

**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

Ray Deschaine, MEMBER

Jim Rankin, 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: 112136007

LOCATION ADDRESS: 8180 Macleod Trail SE

HEARING NUMBER: 56400

ASSESSMENT: \$43,860,000

This complaint was heard on 12 day of July, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- Andrew Iazard

Appeared on behalf of the Respondent:

- Hillary Argento

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

The Respondent raised a Preliminary Matter that the Complainant's Rebuttal Evidence which was due July 2 2010 was received July 6 2010 and not in compliance with Matters Relating to Assessment Complaints Regulation (MRAC) Section 8(2) Disclosure of Evidence. The Complainant advised the late filing was due to technical problems.

The Board decided that rebuttal evidence was filed late and in accordance with MRAC Section 9 (2) Failure to Disclose and found for the Respondent and the Rebuttal Evidence was not accepted.

Property Description:

The property is a 172,063 sq ft Retail Shopping Centre (classified as a CM0203 Neighbour Shopping Centre) on 9.13 acres. The centre is comprised of 131,120 square feet (sf) of retail space and a free standing office building of 40,943 sf.

Issues:

Rental Rate – the assessed rental rates (expressed as a per square foot psf) applied to the CRU be:

Anchor (34,227 sf)	be no higher than \$15 reduced from \$20
CRU > 15,000	be \$15 reduced from \$26
CRU > 6001	be \$15 reduced from \$27
CRU 2510 – 6000	be \$22 reduced from \$27
Office	be \$18 reduced from \$22

Vacancy Rate – the vacancy rate for assessment be increased as follows:

Major	from 1% to 4%
CRU	from 2% to 10%
Office	from 2% to 6%

Area – the assessable area be 174,017 sq ft

Complainant's Requested Value: \$31,240,000 based on a \$15.00 psf rental rate for the Anchor

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

Complainant presented a wide range of evidence consisting of relevant and less relevant evidence.

Anchor: The leasing particulars for 35 comparables were presented on page 76 of the Complainant's evidence. The reported leased area had a median of 23,923 square feet and a weighted mean of 24,895 square feet. The rental rates expressed on a per square foot basis were a median of \$15.00 and a weighted average of \$14.98. Three of the comparables with lease commencement dates between February and July 1 2009 leased areas in the range of 23,130 to 24,267 square feet with rental rates of \$15.00, \$15.00 and \$16.25 psf.

CRU: the evidence on page 86 of the Complainant's evidence for CRU units in properties on Macleod Trail or in close proximity to Macleod Trail. The evidence reported a median area of 7,498 square feet and a median rental rate of \$15.00 psf and a weighted average rental area of \$14.48 psf.

Office: the evidence for office space on retail properties on Macleod Trail and properties in close proximity to Macleod Trail reported a median rental rate of \$18.00 psf and a weighted average rental rate of \$17.83 psf. Rental rates of \$20.00 psf were for properties that were newer and of a better quality than the subject.

Respondent

Presented evidence based on a sample of city wide comparables in support of their rental rates for the anchor, CRU 6,000+ category and retail office. The median per square foot rental rates for the comparables were: anchors \$20.27, CRU of greater than 6,000 sq ft \$16.50, and office \$20.00 psf.

Board Decision

Based on the evidence presented the Board found for:

- The Complainant and reduced the rental rates for the anchor, the CRU space and the office space located in the free standing office building.
- The Respondent's and supported the rental rate for the office space located on the second floor of the retail building.

Vacancy Rate:

Complainant presented a vacant space analysis for community and neighbourhood shopping centres located throughout the City of Calgary as support for their requested vacancy rates. Evidence for a 6% vacancy rate for the retail office space was based on equity comparables on Macleod Trail SE or in close proximity to Macleod Trail SE.

Respondent's evidence consistent of a Community/Neighbourhood Centre Vacancy Study which presented the 2009 Assessment Request For Information (ARFI) Vacancy rates; the vacancy rates by City quadrant for Neighbourhood Centres prepared by major commercial real estate firms, as well as the City of Calgary's own Vacancy study. The presented evidence supported vacancy rates for Anchor – 1%, CRU space and office space 2%.

Board Decision

Based on the evidence the Board supported the use of the Respondents vacancy rate for the

property.

Area of the Subject Property:

Complainant claimed that the area was incorrectly calculated at 174,017 square feet. No evidence was presented.

Respondent presented as evidence the 2009 ARFI filed April 21 2009 which reported a total area of 172,063 sq ft.

Board Decision

Based on the evidence the Board supported the Respondent's use of the square footage of 172,063 sq ft reported on the April 2009 ARFI.

Board's Decision: Assessment Revised to **\$33,150,000**

DATED AT THE CITY OF CALGARY THIS 12 DAY OF August 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.*