

**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

E. Reuther, MEMBER

P. Charuk, 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:	200768620
LOCATION ADDRESS:	11690 Sarcee Trail NW
HEARING NUMBER:	59159
ASSESSMENT:	\$25,820,000

This complaint was heard on the 9th 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:

- *K. Fong* *Agent, Altus Group Ltd.*

Appeared on behalf of the Respondent:

- *S. Turner* *Assessor, The City of Calgary*

Property Description:

The subject properties are located at the Beacon Hill Power Centre in the northwest quadrant of the city of Calgary. The properties consist of a total area of 90,558 sq. ft. The space is allocated as follows:

Sub-Component	Area	Assessment Rental Rate	Requested Rental Rate
Anchor	47,992 sq. ft.	\$20	\$15
CRU 1,001-2,500 sq. ft.	7,532 sq. ft.	\$32	\$32
CRU 2,501-6,000 sq. ft.	13,288 sq. ft.	\$29	\$24
CRU 6,000 – 19,999 sq. ft.	7,062 sq. ft.	\$23	\$20

Issue:

The Complainant makes the argument that of the 4 sub-components in the box store complex, 3 rental rates should be reduced.

Complainant's Requested Value:

\$21,020,000

Board's Decision in Respect of the Issue:

The Complainant submitted in evidence a Box Store Leasing Summary for stores 20,000 to 70,000 sq. ft. in area. These examples were identifying "anchor" stores in shopping centres across the city of Calgary. The leases ranged from starting dates of 1997 to those of 2009, with a median of \$15. Only 1 of these leases was located in the Beacon Hill Power Centre.

The Complainant also submitted the recent 2009 ARFIs for the 3 sub-components at issue.

The 3 "anchor" tenants submitted in evidence (EX C-1 Page 27) averaged rental rates of \$22. The CRU subcomponent of 2,501 to 6,000 sq. ft. consisted of 4 tenants averaging a rental rate of \$30. The CRU subcomponent of 1,001 to 2,500 sq. ft., which was not in dispute, identified 5 tenants with an average rental rate of \$33.

The Respondent argued that because the Beacon Hill Power Centre is the newest one in the city, it is unique. It cannot be compared to other power centres in the city because of its age and recent leases, supported by the 2009 ARFIs in the Respondent's evidence (EX R-2 Pages 11 -15).

The Respondent submitted in evidence for the subcomponent CRU 1,001 – 2,500 sq. ft., 2007 leases for 5 tenants in the Beacon Hill Power Centre. The median of the 5 resulted in a median rental rate of \$53. It is assessed at a rental rate of \$32.

For the Subcomponent CRU 2,501 – 6,-000 sq. ft., the Respondent relied on 4 tenants within the subject power centre, resulting in a median rental rate of \$30. The assessed rental rate is \$29.

The subcomponent CRU of greater than 6,000 sq. ft. looked at 3 tenants with a median of \$25 and an assessed rental rate of \$23.

For the 2 anchor tenants in the complex, the median rental rate was \$20.50 per sq. ft. and assessed at \$20 per sq. ft.

Board's Findings:

The Board finds that the new Beacon Hill Power Centre is the newest in the city of Calgary and is unique. It is very difficult to compare the rental rates of the subject property with other power centres in the city.

The Respondent relied on a large pool of tenants within the complex itself.

The Board considers that the 2009 ARFI information provided by both parties is reflective of the newness of the property and the draw of tenants to the complex.

The Board considers that the rental rates for each of the CRU subcomponents based on the evidence is fair and reasonable and represents fair market value for the properties.

Board Decision:

The Board confirms the assessment of \$25,820,000.

DATED AT THE CITY OF CALGARY THIS 17 DAY OF November 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.*