



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:

PPS INVESTMENTS II INC. & TTP INVESTMENTS II INC.
(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: 200668309

LOCATION ADDRESS: 7700 110 AV NW

FILE NUMBER: 72804

ASSESSMENT: \$5,050,000

This complaint was heard on 13th 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 7700 110 AV NW is a 21,381 square foot (sq. ft.) retail strip on 1.80 acres of land with a 2006 approximate year of construction (ayoc) assigned an B- quality rating in the community of Royal Vista with the Property Use: Commercial and Sub Property Use: CM0210 Retail – Shopping Centres – Strip. The subject property has 11,354 sq. ft. of CRU 2,501-6,000 sq. ft. and 10,027 sq. ft. of CRU 6,001-14,000 sq. ft.

[3] The assessment was prepared on the Income Approach with a capitalization rate (cap rate) of 6.75%; a market rental rate of \$19.00 per square foot (psf) for the CRU 2,501-6,000 sq. ft. and \$15.00 psf for the CRU 6,001-14,000 sq. ft.

Issues:

[4] Should the subject property assessed on the Income Approach with the assessed rental rates for the CRU 6,001-14,000 sq. ft. be reduced from \$15.00 psf to \$10.00 psf?

Complainant's Requested Value: \$4,340,000

Board's Decision:

[5] Based on the evidence and arguments presented the Board supports that the rental rate for the CRU 6,001-14,000 sq. ft. be reduced to \$10.00 psf.

[6] The revised assessment is \$4,340,000.

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 comparable market leasing analysis.

[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) and lease comparable analysis.

Issue – CRU Rental Rate

Complainant's Position:

[10] In support of the requested rental rate the Complainant reviewed the table titled 2013 CRU Rental Rate Analysis on page 24 of Exhibit C1. The analysis presented lease details on a sample of 5 comparables which are all strip centres with the CM0210 property use, with B-quality rating and located in the NE and SE quadrant. The Complainant advised the Board that the selection of comparables necessitated going beyond the NW quadrants.

[11] The analysis of the sample reported the leased area ranged from 6,360 to 12,800 sq. ft. and rental rate ranged from \$8.00 psf to \$13.00 psf. The mean rental rate was \$11.04 and median rental rate was reported as \$10.00 psf.

Respondent's Position:

[12] The Respondent reviewed the table titled Lease Comparables CRU 6,001-14,000 sq. ft. on page 26 of Exhibit R1. The analysis presented lease details on a 2 comparables located in the NW quadrant with a leased area of 6,095 sq. ft. and 6,444 sq. ft. The analysis of the sample reported the lease values were \$13.50 psf and \$17.72 psf with a median and mean rental rate of \$15.61 psf. The Respondent advised that the 2 comparables were both car washes located in CRU space.

Board's Reasons for Decision:

[13] A review of the samples used by both parties in their analysis of the market determined that the selection of comparables to the subject may have been difficult. The Complainant's selection was considered as the strongest comparables. Based on the evidence the Board supports the use of \$10.00 psf for the CRU 6,001-14,000 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 Centres-Strip	Income Approach	Lease rate