

**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

J. O'Hearn, MEMBER

D. Pollard, 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: | 200768661 |
| LOCATION ADDRESS: | 11588 SARCEE TR NW |
| HEARING NUMBER: | 56438 |
| ASSESSMENT: | \$19,230,000 |

This complaint was heard on the 15th 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. S. Turner

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

None. The merit hearing proceeded.

Property Description:

The subject property is a 14.83 acre site located in the Sherwood community in NW Calgary. The site contains a 148,586 sq. ft. big box retail warehouse, presently occupied by Costco, and is within what is commonly referred to as the Beacon Hill Power Centre.

Issues:

The Assessment Review Board Complaint form contained 10 Grounds for Appeal. At the outset of the hearing, the complainant advised that the only outstanding issue was the rental rate. The assessment had been prepared utilizing a \$10.00 / sq. ft. rental rate. The complainant was requesting an \$8.00 / sq. ft. rental rate.

Complainant's Requested Value: \$15,350,000

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

Issue: Rental rate

The complainant provided Evidence Submission labelled C-1.

The complainant, at page 11, provided the Assessment Summary Report for the subject showing the 2010 assessment to be \$19,230,000 (\$129.42 psf).

The complainant, at page 20, provided the Assessment Summary Report for the Home Depot big box within the same Power Centre showing the 2010 Assessment to be \$10,920,000. (103.32 psf).

The complainant argued that the subject should be treated equitably with the Home Depot and further that applying an \$8.00 / sq. ft rental rate would yield an assessment equating to \$103.31 / sq. ft.

The complainant, at page 41, provided CARB 1215/2010-P wherein 8 Home Depots which had originally been assessed utilizing a rental rate of \$10.00 / sq. ft were reduced by the CARB to \$8.00 / sq. ft.

The complainant, at page 61, provided a Retail Anchor Tenant Rental Analysis that contained 1 Canadian Tire, 3 Zellers, 2 Rona Home & Gardens, and 4 WalMarts. The median Face Rate was \$7.90 / sq. ft and the average was \$8.95 / sq. ft. More importantly, he pointed out that the Assessed rental rates for the Zellers were \$5.00, \$8.00 and \$8.00 / sq. ft respectively. He argued that Zellers was a good comparable to the subject Costco.

The complainant further advised that all Costcos in Calgary had been assessed utilizing a rental rate of \$10.00 / sq ft. and all were being appealed.

The respondent presented Assessment Brief labelled R-1.

The respondent, at page 18, provided a list of 35 Equity Comparables consisting of 7 Canadian Tires, 3 Costcos, 1 Ikea, 4 Rona Home & Gardens, 10 Superstores, 3 Totems, 2 Trail Appliances and 5 WalMarts, noting that of all the appeals to date, only 1 Wal mart and 1 Superstore had been reduced to \$8.00 / sq ft.

The respondent, at page 19, provided 31 Calgary CARB and LARB decisions for 2010 for a mix of big box stores with assessed rental rates of \$10.00 / sq ft. that had been confirmed. The respondent argued, that in her opinion, Costco is more similar to a Walmart than to a Home Depot.

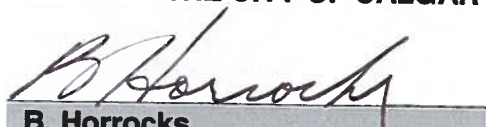
The respondent, at page 21, provided 2010 City's Lease Comparables which contained 7 leases with lease rates ranging from a low of \$9.38 / sq. ft to a high of \$15.27 / sq. ft and argued that they were more than supportive of the \$10.00 / sq. ft rate that had been applied for the assessment of the subject. It was noted that the lease rate of \$9.59 / sq. ft for Trail Appliances was actually in a site previously occupied by Costco.

The Board finds the evidence submitted by the respondent to be supportive of the \$10.00 / sq. ft. rental rate applied for the assessment. However, the Board is more concerned that the assessment should be equitable with the big boxes in the same Power Centre and more specifically with the Home Depot. Accordingly, the Board finds the appropriate rental rate in this instance to be \$8.00 / sq. ft. This decision is further supported by the \$8.00 / sq. ft rental rate applied on other Home Depots and Zellers in various locations throughout the City of Calgary.

Board's Decision:

The 2010 assessment is reduced to \$15,350,000.

DATED AT THE CITY OF CALGARY THIS 23rd DAY OF November 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.*