



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:

Capital Ideas LTD. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Golden, PRESIDING OFFICER

R. Deschaine BOARD MEMBER

D. Julien BOARD 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 2013 Assessment Roll as follows:

ROLL NUMBER: 071133003

LOCATION ADDRESS: 255 28 St SE

FILE NUMBER: 71557

ASSESSMENT: \$3,030,000

This complaint was heard on the 7th day of October, 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *K. Fong, D. Main*

Appeared on behalf of the Respondent:

- *I. Pau, C Yee*

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

- [1] There were no preliminary issues.

Property Description:

- [2] The subject is a retail strip mall of C+ quality containing 3 separate structures. The strip mall built in 1994 and is situated on 1.43 acres. An assessment was prepared using the Income Approach to valuation.

Issues:

- [6] Issue 1: In the CRU categories of; 0 to 1000 sq. ft., and the 2501 to 6000 sq. ft., has the correct rental rates been applied?

Complainant's Requested Value: \$2,820,000

Board's Decision: The assessment is confirmed at **\$3,030,000**

Board's Decision on issue 1 Has the correct rental rate been applied to CRU categories of; 0 to 1000 sq. ft., and the 2501 to 6000 sq. ft.

Position of the Parties

Complainant's Position:

- [3] With each of the tables of leases submitted in support of the various rental rate requests the Complainant used leases from strip malls in closer proximity and more similar than the Respondent. These leases were much more representative of the subject.

[4] The Complainant focused on the rent rate for CRU units 0 to 1000 sq. ft., and the 2501 to 6000 sq. ft. categories. In the Complainant's opinion the CRU 0 to 1000 should be \$13.00 per sq. ft. rather than the assessed rate of \$16.00 per sq. ft. and the 2501 to 6000 sq. ft. rate should be \$11.00 per sq. ft. rather than the assessed rate of \$14.00. The first category, requested values are supported by a table of 11 leases (pg. 25 C-1). This table has a mean of \$11.98 per sq. ft. and a median of \$13.00 per sq. ft. supporting the request.

[5] For CRU 2501 to 6000 sq. ft. a table of comparable leases of 8 rent rates (pg. 26 C-1) illustrates a range of \$7.68 sq. ft. to \$20.00 per sq. ft. with a mean of 11.77 per sq. ft. and a median of 11.50 per sq. ft. The requested rates were used in the income calculation to arrive at the requested assessment.

Respondent's Position

[6] In the rental rate discussion, the Respondent chose to respond to the evidence provided by the Complainant rather than defending the assessment with all the information that was part of the development of the assessment. With respect to CRU rental rate 0 to 1000 sq. ft. the Respondent pointed to the rent roll and Assessment Request for Information form and suggested that the subject is performing (\$18.00 per sq. ft.) at a level higher than the requested rate. In summary the Respondent suggested that the list of leases provided by the Complainant were not representative and were from just inferior locations.

[7] The Respondent presented a table of 17 C+ CRU lease rates for CRU 2501 to 6000 sq. ft. with a median of \$14.00 per sq. ft. supporting the assessment.

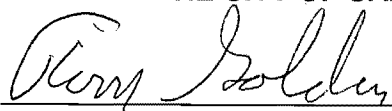
Board's Reasons for Decision:

[8] In terms of CRU rent rates for 0 to 1000 sq. ft. the Board notes the Respondent relied largely on the actual rents from the rent roll. The Board gives some weight to this as existing leases are generally higher than the requested rent rates and this is somewhat helpful in determining the correct value.

[9] A review of the Complainant's evidence indicates that the recent lease at 128-28 St SE, a mall close to the subject is at \$14.50 per sq. ft. which is somewhat higher than the requested value of \$13.00 per sq. ft. The two most recent leases in the table average 15.25 per sq. ft. supporting the assessment.

[10] With respect to the CRU rates for 2501 to 6000 sq. ft., the Respondent provided more leases upon which to establish a typical rate. Many leases appear in both lists. The Board finds the Respondent's list more complete and more likely to reflect typical market rates. The Complainant's information is weaker than the Respondent's and leads the Board to confirm the assessment.

DATED AT THE CITY OF CALGARY THIS _____ DAY OF _____ 2013.



Tom Golden

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.*

Roll	Address	Subject	Issue	Detail	Sub Detail
071133003	255 28 ST SE	Strip mall	income	Rental rate	