

July 4, 2012

**NOTICE OF DECISION**  
**CARB 0302 - 04/2012**

Altus Group Ltd.  
780 – 10180 101 Street NW  
Edmonton, AB  
T5J 3S4

Strathcona County  
Assessment and Taxation  
2001 Sherwood Drive  
Sherwood Park, AB T8A 3W7

This is a decision of the Composite Assessment Review Board from a hearing held on June 19, 2012 regarding a complaint for:

Hearing #	Appellant/Owner	Property Description	Roll #	Assessed Value
C2012-11	SRF2 Baseline Road Northwest Inc.	Plan 1120991 Block 201 Lot 4A 60 Broadway Boulevard Broadview Park	8201004104	10,993,000

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), and its Regulations.

**Before:**

Darryl Trueman, Presiding Officer  
Susan Paul, Board Member  
Tom Robert, Board Member

Board Officer: Maureen Shaw

**Persons Appearing: Complainant**  
Jordan Nichol, Altus Group

**Persons Appearing: Respondent**  
Treena Malishewski, Assessment & Tax  
George Cosens, Assessment & Tax

**PRELIMINARY MATTERS**

There were no objections to the composition of the Board or the process to be followed as outlined by the Presiding Officer.

**BACKGROUND**

The subject property is a recently constructed Save-on-Foods store located at 60 Broadway Blvd., on Baseline Road in Sherwood Park. The assessed area of the improvements are 42,558 ft.<sup>2</sup> on a land base of 7.54 acres which represents a site coverage of 12.96%. The assessor reports that they have assessed 54,000 ft.<sup>2</sup> of excess land for expansion as part of the assessed amount.

## **ISSUE**

The Complainant document C1 outlines seven issues with respect to the subject property however, at hearing the Complainant witness spoke to only the rental rate applied by the Assessor. In his opinion the rental rate applied should have been \$14.50 square foot and not \$16.50 a square foot resulting in a total assessment request of \$9,947,000 leaving all other assessment parameters unchallenged.

## **POSITION OF THE COMPLAINANT**

At page 11 of C1 the Complainant presented a chart of five grocery and Box retail stores which demonstrated leasable areas ranging from approximately 42,000 ft.<sup>2</sup> to approximately 152,000 ft.<sup>2</sup>. These comparables demonstrated lease rates ranging from \$10.50 a square foot to \$14.50 a square foot. The Complainant said that the best comparable was a Safeway grocery anchor containing 46,527 ft.<sup>2</sup> located on Fir St. in Sherwood Park and demonstrating a rental rate of \$14.50 a square foot. He said that this chart demonstrated that a fair market rental rate for the subject property should be \$14.50 a square foot and also that this requested rate was an equitable rate, demonstrating fairness.

## **POSITION OF THE RESPONDENT**

The Respondent presented a chart of four grocery store anchor leases on page 6 of R1. Two of these leases were for stores built in 2009 and 2011 and demonstrated lease rates of \$17.50 and \$17.75 a square foot respectively. The two remaining leases were for stores built in 1992 and 2000 with each demonstrating lease rates of \$14.50 a square foot. The Assessor testified that this was proof that a \$2 per sq. ft. differential between older and newer grocery store anchors, of roughly the same size, was appropriate. The assessor went on to point out that the actual lease rate for the subject store is \$17.75 a square foot.

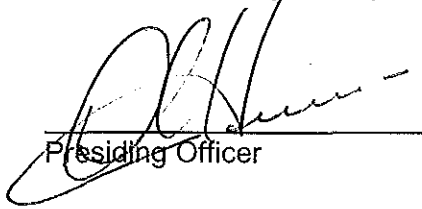
## **DECISION**

The complaint is denied and the assessment is \$10,993,000.

## **REASONS FOR THE DECISION**

The Board understands the entitlement of the assessed person, based upon jurisprudence, in paraphrase, to be the 'lower of market value or the assessment of similar properties'. The Direct Comparison Approach to Value presented by the Complainant depends upon the comparability of the subject property to his lease rate comparables. In this case the age of the subject is known however the age of the comparables is not presented nor is evidence of an adjustment process. Similarly, the commencement date of the leases supporting the Complainant's proposed lease rate have not been presented. With respect to an equitable assessment, similarity between properties is also pivotal. The Complainant was unable to provide the Board with evidence that any of his comparables demonstrated the same newness as the subject. The Board placed a great deal of weight on the significance of the recently signed, arm's-length, lease of the subject property, which without extenuating circumstances at all times is the best indication of market value.

Dated this 4th day of July, 2012 at Strathcona County, in the Province of Alberta.

  
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Presiding Officer

1. Exhibit C1 Complainant Disclosure filed May 8, 2012
2. Exhibit R1 Respondents Disclosure filed June 4, 2012

Section 470(1) of the Municipal Government Act, RSA 2000, c.M-26 provides you the right to appeal this decision to the Court of Queens Bench on a question of law or jurisdiction. You must make your appeal within 30 days after you receive this notice of decision.

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Copy to: Municipal Government Board