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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 (MGA).

between:

537141 Alberta Ltd., (as represented by MNP LLP), COMPLAINANT

and

The City of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER R. Deschaine, MEMBER K. Farn, 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 2012 Assessment Roll as follows:

12 CASTLERIDGE DR NE

ROLL NUMBER:

028157204

LOCATION ADDRESS:

65869

HEARING NUMBER:

ASSESSMENT:

\$3,360,000

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This complaint was heard on the 20^{th} day of August, 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 - 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

Mr. M. Uhryn
Agent, MNP LLP

Appeared on behalf of the Respondent:

•	Mr. A. Mohtadi	Assessor, City of Calgary
٠	Mr. R. Fegan	Assessor, City of Calgary

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

[1] The Complainant submitted the Respondent did not respond to the section 299 (MGA) request of February 2, 2012 for the subject property within the legislated 15 day timeframe. That information was not provided until July 4, 2012 (Exhibit C1 pages 25 & 26). As such, the Complainant argued the Assessment Summary Explanation as provided in the Respondent's submission should be excluded from the evidence before the Board pursuant to section 9(4) of *Matters Relating to Assessment Complaints Regulation* AR 310/09 ("*MRAC*").

[2] The Respondent argued at the time of the section 299 request, the Complainant did not have authorization to act on behalf of the property owner. That authorization did not take effect until February 22, 2012; therefore, the City did not provide the requested information to the Complainant within 15 days of the initial request (Exhibit R1 pages 65 - 75). The Respondent argued a new request should have been submitted to the City. The Respondent asked the Assessment Summary Explanation remain in evidence.

[3] The Board finds that a letter of agency must have accompanied the request for information in order for the City to respond to it; therefore, the Board allowed the Assessment Summary Sheet for the subject property to remain in evidence at the hearing.

Property Description:

[4] The subject property is a retail strip shopping centre located on a corner lot in Castleridge. The building has a total assessable building area of 12,351 sq. ft., situated on 0.98 acres of land, and includes a gas bar. The building was constructed in 1981 and was assessed with a B+ quality rating. The land use designation is Commercial Neighbourhood 2.

Issue:

[5] The subject property is inequitably assessed in comparison to similar properties.

Complainant's Requested Value:

[6] The Complainant requested a revised assessment of \$2,480,000 or \$201 psf for the subject property.

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

[7] The Complainant submitted the subject property is currently assessed at \$272 psf but compared to similar properties it should be \$201 psf. The Complainant submitted ten equity comparables of strip shopping centres in support of his request (Exhibit C1 page 28). The properties have assessable building areas of 6,860 – 26,084 sq. ft.; constructed in 1900 – 1993; have land areas of 23,681 – 127,018 sq. ft.; various zoning designations (CN2, CC1, I-C, DC, CC3) and assessed quality ratings (A- to D). These equity comparables were assessed between \$102 - \$287 psf; a median of \$201 psf.

[8] The Respondent submitted four equity comparables of strip shopping centres to support the assessed rate (Exhibit R1 page 19). The properties have assessable building areas of 8,162 - 13,348 sq. ft.; constructed in 1900 - 1984; have land areas of 23,067 - 43,448 sq. ft.; the same zoning designation of CN2 and are assessed as B+ quality. These equity comparables were assessed between \$208.72 - \$318.55 psf; a median of \$233.72 psf.

[9] The Respondent argued the Complainant's equity comparables have a lower classification than the subject property, which results in a lower (assessed) rate per square foot (Exhibit R1 pages 33 – 48).

[10] In addition, the Respondent argued that the Complainant's "Assessment Per Square Foot as a Unit of Comparison" is an inappropriate method without any market evidence. He provided two Board decisions in support of his position (Exhibit R1 pages 77 – 82)

[11] In rebuttal, the Complainant argued there was no evidence from the City to support the current classification of the subject property (B+) or any of the comparables (B+ quality) used by the Respondent in his analysis.

[12] On the face of it, the range of values provided by the Complainant is so broad that it renders the median meaningless. The Board finds the Complainant failed to address how his equity comparables are similar to the subject property. The Board noted the quality ratings between the subject property and the Complainant's ten equity comparables are quite diverse (A- to D). Without any evidence to the contrary, this would suggest to the Board that these properties are not achieving similar lease rates, and in fact have been assessed with different income parameters, particularly different market net rental rates. In addition, the Complainant did not provide any evidence to dispute the current classification of the subject property. As such, the Board finds the Complainant failed to present sufficient evidence to bring the subject property's assessment into question. No further analysis of the matter is warranted

Board's Decision:

Lana J. Wood Presiding Officer

[13] The decision of the Board is to confirm the 2012 assessment for the subject property at \$3,360,000.

DATED AT THE CITY OF DALGARY THIS 2" DAY OF November 2012.

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APPENDIX "A"

DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	· · · · · · · · · · · · · · · · · · ·	ITEM	
1. C1 2. C2 3. R1		Complainant's Evidence Complainant's Rebuttal Respondent's Evidence	
×1			

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

Subject	Property Type	Property Sub -Type	Issue	Sub - Issue
CARB	Retail	Strip Plaza	Income Approach	Equity Comparables