

**CALGARY
COMPOSITE ASSESSMENT REVIEW BOARD (CARB)
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:

J. Fleming, PRESIDING OFFICER

P. Charuk, MEMBER

K. Kelly, 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: 200176139

LOCATION ADDRESS: 790 Heritage Dr. SE

HEARING NUMBER: 58968

ASSESSMENT: \$19,160,000

This complaint was heard on the 28th 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:

- K. Fong *for the Complainant*

Appeared on behalf of the Respondent:

- K. Gardiner; City of Calgary *for Respondent*

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

There were no procedural or administrative matters raised.

Property Description:

The property is an owner user retail property occupied by Costco. The property was built in 2002 and contains 148,000 square feet on a 22.84 acre site. The land use designation is Retail – Shopping Centres – Power and the property is valued on the Income Approach.

Issues:

The Complaint form listed 11 grounds for complaint. At the hearing, the Complainant indicated that only 1 outstanding issue remained, that being the rental rate for the property. The Assessment was completed using \$10.00 per square foot, and the Complainant believed that a rate of \$8.00 per square foot was a more accurate well supported and equitable rental rate.

Complainant's Requested Value:

\$15,290,000

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

There was no support that second floor space would rent for a lower amount than ground floor in the subject property.

Board's Decision:

The assessment is confirmed at \$19,160.000.

REASONS:

The Complainant provided CARB 1215/2010-P a decision which reduced the rental rates on a number of Home Depots in Calgary from \$10.00 to \$8.00 per square foot on an equitable basis. He argued that Costco had similar finishing and costs as Home Depot and so the rate allowed for Home Depot should be carried forward to the subject property. The Complainant also provided a Retail Anchor Tenant Rental Analysis which noted average face rates for 10 Box stores of \$8.95, and assessed rental rate values averaging \$8.60 per square foot

Finally, the Complainant provided 15 Municipal Government Board (MGB) or Calgary Assessment Review Board (ARB) decisions which supported big box rental rates at \$8.00 per square foot and they also included 2 equity comparables.

The Respondent provided 7 lease comparables of big box leasing where all the rates were over \$9.00 per square foot and 5 of the 7 were in excess of \$10.00 per square foot. He also provided over 30 lease equity comparables, 12 CARB decisions and 18 Local Assessment Review Board (LARB) decisions which supported a \$10.00 per square foot rate.

The CARB considered the evidence of both parties. In reviewing the evidence, it was clear that this

was a case of battling decisions as both parties provided a significant number of decisions by relevant authorities (MGB, ARB, CARB & LARB) all of which tended to support the case of the submitting party. In so far as total numbers are concerned and the time period of the decisions, the edge goes to the Respondent. All of their decisions were 2010 CARB, LARB or 2010 City Assessment details (Doc1C pg 16 -17 & Doc 2C). The Complainants reflected earlier decisions prior to 2010 with the exception of the CARB 1215/2010-P (Doc 1R pg 34 – 188). Insofar as the detail goes, both parties provided backup for their cited decisions.

In analysing the evidence, the CARB put more weight on the more current rental rate information provided by the City as it was more reflective of the assessment year under appeal. The CARB reviewed CARB 1215/2010-P and concluded that the arguments and evidence concerning costs of various types of buildings and comparisons to supermarkets went well beyond the nature of any arguments made in the current complaint, and as well there was insufficient evidence or argument relating Home Depot to Costco. As a result, the CARB concluded that similarity of the properties was not adequately proven and so put less weight on that evidence.

Accordingly, the CARB finds that \$10.00 per square foot is an appropriate rental rate and confirms the assessment as set out above.

DATED AT THE CITY OF CALGARY THIS 3 DAY OF November 2010.


James Fleming
Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB

No.	Item	
1.	Document 1C	Complainant's Brief
2.	Document 1R	Respondent's 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.*