

**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:

***Safeway Holdings (Alberta) Ltd.,
(as represented by MNP LLP), COMPLAINANT***

and

The City of Calgary, RESPONDENT

before:

***L. Wood, PRESIDING OFFICER
R. Deschaine, MEMBER
K. Farn, 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 2012 Assessment Roll as follows:

ROLL NUMBER:	097002208
LOCATION ADDRESS:	3716 61 AV SE
HEARING NUMBER:	66535
ASSESSMENT:	\$3,840,000

This complaint was heard on the 21st day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- Mr. M. Uhryn Agent, MNP LLP

Appeared on behalf of the Respondent:

- Mr. A. Mohtadi Assessor, City of Calgary
- Mr. R. Fegan Assessor, City of Calgary

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

[1] There were no procedural or jurisdictional matters raised by the parties during the course of the hearing.

Property Description:

[2] The subject property is a retail strip shopping centre located in Foothills Industrial. It is comprised of two buildings, 14,737 sq. ft. and 7,430 sq. ft., built in 1974 and assessed with a C+ quality rating. The land parcel is 2.45 acres, and the land use designation is Commercial Corridor 3. The subject property is adjacent to railway tracks.

[3] The subject property was assessed based on the Income Approach to value. It includes the following areas and assessed rates:

Sub Component	Area (sq. ft.)	Market Net Rental Rate
Auto Mechanical Repair	2,100	\$14.00
CRU 1,001 – 2,500 sq. ft.	7,430	\$12.00
CRU 1,001 – 2,500 sq. ft.	6,309	\$14.00
CRU 6,001 – 14,000 sq. ft.	6,328	\$12.00
Gas Bar	1	\$45,000.00

Issue:

[4] The subject property should be assessed based on the Direct Sales Comparison Approach.

Complainant's Requested Value:

[5] The Complainant requested a revised assessment of \$2,780,000 for the subject property.

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[12] The Respondent submitted forty lease comparables of Auto Mechanical Repair space of 750 – 15,360 sq. ft. (Exhibit R1 pages 25 & 26). The leases had commenced in January 2009 – June 2011 for 1 – 10 year terms. The lease rates ranged from \$1.25 - \$24.25 psf, a median of \$14.25 psf. Based on these lease rates, the Respondent derived an assessed rental rate of \$14.00 psf for Auto Mechanical Repair space. The Respondent submitted 56 equity comparables of that space type to illustrate that the assessed rental rate of \$14.00 psf rate was applied in a uniform manner (Exhibit R1 pages 27 & 28).

[13] In rebuttal, the Complainant argued that the Respondent's lease comparables were in different locations than the subject property (Exhibit C2 pages 2, 4 – 7).

[14] On the face of it, the two sales comparables provided by the Complainant established a range of values which is so broad that it renders the median meaningless. The Board finds the Complainant failed to address how his sales comparables are similar to the subject property. The Board noted that the Complainant was not forthcoming in advising the Board of the property details of the sales comparable located at 3411 17 AV SE. It has a bowling alley in the basement which could have (negatively) affected the sale price. The Board also noted that the Complainant had questioned the location of the various lease comparables utilized by the Respondent. However, the Complainant did not suggest what the "correct" retail rates should be for the subject property and there was no market lease analysis provided by the Complainant.

[15] The Board noted that both parties referred to the previous year's CARB decision 1754/2011-P for this property; however, that decision dealt specifically with the assessment of the subject property based on its land value only, which was not an issue before this Board.

Board's Decision:

[16] The decision of the Board is to confirm the 2012 assessment of \$3,840,000 for the subject property.

DATED AT THE CITY OF CALGARY THIS 14th DAY OF November 2012.



Lana J. Wood
Presiding Officer

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

NO.	ITEM
1. C1	Complainant's Evidence
2. C2	Complainant's Rebuttal
3. R1	Respondent's Evidence

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.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub -Type	Issue	Sub - Issue
CARB	Retail	Strip Plaza	Sales Approach; Income Approach	Land & Improvement Comparables