

**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:

Canada Safeway Ltd. (as represented by Altus Group Limited), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Hudson, PRESIDING OFFICER

R. Roy, MEMBER

T. Usselman, 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: 200388197

LOCATION ADDRESS: 99 Crowfoot CR NW

HEARING NUMBER: 63973

ASSESSMENT: \$18,420,000

This complaint was heard on 2nd day of August, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *B. Neeson*

Appeared on behalf of the Respondent:

- *S. Turner*

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

The Respondent advised that a correction to the assessment amount, based on the physical characteristics of the subject property is necessary before the complaint hearing begins. The current assessment includes typical income in the amount of \$105,000, attributed to a gas bar, convenience store and carwash improvement. In reality, only the gas bar actually exists on the subject property. The typical income amount should therefore be reduced to \$45,000. This correction will result in a reduced assessment to a total of \$17,640,000 for the subject property. The Complainant acknowledged that this correction eliminated one of the issues in the complaint.

Property Description:

The subject property is a 307,858 square foot (sf) land parcel, improved with a super market that includes 65,869sf of retail space and 1,094sf of non-retail mezzanine space; a gas bar, and a 5,543sf pad site liquor store. The property is located in the Crowfoot Power Centre and is assessed at \$17,640,000(rounded) based on the capitalized income approach to value.

Issues:

The Complainant identified that the issue is the assessment amount; which is in excess of market value, and not equitable in comparison to similar properties. Adjustments requested include a reduction in the assessed rent rate for the liquor store space to \$22 per square foot from \$28, and an increase in the capitalization rate to 7.75% from 7.25%.

Complainant's Requested Value: \$16,090,000(rounded).

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

Capitalization Rate for Power Centres: Several 2011 CARB panels have adjudicated this issue and have concluded that there is insufficient evidence to conclude that a rate change is justified. Given that the evidence in this hearing was substantially the same as that which lead to CARB0989/2011-P, CARB0986/2011-P, CARB0974/2011-P, and CARB0988/2011-P, among others, the **Board finds that the assessed capitalization rate of 7.25% is correct.**

Rental Rate for the Pad Site Liquor Store Space: The Complainant provided rent rate comparables for eleven CRU spaces located in Power Centres, and in the same size range as the subject. These rates ranged from a high of \$38psf to a low of \$19.25psf. However one of the spaces was located in the same Power Centre as the subject, at an actual rate of \$27psf, confirmed by the Assessment Request for Information (ARFI).

The Respondent submitted five rent rate comparables from the Crowfoot Power Center. The rates range from a high of \$40psf to low of \$21psf, with a median of \$29psf.

The Board finds the assessed rental rate of \$28psf is correct for the pad site liquor store space.

Board's Decision: The assessment is reduced to \$17,640,000(rounded).

DATED AT THE CITY OF CALGARY THIS 7 DAY OF SEPTEMBER 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.*

or MGB Administrative Use Only

<i>Decision No.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Retail	Power Centre	Income Approach	Cap Rate/ Market Rent

