

**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-26.1, Section 460(4).

**between:**

***ALTUS GROUP LTD., COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***Earl K Williams, PRESIDING OFFICER  
Ian Fraser, MEMBER  
Peter Charuk, 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 2010 Assessment Roll as follows:

**ROLL NUMBER: 089031207**

**LOCATION ADDRESS: 814 – 49 Ave SW**

**HEARING NUMBER: 59683**

**ASSESSMENT: \$3,300,000**

This complaint was heard on 4<sup>th</sup> day of August, 2010 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

Appeared on behalf of the Respondent:

- D. Zaho

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

No Preliminary, Procedural or Jurisdictional Matters

**Property Description:**

The property identified by Roll Number 089031207 is comprised of an 11,228 square foot (sq ft) improvement sited on a .25 acre site and is part of the larger Britannia Shopping Centre (Classified as a CM0203 Retail Shopping Centre – Neighbourhood Shopping Centre) located in the Community of Britannia. The Britannia Shopping Centre borders both sides of 49 Ave SW between 8<sup>th</sup> Street and Elbow Drive SW. Parking for the Britannia Shopping Centre consists of angle parking located down the middle of 49<sup>th</sup> Ave SW and parallel parking in front of the commercial units.

**Issues:**

Classification – the subject property should be classified as a Strip Centre based on its characteristic and profile. Additionally if the classification is changed the Strip Centre inputs should be applied to calculate the 2010 property assessment.

Rental Rate CRU – the assessed rental rates (expressed as a per square foot – psf) are neither fair nor equitable and should be reduced

|                       |   |
|-----------------------|---|
| CRU 1001 – 2500 sq ft | reduced from \$29.00 psf to \$22.00 psf |
| CRU 2501 – 6000 sq ft | reduced from \$27.00 psf to \$21.00 psf |

**Complainant's Requested Value:**

**\$2,310,000**

**Board's Decision in Respect of Each Matter or Issue:**

Complainant and Respondent presented a wide range of relevant and less relevant evidence in respect of the issues.

**Classification**

Complainant

In support of the change in classification the Complainant presented (evidence page 29) a table of CRU Space Comparison for 12 comparables that are classified as either Neighbourhood Shopping Centre (NSC) or Strip Centre (SC). Photographs and the Income Approach Valuation summary page was provided for the comparables (page 30-72). The Complainant's analysis of the data presented in the CRU Space Comparison table determined that in terms of centre size the median and average was 45,682 sq ft. The subject property size is 11,228 sq ft.

An important consideration in the classification of a property as either a Neighbourhood Shopping Centre (NSC) or as a Strip Centre (SC) is the presence and type of anchor. The Complainant argued that the Sunterra Market which is part of the Britannia Shopping Centre and located on the corner of Elbow Drive and 49<sup>th</sup> Ave SW is not an anchor when compared to properties that are classified as an NSC.

#### Respondent

Photographs and a schematic of the Britannia Shopping Centre are presented on pages 7 to 10 of the Respondent's evidence and shows that Britannia Shopping Centre borders both sides of 49 Ave SW between 8<sup>th</sup> Street and Elbow Drive SW. Parking for the Britannia Shopping Centre consists of angle parking located down the middle of 49<sup>th</sup> Ave SW and parallel parking in front of the commercial units. The 11,228 sq ft which is part of the Britannia Shopping Centre is located at the corner of 49<sup>th</sup> Ave and 8<sup>th</sup> Street SW.

The Respondent evidence presented on pages 13 to 16 industry definitions of a NSC and a SC as well as the City of Calgary's definition for Retail properties. The relevant points from the City of Calgary definitions are:

- Neighbourhood Shopping Centre (NSC): provides convenience shopping for the day to day needs; anchored by a supermarket or a drugstore; has no enclosed walkway or mall area.
- Strip Centre (SC): an attached row of stores or service outlets managed as a coherent retail entity; no defined anchor, maybe a convenience store with adjoining stores

The Respondent argued that the Sunterra Market which is located on the corner of Elbow Drive and 49<sup>th</sup> Ave SW and part of the Britannia Shopping Centre is an anchor. Hence Britannia Shopping Centre meets the definition as an NSC. Sunterra is classified by the Respondent as a supermarket anchor.

In addition to the definitions the Respondent presented 3 NSC comparables in support of the classification of the subject property as an NSC

#### Board's Decision

The important difference between a Neighbourhood Shopping Centre (NSC) and a Strip Centre (SC) is the presence of an anchor and the type of anchor. The definitions presented by the Respondent clearly identify that a NSC is anchored by a supermarket or a drugstore and a SC has no defined anchor. The subject property Britannia Shopping Centre, of which the 11,228 sq ft is part of the CRU, is anchored by Sunterra Market which is classified as a supermarket.

Based on the evidence presented the Board confirmed the classification of the subject property as a Neighbourhood Shopping Centre.

#### Rental Rate CRU

##### Complainant

The Income Approach Valuation summary page was provided for equity comparables (pages 30-72) included rental rate information for the CRU categories for both NSC and SC. The median rental rates were \$22.00 psf for the CRU 1001 – 2500 sq ft and \$21.00 for CRU 2501 to 6000 sq ft.

##### Respondent

The Respondent evidence (page 23) included a table which reported the rental rates for CRU 1001 – 2500 sq ft and CRU 2501 to 6000 sq ft in comparables classified as CM0203 Retail

Shopping Centre – Neighbourhood Shopping Centre which is the same classification as the subject property. The following table summarizes the rental rates (\$/psf) by CRU category for comparables which are located in the SW quadrant as well as the rental rate for leases with a start date during the first 6 months of 2009 (there was one 2009 comparable for each CRU category) lease for each CRU category

| CRU Category      | Number Comparables | Median      | Average     | 2009 Lease  |
|-------------------|--------------------|-------------|-------------|-------------|
| 1001 – 2500 sq ft | 7                  | \$31.00 psf | \$31.14 psf | \$33.00 psf |
| 2501 – 6000 sq ft | 4                  | \$29.00 psf | \$30.75 psf | \$30.00 psf |

#### Board Decision

Based on the evidence presented and the Assessment Request for Information (ARFI) for the subject property the reported lease rates were supportive of the assessed rates. The Board confirms the assessed rental rates as follows.

|                       |             |
|-----------------------|-------------|
| CRU 1001 – 2500 sq ft | \$29.00 psf |
| CRU 2501 – 6000 sq ft | \$27.00 psf |

#### **Board's Decision:**

Assessment Confirmed as **\$3,300,000**

DATED AT THE CITY OF CALGARY THIS 15 DAY OF September 2010.

  
 Earl K Williams  
 Presiding Officer

*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.*