

**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 Act).

**between:**

**West Springs Village General Partner Inc.  
(as represented by Linnell Taylor Assessment Strategies), COMPLAINANT**

**and**

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

**before:**

***J. Krysa, PRESIDING OFFICER  
J. Massey, MEMBER  
P. Pask, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of the property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>201176088</b>
<b>LOCATION ADDRESS:</b>	<b>873 85 St SW</b>
<b>HEARING NUMBER:</b>	<b>66219</b>
<b>ASSESSMENT:</b>	<b>\$18,550,000</b>

The complaint was heard on August 15, 2012, in Boardroom 11 at the office of the Assessment Review Board, located at 1212 – 31 Avenue NE, Calgary, Alberta.

Appeared on behalf of the Complainant:

J. Mayer

Appeared on behalf of the Respondent:

R. Ford

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

There were no procedural or jurisdictional matters raised by either party during the course of the hearing.

**Property Description**

The subject property is a 5.42 acre parcel of land, improved with an "A-" quality, neighbourhood shopping centre development known as West Springs Village. The development was constructed in 2007 – 2008, and is comprised of seven freestanding structures with a total net rentable area of 58,661 sq.ft. (square feet).

**Issues**

The Complainant identified the following matter in section 4 of the complaint form:

3. an assessment amount

The Complainant set out the grounds for the complaint in section 5 of the complaint form with a requested assessment value of \$16,500,000; however, at the hearing the Complainant's issue was limited to the following:

**Issue:** What is the appropriate stratification of the main floor space located in the two storey office structure (Building #6)?

**Complainant's Requested Assessment**

At the hearing, the Complainant's second issue identified in exhibit C1 (relating to building #5) was withdrawn, and the Complainants requested assessment of \$15,828,649 was revised to \$18,092,000.

**Board's Decision in Respect of the Issue**

[1] The Complainant argued that allocation of assessed net rentable areas between "retail" CRU (Commercial Retail Unit), and "office", does not correspond to the subject's rent roll; and as a result, 5,408 sq.ft. of office space is valued at (significantly higher) market rent rates than the \$20.00 per sq.ft. rent rate assigned to equivalent office spaces both in, and outside of the subject property.

[2] In support of the argument, the Complainant provided the subject's July 1, 2011 rent roll and ARFI (Assessment Request For Information) response dated August 2011, to demonstrate that a total area of 10,878 sq.ft. is office space and not retail space, as set out below:

Space Type	Suite #	Location	Leased Area
Office	6101	Main Floor	2,786
Office	6105	Main Floor	2,444
Office	6201	Upper Floor	5,648

[3] The Complainant argued that, in contrast, the Respondent has assessed only 5,470 sq.ft. as office space, and the remainder of the office space has been valued at retail rates.

[4] The Respondent argued that the disputed area at issue, is located on the main floor of Building #6, and as such, it is appropriately stratified as retail CRU space. The Respondent submitted that all main floor spaces in the neighbourhood shopping centre have been stratified as retail areas, regardless of tenancy. The Respondent further argued that the main floor rent rates achieved in Building #6 support the assessed rental rates, regardless of the stratification.

[5] In support, the Respondent also provided the subject's ARFI response (common to exhibit C1) to demonstrate the following:

Suite #	Location	Lease Rate	Assessed Rate
6101	Main Floor	\$27.00	\$27.00
6105	Main Floor	\$28.00	\$28.00
6201	Upper Floor	\$27.00	\$20.00

[6] The Respondent further argued that the Complainant's requested adjustment, at approximately 2.5%, is insignificant in the context of an "estimate" of market value.

### Decision

[7] The Board finds that the main floor area located in the two storey office structure is appropriately stratified as "office", and not "retail". Accordingly, the Complainant's request is allowed.

[8] The Board accepts that the subject's office space is not equivalent to that of a typical office building, due to its location within a retail development; however, without a distinct stratification for this type of improvement, e.g. "Retail Office", the Board is left to decide between retail or office stratification.

[9] The ARFI responses included in both parties' evidence were compelling evidence of relatively consistent rental rates of \$27.00 to \$28.00 per sq.ft. for both floors of the two storey office structure, in contrast to the average net rent rate of \$30.60 per sq.ft. evident in the undisputed retail CRU's of the 1,000 to 2,500 sq.ft. size range. Consequently, the Board is persuaded that the structure, (Building #6), is not designed or constructed as a typical retail CRU structure, but rather, as an office structure located in a predominantly retail development.

The assessment is **REVISED** from: \$ 18,550,000 to: **\$ 18,090,000.**

DATED AT THE CITY OF CALGARY THIS

11<sup>th</sup>

DAY OF OCTOBER, 2012.

  
J. Krysa  
Presiding Officer

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant's Submission (39 pages)
2. R1	Respondent's Submission (45 pages)
3. C2	Complainant's Rebuttal Submission (3 pages)

*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 ADMINISTRATIVE USE**

<b>Subject</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Retail	Neighbourhood Shopping Centre	Income Approach	Improvement Calculation *Stratification – Space type