

**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:

Lee, Yui Cheung/Lee, Yui Bing (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. B. Hudson, PRESIDING OFFICER

D. Steele, MEMBER

J. O' Hearn, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 065014003

LOCATION ADDRESS: 3708 17 AV SW

HEARING NUMBER: 63421

ASSESSMENT: \$7,040,000

This complaint was heard on the twentieth(20), day of June, 2011 at the office of the Assessment Review Board located at Floor Number three(3), 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom eight(8).

Appeared on behalf of the Complainant:

- Mr. A. Izard, Altus Group, Limited

Appeared on behalf of the Respondent:

- Mr. Harry Yau, Mr. Darren McCord, City of Calgary

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

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

Property Description:

The subject property is a retail strip shopping centre located at 3708 17 AV SW Calgary, in the Rosscarrock community. The centre includes a 2.56 acre site, with 26,041 square feet of improvements built in 1955. CRU space in the strip centre includes a video outlet, a liquor store, a tire/automotive repair shop, and an auto parts store. There is also a 3,195 square foot fast food restaurant built in 1980 on a pad, and separate from the CRU space. The subject property is assessed based on the capitalized income approach to value at \$7,040,000.

Issues:

The Complainant identified the assessment amount, and the assessment class as the reasons for the complaint, as per Section 460(5) of the MGA. The Complainant advised that the ongoing construction of the LRT line along 17th AV SW, has eliminated legal access to the subject property from 17th AV SW; factors which remove the positive influences of being a corner lot on a main traffic artery. This has reduced the market value of the property, and the assessment therefore is excessive, and does not reflect equity with similar and competing properties in the immediate area of the subject, but not impacted by LRT construction. The Complainant requests a reduction in assessed rental rates and total net operating income (NOI) for the subject property. The specific rental rate changes requested include: from \$18 to \$15psf for the tire/auto repair space due to poor location, from \$20 to \$19psf for the liquor store, and from \$30 to \$28psf for the fast food restaurant. However, there is no change requested to the other assessment valuation parameters applied in the assessment calculation.

Complainant's Requested Value: \$6,570,000

Board's Decision in Respect of Each Matter or Issue:

The Respondent presented the Board with the Assessment Request For Information (ARFI) filed by the property owner, which indicates that renewed five(5) year term leases were signed in 2010 by most of the tenants at rental rates which meet or exceed typical market rates for B quality strip centre properties, such as the subject. The tenants of the subject property have been aware of the potential impact of the construction of the LRT line along 17 AV SW since 2008. Although the Complainant brought forward several equity comparable properties, the Board views the property at 3208 17 AV SW as the most comparable because of the B quality strip centre rating, proximity to the subject, and access onto 17 AV SW which is not affected by the LRT construction. The assessed rental rates for this comparable are the same as the subject for the same type and size of CRU space. There was no other market evidence presented in support of the requested reductions. **Based on the evidence presented by the parties, the Board can find no compelling reason to reduce the rental rates and NOI, and/or reduce the quality class of the subject property as requested by the Complainant. The ARFI clearly shows that the tenants of the subject property are not concerned about long term negative impact of the 17 AV SW LRT construction on their business in this location.**

Board's Decision:

The assessment is confirmed at \$7,040,000

DATED AT THE CITY OF CALGARY THIS 20 DAY OF July 2011.

T. B. Hudson
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.*