

**COMPOSITE
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:

***Calgary Co-Operative Association Limited (as represented by Altus Group Ltd.),
COMPLAINANT***

and

The City of Calgary, RESPONDENT

before:

***C. J. Griffin, PRESIDING OFFICER
R. Roy, MEMBER
A. Wong, MEMBER***

This is a complaint to the Composite Assessment Review Board (CARB) in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER: 201691094

LOCATION ADDRESS: 3330 – 17 Avenue SE

HEARING NUMBER: 68138

ASSESSMENT: \$12,530,000.

This complaint was heard on 11th, 12th and 13th day of June, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- B. Neeson
- K. Fong

Appeared on behalf of the Respondent:

- B. Thompson
- R. Ford

Procedural or Jurisdictional Matters:

The Complainant brought forward a Preliminary Issue related to their request for information, from the Assessor, under Sections 299 and 300 of the Municipal Government Act (MGA) and the ensuing response from the Assessor which the Complainant maintains did not meet the requirements of Section 299 of the MGA. As a result of this response the Complainant requested that the CARB not allow the Assessor to introduce their evidence brief pertaining to this property as same includes much of the requested, but allegedly not produced, information.

The Assessor maintains that the information provided to the Complainant does in fact meet the requirements of Section 299 of the MGA and thus their evidence brief should be allowed.

The CARB was advised, by both parties, that this matter has been forwarded for Ministerial Review. In that a decision of the said Ministerial Review has not yet been released, the CARB is of the judgment that the Merit Hearing should proceed and the evidence brief of the Assessor will be allowed.

As a matter of Procedure, and with the agreement of both parties, the CARB heard, on this same date and from these same Parties in Hearing #67234, an extensive capitalization rate argument and all of the evidence and argument related to same is now carried forward and becomes applicable to this Assessment Complaint, as well as other Complaints scheduled to be heard by this same panel of the CARB, with the same parties, this same week.

Property Description:

According to the *Property Assessment Public Record* (Exhibit C-1 pg. 40), the subject property is categorized as being a CM1402 – Retail – Shopping Centre – Neighbourhood with a B-quality rating. The property consists of three (3) structural components including a supermarket, a gas bar, and a retail bank. The Year of Construction (YOC) is recorded as 1949 for one component, 1976 for another component and 1995 for the most recent component. The underlying site is reported as being 5.43 acres in size.

The property has been valued, for assessment purposes, through application of the Income Approach with the following inputs:

<u>Category</u>	<u>Rentable Area</u>	<u>Rental Rate</u>	<u>Typical Vacancy</u>
Super Market	48,270 Sq. Ft.	\$13.00/Sq. Ft.	1.00%
CRU < 1,000 Sq. Ft.	2,968 Sq. Ft.	\$22.00/Sq. Ft.	6.00%
CRU 1,000 – 2,500 Sq. Ft.	2,372 Sq. Ft.	\$21.00/Sq. Ft.	6.00%
Poor Office Location	5,220 Sq. Ft.	\$ 8.00/Sq. Ft.	6.00%
Retail Bank	5,050 Sq. Ft.	\$25.00/Sq. Ft.	6.00%
Gas Bar	1 Sq. Ft.	\$45,000/Year	6.00%
Vacant Space Shortfall	@	\$8.00/Sq. Ft.	
Non-Recoverable Allowance	@	1.00%	
Capitalization Rate	@	7.25%	

Issues:

There are a number of interrelated issues outlined on the Assessment Review Board Complaint form; however, at the Hearing the Complainant reduced the issues to be considered by the CARB to:

1. The Assessor's applied capitalization rate of 7.25% is excessively low and not reflective of the market conditions as at the designated valuation date and the resultant assessed value is incorrect. The appropriate capitalization rate should be 7.75%.

Complainant's Requested Value: \$11,720,000. (Exhibit C1 pg. 45)

Party Positions:**Complainant's Position**

The Complainant's evidence and argument relating to the capitalization rate issue is the same as that presented to this same CARB in Hearing # 67234 and as agreed to by both parties and the CARB (refer to Procedural Matters) all of that evidence and argument is deemed applicable to this Hearing.

Respondent's Position

The Assessor's evidence and argument relating to the capitalization rate issue is the same as that presented to this same CARB in Hearing # 67234 and as agreed to by both parties and the CARB (refer to Procedural Matters) all of that evidence and argument is deemed applicable to this Hearing.

Board's Decision:

The assessment is **reduced** to \$11,720,000.

Decision Reasons:

With regard to the capitalization rate issue and as agreed to by both parties (see Procedural Matters) the CARB accepts the evidence and argument of the Complainant in this regard and agrees that the appropriate capitalization rate for this property is 7.75%. The Reader is referred to CARB decision #0570-2012-P for further details regarding this decision.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF JULY 2012.


C. J. Griffin,
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant's Capitalization Rate Study
3. C3	Complainant's Rebuttal
4. R1	Respondent Disclosure
5. R2	Print Out of Assessor's Sales Data as found on their web site (Submitted at the direction of the CARB)

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.*