

**CALGARY
COMPOSITE ASSESSMENT REVIEW BOARD (CARB)
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. Fleming, PRESIDING OFFICER

P. Charuk, MEMBER

K. Kelly, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 200383404

LOCATION ADDRESS: 8000 11 St. SE

HEARING NUMBER: 58998

ASSESSMENT: \$40,490,000

This complaint was heard on the 28th day of October, 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:

- K. Fong *for the Complainant*

Appeared on behalf of the Respondent:

- K. Gardiner; City of Calgary *for Respondent*

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

There were no procedural or administrative matters raised.

Property Description:

The property is an owner occupied retail property housing IKEA Canada. The property was built in 2004 and contains 312,723 square feet on a 22.21 acre site. The land use designation is Retail – Shopping Centres – Power and the property is valued on the Income Approach.

Issues:

The Complaint form listed 11 grounds for complaint. At the hearing, the Complainant indicated that only 1 outstanding issue remained, that being the rental rate for the property. The Assessment was completed using \$10.00 per square foot, and the Complainant believed that a blended rate of \$8.00 per square foot was a more accurate well supported and equitable rental rate because second floor space should be assessed at a lower rate.

Complainant's Requested Value:

\$33,640,000

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

There was no support that second floor space would rent for a lower amount than ground floor in the subject property.

Board's Decision:

The assessment is confirmed at \$40,490,000.

REASONS:

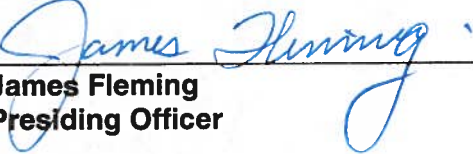
The Complainant indicated that due to the size of the subject it was difficult to find comparables. The closest in similarity were department store anchors in regional shopping centres, noting that the Bay in Chinook Centre was 280,000 square feet. As far as rental rate comparables, the main argument was that the second floor should rent for less than the main floor. The Complainant chose a rate of \$5.00 per square foot citing a Bay store where the rent for both floors was \$5.00. He requested that a blended rate reflecting \$10.00 for the 207,987 square feet ground floor space and \$5.00 for the 104,736 square feet resulted in a blended rate of \$8.33 per square foot and a requested assessment of \$33,640,000 (Doc 1C pg 238).

The Respondent provided 7 lease comparables of big box leasing where all the rates were over \$9.00 per square foot and 5 of the 7 were in excess of \$10.00 per square foot. He also provided over 30 lease equity comparables, 12 CARB decisions and 18 Local Assessment Review Board (LARB) decisions which supported a \$10.00 per square foot rate.

The CARB considered the evidence of both parties. In reviewing the evidence, the CARB noted that in his analysis, the Complainant had accepted the \$10.00 rate for ground floor space as part of his

requested assessment (Doc. 1C pg 238). Thus, the sole remaining issue was the rate for the second floor space. The Respondent contended that there was no evidence supporting a different rate for 2nd floor space, or a rate of \$5.00 per square foot. The CARB agreed, noting that the \$5.00 rate advanced by the Complainant was for a dissimilar property (i.e. a Regional Shopping Centre Anchor), but more tellingly, the \$5.00 rate was admitted to be the assessed rate for the whole store both ground and second floor, which argued against the Complainant's position that rates were different for second floor space. Accordingly, the assessment is confirmed as noted above.

DATED AT THE CITY OF CALGARY THIS 3 DAY OF November 2010.


James Fleming
Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB

No.	Item	
1.	Document 1C	Complainant's Brief
2.	Document 1R	Respondent's Brief

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.*