



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:

854360 Alberta Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***C. Griffin, PRESIDING OFFICER
D. Steele, BOARD MEMBER
J. Kerrison, BOARD MEMBER***

This is a complaint to the Composite Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2014 Assessment Roll as follows:

ROLL NUMBER: 032033102

LOCATION ADDRESS: 2020 – 32 Avenue NE

FILE NUMBER: 73985

ASSESSMENT: \$22,130,000.

This complaint was heard on 3rd day of Sept., 2014 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:

- A. Gravelle - owner

Appeared on behalf of the Respondent:

- R. Sidikou (*Assessor – City of Calgary*)

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

[1] There were no issues pertaining to Procedure or Jurisdiction brought forward by either party.

Property Description:

[2] According to the Property Assessment Detail Report (Exhibit C-1, pg. 14) the subject property is a 'B-' quality, retail strip shopping centre that was originally constructed in 1976 and which contains a total assessable area of 111,940 Sq. Ft. The underlying site is 6.30 acres in size. The property has been valued, for assessment purposes, through application of the Income Approach to Value.

Issues:

[3] The Complainant brought forward the following issue to be considered by the CARB:

- 1) The subject property has not been assessed equitably in comparison to the assessments similar properties.

Complainant's Requested Value: \$16,000,000.

Board's Decision:

[4] The Assessment is **Reduced** to **\$16,000,000.**

Position of the Parties

Complainant's Position:

[5] The Complainant contends that the assessment of the subject property is not equitable when compared to nearby similar properties. In support of this contention the Complainant introduced (Exhibit C1 pg. 3) an Equity Comparable Chart giving the summaries of 5 properties as well as the subject. All of the properties are located with frontage on 32 Avenue NE. The

properties range in size from 53,337 Sq. Ft. to approximately 148,878 Sq. Ft. The year of construction ranges from 1976 to 2000. The assessed values ranged from \$101/Sq. Ft. of building area to \$128/Sq. Ft. compared to the subject at \$198/Sq. Ft.. The Complainant noted that two of the properties, 1665 and 1920 – 32 Avenue NE, are referred to as being warehouse properties but both are retail in nature with a mattress shop, a paint store, a carpet store, a computer store and an adult erotic toy store. The Complainant also provides, in the same Exhibit, the Property Assessment Summary Report and photographs for each of these properties.

Respondent's Position:

[6] The Respondent provided (Exhibit R1 pg. 71) their Equity Comparables Chart providing a summary of four (4) retail strip shopping centre properties which the Assessor considers to be comparable to the subject. These properties, all of which are classified as being 'B-' quality, range in size from 3,680 Sq. Ft. to 14,358 Sq. Ft. The original year of construction ranges from 1952 to 1981. The assessments of these properties ranges from approximately \$203/ Sq. Ft. to \$208/Sq. Ft. of building area which the Respondent contends supports the \$198/Sq. Ft. assessment of the subject. Additionally the Respondent provided (Exhibit R1 pgs. 72 - 83) the Property Assessment Detail Report and the Income Approach Valuation for each of the equity comparables presented

Board's Reasons for Decision:

[7] The issue before the CARB is one of Equity and while considerable information is provided by the Respondent relating to the Income Approach and the various in-puts utilized in same, it does not relate to the issue. Given the issue, the CARB concentrated upon the equity comparables provided by each party. The Respondent noted that three (3) of the comparables provided by the Complainant are noted on the appropriate Property Assessment Summary Reports as having a "Subproperty Use" (sic) of something other than *Retail - Shopping Centres - Strip* which would not make them comparable to the subject. The CARB notes that some of the equity comparables submitted by the Respondent indicate, on the relative Property Assessment Detail Report, that the Subproperty Use is Strip Shopping Centre but the Building Type indicates Warehouse (Exhibit R1 pg. 42) or a Subproperty Use of Suburban Office with a Building Type of Retail/Strip (Exhibit R1 pg. 50). The foregoing is confusing to the ratepayer and explains why some of the properties submitted by the Complainant as being good equity comparables, are not considered to be good comparables by the Respondent. The CARB also finds this to be confusing and when clarification was requested of the Respondent, no reasonable explanation was provided. It is the actual use that the CARB considers to be more significant and the Board accepts the equity comparables of the Complainant as being retail stores, similar to the subject regardless of how they have been classified in terms of Subproperty Use vs. Building Type.

[8] The CARB notes that all of the equity comparables put forth by the Complainant are located on 32 Avenue NE in good proximity to the subject. Additionally, these same comparables are in a size range that compares favourably with the subject property. On the other hand, the equity comparables presented by the Respondent are neither in good proximity to the subject nor are they anywhere near the same size as the subject. Three of the respondent's equity comparables are less than 10,000 Sq. Ft. in size as opposed to the subject

which is 111,940 Sq. Ft. in size. Given the preponderance of strip shopping centres located along 32 Avenue NE, the CARB questions why the Respondent would not provide better equity comparables.

[9] The CARB finds that, on balance, the equity comparables provided by the Complainant, one of which is within one block of the subject, are superior to those provided by the Respondent and, accordingly, the assessment is reduced.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF SEPTEMBER 2014.



C. J. Griffin

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.*

CARB Identifier Codes

| | | | | |
|---------------------------------|-----------------------------|---------------------------------|---------------------------|-------------------------|
| Decision No. 76985P-2014 | | | Roll No. 032033102 | |
| <u>Complaint Type</u> | <u>Property Type</u> | <u>Property Sub-Type</u> | <u>Issue</u> | <u>Sub-Issue</u> |
| CARB | Retail | Strip Shopping Centre | Equity | Market Value |

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