

**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(4).

**between:**

***Altus Group Ltd., COMPLAINANT***

**and**

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

**before:**

***B. Horrocks, PRESIDING OFFICER***

***I. Fraser, MEMBER***

***Y. Nesry, 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 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>123110009</b>
<b>LOCATION ADDRESS:</b>	<b>399 HERITAGE DR SE</b>
<b>HEARING NUMBER:</b>	<b>59725</b>
<b>ASSESSMENT:</b>	<b>\$11,510,000</b>

This complaint was heard on the 20th 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:

- Mr. A. Izard

Appeared on behalf of the Respondent:

- Mr. K. Gardiner

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

None. The merit hearing proceeded.

**Property Description:**

The subject property is a 4.22 acre site located in the Acadia community of SE Calgary. The site contains a multi tenant strip mall anchored by Shoppers Drug Mart and three additional free standing buildings occupied by Taco Time, The Cash Store and Subway/Rogers Video jointly. The buildings were constructed in 1964 and 1965 and are considered to be of A2 quality.

**Issues:**

The Assessment Review Board Complaint form contained 11 Grounds for Appeal. At the outset of the hearing the complainant advised that there were 6 issues outstanding, namely:

1. "The assessment is not fair and equitable considering the assessed value and assessment classification of comparable properties."
2. "The assessment of the subject property is in excess of its market value for assessment purposes."
3. "The assessed rental rate applied to the CRU<1000 within the subject property should be \$22."
4. "The assessed rental rate applied to the CRU 1000-2500 within the subject property should be \$21."
5. "The assessed rental rate applied to the CRU 2501-6000 within the subject property should be \$19."
6. Vacancy rates

**Complainant's Requested Value:** \$8,800,000

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

**Issue #6 – Vacancy rates**

The complainant provided package labelled C-1.

The complainant introduced the vacancy rate argument when speaking to pages 45, 47, and 49. The City used 7% when calculating the assessment and the complainant requested a vacancy rate of 9% on Page 83 of C-1 when he calculated his "2010 Requested Shopping Centre Assessment Valuation".

The respondent objected to the complainant's vacancy rate argument on the grounds that the issue was not identified on the Assessment Review Board Complaint form.

The board relied upon S. 9(1) of *Matters Relating to Assessment Complaints, Regulation AR 310/2009* which states "A composite assessment board must not hear any matter in support of an issue that is not identified on the complaint form." and rejected the vacancy rate argument.

Issues #1 through #5

The complainant submitted a 256 page package (C-1) in support of his equity argument and to substantiate his requested rental rate requests. The package contained purportedly equitable comparables. Most notably, at page 54, he requested rental rates that would result in a Potential Gross Income (PGI) of \$846,886.

The respondent submitted package labelled R-1.

The respondent's Income Approach Valuation, at page 18, identified a Potential Net Income of \$1,062,505 for the subject.

In addition, the respondent provided the 'Assessment Request for Information' (ARFI) for the subject property dated March 16, 2009 (pages 69 – 76). The Board calculated the PGI of the net leases to be \$1,123,668.

Upon review of the evidence from both parties the Board finds that the assessed PGI of the subject is well supported by the ARFI.

**Board's Decision:**

The 2010 assessment is confirmed at \$11,510,000.

DATED AT THE CITY OF CALGARY THIS 2 DAY OF September 2010.



 **B. Horrocks**  
**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.*