

**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:	757118302
LOCATION ADDRESS:	350R SHAWVILLE BV SE
HEARING NUMBER:	59863
ASSESSMENT:	\$22,140,000

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 7.27 acre parcel located in the Shawnessy community in SE Calgary, in what is commonly referred to as the Shawnessy Power Centre. The site contains 1 multi tenant building that was constructed in 1999 and is considered to be of B- quality. There are 4 Major Tenants leasing 106,516 sq. ft. of Rentable Area.

Issues:

The Assessment Review Board Complaint form contained 12 Grounds for appeal. At the outset of the hearing, the Complainant advised there was only 1 outstanding issue, namely: "The Big Box assessed rental rate is incorrect and should be no higher than \$15 per sq. ft."

Complainant's Requested Value: \$20,750,000

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

Issue Rent rate

The Complainant submitted Evidence Submission labelled C-1.

The Complainant, at page 42, provided the Altus Group Box Store Leasing Summary which contains 44 leases with lease start dates ranging from January 1, 1997 to August 1, 2009. He noted the median lease rate was \$15.00 / sq. ft and the average lease rate was \$15.27 / sq. ft. More specifically, he noted leases numbered 2 thru 8 were entered into during the assessment year and their average lease rate was \$15.05 / sq. ft.

The Complainant noted that the Rent Rate for CRU 20,000 – 70,000 SQ. FT. within CARB 2137/2010-P (Beacon Hill Power Centre) had been reduced to \$15.00 / sq. ft

The Respondent submitted Assessment Brief labelled R-1.

The Respondent, at page 14, provided the 2010 Business Lease Comparable Report that contained 1 lease from the Shawnessy Power Centre at \$20.00 /sq. ft. and 1 lease from the South Trail Power Centre at \$15.00 sq. ft.

The Respondent, at page 16, provided 3 purported Equity Comparables with Net Annual Rental Values (NARV) of \$16.00.

The Respondent, at page 26, provided LARB 0573/2010-B for Marks Work Warehouse Store, which is in the same size category as the subject, wherein the Board confirmed the \$18.00 / sq. ft. assessed value for the Business Assessment.

The Board finds the 8 most current leases, submitted by the Complainant, to be the most compelling evidence. Accordingly, the Net Market Rent is reduced from \$16.00 to \$15.00 / sq. ft.

Substituting the Net Market rent of \$15.00 / sq. ft. into the Income Valuation yields a Potential Gross Income (PGI) of \$1,597,740. Utilizing the same parameters for Vacancy (1%), Non Recoverable Allowance (1%), and Vacant Space Shortfall (\$9.00 / sq. ft.) yields a Net Operating Income of \$1,556,358, which when capitalized at 7.50% yields a Market Value of \$20,751,447.

Board's Decision:

The 2010 assessment is reduced to \$20,750,000.

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.*