



## **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:

**1675778 ALBERTA ULC.**  
(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: 043000207**

**LOCATION ADDRESS: 1941 UXBRIDGE DR NW**

**FILE NUMBER: 72858**

**ASSESSMENT: \$17,970,000**

This complaint was heard on 13<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] No Procedural or Jurisdictional Matters were raised by the parties.

**Property Description:**

[2] The subject property at 1941 Uxbridge DR NW is a 46,225 square foot (sq. ft.) retail strip on 4.80 acres of land with a 1962 approximate year of construction (ayoc) assigned an A2 quality rating in the community of University Heights with the Property Use: Commercial and Sub Property Use: CM0210 Retail – Shopping Centres – Strip. The subject property has 2,475 sq. ft. of CRU 0-1,000 sq. ft.; 12,915 sq. ft. of CRU 1,001-2,500 sq. ft., 19,951 sq. ft. of CRU 2,501-6,000 sq. ft.; 6,384 sq. ft. of CRU 6,001-14,000 sq. ft. and a bank occupying 4,500 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 \$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.; \$28.00 psf for the CRU 2,501 – 6,000 sq. ft.; \$22.00 for the CRU 6,001-14,000 sq. ft. and \$32.00 psf for the bank space.

**Issues:**

[4] Should the subject property assessed on the Income Approach with the assessed rental rates for the CRU 0-1,000 sq. ft. be reduced from \$30.00 psf to \$28.00 psf and for the CRU 1,001 – 2,500 sq. ft. be reduced from \$29.00 psf to \$28.00 psf?

**Complainant's Requested Value: \$17,710,000**

**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. and CRU 1,001-2,500 sq. ft. both be reduced to \$28.00 psf.

[6] The assessment is determined to be \$17,710,000.

**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, the Assessment Request for Information (ARFI) 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, and lease comparable analysis.

### **Issue – CRU Rental Rate**

#### **Complainant's Position:**

[10] CRU 0-1,000 sq. ft. – in support of the requested rental rate the Complainant reviewed the table titled 2013 CRU Rental Rate Analysis on page 42 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 A2 quality rating and located in the WN4 market area. The analysis of the sample reported the leased area ranged from 511 to 913 sq. ft. and rental rate ranged from \$17.30 psf to \$30.00 psf. The mean rental rate was \$24.26 and median rental rate was reported as \$25.00 psf.

[11] CRU 1,001-2,500 sq. ft. – in support of the requested rental rate the Complainant reviewed the table titled 2013 CRU Rental Rate Analysis on page 43 of Exhibit C1. The analysis presented lease details on a sample of 9 comparables which are all strip centres with the CM0210 property use, with A2 quality rating and located in the WN4 market area. The analysis of the sample reported the leased area ranged from 1050 to 2,362 sq. ft. and rental rate ranged from \$24.00 psf to \$33.00 psf. The mean rental rate was \$27.83 and median rental rate was reported as \$28.00 psf.

[12] A further analysis of the 9 comparables referenced in paragraph [11] determined that 6 of the comparables were from the subject property. An analysis of this subject property sample determined a mean rental rate of \$28.00 psf and a median rental rate of \$28.50 psf.

#### **Respondent's Position:**

[13] CRU 0-1,000 sq. ft. – in support of the requested rental rate the Complainant reviewed the table titled Lease Comparables on page 17 of Exhibit R1. The analysis presented lease details on a sample of 11 comparables which was reduced to 10 when it was determined that one of the comparables was a kiosk and not classified in this CRU category. The analysis of the sample reported the leased area ranged from 511 to 913 sq. ft. and rental rate ranged from \$17.30 psf to \$40.00 psf. The mean rental rate was \$29.63 psf and median rental rate was reported as \$28.00 psf.

[14] CRU 1,001-2,500 sq. ft. – in support of the requested rental rate the Complainant reviewed the table titled Lease comparables on page 18 of Exhibit R1. The analysis presented lease details on a sample of 12 comparables when adjusted for one lease which was entered

twice and does not fit with this CRU category. The analysis of the sample reported the leased area ranged from 1050 to 2,362 sq. ft. and rental rate ranged from \$24.00 psf to \$30.00 psf. The mean rental rate was \$28.14 psf and median rental rate was reported as \$28.25 psf.

**Board's Reasons for Decision:**

[15] Based on the evidence presented the Board determined that the Respondent's sample was larger in respect of the number of comparables, which statically is more representative of the market. Generalizing from a large sample is more supportable than from a small sample.

[16] Based on the evidence and arguments presented the Board supports the use of \$28.00 psf for the both CRU categories.

DATED AT THE CITY OF CALGARY THIS 5<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 Centres-Strip	Income Approach	Lease rate