

**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:**

***HARVEST HILLS CROSSING LTD (as represented by Linnell Taylor & Associates),  
COMPLAINANT***

**and**

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

**before:**

***R. Glenn, PRESIDING OFFICER  
A.Wong, MEMBER  
E. Reuther, 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:

**ROLL NUMBER: 201045846**  
**LOCATION ADDRESS: 9650 Harvest Hills BV NE**  
**HEARING NUMBER: 63502**  
**ASSESSMENT: \$33,410,000**

This complaint was heard on the 20th day of September , 2011 at the office of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 9.

Appeared on behalf of the Complainant: Joel Mayer ( Agent )

Appeared on behalf of the Respondent: Shelly Turner ( Assessor )

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

No issues of procedure or jurisdiction were raised.

**Property Description:**

The subject is a neighbourhood shopping centre located in the Harvest Hills NE area of the City.. The total area of this retail center is 129,082 SF, comprising 13 buildings, and 11 different sub-components within the centre, including Commercial Retail Units of various sizes, PAD Restaurants, auto repair centres, and a supermarket. Year of construction is 2006-2008.

**Issues:**

Whether the subject property is properly assessed.

**Complainant's Requested Value:**

\$30,580,108

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

The subject assessment was calculated using the income method. Except for the fact that they object to the rental rate applied to the supermarket, the Complainant agrees with the calculation generally. The current assessment of the subject applied a rental rate of \$17/SF to the supermarket.

The Complainant supplied one comparable property which the Complainant considered to be very similar to the subject since it has a supermarket within the shopping centre. The 2011 assessment of the comparable had a rental rate of \$13/SF applied to the supermarket component. The current lease started in 2006, and the lease rate for 2010 was \$10.50/SF

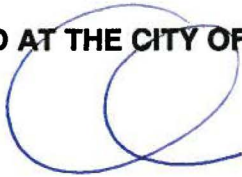
The supermarket lease on the equity comparable started in 1995, and the lease rate for 2010 was \$10.65/SF. The Complainant says the only real difference between the subject and their comparable is age, that is: 2006-2008 vs 1993 year of construction. The Complainant suggests the age difference is not significant. On cross examination, the Complainant suggests that they chose this comparable because this was the information they "had access to".

The Complainant finishes their argument by stating that age is not a significant difference here, but what is important is market potential, that is, location and access to major roadways. They also state that the subject has been mis-classified as an "A" class property ( supermarket at \$17/SF ), when it should have been a "B" class property with a \$13/SF rent rate.

The Respondent presents 33 equity comparables which showed that the subject property's supermarket is properly classified as an 'A" class property, as well as 21 "A" class lease comparables showing a 10 year median lease rate Of \$17/SF and a 3 year lease rate of \$18.50/SF plus two cases which the Board views as fairly strong evidence that the lease rate of \$17/SF is not excessive.

The Board finds that there is not enough compelling evidence to warrant setting aside the subject assessment. Accordingly, it is confirmed in the amount of \$33,410,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF OCTOBER, 2011.



R. Glenn  
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

*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 MGB Administrative Use Only*

<i>Decision No. 2337-2011-P</i>		<i>Roll No.201045846</i>		
<u><i>Subject</i></u>	<u><i>Type</i></u>	<u><i>Issue</i></u>	<u><i>Detail</i></u>	<u><i>Issue</i></u>
CARB	Retail	Shopping Centre	Equity Approach	Net Market Value