

## **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:**

**SPARTACUS 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: 067223909**

**LOCATION ADDRESS: 1431 Kensington Rd NW**

**FILE NUMBER: 71533**

**ASSESSMENT: \$3,090,000**

This complaint was heard on 12<sup>th</sup> 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] The Board was advised that there is an agreement to a reduction in the office rental rate from \$21.00 to \$13.00 psf and a revised assessment recognizing this change was provided by the Respondent.

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

**Property Description:**

[3] The subject property at 1431 Kensington Rd NW is a 9,412 square foot (sq. ft.) retail up/down building on 0.14 acre of land with a 1963 approximate year of construction (ayoc) assigned a A2 quality rating in the community of Hillhurst with the Property Use: Commercial and Sub Property Use: CM0210 Retail – Shopping Centres – Strip. The space profile of the subject property is 3,340 sq. ft. of CRU<0-1,000 sq. ft.; 1,272 sq. ft. of CRU 1,001-2,500 sq. ft.; 4,000 sq. ft. of office space and storage space of 800 sq. ft.

[4] The assessment was prepared on the Income Approach 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.; \$21.00 psf for the office space and \$2.00 psf for the storage space.

**Issues:**

[5] Should the subject property be assessed on the Income Approach with the assessed rental rate for the CRU 1,001-2,500 sq. ft. reduced from \$29.00 psf to \$28.00 psf?

**Complainant's Requested Value: \$2,620,000**

**Board's Decision:**

[6] Based on the evidence and arguments presented the Board accepted the agreement between the parties to reduce the office rental rate from \$21.00 psf to \$13.00 psf and supports that the rental rate for the CRU 1,001 – 2,500 sq. ft. be reduced from \$29.00 psf to \$28.00 psf.

[7] The assessment is reduced to \$2,620,000 which reflects the Board decision outlined in paragraph [6].

**Position of the Parties**

[8] 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.

[9] 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.

[10] 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 2013 Property Assessment Detail Report, the City of Calgary Non-Residential Properties – Income Approach Valuation work sheet, an Income Approach Calculator – 2013 Revised Recommendation Assessment, and lease comparables.

**Issue – CRU Rental Rate****Complainant's Position:**

[11] In support of the requested rental rate the Complainant reviewed the CRU rental rate analysis on page 53 of Exhibit C1. The analysis included two properties which reported the leased area and rental rate as: 1,066 sq. ft. for \$27.00 psf and 1,175 sq. ft. for \$23.00 psf. The mean and median rental rate is \$25.00 psf.

**Respondent's Position:**

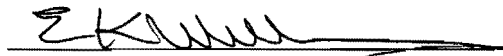
[12] The Respondent reviewed the lease comparable table on page 17 of Exhibit R1 which presented lease particulars for 3 comparables with leased areas of 1,272, 1,175 and 1,066 sq. ft. and lease rental rates of \$28.00, \$23.00 and \$28.00 respectively. The median rental rate is \$28.00 psf.

**Board's Reasons for Decision:**

[13] The Respondent's analysis in respect of the market rental rate for CRU 1,001-2,500 sq. ft. determined the median rental rate to be \$28.00 psf.

[14] Based on the evidence and arguments presented, the Board supports the \$28.00 psf rental rate as representative of the market rental rate for the CRU 1,001-2,500 sq. ft.

DATED AT THE CITY OF CALGARY THIS 6<sup>th</sup> DAY OF November 2013.



**Earl K. Williams**

**Presiding Officer**

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

<b>NO.</b>	<b>ITEM</b>
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**

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	RETAIL	Shopping Centre-Strip	Income Approach	Lease Rate