

**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:

CWA Holdings Ltd., (as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. McEwen, PRESIDING OFFICER

S. Rourke, MEMBER

P. Pask, 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: 101012201

LOCATION ADDRESS: 6128 CENTRE ST SE

HEARING NUMBER: 64459

ASSESSMENT: \$4,010,000

This complaint was heard on 27th day of October, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- B. Neeson

Appeared on behalf of the Respondent:

- G. Bell

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

There were no jurisdictional or procedural matters raised.

Property Description:

The subject property is the Coast Wholesale Appliances building located east of the Chinook Shopping Centre on CENTRE ST SE in the Manchester district of SE Calgary. The subject, constructed in 2001, is classified as A- for assessment purposes. The subject is 20,980 square feet and is assessed using the Income Approach to Value.

Issues:

Is the subject property assessed higher than market value and is the subject assessment, therefore, inequitable to comparable properties? Specifically;

Should the assessed rent rate be reduced from \$17 per square foot (psf) to \$14.65 psf?

Complainant's Requested Value:

\$3,450,000

Board's Findings and Reasons in Respect of Each Matter or Issue:

Should the assessed rent rate be reduced from \$17 psf to \$14.65 psf?

The Complainant and Respondent provided lease and equity tables to support their positions.

The Complainant drew the Board's attention to the subject lease, (C1, pages 23-24 and R1, page 25), which was signed for \$14.65 psf on June 3rd, 2010, less than a month from the valuation date. The Complainant argued that the best indicator of value of the subject property was the subject lease as most of the Respondent's comparables were located in Power Centres and generally commanded higher lease rates than the subject, a free standing structure located in an older industrial area. The subject property, the Complainant pointed out, was the only free standing retail property within the Respondent's comparables.

The Respondent argued that the subject property and the Respondent's comparables were all classified as Junior Big Box properties and assigned a rental rate of either \$17 psf or \$12 psf depending on their quality characteristics. Properties with an A- rating, like the subject, were

assigned the \$17 psf rate. The Respondent also argued that the subject lease should not be given much weight by the Board as it was a single lease only and the city was legislated to generate assessments using mass appraisal.

The Board finds the Complainant's argument valid and accepts the subject lease as the best indicator of market value of the subject property. The Board agrees that Power Centre properties should receive higher lease rates than free standing retail properties and that the subject lease fully supports that view.

Based on the subject lease, the Board finds a subject rent rate of \$15 psf to be both fair and reasonable.

Board's Decision:

The assessment is reduced to \$3,540,000.

DATED AT THE CITY OF CALGARY THIS 22 DAY OF November 2011.

C. McEwen

C. McEwen
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 ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Retail	Stand Alone	Income Approach	Net Market Rate