

**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, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Gilmour, PRESIDING OFFICER

R. Roy, MEMBER

S. Rourke, 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:	200558971
LOCATION ADDRESS:	16919 24 St. SW
HEARING NUMBER:	59819
ASSESSMENT:	\$8,890,000

This complaint was heard on 3rd day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Number 2.

Appeared on behalf of the Complainant:

- *D. Hamilton*

Appeared on behalf of the Respondent:

- *M. Byrne*

Description and Background of the Property under Complaint:

The subject property is a strip mall called Bridlewood Centre in the southwest of Calgary. The strip mall consists of three buildings. It was built in 2008. The three buildings consist of the following areas:

#	<u>Named Area</u>	<u>Size Designation</u>	<u>Total Area</u>
1.	Bank Building		5,429 sq. ft.
2.	Strip Mall and Office Space	CRU 0 – 1000 sq. ft. CRU 1001 – 2500 sq. ft. CRU 2501 – 6000 sq. ft.	1000 sq. ft. 15,411 sq. ft. 10,532 sq. ft.
3.	Storage		201 sq. ft.

The rental rates for the bank building and storage areas were not in dispute. The Complainant focussed on the rental rates for the strip mall and office space.

Issues:

1. The second floor of the office space was classified by the City as retail instead of office.
2. The rental rates of the strip mall classifications should be reduced from \$26 per sq. ft. and \$25 per sq. ft.

Complainant's Requested Value: \$7,280,000

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

Issue #1:

The City took the position that for the upper floor of strip malls they normally classify them as office space at \$18 per sq. ft. versus \$25 per sq. ft. for retail space.

In the second floor area of 3907 sq. ft. in the office space building, the Complainant provided evidence that the second floor of the building has always remained vacant and has never been

leased to any tenant.

The Complainant in evidence relied on the rental rates for second floor space at both the Shoppes of Bridlewood and at Evergreen Village which were both located very close to the subject property. Both of these comparables shared rental rates of \$18 per sq. ft. in lieu of \$25 per sq. ft. for the second floor space.

Findings, Issue #1:

The Board agrees with the Complainant that there is evidence from the Complainant's Assessment Request For Information to the City in 2009 and 2010 that the second floor of the office space building was never used for retail purposes.

Based on the evidence presented by both parties, the Board reduces that assessment with respect to 3907 sq. ft. of the second floor office space building from \$25 per sq. ft. to \$18 per sq. ft.

Issue #2:

The Complainant argued before the Board that two shopping complexes close to the subject property at Shoppes of Bridlewood and Evergreen Village classified the spaces as follows:

CRU 0 – 1000 sq. ft.:	\$22 per sq. ft. vs. \$26 per sq. ft. for the subject property
CRU 1001 – 2500 sq. ft.:	\$21 per sq. ft. vs. \$26 per sq. ft. for the subject property
CRU 2501 – 6000 sq. ft.:	\$19 per sq. ft. vs. \$25 per sq. ft. for the subject property

The Respondent took the position that these two complexes relied on by the Complainant were in fact not comparable as they were considered Neighbourhood Centres and not strip malls, as is the subject property. Each of the two shopping complexes relied on by the Complainant had an "anchor" tenant, which the subject property did not have.

The Respondent relied on a comparable strip mall in close proximity to the subject property, called the James McKeivitt mall. These comparables indicated the following rental rates:

<i>Subject Space / Rental Rate</i>		<i>McKeivitt Space / Rental Rate</i>	
1000 sq. ft.	\$26 per sq. ft.	563 sq. ft.	\$26 per sq. ft.
3000 sq. ft.	\$25 per sq. ft.	980 sq. ft.	\$26 per sq. ft.
		5,135 sq. ft.	\$25 per sq. ft.


Findings, Issue #2:

The Board agrees with the Respondent that the best comparable is the James McKeivitt strip mall close to the subject strip mall property. The two comparable properties relied on by the Complainant are not similar to the subject as they are classified by the City as Neighbourhood Centres with an anchor tenant. The assessed rental rates of the subject property are equitable when compared to the James McKeivitt strip mall. The Board has determined that the assessment rates for the three CRU categories are fair and reasonable and should not be disturbed.

Board's Decision:

On the basis of the rental rate for the second floor office space building being reduced from \$25 per sq. ft. to \$18 per sq. ft. for 3907 sq. ft., the assessment is reduced to \$8,600,000.

DATED AT THE CITY OF CALGARY THIS 6th DAY OF OCTOBER 2010.



J. Gilmore
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.*