

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 MGA).

between

786458 Alberta Inc.
(as represented by Assessment Advisory Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
D. Steele, BOARD MEMBER
A. Zindler, 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 2014 Assessment Roll as follows:

ROLL NUMBER: 124164302

LOCATION ADDRESS: 8408 Elbow Dr SW

FILE NUMBER: 74876

ASSESSMENT: \$4,640,000

This complaint was heard on July 22, 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:

- *S. Cobb, Assessment Advisory Group (AAG)*

Appeared on behalf of the Respondent:

- *R. Farkas, City of Calgary Assessor*

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

- [1] There were no procedural or jurisdictional matters.

Property Description:

- [2] The subject property is assessed as a 17,648 square foot (sf) "B" quality commercial Retail/Strip shopping centre built in 1978 in the Haysboro area. It has been assessed using the Income valuation approach.

Issues:

- [3] Should the following rent rates be applied to the subject property:

	Assessed Rent Rate	Requested Rent Rate
Commercial Retail Unit (CRU) 1001-2500sf	\$24.00/sf	\$18.00/sf
Office	\$16.00/sf	\$14.00/sf

Complainant's Requested Value: \$3,820,000

Board's Decision:

The Board confirms the assessment at \$4,640,000

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the MGA RSA 2000 Section 460.1:

- (2) Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or

if the parcel is used for farming operations, agricultural use value

Position of the Parties

Complainant's Position:

[4] The Complainant, AAG on behalf of 786458 Alberta Inc., requested a reduction in Rent rates in keeping with a Market Net Rental Rate Comparison consisting of six leases from the subject property and two from similar properties. In this study the median rate for CRU 1001-2500 sf was \$16.20/sf (using four comparables) and for Office space was \$12.00/sf (using four comparables). The Complainant maintained that these rates were more typical of rents in the subject area than rates in the City of Calgary study.

[5] Assessment Requests for Information (ARFIs) were provided to support the Rental Rate Comparison. The comparable property leases presented in addition to those from the subject had been rated "C" and "C+" by City of Calgary Assessment Offices.

Respondent's Position:

[6] The Respondent, City of Calgary Assessor, presented the 2014 Commercial Retail Unit Leases for CRU 0-1000 sf, CRU 1001-2500 sf and CRU 2501 – 6000 sf for "B", "C" and "C+" quality retail units. (R1 p16-24)

[7] The City study included lease rates from a "B" quality property across Elbow Drive from the subject, with a corner exposure and similar road exposure to the subject. The Respondent stated that this is a good comparable property and the lease rates support the current

assessment. (R1 p26-32)

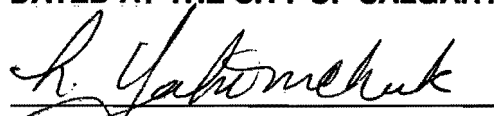
Board's Reasons for Decision:

[8] The Board considered the Complainant's request and the AAG Equity study. The comparables used in the study were not shown to be similar to the subject property, nor typical of each other as a group. As well, many of the leases were dated, step-ups and from the subject property. It was difficult to derive a typical assessment value from this study.

[9] The City of Calgary study and comparable property supported the assessment. The comparable "B" quality property was shown to be quite similar to the subject, with leases that fit into the range of lease rates in the study.

[10] For these reasons the Board confirmed the assessment at \$4,640,000 with a CRU 1001-2500 sf rate of \$24.00/sf and an office rate of \$16.00/sf.

DATED AT THE CITY OF CALGARY THIS 11 DAY OF August 2014.


L. Yakimchuk

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 office use only:

A	B	C	D	E
CARB	Retail	Strip Mall	Income approach	Rent rate
