

**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, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**BEFORE:**

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

***A. Zindler, MEMBER***

***S. Rourke, MEMBER***

A hearing was convened on July 7, 2010 in Boardroom 8 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>049007909</b>
<b>LOCATION ADDRESS:</b>	<b>3181 32 Street NE</b>
<b>HEARING NUMBER:</b>	<b>59296</b>
<b>ASSESSMENT:</b>	<b>\$3,810,000</b>

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

The subject property is a 52,637 square foot (sq.ft.) parcel of land improved with a 23,506 sq.ft. one storey, multi-tenant retail building constructed in 1993, and asphalt surface parking.

**PART B: PROCEDURAL or JURISDICTIONAL MATTERS**

The Assessment Review Board derives its authority under Part 11 of the Act. No specific jurisdictional or procedural matters were raised during the course of the hearing.

**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 7 reasons for complaint in Section 5 of the Complaint form, however, the Complainant stated only the following issues, condensed from the reasons in Section 5 of the complaint form, were in dispute:

Issue 1: The vacancy of 4% is inequitable to similar strip centres.

Issue 2: The vacancy shortfall of \$8.00 per sq.ft. is inequitable to similar strip centres.

Issue 3: The capitalization rate of 8.00% is inequitable to similar strip centres.

The Complainant submits that a correct assessment value is \$3,430,000 [Exhibit C1 pg 3].

**Issues:**

The Complainant submits that the subject property is inequitably assessed in relation to other strip shopping centres which are awarded higher vacancy allowances, higher vacancy shortfall allowances, and higher capitalization rates. To demonstrate an inequity, the Complainant submitted several strip shopping centre assessment valuation worksheets indicating the higher allowances [C1 Pg 24-39].

The Respondent argued that the subject, with 3 CRU's (Commercial Retail Units) is not a strip shopping centre, but rather is correctly stratified as a freestanding retail property, and is awarded the same coefficients on a mass appraisal basis as other freestanding retail improvements. The criteria relied on to differentiate freestanding retail properties from strip shopping centres is the total number of Commercial Retail Units in the property:

- |                            |                 |
|----------------------------|-----------------|
| • "Freestanding Retail"    | 3 or less CRU's |
| • "Strip Shopping Centres" | 4 or more CRU's |

In support of the 8.00% capitalization rate applied to freestanding retail properties, the Respondent provided an analysis of 5 sales exhibiting a median capitalization rate of 7.46%.

The Respondent did not provide any evidence in support of the other coefficients applied to freestanding retail properties, nor in support of the coefficients applied to strip shopping centre properties to confirm the differentiation between the two groups of properties.

#### **Decision- Issue 1**

The Board finds that the subject property is not inequitably assessed in relation to strip shopping centres. Simply comparing a subject property to other (dissimilar) properties, valued with different coefficients does not establish that an inequity exists.

Although the Board is not convinced that relying on the total number of Commercial Retail Units in a property is the only criteria to properly differentiate freestanding retail properties from strip shopping centres, there was no market evidence presented to establish that the Assessor's stratification criteria was incorrect.

#### **PART D: FINAL DECISION**

The assessment is confirmed at \$3,810,000.

Dated at the City of Calgary in the Province of Alberta, this 12 day of August, 2010

  
\_\_\_\_\_  
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. A. Iazard	Representative of the Complainant
2. M. Berzins	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.*