

**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-26.1, Section 460(4).

**between:**

***Altus Group Limited, COMPLAINANT***

**and**

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

**before:**

***R. Reimer, PRESIDING OFFICER***

***D. Pollard, MEMBER***

***A. Zindler, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

**ROLL NUMBER: 019125293**

**LOCATION ADDRESS: 5111 Northland Drive NW**

**HEARING NUMBER: 59646**

**ASSESSMENT: \$106,140,000**

This complaint was heard on 1st day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 1.

Appeared on behalf of the Complainant:

- *Andrew Izard, Altus Group Ltd., Agent*
- *Brian Dell, Wilson Laycraft, Counsel for Hudson Bay Company*

Appeared on behalf of the Respondent:

- *Steve Cook, Assessor*

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

There was no objection to the composition of the Composite Assessment Review Board (CARB).

There were no other procedural or jurisdictional matters raised.

**Property Description:**

The subject property is a regional shopping centre known as Northland Village Mall. It was constructed in 1971 and has a rentable area of 505,052 sq. ft. located on 32.45 acres.

**Issues:**

On the Assessment Review Board Complaint Form the Complainant had checked both box 3, the assessment amount, and box 4, the assessment class. The Complainant indicated that he intended to only present evidence regarding the assessment amount and, consequently, the CARB will only address that issue.

**Complainant's Requested Value:**

On the Assessment Review Board Complaint Form the Complainant had requested a value of \$91,580,000. This was revised at the hearing to \$93,850,000.

**Position of the Parties:**

The Complainant presented, on page 2 of exhibit C3, 44 lease comparables for big box stores with areas between 20,000 and 70,000 sq. ft. These 44 comparables showed a range of \$9.10-\$22.50/sq. ft. with a median of \$15.00/sq. ft. and an average for the 2010 assessment year of \$15.05. The Complainant submitted that a rental rate of \$15.00/sq. ft. for main floor space greater than 15,000 sq. ft. was a reasonable and equitable value.

The Respondent indicated that space greater than 15,000 sq. ft. in the subject property is currently assessed at \$16.50/sq. ft. He agreed that \$15.00/sq. ft. is an accurate reflection of current market rates and is supported by good market evidence.

**Board's Decision:**

The CARB agrees that the Complainant's evidence supports a rental rate of \$15.00/sq. ft. for

spaces greater than 15,000 sq. ft. The assessment is ordered revised as follows:

<u>Space</u>	<u>Rentable Area</u>	<u>Net Market Rent</u>	<u>Total Market Rent</u>
Walmart Canada	147,461	5.00	737,305.00
CRU<500	1,165	53.00	61,745.00
CRU 501-1,000	15,582	36.00	560,952.00
CRU 1,000-2,500	46,801	26.00	717,952.00
CRU >6,000	14,385	26.00	374,010.00
CRU >15,000	188,573	15.00	2,828,595.00
CRU <15,000 (upper)	10,145	15.00	152,175.00
CRU >15,000 (upper)	32,507	11.00	357,577.00
Office	13,952	14.33	199,898.54
Storage	1,663	10.00	16,630.00
Food Court	4,920	85.00	418,200.00
Kiosk	300	120.00	36,000.00
Potential Gross Income			7,864,665.54

Major Space Vacancy	1.0%
CRU Space Vacancy	3.0%
Office Space Vacancy	3.0%

Anchor & Storage Shortfall (\$/sq. ft.)	\$2.00
CRU & Office Shortfall	\$16.43
Large CRU Shortfall	\$2.35
Capitalization Rate	7.00%

Potential Gross Income	\$7,864,665.54
Major Space Vacancy @ 1%	\$7,373.05
CRU Space Vacancy @ 3%	\$207,823.86
Office Space Vacancy @ 3%	\$5,996.96
Sub-total	\$7,643,471.67

Effective Gross Income	\$7,643,471.67
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Vacant Space Shortfall	\$80,816.47
Non-Recoverable Allowance @ 4%	\$305,738.87

Net Operating Income	\$7,256,916.33
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Capitalization Rate	7.00%
Value Sub-total	\$103,670,233.31
Valuation Conclusion	\$103,670,000.00
Less Tax Exemptions	\$1,290,000.00

Total Taxable Valuation	\$102,380,000.00
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DATED AT THE CITY OF CALGARY THIS 12 DAY OF October 2010.

  
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R. Reimer  
Presiding Officer

**Appendix A:**

**Documents submitted by the Parties and considered by the CARB**

1. C1 Assessment Review Board Complaint Form
2. C2 Evidence Submission of the Complainant
3. C3 Box Store Rental Rate Analysis
4. C4 Summary of Testimony and Willsay of Frank Zinner
5. C5 Revised Assessment Calculations
6. R1 City of Calgary Assessment Brief

*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.*