

**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:**

***First Canadian Properties Corporation, Ranchlands G.P. Ltd. (as represented by MNP LLP), COMPLAINANT***

**and**

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

**before:**

***T. B. Hudson, PRESIDING OFFICER  
S. Rourke, MEMBER  
P. McKenna, 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: 016123705**

**LOCATION ADDRESS: 1829 Ranchlands BV NW**

**FILE NUMBER: 66548**

**ASSESSMENT: \$16,380,000**

This complaint was heard on the 28th day of August 2012, at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *J. Langelaar*
- *M. Uhryn*

Appeared on behalf of the Respondent:

- *S. Poon*

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

[1] There were no procedural or jurisdictional matters raised by the Parties.

**Property Description:**

[2] The subject property is a 3.84 acre parcel of land, improved in 1980 with a retail strip shopping centre, and located in the Ranchlands community of NW Calgary. The improvements include a bank, commercial rental unit (CRU) and office space, to a total of 65,872 square feet (sf.). The property has an A class quality rating and is currently assessed for **\$16,380,000**, based on the capitalized income approach to value.

**Issues:**

[3] The Complainant identified the assessment amount as the issue on the complaint form.

[4] The Complainant requested that the quality class rating of the subject property should be B rather than A. The typical CRU assessed rent rates that reflect a B class quality rating should then be applied to correct the assessment amount.

[5] Alternatively, if the class quality rating is not changed, the Complainant requested that the assessed rent rates for some of the CRU space should still be reduced to reflect the rent being achieved by the subject, in order to correct the assessment amount.

**Complainant's Requested Value:**

[6] **\$14,180,000** based on a quality class rating change from A to B; or alternatively, **\$15,800,000** based on the actual rent per square foot (psf.) achieved by the CRU space on the property.

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

**The Board finds that there is no compelling evidence to conclude that the quality class rating of the subject property should be changed from A to B class, based on equity.**

**The Board also finds that there is no compelling evidence to conclude that the subject property is atypical requiring a site specific assessment based on the actual CRU rent achieved. In any event, the requested site specific assessment amount represents less than a 1% reduction in the current assessment.**

[7] The Complainant submitted that the assessment for the subject property should be calculated using either the B class quality assessed rent rates for all of the CRU space, or alternatively, the actual rent achieved by the CRU space on the property.

[8] The comparative assessed rates for typical A and B quality class CRU space in NW Calgary retail strip centres are as follows:

- 0-1,000sf.      A \$28 psf.   B \$22 psf.
- 1,001- 2,500sf.   A \$27 psf.   B \$20 psf.
- 2,501- 6,000sf.   A \$25 psf.   B \$19 psf.
- 6,001- 14,000sf.   A \$22 psf.   B \$22 psf.

[9] Assessed rates for bank and office space, vacancy allowance, operating costs, non-recoverable costs, and the capitalization (Cap) rate used to prepare the subject property assessment, are not in dispute. In any event, the assessed rates are typical for both A and B class quality retail strip properties.

[10] The Complainant submitted the assessments of eight retail strip shopping centres located in NW Calgary, in support of the request to change the quality class rating from A to B for CRU space in the subject property. The Complainant identified two of the eight properties located in close proximity to the subject, as good comparables.

[11] The first property located at 16 MacEwan DR NW (page 37 of Exhibit C1), is a 1.71 acre parcel improved in 1982 with 16,874 sf. of retail area with a B class quality rating and assessed for \$5,160,000.

[12] The second property located at 735 Ranchlands BV NW (page 38 of Exhibit C1), is a 1.76 acre parcel improved in 1989 with 22,762 sf. of retail area with a B- class quality rating, and assessed for \$4,360,000.

[13] The Respondent pointed out that key valuation characteristics of these two properties are inferior and not comparable to the subject property. The land parcel of each is less than half the size of the subject, and the improvements are smaller by two thirds. Combined with the lack of parking, these two properties cannot attract, or accommodate, a mix of tenants similar to the subject. The location of the subject (at the intersection of Nose Hill DR NW and Ranchlands BV NW ), is also superior to the location of the B and B- class quality comparables.

[14] The Assessment Request for Information (ARFI) report (page 22-32 of Exhibit R1), confirms that the rent rates for CRU space in the subject property are typical for retail strip centres in NW Calgary with an A class quality rating. For example, the rent rate for suite 123, size 1278 sf. is \$28 psf. for ten years, effective June 1, 2011 (page 30 of Exhibit R1). The typical rate for an A class quality CRU space in the 1,000-2500 sf. size range is \$27 psf.

[15] A site specific assessment may apply when a property is atypical; however the subject property is not atypical.

**Board's Decision:** The assessment is confirmed at \$16,380,000.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF September 2012.



**T. B. Hudson**  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. 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.*

**For MGB Administrative Use Only**

<i>Decision No. 1692/2012-P</i>			<i>Roll No 016123705</i>	
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Sub-Type</i></u>	<u><i>Issue</i></u>	<u><i>Sub-Issue</i></u>
CARB	Retail	Strip Centre	Quality Class CRU rent	Equity