

**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:

L. Wood, PRESIDING OFFICER

K. Kelly, MEMBER

J. Pratt, MEMBER

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

ROLL NUMBER: 141001305

LOCATION ADDRESS: 755 LAKE BONA VISTA DRIVE SE

HEARING NUMBER: 59404

ASSESSMENT: \$23,350,000

This complaint was heard on 22nd day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *Mr. A. Izard*

Appeared on behalf of the Respondent:

- *Ms. M. Byrne*

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

There were no procedural/jurisdictional matters raised at the hearing.

Property Description:

The subject property is a neighbourhood shopping centre, Lake Bonavista Promenade. It is comprised of 103,300 sq ft and is located on an 8.73 acre site in Lake Bonavista. It was built in 1972. The building has an A- quality rating. It has one anchor tenant, Safeway.

Issues:

1. The rental rate applied to the subject property's restaurant space (8,082 sq ft) should be reduced from \$30 psf to \$28 psf.
2. The rental rate applied to the subject property's office space (22,983 sq ft) should be reduced from \$18 psf to \$14 psf.
3. The assessed operating cost allowance applied to the subject building should be increased from \$12.50 psf to \$16 psf.
4. The vacancy allowance for the subject property should be increased from 5%- 6%.

Complainant's Requested Value: \$20,130,000

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

The Board notes that an appendix to the complaint form contains several statements as to why the subject property's assessment is incorrect; however, the Board will only address those issues that were raised at the hearing.

The rental rate applied to the subject property's restaurant space should be reduced from \$30 psf to \$28 psf.

The Board reviewed the three comparables that the Complainant indicated were most similar to the subject property's restaurant space (Exhibit C1 pages 40, 52 & 65). The Board did not find any of them comparable to the subject as two were located in older style, one- storey strip malls and one was a newer two storey restaurant attached to a strip mall in a different quadrant than the subject property.

The Board notes the majority of the Complainant's equity comparables were restaurants situated on free standing pad sites of various sizes and locations (Exhibit C1 pages 28- 53). The Board did not

consider any of the equity comparables located in power centres as it does not find these are comparable to a neighbourhood shopping centre with one anchor tenant (Exhibit C1 pages 57- 79).

The Board finds the Complainant's equity comparables are too diverse in building type and location to reach any conclusions about restaurant rental rates.

The rental rate applied to the subject property's office space should be reduced from \$18 psf to \$14 psf.

The Complainant submitted several comparables of office space that ranged from \$14- \$18 psf (Exhibit C1 pages 88- 92). The Complainant submitted photographs of three comparables assessed at \$18 psf that are used for medical office space which he considers superior to the subject property. The Board finds the photographs to provide limited value without supporting evidence. The Board finds the remaining two comparables, on which the Complainant provided an income approach to value, not similar in terms of square footage and location to the subject property and provided little assistance to the Board.

The Board finds the Complainant's evidence is insufficient in regards to office rental rates.

The assessed operating cost allowance applied to the subject building should be increased from \$12.50 psf to \$16 psf.

The Complainant presented several equity comparables in support of increased operating costs (Exhibit C1 pages 181-197). However, the Board finds these comparables are suburban office, not retail, and they have different building types and locations. The Board notes that the Complainant did not present any breakdown of costs usually associated in the form of financial statements of the subject property or the comparables to justify an increase from \$12.50 psf to \$16.00 psf.

The Board finds the Complainant failed to provide any evidence in regards to operating costs.

The vacancy allowance for the subject property should be increased from 5%-6%.

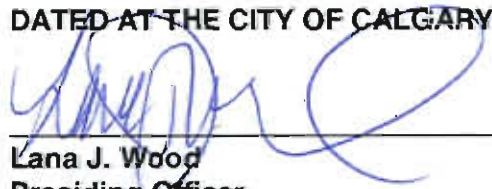
The Board finds that the Complainant did not present any evidence regarding the vacancy allowance.

Based on the above, the Board finds that the Complainant failed to provide sufficient evidence to bring the assessment into question.

Board's Decision:

It is the decision of the Board to confirm the 2010 assessment for the subject property at \$23,350,000.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF AUGUST 2010.



Lana J. Wood
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.*