

**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, Revised Statutes of Alberta 2000 (the Act).

between:

Giamel Inc., (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Hudson, PRESIDING OFFICER

R. Roy, MEMBER

T. Usselman, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 175176908

LOCATION ADDRESS: 850 Crowfoot CR NW

HEARING NUMBER: 64270

ASSESSMENT: \$3,320,000

This complaint was heard on the 2nd day of August, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *B. Neeson*

Appeared on behalf of the Respondent:

- *S. Turner*

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

At the commencement of the hearing, the parties agreed that the evidence, argument and decision considered by this panel of the Board in respect of the correct capitalization rate to be applied in the assessment of Roll Number 200388197; should be carried forward and applied to the subject property. The Board accepted this procedure, because both of the subject properties are located within the Crowfoot Crossing Power Centre.

Property Description:

The subject property is a 0.89 acre parcel, located in the commercial retail Crowfoot Crossing Power Centre. The parcel was improved in 1998 with an owner occupied pad site including 10,000 square feet (sf) of assessable area. The subject property is currently assessed at \$3,320,000(rounded) or \$332 per square foot (psf.), using the capitalized income approach to value.

Issues:

The Complainant identified the assessment amount and the assessment class as the reasons for the complaint. They argue that the current assessment exceeds market value, and is not equitable when compared to the assessed value of similar properties. Specifically, the Complainant requested that the assessed rent rate be reduced to \$20 from \$26psf, and that the net operating income (NOI) be capitalized at 7.75 % rather than at the assessed rate of 7.25%.

Complainant's Requested Value: \$2,370.000(rounded) or \$237psf

Board's Finding in Respect of Each Matter or Issue:**What is the Correct and Equitable Rent Rate for the Subject Property?**

The Board finds that the current assessed rent rate of \$26psf is both correct and equitable when compared to similar space within the Crowfoot Power Centre.

In support of the request to reduce the assessed rent rate for the subject property, the Complainant submitted several rent rates from SE and SW Power Centre commercial rental unit (CRU) leases in the 6,001 to 14,000 square feet (sf), size range. The median size of the CRU space was 8,313sf and the median rent rate \$19.75psf. The Complainant also submitted a number of assessment equity comparables for the same size CRU space located in various commercial retail shopping centres. The assessed rent rates ranged from a high of \$23 to a low of \$20psf.

The Respondent noted that none of the lease or assessment equity comparables submitted by the Complainant are located in the Crowfoot Power Centre. In addition four (4) of the comparables are not located in any of the Calgary Power Centres.

In support of the \$26psf assessed rent rate, the Respondent submitted several lease and assessment equity comparables, in a similar size range to the subject property. Most of these comparables were located in the Crowfoot Power Centre.

What is the Correct Capitalization Rate for the Subject Property?

Several 2011 CARB panels have adjudicated this issue and have concluded that there is insufficient evidence to conclude that a rate change is justified. Given that the evidence in this hearing was substantially the same as that which lead to CARB0989/2011-P, CARB0986/2011-P, CARB0974/2011-P, and CARB0988/2011-P, among others, **the Board finds that the assessed capitalization rate of 7.25% is correct.**

Board's Decision: The assessment is confirmed at \$3,320,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF September 2011.



T. B. Hudson
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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.*

For MGB Administrative Use Only

<i>Decision No.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Retail	Power Centre	Income Approach	Cap Rate/ Market Rent