARB accepts the \$22/per sq. ft. rate as fair and equitable.

CARB Decision on the Assessment Amount:

Based on the foregoing findings, the 2010 assessment amount of the subject property is reduced to \$7,470,000.

DATED AT THE CITY OF CALGARY THIS 19 DAY OF OCTOBER 2010.



T. Hudson
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.*