



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:

525464 Alberta Ltd. (as represented by Cushman & Wakefield Ltd.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

W. Kipp, PRESIDING OFFICER

R. Kodak, BOARD MEMBER

J. Pratt, BOARD 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:	076001254
LOCATION ADDRESS:	1919 – 31 Street SE, Calgary AB
FILE NUMBER:	71715
ASSESSMENT:	\$6,110,000

This complaint was heard on the 3rd day of July, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *J. Goresht*

Appeared on behalf of the Respondent:

- *S. Paulin*

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

- [1] There were no preliminary procedural or jurisdictional matters to be decided by the CARB.

Property Description:

[2] The property that is the subject of this assessment complaint is a strip shopping centre located in the Forest Lawn community of southeast Calgary. The property comprises a 2.24 acre commercial site occupied by a 31,095 square foot strip shopping centre building that was built in 1967 and expanded in 1970. The property is classified as a "B-" quality strip centre. There are commercial rental units of varying sizes.

[3] The 2013 assessment was prepared using an income approach. Retail store rental rates of \$11.00 to \$19.00 per square foot were applied, depending on the sizes of each tenant space. An overall 8.0 percent vacancy allowance was deducted as was a 1.0 percent non-recoverable operating expense allowance. Operating costs on vacant space were based on a rate of \$8.00 per square foot. A capitalization rate of 6.75 percent was applied to the net operating income to produce the \$6,110,000 assessment. The effective valuation date is July 1, 2012 and the property condition date is December 31, 2012.

Issues:

[4] In the Assessment Review Board Complaint form, filed March 4, 2013; Section 4 – Complaint Information had check marks in nine of the ten boxes: Description of the property, Assessment amount, Assessment class, Assessment sub-class, Type of property, Type of improvement, School support, whether the property is assessable and whether the property is exempt from taxation.

[5] In Section 5 – Reason(s) for Complaint, the Complainant stated that the assessment was incorrect or too high for a number of reasons.

[6] At the hearing, the Complainant pursued the following issue: Equity – this property has only indirect exposure to the busy 17 Avenue SE (International Avenue) across a parking lot and if that parking lot is redeveloped with a building, there will be no exposure. The shopping centre should therefore not be assessed the same as others with superior locations.

Complainant's Requested Value: \$5,689,000

Board's Decision:

[7] The assessment is confirmed at \$6,110,000.

Position of the Parties

Complainant's Position:

[8] The Complainant argued that this property is blocked from 17 Avenue SE by another property. There is a risk that the property will lose its exposure entirely if the other property was to be redeveloped. Any prudent purchaser of the property would adjust the price to reflect the increased risk.

[9] This risk could be recognized by increasing the capitalization rate from 6.75 to 7.25 percent.

Respondent's Position:

[10] The Respondent questioned whether the Complainant had met the burden of proof or onus in its presentation but did not ask the CARB to make a ruling on the question.

[11] It was stated that this property has a 31 Street SE address and it has frontage to that street. The property has no 17 Avenue frontage. The location of a property is reflected in the rents that it can achieve. There can be no adjustment made to an assessment simply because an adjoining property might be redeveloped at some future date.

Board's Reasons for Decision:

[12] The CARB confirmed the assessment for the following reason.

[13] It was the opinion of the Complainant that a redevelopment of an adjoining property might negatively impact the subject property. A site plan was provided in Complainant's evidence to show that the subject property does not have direct exposure to 17 Avenue SE. There was no other evidence provided to support the Complainant's opinion.

[14] Due to the lack of relative market or equity evidence from the Complainant, the CARB found no support for the requested assessment reduction and confirmed the 2013 assessment at \$6,110,000.

DATED AT THE CITY OF CALGARY THIS 31 DAY OF July 2013.



W. Kipp

Presiding Officer

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

NO.	ITEM
1. C1	Complainant 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 Internal Use

Appeal Type	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	RETAIL	STRIP PLAZA	INCOME APPROACH	CAPITALIZATION RATE