

**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:**

***Loblaw Properties West Inc (as represented by Altus Group Limited), COMPLAINANT***

**and**

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

**before:**

***B. Horrocks, PRESIDING OFFICER***

***J. Joseph, MEMBER***

***R. Deschaine, 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:

<b>ROLL NUMBER:</b>	<b>101017002</b>
<b>LOCATION ADDRESS:</b>	<b>222 58 AV SE</b>
<b>HEARING NUMBER:</b>	<b>64357</b>
<b>ASSESSMENT:</b>	<b>\$12,040,000</b>

This complaint was heard on the 1st day of Nov., 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:

- Mr. A. Izard (Altus Group Limited)
- Mr. D. Mewha (Altus Group Limited)
- Mr. D. Main (observer)

Appeared on behalf of the Respondent:

- Mr. R. Farkas

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

There were no concerns with the composition of the Board.

There were no preliminary matters. The merit hearing proceeded.

**Property Description:**

The subject property is a 5.24 acre parcel located in the Manchester Industrial community in SE Calgary. The site is improved with a 68,009 square foot (SF) retail warehouse that includes 4,720 SF of office. The building was constructed in 1955 and is considered to be of C+ quality. The current tenant is the Real Canadian Wholesale Club. The subject is assessed as a Big Box 50,001 – 100,000 SF at a rate of \$14.00/SF and office space at a rate of \$10.00/SF using the Income Approach to Value.

**Issues:**

The Assessment Review Board Complaint Form contained 15 grounds for appeal. At the outset of the hearing the Complainant advised that the only outstanding issues were classification and the assessment amount.

**Complainant's Requested Value:** \$6,930,000 (Complaint Form)  
\$6,650,000 (Hearing)  
\$7,440,000 (Alternate at Hearing)

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

**Issue** Classification

Is the subject a Big Box Store (as assessed), a Grocery Store or an Industrial Warehouse?

The Complainant's Disclosure is labelled C-1.

The Complainant, at page 9, provided the 2011 Assessment Summary Report, noting the property use was Commercial and the Sub property use was CM0323 Retail – Ret Whse – Located on Major Traffic Artery, and further the Building Type was Warehouse / Multi Bay.

The Complainant, at page 40, provided the 2010 Assessment Summary Report, noting the Property Use was Industrial and the Sub property use was IN0701 Multi-Bay Warehouse, and further the Building Type was Warehouse / Multi Bay.

The Complainant submitted the assessment had increased from \$7,510,000 in 2010 to \$12,040,000 in 2011 when there had been no changes to the improvements on the site other than the City had changed the classification within the Sub property use from Multi-Bay Warehouse to Retail – Ret – Whse – Located on a Major Traffic Artery.

The Respondent's Disclosure is labelled R-1.

The Respondent admitted that the property had been reclassified in 2011. The Respondent submitted the subject was a Big Box because of its size (63,289 SF), that it was a retail operation and further that there was office space on the second floor that had been "purpose" built, was outside the roofline of the main building and that could be accessed from the outside.

The Board finds the subject to be an Industrial Warehouse. It is located in the Manchester Industrial community, it has been historically classified as a warehouse and it has multi bay loading doors. The Board further finds that the subject is not a grocery store because it does not have the attributes of a modern grocery store, vis a vis, big box design, built in freezer / cooler spaces and bakery ovens.

#### **Issue** Assessment Amount

As an Industrial Warehouse, the subject would be assessed utilizing the Direct Sales Approach to Value.

The Complainant, at page 42, provided Composite Assessment Review Board (CARB) Decision #2155 – 2010-P noting that the Respondent had presented 7 equity comparables of single and multi tenant warehouses, located in the central quadrant, in support of the assessment at \$111 / SF which was confirmed.

The Complainant, at page 55 provided a table titled "Comparing the City of Calgary's Equity Comparable from 2010 to 2011 Against the Subject". The Complainant noted that in 2010 the subject was assessed at a rate that was 84.77% of the median of the comparables. The Complainant submitted that an equitable treatment of the subject for 2011 would result in an assessment rate of \$97.81 / SF which would result in an assessed value of \$6,651,960.

The Complainant submitted that the Respondent's 7 equity comparables from 2010 had their assessments reduced by a median of 13.92% and a mean of 15.51%.

The Board finds the methodology for determining the market value submitted by the Respondent in 2010 and the Complainant in 2011 to be fair and equitable for the subject when it is classified as an Industrial Warehouse.

**Board's Decision:**

The 2011 assessment is reduced to \$6,650,000.

**Reasons**

The subject is an industrial warehouse, not a big box retail or a grocery store.

An assessment that maintains the equity established in the previous year is a fair methodology if there is no market evidence to do otherwise.

DATED AT THE CITY OF CALGARY THIS 25<sup>th</sup> DAY OF November 2011.



**B. Horrocks**  
**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. R1	Respondent Disclosure
3. C2	Complainant Rebuttal

*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**

<i>Subject</i>	<i>Property Type</i>	<i>Property Sub - Type</i>	<i>Issue</i>	<i>Sub - Issue</i>
<i>CARB</i>	<i>Warehouse</i>	<i>Single tenant</i>	<i>Market value</i>	<i>Classification</i>