

**COMPOSITE  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the property assessment as provided by the *Municipal Government Act*, (MGA) Chapter M-26, Section 460, Revised Statutes of Alberta 2000 (the Act).

**between:**

***C I Davidson Holdings Ltd. (as represented by Altus Group Ltd.), COMPLAINANT***

**and**

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

**before:**

***C. J. Griffin, PRESIDING OFFICER***

***R. Deschaine, MEMBER***

***R. Roy, MEMBER***

This is a complaint to the *Composite Assessment Review Board* (CARB) 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:** 113003305

**LOCATION ADDRESS:** 7300 – 11 Street SE

**HEARING NUMBER:** 64467

**ASSESSMENT:** \$7,240,000.

This complaint was heard on 4<sup>th</sup> day of October, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- B. Neeson

Appeared on behalf of the Respondent:

- W. Ehler

**Preliminary or Procedural Matters:**

Both parties to this Hearing requested, as a matter of expedience, that the evidence and argument from the preceding two Hearings (# 63073 & # 64413) be carried forward to apply in this Hearing as the issues are the same. The CARB agreed with this request.

**Property Description:**

According to the Assessment Summary Report (Exhibit C-1 pg. 13) the subject property is a free standing 33,910 Sq. Ft. retail building that is assessed as being a 'B+' Class Retail/Store – Big Box Store. The building, which was constructed in 1994, sits on a 1.68 acre site.

The property has been assessed through application of the Income Approach to Value (Exhibit C-1 pgs. 14 & 15) with a main floor rental rate of \$17/Sq. Ft. and a storage space rate of \$2/Sq. Ft. being applied. A vacancy rate of 1% is applied to the retail area and 9% is applied to the storage area. Operating costs are allocated at \$7/Sq. Ft. and a non-recoverable allowance of 1% is also used. The Assessor has applied a capitalization rate of 7.50%.

**Issues:**

While there are a number of interrelated issues put forth on the Assessment Review Board Complaint form, the Complainant indicated at the Hearing that the issue to be considered by the CARB is reduced to:

1. The assessment of the subject property is not fair and equitable considering the assessed value of similar properties. More specifically, the assessed rental rate of \$17/Sq. Ft. is too high and should be reduced to \$16/Sq. Ft.

**Complainant's Requested Value:** \$6,810,000.

**Party Positions:**

**Complainant's Position**

As noted above, there is essentially a single issue for the CARB to consider in this matter and that is the assessed rental rate applied to the retail area (32,646 Sq. Ft.) of the subject property. All other components of the Income Approach, including the \$2/Sq. Ft. rate applied to the 1264 Sq. Ft. storage area, as applied by the Assessor, are agreed to by the Complainant.

In support of their contention the Complainant introduced (Exhibit C-1 pg. 23) twenty (20) lease comparables in support of their requested \$16/Sq. Ft. rate. These comparables, which are located in every quadrant of the city, equate to spaces ranging from 20,451 Sq. Ft. to 37,809 Sq. Ft. with lease start dates between April 2008 and June 2010. The reported lease rates range from \$12.50/Sq. Ft. to \$24/Sq. Ft. and indicate a median of \$16/Sq. Ft. The Complainant also introduced (Exhibit C-1 pgs. 24 - 40) photographs of all twenty properties to reflect their respective comparability to the subject property.

**Respondent's Position**

The Assessor introduced (Exhibit R-1 pg. 21) thirty (30) lease comparables which indicated a median of \$17.05/Sq. Ft. Additionally the Respondent introduced (Exhibit R-1 pgs. 22 - 23)

sixty-two (62) equity comparables of Jr. Big Box Stores, from various parts of the city, all of which have been assessed using a \$17/Sq. Ft. lease rate. The Respondent further introduced (Exhibit R-1 pgs. 24 – 33) copies of two 2011 CARB Hearing evidence briefs submitted by the Complainant wherein the \$17/Sq. Ft. Jr. Big Box assessed rental rate was acceptable to the Complainant.

**Board's Decision:**

The assessment is **confirmed** at: **\$7,240,000.**

**Decision Reasons:**

The CARB notes that the Complainant has refined their Jr. Big Box category to include only those properties in the 20,001 to 50,000 Sq. Ft. (Exhibit C-1 pg. 23); however, that category, as applied by the Assessor, includes properties ranging from 14,001 Sq. Ft. to 50,000 Sq. Ft. This, in the judgment of the CARB, is a blatant example of refining the data to fit a required outcome and the exclusion of those properties in the same category but in the 14,001 Sq. Ft. to 20,000 Sq. Ft. is not acceptable.

It is the responsibility of the Complainant to provide the CARB with clear and, hopefully, unequivocal, evidence to support an adjustment to the current assessment and this is even more important when a relatively minor reduction is being requested. In the judgment of the CARB the Complainant has failed to provide such unequivocal evidence.

DATED AT THE CITY OF CALGARY THIS 17 DAY OF October 2011.

  
C. J. Griffin,  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Disclosure
2. R1	Respondent's 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.*