



## **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

***Lansdowne Equity Ventures Ltd.***  
***(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: 124188616**

**LOCATION ADDRESS: 9627 Macleod Tr SW**

**FILE NUMBER: 76330**

**ASSESSMENT: \$6,740,000**

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. Neither party had any objections to any of the CARB panel members.

**Property Description:**

[2] The subject property is assessed as retail Freestanding Big Box, with one 14,626 square foot (sf) "B" quality and one 3,526 sf "A2" quality retail building, and one 9,012 sf "B" quality office building. These buildings were constructed in 1984 in the Haysboro community. It has been assessed using the Income valuation approach.

**Issues:**

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

	Assessed Rate	Requested Rate
Vacancy (retail and office)	6.75%	9.50%
Capitalization (Cap)	6.50%	7.00%

\*\*Big Box Retail uncontested at 1.00%

**Complainant's Requested Value: \$6,160,000**

**Board's Decision:**

The Board confirms the assessment at \$6,740,000

**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 Lansdowne Equity Ventures Ltd., presented two sales of properties and one equity comparable. The first sale was a retail strip at 14315 Macleod Tr SW, the second also a retail strip at 9110 Macleod Tr SE. The equity comparable was a strip mall at 10440 Macleod Tr SE. The Vacancy rates for the two SE properties were 9.50%, and for the SW property was 8.25%.

[5] The Cap rate for the sale of the SE property was estimated by the third party reporter at 7.60%, while the Cap rate for the first (SW) property was reported as 6.3%. (C1, p23 and p16).

[6] The Complainant argued that strip malls and freestanding buildings compete in the same market, therefore these comparables are representative of the value of the subject property.

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

[7] The Respondent, City of Calgary Assessor, presented the 2014 Freestanding Centre Capitalization Rate Study, which showed the median Cap rate for Freestanding Centres is 6.37%. The typical rate assessed by the City of Calgary Assessment Office is 6.50%. (R1 p21)

[8] The Respondent also presented the 2014 Freestanding Retail Vacancy analysis, which showed that the Vacancy rate for the SE quadrant was 8.00% for the assessment year, while the Vacancy rate for the SW quadrant was 6.75%. (R1 p23)

[9] The Respondent argued that the comparable properties presented by the Complainant were all strip malls, unlike the subject which is freestanding.

**Board's Reasons for Decision:**

[10] The Board considered the Complainant's request, and the sales and equity study. The properties in this study were strip malls, not freestanding as the subject was assessed. The Complainant asked for Rent rates and Vacancy rates which came from different quadrants and different types and qualities of improvements. It was difficult to find a typical value based on these numbers. As well, the Cap rate requested was not supported by the Complainant's comparable sales.

[11] The Board accepted the City of Calgary studies and confirmed the assessment at \$6,740,000.

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:**

<b>NO.</b>	<b>ITEM</b>
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.*

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For office use only:

<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>
CARB	Retail	Free Standing Income approach		Vacancy, Cap

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