



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 624/10

Altus Group Ltd
17327 - 106A Avenue
Edmonton AB T5S 1M7

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held November 30, 2010 respecting a complaint for:

Roll Number 1275072	Municipal Address 6627 177 Street NW	Legal Description Plan: 8320631 Block: 9 Lot: 8
Assessed Value \$12,563,500	Assessment Type Annual New	Assessment Notice for: 2010

Before:

Tom Robert, Presiding Officer
Tom Eapen, Board Member
John Braim, Board Member

Board Officer:

J. Halicki

Persons Appearing: Complainant

Chris Buchanan, Agent
Altus Group Ltd.

Persons Appearing: Respondent

Guo He, Assessor
Assessment and Taxation Branch

PROCEDURAL MATTERS

The parties expressed no objection as to the composition of the CARB; Board Members expressed no bias toward this or any of the other accounts appearing on the agenda. The parties providing evidence were affirmed.

BACKGROUND

Built primarily in 1983 and located in the Callingwood South subdivision, the subject property comprises a neighbourhood shopping center known as Callingwood Square with an approximate total leasable area of 55,480 ft² situated on 188,886 ft² of land.

ISSUES

1. Are the area allocations correctly applied to the subject?
2. Is the vacancy shortfall correct?
3. Is the capitalization rate applied to the subject property correct?

LEGISLATION

The Municipal Government Act, R.S.A. 2000, c. M-26;

s. 289(2)(a) Each assessment must reflect the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and

s.467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

s.467 (3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- a) the valuation and other standards set out in the regulations,*
- b) the procedures set out in the regulations, and*
- c) the assessments of similar property or businesses in the same municipality.*

POSITION OF THE COMPLAINANT

The Complainant stated that the leases of the subject property should be taken into consideration in determining value and argued that the actual net leases of the subject property should be used in the calculation of value for the subject property.

Both parties agree that the lease information from the Request for Information (RFI) are correct; however, the vacancy shortfall is incorrect and this error needs to be corrected to \$15,122 instead of the Respondent's value of \$13,642.

The capitalization rate should increase to 8.5% when compared to similar properties.

POSITION OF THE RESPONDENT

The Respondent advised that the lease space allocation, although used correctly, is from historic records and may be incorrect.

The Respondent believes the vacancy shortfall error is minor and did not warrant a correction.

The capitalization rate of 8.0% is fair as comparables were provided indicating that it is correct.

DECISION

The decision of the Board is to reduce the 2010 assessment from \$12,563,500 to \$12,388,000.

REASONS FOR THE DECISION

It was agreed by the both parties that an error exists in the size allocations of the subject property in regard to calculating the income approach of the subject property. The Board accepts the Complainant's calculations that indicate the net leasable area should be reduced from 55,480 ft² to 54,989 ft².

The Board is of the view that the assessment, as described in the applicable legislation, must represent the physical characteristics of the subject property as of December 31st of the previous year.

With regard to the vacancy shortfall, the Board is of the opinion there is a calculation error.

In regard to the capitalization rate, the Board was not convinced from the evidence presented that the capitalization rate should be disturbed.

DISSENTING OPINION AND REASONS

There were no dissenting opinions.

Dated this fourteenth day of December, 2010 A.D., at the City of Edmonton, in the Province of Alberta.

Presiding Officer

This decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, R.S.A. 2000, c.M-26.

CC: Municipal Government Board
City of Edmonton, Assessment and Taxation Branch
Callingwood Coastal Venture Ltd