

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business 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 Property/Business assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER: 065014003**

**LOCATION ADDRESS: 3708 17 Ave SW**

**HEARING NUMBER: 59931**

**ASSESSMENT: \$6,120,000**

This complaint was heard on 3<sup>rd</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:

- T Woo

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

No Preliminary, Procedural or Jurisdictional Matters

**Property Description:**

The property is a 30,104 square foot (sq ft) retail strip (Classified as a CM0210 Retail Store – Strip) on a 2.56 acre site located in the Community of Rosscarrock. There is a freestanding fast food restaurant on the property. The subject property is currently being impacted by the construction of the west line of the Light Rail Transit (LRT).

**Issues:**

Rental Rate Fast Food Restaurant – the assessed rental rate of \$30.00 psf is not equitable to similar properties and should be reduced to \$28.00 psf

Rental Rate Auto Service CRU– the inferior location supports the rental rate be reduced from \$18.00 psf to \$12.00 psf

Rental Rate CRU – the construction of the LRT has resulted in disruptions and interpretation to the businesses through road closures such that assessed rental rates are not fair nor equitable and should be reduced as follows, (rental rates expressed as a per square foot (psf) :

CRU 2501 – 6000	\$16.00 reduced from \$19.00
CRU 6000+	\$14.00 reduced from \$18.00

Rentable Area

**Complainant's Requested Value:**

**\$4,510,000**

**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.

**Rental Rate Fast Food Restaurant**

**Complainant**

The submitted evidence (pages 29-43) presented 7 equity comparables. No analysis of the comparables was presented. A review of the comparables determined that the market net rental rate for 6 of the 7 comparables was \$28.00 psf.

**Respondent**

A table on page 18 of the Respondent's evidence presented the rental rate for 4 fast food restaurants considered to be comparable to the subject. Three of the 4 reported rental rates of \$30.00 psf, the 1 comparable that reported \$28.00 psf shared the location with another fast food restaurant. An analysis of the Complainant's equity comparables considered them all to be inferior to the subject property.

The Respondent submitted the Assessment Request for Information (ARFI) for the subject property as evidence not disclosed prior to the hearing. The Complainant accepted the submission of the evidence. The evidence was identified as Exhibit 1. The Annual Rental Rate reported on the ARFI for the Wendy's Restaurant was \$34.43 psf.

**Board Decision**

Based on the evidence presented the rental rate for the fast food restaurant was confirmed as \$30.00 psf.

**Rental Rate Auto Service CRU**

**Complainant**

The photographs and a schematic layout (page 15 – 20) of the subject property identified the auto service space leased by Baskin & Lane to be at the back of the building with accessibility from 16 Ave SW as well as through the parking lot of the subject property. The Complainant stated that in addition to the inferior location of Baskin & Lane; access is impacted by the LRT construction in the vicinity of the subject property.

As a comparable the Complainant presented an Income Approach Valuation summary for an auto sale business located at 2605 – 17 Ave SW. For this comparable the leased area was reported as 15,639 sq ft of which 8,473 sq ft was retail with a market net rental rate of \$10.00

**Respondent**

Based on the ARFI (Respondent Evidence Exhibit 1) the tenant is leasing 7,640 sq ft at rental rate of \$15.00 psf. The photographs and a schematic layout (page 7 – 14 of Respondent evidence package) of the subject property confirmed that the auto service space leased by Baskin & Lane is at the back of the building with accessibility from 16 Ave SW as well as through the parking lot of the subject property.

The Respondent also presented as a comparable the Income Approach Valuation summary for an auto sale business located at 2605 – 17 Ave SW with a leased area of 15,639 sq ft of which 8,473 sq ft was retail with a market net rental rate of \$10.00. Further the Respondent on page 20 of their evidence considered the 2605 – 17 Ave SW location to be inferior to the subject.

**Board Decision**

Based on the evidence presented the Board confirmed the rental rate for Baskin & Lane CRU to be \$18.00 psf.

**Rental Rate CRU****Complainant**

In support of reducing the rental rates for CRU categories 2501 – 6000 sq ft and 6000+ sq ft the Complainant presented Westbrook Mall (page 27) and Anilin Decorating Centre (page 28). The following table presents the market net rental rate expressed as a psf:

CRU Category	Westbrook Mall	Anilin Centre	Subject Property
2501 – 6000	\$16.00	\$13.00	\$19.00
6000 +	\$14.00	n/a	\$18.00

The Complainant expressed the position that Westbrook Mall which is close proximity to the subject is not impacted by the LRT construction to the same extend as the subject property and the assessed rental rates for the subject should be the same as Westbrook Mall.

**Respondent**

The Respondent presented net market rental rates for Westbrook Mall, Anilin Centre and a number of other shopping centre and retail strip centres comparable to the subject.

**Board Decisions**

Based on the evidence presented the Board confirmed the rental rate for the CRU categories to be: \$19.00 psf for 2501 – 6000 sq ft and \$18.00 psf for 6000+ sq ft.

**Rentable Area****Complainant**

The Complainant presented (on page 23) a Strip Centre Retail Valuation Summary which reported the rentable area of the subject property to be 28,104 sq ft compared to the City of Calgary Assessment Summary (page 15 of the Respondent's evidence) which reports a rentable area of 30,104 sq ft.

**Respondent**

At the start of the hearing the Respondent submitted the Assessment Request for Information (ARFI) dated March 25 2010 for the subject property as evidence not disclosed prior to the hearing. The Complainant accepted the submission of the evidence. The evidence was identified as Exhibit 1.

The ARFI reported the Total Rentable Area to be 29,236 sq ft. The difference is that 868 sq ft identified as an office loft had been demolished

**Board Decision'**

Based on the evidence the total Rentable Area was determined to be 29,236 sq ft. The breakdown of the rentable area is as follows:

CRU 2501 – 6000	4,308 sq ft
CRU 6000+	21,733 sq ft
Restaurant Fast Food	<u>3,195 sq ft</u>
<b>Total Rentable Area</b>	<b>29,236 sq ft</b>

**Board's Decision:**

Assessment Revised to \$5,940,000

DATED AT THE CITY OF CALGARY THIS 2 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.*