

**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:

***765040 Alberta Ltd., Mountain Development Corporation
(as represented by Altus Group Ltd.), COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
T. Usselman, MEMBER
R. Roy, 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:	200076255
LOCATION ADDRESS:	1323 CENTRE ST NW
HEARING NUMBER:	64254
ASSESSMENT:	\$4,930,000

This complaint was heard on 11 day of August, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *Mr. B. Neeson* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *Mr. H. Yau* *Assessor, City of Calgary*

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

There were no procedural or jurisdictional matters raised by the parties during the hearing.

The Board notes there was an issue identified during the course of the hearing as to whether this property was properly classified as a freestanding retail building although it was not pursued as it was not identified in the Complainant's materials.

Property Description:

The subject property is known as the Centre Pointe Plaza located in Crescent Heights. It is a freestanding retail building with an upper office level. The building is comprised of 15,469 sq. ft., constructed in 1972 and was assessed as A- quality. The building is situated on a 0.87 acre site and the land use designation is Commercial- Corridor 1.

The two issues before the Board related to the assessed rates applied to the office space (1,928 sq. ft.) and the retail space (8,275 sq. ft.).

Issues:

1. The assessed rental rate applied to the subject property's upper office should be no higher than \$10.00 psf.
2. The assessed rental rate applied to the subject property's CRU greater than 6,000 sq. ft. should be no higher than \$22.00 psf.

Complainant's Requested Value: \$4,280,000

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

1. The assessed rental rate applied to the subject property's upper office should be no higher than \$10.00 psf.

The Complainant submitted that the upper office space is former mezzanine space of a car dealership. As such, the Complainant stated the assessed office rate of \$20.00 psf is excessive and it should be reduced to \$10.00 psf. The Complainant submitted the Master Rent Roll which

indicates the current leases for the office space of \$10.00 psf and \$11.00 psf in support of his request (Exhibit C1 pages 25 & 26). The Complainant also presented several office equity comparables assessed at \$10.00 and \$11.00 psf located in the NW quadrant (Exhibit C1 page 35). The Complainant submitted CARB decision 1071-2010-P in which the Board found the \$10.00 psf market rent should be applied to the upper office area for the subject property (Exhibit C1 pages 27- 30).

The Respondent submitted 12 lease comparables of office space located throughout the City which ranged between 440 sq. ft. to 20,451 sq. ft. and leased for \$12.00 psf to \$34.90 psf for a median of \$21.14 psf (Exhibit R1 page 26). The Respondent also presented the Assessment Request for Information ("ARFI") for the subject property which indicated the office space is renting for \$9.00 psf and \$10.00 psf (Exhibit R1 pages 54 & 55).

The Board finds that this is unconventional office space and therefore the Board placed more weight on the leases for the office space in the subject property which support the \$10.00 psf request. The Board notes the Respondent's acknowledgement that the lease comparables put forward in his presentation were not the best.

2. The assessed rental rate applied to the subject property's CRU greater than 6,000 sq. ft. should be no higher than \$22.00 psf.

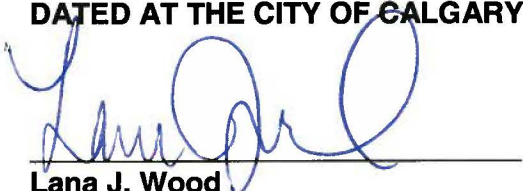
The Complainant submitted one equity comparable located in the NW quadrant of 7,396 sq. ft. in which the assessed rental rate was \$22.00 psf (Exhibit C1 pages 32 & 33). The Respondent submitted one equity comparable located in the SE quadrant of 8,040 sq. ft. in which the assessed rental rate was \$26.00 psf (Exhibit R1 page 27).

Based on the lack of empirical data, the Board accepts the Complainant's comparable assessed at \$22.00 psf. It was the best evidence before the Board as it was located in the same quadrant as the subject property. The Board therefore reduces the assessed retail rate from \$26.00 psf to \$22.00 psf.

Board's Decision:

The decision of the Board is to revise the 2011 assessment for the subject property from \$4,930,000 to \$4,280,000.

DATED AT THE CITY OF CALGARY THIS 21st DAY OF SEPTEMBER 2011.



Lana J. Wood
Presiding Officer

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

EXHIBIT NO.	ITEM
1. C1	Complainant's Submission
2. R1	Respondent's Submission

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.*