

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:

SAJU HOLDINGS LTD.
(as represented by Altus Group Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Earl K. Williams, PRESIDING OFFICER
A. Huskinson, MEMBER
A. Maciag, 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 2013 Assessment Roll as follows:

ROLL NUMBER: 044025294

LOCATION ADDRESS: 2112 Crowchild TR NW

FILE NUMBER: 71440

ASSESSMENT: \$9,120,000

This complaint was heard on 12th day of August, 2013 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:

- K. Fong Agent, Altus Group Ltd
- D. Main Agent, Altus Group Ltd

Appeared on behalf of the Respondent:

- T. Johnson Assessor, The City of Calgary

Procedural or Jurisdictional Matters:

- [1] No Procedural or Jurisdictional Matters were raised by the parties.

Property Description:

[2] The subject property at 2112 Crowchild TR NW is a 22,763 square foot (sq. ft.) building on 3.05 acres of land with a 1986 approximate year of construction (ayoc) assigned a A2 quality rating in the community of Banff Trail with the Property Use: Commercial and Sub Property Use: CM0210 Retail – Shopping Centres – Strip. The space profile of the subject property is 2,082 sq. ft. of CRU 0-1,000 sq. ft.; 14,168 sq. ft. of CRU 1,001-2,500 sq. ft. and 6,513 sq. ft. of CRU 2,501-6,000 sq. ft.

[3] The assessment was prepared on the Income Approach Valuation with a capitalization rate (cap rate) of 6.75%; a market rental rate of \$30.00 per square foot (psf) for the CRU 0-1,000 sq. ft.; \$29.00 psf for the CRU 1,001 – 2,500 sq. ft. and \$28.00 psf CRU 2,501-6,000 sq. ft.

Issues:

- [4] Should the subject property assessed on the Income Approach with the assessed rental rate for CRU 0-1,000 sq. ft. be reduced from \$30.00 psf to \$26.00 psf?

Complainant's Requested Value: \$9,000,000

Board's Decision:

- [5] Based on the evidence and arguments presented the Board supports that the rental rate for the CRU 0-1,000 sq. ft. be reduced from \$30.00 psf to \$26.00 psf.
- [6] The assessment is reduced to \$9,000,000.

Position of the Parties

- [7] The Complainant and Respondent presented a wide range of evidence consisting of relevant and less relevant evidence. In the interests of brevity, the Board will restrict its

comments to those items the Board found relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[8] 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 Property Assessment Notice, the City of Calgary 2013 Property Assessment Summary Report, the City of Calgary Non-Residential Properties – Income Approach Valuation work sheet, and lease comparables.

[9] 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 Property Assessment Notice, the City of Calgary Non-Residential Properties – Income Approach Valuation work sheet, the Assessment Request for Information (ARFI) filed July 27, 2012 and lease comparables.

Issue – CRU Rental Rate

Complainant's Position:

[10] In support of the requested rental rate the Complainant reviewed rental rate analysis on page 23 of Exhibit C1 for the CRU 0-1,000 sq. ft. The analysis included 5 comparables classified as Strip with a A2 quality rating located in the market area WN4. The leased area for the comparables ranged from 511 to 913 sq. ft. and rental rate ranged from \$17.30 psf to \$30.00 psf. The mean rental rate was reported as \$24.26 psf and median rental rate as \$25.00 psf.

Respondent's Position:

[11] The Respondent reviewed the lease comparable table titled Lease Comparables CRU 0-1,000 sq. ft. on page 25 of Exhibit R1. The Respondent advised that one of the comparables in the table was entered twice and upon further examination should be excluded as the comparable was a kiosk and not eligible to be included in this CRU category.


[12] The remaining comparables ranged in area from 282 to 913 sq. ft. and rental rates from \$17.30 to \$45.00 psf. The median rental rate of the 11 comparables was \$26.00 psf.

Board's Reasons for Decision:

[13] In respect of the market rental rate for CRU 0-1,000 sq. ft. the Board noted that the Respondent's analysis of 11 comparables calculated a median rental rate is \$26.00 psf.

[14] Based on the evidence and arguments presented the Board supports the \$26.00 psf rental rate as representative of the market rental rate for the CRU 0-1,000 sq. ft.

DATED AT THE CITY OF CALGARY THIS 5th DAY OF November 2013.



Earl K. Williams
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure Subject Property 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

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	RETAIL	Shopping Centre – Strip	Income Approach	Lease Rate