

**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:

***J & B Holdings Inc.
(as represented by Altus Group Ltd.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***Earl K Williams, PRESIDING OFFICER
P Charuk, MEMBER
J Pratt, 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: 200160752

LOCATION ADDRESS: 7300 Railway St SE

HEARING NUMBER: 64436

ASSESSMENT: \$5,440,000

This complaint was heard on 4 day of October, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- B Neeson (Altus Group Ltd)

Appeared on behalf of the Respondent:

- M Ryan

Property Description:

The subject property at 7300 Railway St SE is a 24,614 square foot (sq ft) building, with a 2002 year of construction, on 2.96 acres of land with the Property Use: Commercial, Sub Property Use: CM0201 Retail Store –Stand Alone in the Community of East Fairview Industrial. The building on the subject property for the purposes of assessment is classified as a Jr. Big Box.

Issues:

The rental rate for this Jr. Big Box should be reduced from \$17.00 per square foot (psf) to \$16.00 psf.

Complainant's Requested Value: \$5,120,000

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

The Complainant and Respondent presented a wide range of evidence consisting of relevant and less relevant evidence.

The Complainant's evidence package included a Summary of Testimonial Evidence; a map identifying the location of the property, photographs of the exterior of the subject property, the City of Calgary 2011 Assessment Explanation Summary, information on comparable properties and selected sections of the Legislation.

The Respondent's evidence package included a Summary of Testimonial Evidence; a map identifying the location of the property, photographs of the exterior of the subject property, the 2011 Assessment Explanation Summary, information on comparable properties and selected CARB decisions on related matters.

Complainant

The Complainant argued that the City of Calgary's rental rate of \$17.00 psf for the Jr. Big Box stores is not supported by an analysis of the market rental rates for comparable properties. On page 23 of Exhibit C-1 the Complainant presented a table titled Jr. Big Box 20,001-50,000 sq ft. The table presented the rental rates for 20 Jr. Big Box with leased areas in the range of 20,451 to 37,809 sq ft. The rental rates for this sample ranged from \$12.50 psf to \$24.00 psf with an average of \$16.64 psf and a median of \$16.00 psf. The Complainant acknowledged that the City of Calgary utilizes 14,001 to 50,000 sq ft as the leased area criteria for the Jr. Big Box and the 20,001-50,000 sq ft grouping was prepared by the Complainant.

The Complainant argued that subject property is in an inferior location as compared to other Jr. Big Box stores which typically are part of or immediately adjacent to a Power Centre or Neighbourhood Shopping Centre. Photos on page 24 to 40 (Exhibit C-1) showed the location of selected Jr. Big Box stores included in the table presented on page 23.

In summary the Complainant argued that the use of the 14,001-50,000 sq ft category for the Jr. Big Box is too wide and not reflective of the size of Jr. Big Box stores which are in the 20,001-50,000 sq ft range. Further based on the rental rates presented and the inferior location of the subject property the Complainant argued that the appropriate rental rate is \$16.00 psf.

Respondent

The Respondent presented on page 24 a table titled Lease Comparables Jr. Big Box 14,001-50,000 sq ft. The Table presented the leased area (sq ft), lease date, rental rate and lease term (years) for 30 Jr. Big Box. A review of the table determined that the leased area for the 30 comparables ranged from 14,836 sq ft to 37,809 sq ft with a median rental rate of \$17.05 psf and a mean of \$18.11psf.

Board Findings

The Complainant argued that the range of square feet (14,001-50,000 sq ft.) utilized by the Respondent to define the Jr Big Box was not reflective of the market. To support this position the Complainant presented evidence that the rental rate for 20 comparables in the square foot range of 20,451 to 37,809 sq ft is \$16.00 psf. The Respondent was able to demonstrate that when 30 comparables are selected in the square foot area ranging from 14,836 to 37,809 the Jr. Big Box median rental rate is \$17.00 psf.

Board's Decision:

Based confirmed the assessment of \$5,440,000.

DATED AT THE CITY OF CALGARY THIS 13 DAY OF December 2011.



Earl K Williams
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.*

FOR ADMINISTRATIVE USE

| Subject | Property Type | Property Sub-Type | Issue | Sub-Issue |
|----------------|----------------------|--------------------------|--------------|------------------|
| CARB | RETAIL | BIG BOX STORE | | |