

**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:

2792800 Canada Ltd, COMPLAINANT (as represented by Colliers International Realty Advisors)

and

The City Of Calgary, RESPONDENT

before:

***F.W. Wesseling, PRESIDING OFFICER
H. Ang, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 031016090

LOCATION ADDRESS: 3405 34 Street NE

HEARING NUMBER: 61408

ASSESSMENT: \$ 5,810,000.00

This complaint was heard on 21 day of June, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *M. Uhryn*

Appeared on behalf of the Respondent:

- *S. Turner*

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

No specific jurisdictional or procedural matters were raised during the course of the hearing, and the CARB proceeded to hear the merits of the complaint.

Property Description:

The subject property contains 3.09 acres on which is located a free standing retail outlet of 37,300 square feet. The building was constructed in 1990.

The site is classified "Commercial-Regional 1" in the City of Calgary Land Use Bylaw.

Issues:

The Complainant raised the following matter in Section 4 of the Assessment Complaint form:

Assessment amount

Presentations of the Complainant and Respondent were limited to:

- Assessment overstated in relation to comparable properties based on the income approach.

Complainant's Requested Value: \$ 5,280,000.00

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

Complainant's Position: The property containing a large free standing retail store, is assessed on the income approach and the only request put forward for the Board's consideration was that the capitalization rate of 7.5 % was too low and a request for 8.25% was put forward. In support of the capitalization rate change request, nine (9) non residential land sales were provided and briefly reviewed. These comparables showed a simple capitalization rate average of 8.63 % while the median rate was shown to be 8.27%. This class C building has an actual lease income of \$12.00 per square foot.

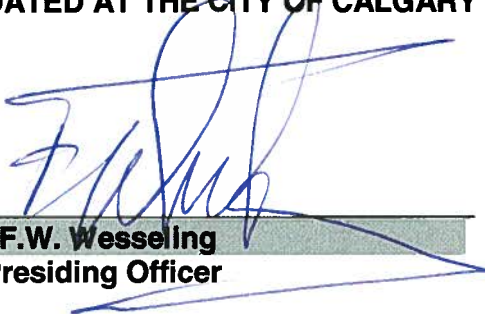
Respondent's Position: The 2011 Capitalization Rate Study for Freestanding Retail, Strip Centres and Power centres was reviewed. The 7.5 % capitalization rate used on the subject property is justified by the 2011 study. Data on 2 of the Complainant's comparable properties

were provided which indicated that they were not valid to be used as comparable sales.

Board's Decision: Upon reviewing the verbal and written evidence provided by the parties, the Board considers that the Complainant's request had merit and applied a capitalization rate of 8.13% which reduces the assessment to \$5,360,000.00.

Reasons: The Board concluded that the comparable sale data provided by the Complainant demonstrated some comparability and validity for this particular property. The Board investigated and used a capitalization rate of 8.13% based on two comparable sales (5445/5455 Falsbridge Drive NE).

DATED AT THE CITY OF CALGARY THIS 20 DAY OF July 2011.



F.W. Wesseling
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

Complainant: C1 Complainant's Brief

Respondent: R1 Assessment Brief prepared by City of Calgary Assessment

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.*