

**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:

J. Gilmour, PRESIDING OFFICER

M. Peters, MEMBER

I. Zacharopoulos, 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:	086148301
LOCATION ADDRESS:	3915 51 St SW
HEARING NUMBER:	59250
ASSESSMENT:	\$22,280,000

This complaint was heard on the 13th day of December, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 2.

Appeared on behalf of the Complainant:

- K. Fong Agent, Altus Group Ltd.

Appeared on behalf of the Respondent:

- K. Gardiner Assessor, The City of Calgary

Background:

The subject property is a Big Box store located in the Richmond Square Mall called "Home Outfitters". The property consists of an area of 40,673 sq. ft. and was built in 1978.

Issue:

What is the appropriate rental rate of the subject Big Box store? The City argued that the rental rate should be \$18 per sq. ft., whereas the Complainant argued that the appropriate rental rate should be \$15 per sq. ft.

Requested Assessment for 2010:

The Complainant is requesting an assessment of \$19,660,000.

Summary of Complainant's Evidence:

The Complainant submitted in evidence before the Board that the tenant, Home Outfitters, entered into a 15 year lease in 2001 for \$15.25 per sq. ft.

The Complainant presented 44 Big Box leases from across the City which produced an average rental rate of \$15.27 per sq. ft. The rental rates for the leases which commenced in 2009 from this list resulted in an average rental rate of \$14.65 per sq. ft.

In addition, the Complainant submitted in rebuttal evidence (EX C-2, Pg 4/5) that the Board in a business assessment (LARB 0627/2010-B) decision dated 24 November 2010 had reduced the rental rate from \$18 per sq. ft. to \$15 per sq. ft.

Summary of Respondent's Evidence:

The assessor noted before the Board that a number of adjustments had been made to the original assessment calculations, bringing the new assessment to \$21,140,000.

The Respondent argued that the Complainant could not rely on lease rates across the City, but should instead use comparable Box stores' rental rates located close to the subject property.

The assessor submitted in evidence 5 Box stores located on Richmond Road and Signal Hill,

with an average lease rate of \$18.37 per sq. ft. to support the assessed rental rate of \$18 per sq. ft. as fair and equitable.

Board's Findings:

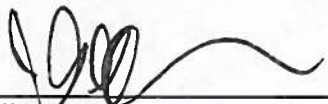
The Board agreed with the Respondent that the best comparables are located close to the subject property. The Board considered the 3 comparables submitted by the City in Signal Hill were close to the subject property but even in a better location and newer than the Richmond Square Mall.

The average lease rental rate for the 3 comparable Big Box stores in Signal Hill was \$14.58 per sq. ft. On the basis of these 3 best comparables agreed to by both parties, the Board determined that \$15 per sq. ft. is the most appropriate rental rate for the subject property.

Board Decision:

The Board reduces the assessment to \$19,660,000. Based on the evidence submitted by both parties, the Board determines that this valuation is both fair and equitable.

DATED AT THE CITY OF CALGARY THIS 16 DAY OF December 2010.



J. Gilmour
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.*