

**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:**

***1163185 ALBERTA LTD, as represented by Altus Group, COMPLAINANT***

**and**

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

**before:**

***R. Glenn, PRESIDING OFFICER***

***R. Roy, MEMBER***

***D. Julien, 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>201464104</b>
<b>LOCATION ADDRESS:</b>	<b>2031 33 AV SW</b>
<b>HEARING NUMBER:</b>	<b>64341</b>
<b>ASSESSMENT:</b>	<b>\$11,860,000</b>

This complaint was heard on the 9th day of November, 2011 at the office of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 3.

Appeared on behalf of the Complainant: Brendan Neeson ( Agent )

Appeared on behalf of the Respondent: Carman Fox and Paul Sembrat ( Assessors )

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

No issues of procedure or jurisdiction were raised.

**Property Description:**

The subject is an A+ class 6 storey, mixed use building , built in 2009, referred to as: "Shoppes of Marda Loop", located in the south west community of Marda Loop The property consists mostly of a high rise residential condo with a mixed-use non-residential platform covering the first two levels, including retail stores on the first floor, and small offices on the second floor. There is 40,276 SF of retail/office space in the subject property.

**Issues:**

Whether the subject property is properly assessed, in light of queries regarding:

1. The Rental Rate of Retail stores/Office space on the subject property
2. The Capitalization Rate on the subject property

**Complainant's Requested Value:**

\$9,020,000, or in the alternative, \$10,240,000

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

At the outset, the Complainant stated that the only issue is the office rental rate. Later on, in argument, the Cap Rate is mentioned briefly, but it is not argued at all. The Complainants note that the Respondent has relied on an Income Approach Valuation for the subject assessment. In argument, the Complainant provides 14 retail equity comparables and 8 suburban office comparables, all of which are located widely throughout the city.

On cross examination, the Complainant admits that their comparables show no adjustment for location, even if they are located in an open field. In addition, the Complainant admits that they are not sure of some of their comparables' building classification, or, quality. Some of their other comparables are basically neighbourhood shopping centres. The Board also notes on questioning that there are no A+ quality strip malls in the Complainant's evidence, and queries

how that affects the rate. The Complainant counters by saying that it does not impact the rate in issue and further, the subject building arrangement is really just office space surrounded by retail space.

The Respondent provides 15 lease comparables, 5 of which are associated with the subject property, and all of which support the assessed rental rate for office space. They further comment that few of the Complainant's comparables have the same or even similar characteristics, that is, no associated retail or residential space, and all are of a different class, or, quality.

On cross examination, the Respondent admits that their comparables are all assessed higher than the subject. The Respondent also acknowledges that their comparables package has very few second floor office spaces. They go on to comment that the particular use of office space does not impact the assessment.

When queried about the rental rate they are seeking, the Complainant indicated they are not seeking a particular rate, but simply that the assessed rate is too high.

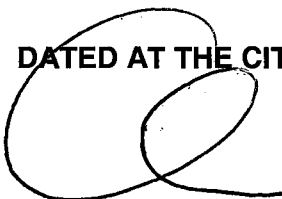
In their closing summary, the Respondent argued that the Complainant did not put forward a range of market values in the immediate area of the subject. They say the Complainant put forward an equity argument, but no leases, and no analysis. Apparently, they also provided no rent rolls.

The Respondent says they put forward all that was required for their argument to be successful, including: leases and rent rolls, etc.

The Board finds that the most relevant indicator of market lease rates are those found in the subject building. The Complainant produced rates which were from all over and were simply not comparable in terms of location, space type, etc..

The Board finds that the Complainant did not provide enough relevant, credible evidence to convince the Board that the subject assessment is unfair or, in any way inappropriate, and accordingly, the subject assessment is confirmed in the amount of: \$11,860,000.

DATED AT THE CITY OF CALGARY THIS 13<sup>th</sup> DAY OF DECEMBER, 2011.



**R. Glenn**  
**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
4. R2	Respondent Disclosure part 2

*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. 2818-2011-P      Roll Number: 201464104</i>				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Retail	High Rise Retail and Residential Condo	Income Approach	Cap Rate and Rental Rate