



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:

***Gerry Strongman Holdings Ltd. (as represented by Assessment Advisory Group),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***K. Thompson,
J. Massey,
A. Wong,***

***PRESIDING OFFICER
BOARD MEMBER
BOARD MEMBER***

This is a complaint to the Calgary Composite Assessment Review Board (the 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:	175503622
LOCATION ADDRESS:	240 Crowfoot Cr NW
FILE NUMBER:	75807
ASSESSMENT:	\$2,780,000

This complaint was heard on the 29th day of July, 2014 at the office of the Assessment Review Board located at Floor Number 3 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- S. Cobb *Agent, Assessment Advisory Group*

Appeared on behalf of the Respondent:

- J. Villeneuve-Cloutier *Assessor, City of Calgary*

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

[1] No procedural or jurisdictional issues were brought forward. The Board continued with the merits of the complaint.

Property Description:

[2] The subject property is located at 240 Crowfoot Cr. NW and is part of the larger Crowfoot Power Centre in the Arbour Lake district. The property is a 4,658 square feet (sf) retail building, built in 1990 with 0.35 acres of land. This property has been classed as B retail-shopping power centre.

[3] The subject property is assessed using the income method of valuation and has a capitalization rate of 6.00% and a rental rate of \$38.00 per square foot (psf).

Issues:

[4] The value of the property would better reflect market if it were based on rental rates of \$30.00 psf.

Complainant's Requested Value: \$2,190,000

Board's Decision:

[5] The assessment is confirmed at \$2,780,000

Legislative Authority, Requirements and Considerations:

[6] Section 460.1(2) of the Act provides that, 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).

Position of the Parties**Complainant's Position:**

[7] The Complainant stated that the 2014 assessed rates for the pad site of 2,501-6,000 sf is excessive and the most recent lease from the subject property shows that this property is overvalued. The Complainant submitted the 2014 subject property's rent roll [C1, pp. 51-53].

[8] The Complainant also submitted the adjacent property's rent roll, 250 Crowfoot Cr NW, to illustrate that this area of the Crowfoot Power Centre does not get rents equivalent to their respective assessed rates. The Complainant argued that the subject property is unlike the properties across Crowfoot Cr, located in the central area of the Crowfoot Power Centre. This property is on the outer edge of the Power Centre and is not afforded the same benefits as properties in the central core. The Complainant stated that this factor should be taken into account when placing a value on the subject property. The Complainant noted that the subject property more typically reflected the properties in the Beacon Hill Power Centre.

[9] A chart of six equity comparables along with the subject and the adjacent property's leases were presented. This included documentation and a map [C1, pp. 15-45]. A traffic map was also entered into evidence to show traffic volumes on the major roads around the subject [C1, p. 14].

[10] The Complainant submitted the 2013 CARB decision for the Board's consideration.

Respondent's Position:

[11] The Respondent stated that a mass appraisal approach is required in determining the market value for assessment purposes. This relies on typical rates, developed from all the rents of similar properties, in order to treat similar properties in an equitable manner. The Respondent also explained that each Power Centre is analyzed separately as they tend to trade in very specific markets. The Respondent submitted that its lease rate study for the Crowfoot Power Centre does exactly that [R1, p. 22]. There were eleven leases in the subject's size range with a range of \$22.00 psf-\$43.00 psf.

[12] The subject property's February 2013 rent roll was submitted which the Respondent stated was the rent roll used for the 2014 lease analysis. This rent roll showed a lease signed in 2010 for \$29.00 psf. This lease would not have been included in the 2014 lease study.

[13] The Respondent commented that the subject's 2010 lease was for \$29.00 psf and even this lease is well within the range of leases for that size range. The Respondent also pointed out that the most recent leases in this size ranged from \$31.50 psf to 38.00 psf. The Respondent stated that this suggests the subject property could well achieve this rent if negotiated during this time frame.

Board's Reasons for Decision:

[14] The Board will limit its comments to the relevant facts pertaining to this case.

[15] Both the Complainant and the Respondent used the income approach to value this property and the only issue was the rental rate. The Board reviewed the evidence provided by both parties and in particular, consideration was given to the rent roll information, the lease analysis and the equity comparables.

[16] In review of the Respondent's 2014 Crowfoot Power Centre lease study the Board finds that it was extensive and the leases confirmed the CRU rental rates used in the 2014 valuation of this property. The Board does note that the range is fairly broad but in review of the most current leases, found those confirmed the 2014 rate for the subject property's CRU space. The subject property has one older lease (2010); which was well within the range of leases analysed for its size grouping. This lease did not appear to be an outlier. The Board found insufficient leasing evidence from the Complainant to consider altering the assessed value.

[17] The comparables provided by the Complainant were from other Power Centres in the NW quadrant. The Respondent explained each Power Centre was analysed separately (as each Power Centre is its own market). The Board received no lease information from any of the comparable Power Centres to prove or disprove their similarity to the subject property.

[18] The results from the Respondent's analysis satisfied the Board that market value and equity were attained. The Board notes that while it is not bound by previous Board Orders, it did consider those that were submitted (for general principles); this decision is based on the evidence before this Board.

[19] The Board finds insufficient evidence to alter the rental rates applied to this property. The assessment is confirmed.

DATED AT THE CITY OF CALGARY THIS 28th DAY OF August 2014.



K. Thompson

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.*

Property Type	Property Sub-Type	Issue	Sub issue
retail	Stand alone	Income Approach	CRU rental rates/power centre