

**CITY OF CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of a complaint filed with the City of Calgary Assessment Review Board pursuant to Part 11 of the *Municipal Government Act*, Chapter M-26, Revised Statutes of Alberta 2000 (the Act).

**BETWEEN:**

**Altus Group Ltd., COMPLAINANT**

**and**

**The City Of Calgary, RESPONDENT**

**BEFORE:**

**J. Krysa, *PRESIDING OFFICER***

**D. Julien, *MEMBER***

**Y. Nesry, *MEMBER***

A hearing was convened on July 30, 2010 in Boardroom 2, at the office of the Assessment Review Board, located at 1212 - 31 Avenue NE, Calgary, Alberta in respect of the property assessment prepared by the assessor of the City of Calgary, and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>089029003</b>
<b>LOCATION ADDRESS:</b>	<b>819 49 Avenue SW</b>
<b>HEARING NUMBER:</b>	<b>59687</b>
<b>ASSESSMENT:</b>	<b>\$3,140,000</b>

**PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

The subject property is a 12,049 square foot (sq.ft.) parcel of land improved with a 9,180 sq.ft. retail structure constructed in 1955. The structure is attached to, and forms part of Britannia Plaza.

**PART B: PROCEDURAL or JURISDICTIONAL MATTERS**

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

**PART C: MATTERS / ISSUES**

The Complainant raised the following matters in section 4 of the complaint form:

3. an assessment amount
4. an assessment class

At the commencement of the hearing, the Complainant withdrew matter 4, and indicated that the evidence and submissions would only apply to matter number 3, an assessment amount. The Complainant set out 13 reasons for complaint in Section 5 of the Complaint form, however at the hearing the Complainant stated only the following issues remained in dispute:

**Issue 1:** The assessed rental rates of \$29 and \$27 per sq.ft. are neither fair nor equitable – rental rates of \$22 and \$21 per sq.ft. should be applied.

**Issue 2:** The subject is wrongly classified as a neighbourhood shopping centre – it should be classified as a strip centre based on its characteristics and profile, and strip centre inputs should be applied to calculate the 2010 property assessment.

The Complainant requested an assessment of \$2,090,000.

**Issue 1:** The assessed rental rates of \$29 and \$27 per sq.ft. are neither fair nor equitable – rental rates of \$22 and \$21 per sq.ft. should be applied.

The Complainant submitted the assessment request for information (ARFI) forms for the subject property and the other components of the development as of March 30, 2008, to illustrate that the contract rents for various sizes of CRU (commercial retail unit) spaces within the development range from \$10.50 to \$26.67 per sq.ft. [C1 pgs 23 to 29]

The Complainant also submitted the assessment calculations for 12 comparable properties to demonstrate that the subject is inequitably assessed in relation to similar and competing properties [C1 pg 31 to 74]. A summary of the findings are set out below:

<b>Rates per sq.ft.</b>	<b>CRU 1,000 to 2,500 sq.ft.</b>	<b>CRU 2,501 to 6,000 sq.ft.</b>
Subject	\$29.00	\$27.00
Comparables (Range)	\$18.00 to \$26.00	\$17.00 to \$25.00
Comparables (Median)	\$22.00	\$21.00
Comparables (Average)	\$22.17	\$21.00

The Respondent submitted a summary of eleven CRU leases ranging in size between 1,011 sq.ft. and 4,420 sq.ft. and indicating median and mean rent rates as follows: [R1 pg 25]

<b>Rates per sq.ft.</b>	<b>CRU 1,000 to 2,500 sq.ft.</b>	<b>CRU 2,501 to 6,000 sq.ft.</b>
Subject	\$29.00	\$27.00
Rent Rate (Range)	\$26.00 to \$36.00	\$27.00 to \$38.00
Rent Rate (Median)	\$31.00	\$29.00
Rent Rate (Average)	\$31.14	\$30.75

Under cross examination, the Respondent conceded that the leases appeared to be superior to the leases found in the Complainant's ARFI forms related to the subject development, and that notwithstanding the actual lease rates for comparables #1 at \$33.00 and #5 at 26.00 per sq.ft., those properties were assessed at market rent coefficients of \$26.00 and \$21.00 per sq.ft. respectively.

### **Decision - Issue 1**

The Board finds that the subject's market rent rate coefficients of \$29.00 and \$27.00 are not supported by market evidence, and are not equitable with similar and competing properties. The Complainant's requested market rent rates of \$22.00 and \$21.00 are deemed fair and equitable.

The Board was not persuaded by the Respondent's lease comparables, which appeared to be from superior and newer retail developments in relation to the subject property, which was constructed in 1955. This was confirmed when the lease samples were compared to the recent leases set out in the ARFI from the subject property. Further, the majority of the lease comparables were located outside of the subject's market area, with no explanation of where the other market areas were located, in relation to the subject property.

The undisputed evidence put forth by the Complainant clearly indicated that market rent coefficients of \$29.00 and \$27.00 per sq.ft. were not applied to any of the comparable properties. Although the Respondent's comparable lease rates may represent typical market rent rates, those rates were not reflective of the coefficients applied to the properties from which the lease rates were selected.

**Issue 2:** The subject is wrongly classified as a neighbourhood shopping centre – it should be classified as a strip centre based on its characteristics and profile, and strip centre inputs should be applied to calculate the 2010 property assessment.

The Complainant argued that the characteristics and profile of the subject property matched that of a strip shopping centre, and the mass appraisal coefficients applied to strip shopping centres should apply to the subject.

The Respondent provided several definitions and descriptions of various types of shopping centre developments from various authorities, and several examples of properties assessed in the same classification as the subject.

**Decision – Issue 2**

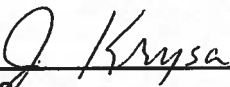
The Board finds that the subject property should be classified as a strip shopping centre.

Although the development is comprised of several individual titled parcels of which the subject is but one, collectively the total area does not meet any of the definitions or descriptions of a neighbourhood shopping centre found in the Respondent's submission, which appear to range in size from 30,000 to 100,000 sq.ft., with a typical size being approximately 60,000 sq.ft. and anchored by a major supermarket.

**PART D: FINAL DECISION**

The assessment is revised from \$3,140,000 to \$2,090,000.

Dated at the City of Calgary in the Province of Alberta, this 3 day of September, 2010.

  
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J. Krysa  
Presiding Officer

**APPENDIX "A"****DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

<b>NO.</b>	<b>ITEM</b>
1.	Exhibit C1 Complainant's Brief
2.	Exhibit R1 Respondent's Brief

**APPENDIX 'B'****ORAL REPRESENTATIONS**

<b>PERSON APPEARING</b>	<b>CAPACITY</b>
1. K. Fong	Representative of the Complainant
2. D. Lidgren	Representative of the Respondent
3. E. Currie	Representative of the Respondent

*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.*