

**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***

***K. Farn, MEMBER***

***A. Blake, 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:

<b>ROLL NUMBER:</b>	<b>201451085</b>
<b>LOCATION ADDRESS:</b>	<b>5075 126 AV SE</b>
<b>HEARING NUMBER:</b>	<b>59862</b>
<b>ASSESSMENT:</b>	<b>\$18,260,000</b>

This complaint was heard on the 30th 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 14.77 acre parcel located in the East Shepard Industrial community in SE Calgary, within what is commonly referred to as the Shepard Regional Power Centre. The site contains a multi tenant building that was constructed in 2009 and is considered to be of B-quality. There is a total of 80,048 sq. ft. of Rentable Area.

**Issues:**

The Assessment Review Board Complaint form contained 13 Grounds for Appeal. At the outset of the hearing, the Complainant advised that there was only 1 outstanding issue, namely: The assessed rates are neither fair nor equitable.

**Complainant's Requested Value:** \$16,870,000

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

**Issue** Rent rate ANCHOR

The Complainant submitted Evidence Submission labelled C-1.

The Complainant, at page 62, provided Altus Group Box Store Leasing Summary which contains 44 lease comparables dating back to January 1, 1997. The median lease rate is \$15.00 / sq. ft. He noted that utilizing only the 8 leases from the current assessment year, the median lease rate is still \$15.00 / sq. ft.

The Respondent submitted Assessment Brief labelled R-1.

The Respondent, at page 23, provided CARB 1795/2010-P wherein the Board had reduced the Net Market Rent for the ANCHOR (London Drugs) in South Trail Crossing from \$16.00 to \$15.00 / sq. ft. She agreed that South Trail would be a good equity comparable to the subject.

The Board finds the evidence from both parties supports a Net Market Rent for the ANCHOR of \$15.00 / sq. ft.

**Board's Decision:**

Substituting the reduced rent rate into the Income Approach Valuation yields a Potential Gross Income (PGI) of \$1,359,054. Utilizing the same parameters for Major Vacancy (1.0%), CRU Vacancy (2.0%), Non Recoverable Allowance (1.0%), and Operating Costs (\$9.00 / sq. ft.) yields a Net Operating Income (NOI) of \$1,304,147 which when capitalized at 7.5% yields a market value of \$17,388,630.

The 2010 assessment is reduced to \$17,380,000.

DATED AT THE CITY OF CALGARY THIS 6<sup>th</sup> 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.*