

**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

A. Blake, 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 2010 Assessment Roll as follows:

| | |
|--------------------------|----------------------------|
| ROLL NUMBER: | 757118401 |
| LOCATION ADDRESS: | 350 SHAWVILLE BV SE |
| HEARING NUMBER: | 59865 |
| ASSESSMENT: | \$9,870,000 |

This complaint was heard on the 29th day of November, 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:

- Mr. K. Fong (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- Ms. M. Byrne

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

None. The merit hearing proceeded.

Property Description:

The subject property is a 4.55 acre parcel located in the Shawnessy community in SE Calgary, within what is commonly referred to as the Shawnessy Power Centre. The site contains a 36,955 sq. ft. multi tenant building that was constructed in 1999 and is considered to be of B+ quality.

Issues:

The Assessment Review Board Complaint form contained 13 Grounds for Appeal. At the outset of the hearing, the complainant advised that the only outstanding issue was rental rates.

Complainant's Requested Value: \$8,950,000.

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

Issue Rental Rates

The Complainant submitted Evidence Submission labelled C-1. He requested, that the Net Market Rent for CRU 1000 < 2500 be reduced from \$28.00 to \$25.00 / sq. ft., that the Net Market Rent for CRU 2501 < 6000 be reduced from \$26.00 to \$24.00 / sq. ft. and the Net Market Rent CRU > 6000 be reduced from \$21.00 to \$19.00 / sq. ft.

The Complainant, at page 35, submitted the rent roll for the subject. He noted the leases were entered into in 1999 and were therefore somewhat dated.

The Complainant, at page 37 submitted Additional Shawnessy Rental comparisons, noting that these leases were more current and the median rental rate for CRU < 2500 was \$24.50 / sq. ft. and the median rental rate for CRU >2500 was \$23.75 / sq. ft

The Complainant, at page 46, provided the City of Calgary Business Lease Comparable Report which contained 6 comparables in the CRU 2501 < 6000 category from South Trail Power Centre. He noted the median Rent Rate was \$24.00 / sq. ft.

The Respondent submitted Assessment Brief labelled R-1.

The respondent, at page 28 and following, provided the 2010 ARFI which was prepared on April 12, 2010. She advised that the former 15 year leases had all been renewed for a further 5 years. She suggested that it would be most appropriate to consider the ARFI because it was completed very close to the July 1, 2009 evaluation date. She pointed out that the subject is achieving rent rates in excess of those assigned for the assessment.

The Board finds the 2010 ARFI to be the most compelling evidence. In reviewing the ARFI in more detail, it was discovered that both parties had omitted "The Source" leased area of 2,457 sq. ft. in their Income Approach Valuations. The total leased area is increased to 36,955 sq. ft.

The Potential Gross Income (PGI) calculated from the ARFI is \$897,577.

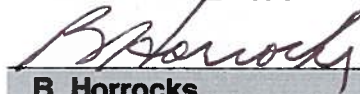
The assessed PGI calculated by increasing the area of the Sub Component CRU 1001 – 2500 sq. ft. by 2,457 sq. ft. is \$838,569.

Board's Decision:

The assessed PGI (corrected) of \$838,569 is well supported by the PGI calculated from the ARFI of \$897,577.

The 2010 assessment is confirmed at \$9,870,000.

DATED AT THE CITY OF CALGARY THIS 1st DAY OF DECEMBER 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.*