

**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, Revised Statutes of Alberta 2000 (the Act).

**between:**

***N.G. Campbell Holdings Ltd. (as represented by Altus Group), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***W. Kipp, PRESIDING OFFICER  
R. Cochrane, MEMBER  
D. Steele, 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 2011 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>124 063 827</b>
<b>LOCATION ADDRESS:</b>	<b>9253 Macleod Trail SW, Calgary AB</b>
<b>HEARING NUMBER:</b>	<b>63433</b>
<b>ASSESSMENT:</b>	<b>\$2,570,000</b>

This complaint was heard on the 11<sup>th</sup> day of October, 2011 at the office of the Assessment Review Board located at Floor No. 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *A. Izard & K. Fong (Altus Group)*

Appeared on behalf of the Respondent:

- *H. Yau & R. Ford (Assessment Business Unit)*

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

There were no procedural or jurisdictional matters to be decided.

**Property Description:**

The property that is the subject of this complaint is a freestanding bank property, occupied by HSBC and located on the west side of Macleod Trail between Heritage Drive and Southland Drive. The property comprises a 4,996 square foot one storey retail building on a 0.82 acre lot. The building, constructed in 2009 is classed as a Class A+ retail building for assessment purposes.

The 2011 assessment of \$2,570,000 was prepared using the income approach.  
The assessment is \$514.41 per square foot of building area.

**Issues:**

The Assessment Review Board Complaint form filed March 7, 2011 had check marks beside No. 3 (Assessment amount) and No. 4 (Assessment class) in Section 4 (Complaint Information). For Section 5 (Reason(s) for Complaint), there was an attachment outlining 15 Grounds for Appeal.

At the hearing, the Complainant brought forward one issue:

*Should the rent rate applicable to the property be \$29.00 or \$43.00 per square foot?*

**Complainant's Requested Value:** \$1,720,000

**Party Positions on the Issues:**

**Complainant's Position:**

The Complainant argues that fairness and equity demand that the rent rate applied to this building must be reduced from \$43.00 to \$29.00 per square foot. Support is in the form of assessment summaries for either business tax or property tax assessments on properties where

there are banks. Most of the data pertains to bank premises within retail strips or in freestanding buildings in shopping centres. Rent rates applied for assessment of bank premises range from \$22.00 to \$30.00 per square foot. Most of the bank premises have exposure to Macleod Trail, some on the east side and some on the west. One is located about one block west of Macleod Trail on Southland Drive SW.

**Respondent's Position:**

The Respondent's evidence includes some details of properties that the Complainant used as rent comparables. None of those properties are Class A+ properties like the subject.

A study of bank leases segregates bank buildings into groups based on age. For nineteen 2007 to 2010 leases in buildings constructed prior to 1980, average lease rates are from \$24.05 to \$24.40. These properties are assessed using a rent rate of \$24.00 per square foot.

For eight buildings constructed between 1980 and 1989, average lease rates were from \$25.44 to \$26.75 per square foot. These properties are assessed using a rent rate of \$26.00 per square foot.

For 13 buildings constructed between 1990 and 2004, average lease rates are from \$31.00 to \$31.74 per square foot and the assessed rate is \$29.00 per square foot.

For six buildings constructed between 2005 and 2007, average lease rates are from \$33.50 to \$34.98 per square foot and the assessed rate is \$32.00 per square foot.

Nineteen buildings constructed in 2008 or later have bank lease rents averaging from \$43.00 to \$43.51 per square foot. Included in this list is the subject property where a February 1, 2009 lease provided for a reported \$55.00 per square foot rent rate. Another 2009 building on Macleod Trail near the subject has a reported lease rate of \$48.00 per square foot. All 19 of these buildings are assessed using a \$43.00 per square foot rent rate.

**Board's Decision:**

The 2011 assessment is confirmed at \$2,570,000.

**Reasons for the Decision:**

It is apparent from the evidence that bank lease rates are sensitive to the year of construction of the building. The Respondent's comprehensive survey clearly indicates that newer buildings command the highest rent rates.

The Complainant provided assessment rent rate data on several bank properties in proximity to the subject however building ages and classifications were not provided. After consideration of the Respondent's classification data and the compelling bank lease study, the Board found that the \$43.00 per square foot typical rent rate is well supported.

There was no lease in evidence but the Complainant did not challenge the reported \$55.00 per square foot lease rate for the subject building. Being a 2009 lease, it is relevant to the assessment valuation date.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF November 2011.

  
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W. Kipp  
Presiding Officer

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure
3. C2	Colour photos from Exhibit C1

*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.*

*For Administrative Use:*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-Type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Retail	Stand alone	Income Approach	Rent Rate