IN THE MATTER OF A COMPLAINT filed with the Town of Okotoks Assessment Review Board pursuant to the *Municipal Government Act (MGA)*, Revised Statutes of Alberta 2000, Chapter M-26, Section 460.

BETWEEN:

Anthem CPVC HCDC GP Ltd - Complainant

- and -

Town of Okotoks - Respondent

BEFORE:

L. Yakimchuk, Presiding Officer
R. Kobetitch, Board Member
A. Ulloa, Board Member

This is a complaint to the Town of Okotoks Composite Assessment Review Board (CARB) with respect to a property assessment prepared by the Assessor of the Town of Okotoks as follows:

Roll Number	**Address**	**Assessment**
0122100	10 D'Arcy Ranch Drive	$67,972,000

This complaint was heard on the 10th day of August 2026 via video conference.

Appearing on behalf of the Complainant:
- A. Izard, Ryan ULC

Appearing on behalf of the Respondent:
- B. Gillies, Assessor

Attending for the Assessment Review Board:
- K. Conrad, Clerk

Preliminary Matters

1) Prior to proceeding to the merit hearing, both Parties agreed to amended measurements for the land and to the removal of excess land from the assessment. The resulting assessment under appeal is $62,488,009.
2) The Panel found no reason to deny these changes and both Parties agreed to them. For these reasons the Panel accepted the new initial assessment.

Background

3) The subject property is assessed as a Shopping Centre, built in 2023 on 13.94 acres in North Gateway Commercial community, with 47,924 square feet (sf) grocery store at $22/sf, 9,891 sf upper floor office at $8/sf, 7,917 sf upper floor office at $10/sf, 11,805 sf restaurant at $36/sf, 4,141 CRU Restaurant at $52.50/sf, 9,225 sf retail ($23/sf), 25,947 sf retail ($26/sf), 6,725 sf retail ($32/sf), and 28,498 retail ($36/sf) for a weighted average of $26.17/sf. The grocery store is rated "Average" and the remaining property is rated "Good".
4) The property has been assessed using the Income Approach to valuation with a Capitalization (Cap) rate of 5.75%.

Issues

5) After the preliminary matters were resolved, one issue remained:
   Is the assessment too high? Specifically, is the Cap rate too low?

Complainant's Position

6) The Complainant argued that the Capitalization rate for the subject assessment is too high when compared to the Cap rate of other similar shopping centres. The Cap rate should be 6.25%. With all other parameters of the income calculation remaining the same, this would reduce the assessment to $57,489,700.
7) The Complainant supported this assertion in two ways:
   a. All other commercial assessments including shopping centres in the city are assessed with a 6.25% Cap rate. The subject is inequitably assessed at 5.75% Cap.
   b. The calculations to find the Cap rate based on a previous sale are flawed.
8) The Complainant showed the Board photographs of both the exterior and interior of the mall taken in June 2026. Some of the spaces are still in the process of being finished, and some are occupied.
9) The Complainant provided assessments for Commercial malls throughout Okotoks. The list included properties ranging in years of completion (YOC) from 1998 to 2016. The subject YOC is 2023. The malls included among the assessments were over 10,000 sf to 156,000 sf,

most of the areas being rated as "Good". The subject is over 157,000 sf. All the malls were assessed using the Income Approach, with a Cap rate of 6.25%.

10) The Complainant also provided details on a group of malls in Calgary to show that none had Cap rates as low as the subject.
11) The Complainant said that it was inequitable to use a 6.25% Cap rate for all other commercial properties in the Town of Okotoks except for the subject, which is assessed with a 5.75% Cap rate, is inequitable. The Complainant rebutted the Respondent's suggestion that the subject is a new, superior mall with exposure to anyone coming into Okotoks from the north by saying that the malls at the southern entrance attract shoppers from smaller communities south of Okotoks. Further, any superiority of the subject would be accounted for by higher rent rates.
12) The Complainant also argued that when the Respondent calculated Cap rates, it was using actual sale dates and calendar typical Net Operating Income (NOI), thus compressing the numbers and artificially lowering the outcome.

Respondent's Position

13) The Respondent argued that changing a Cap rate affects the entire assessment and the requirement to contribute a fair share of the tax income to the community. As a test of reasonableness, the Respondent presented a June 27, 2025 non-arm's length sale of the subject to a partner of the owner for $61,500,000. Accompanying the sale was an appraisal for $64,100,000 dated January 1, 2025.
14) The Respondent said that assessments from other communities should not be considered for equity.
15) The Respondent also provided a chart showing commercial properties and shopping centres sold between September 30, 2022 and April 9, 2025 along with their sale prices and market NOI at the time of sale. The Cap rates were calculated, with an average of 6.01%. The average Cap rate of the two shopping centres sold was 5.41%. The assessed Cap rate for all commercial properties was 6.25%.
16) The Respondent stated that the subject Cap rate has been lower than the Cap rate for other properties since building began in 2022. The Respondent supported this disparity, saying that the subject is newer and at the entrance to the town from the City of Calgary, and would be a convenient stopping point for anyone coming in from work or other trips to Calgary and area.
17) The Respondent said that Cap rates were calculated using actual sale values and the NOI from the Income year corresponding to the sale.

Board Findings

18) The Board found that the assessment was inequitable with other, similar properties and the Cap rate should be increased to 6.25%.

Reasons

19) The Board found that the subject assessment should be calculated with a 6.25% Cap rate. There were no comparable commercial and shopping centre properties in the Town of Okotoks shown to be assessed at any other rate.
20) The Respondent argued that the subject was superior to the other properties because it was newer and because of its location. The Board found that the location may be superior to some of the properties listed, but there was no evidence to support that the north entrance was a better location than the south entrance. Further, the other properties were in a variety of locations in the town, but were all assessed at the same Cap rate of 6.25%.
21) The subject is the newest mall in Okotoks with a YOC of 2023, seven years newer than the next YOC of 2016. The Respondent said that because it was newer, it merited a higher Cap rate. Using that reasoning, the Board would expect to find a next step of higher Cap rates before 2009, but all other similar properties, including properties with YOC 1998, were assessed at a Cap rate of 6.25%, as confirmed by the Respondent.
22) The actual assessments provided by the Complainant showed that the subject is just over 157,000 sf, comparable to the largest comparable at 156,000 sf. Most of the CRU spaces in the comparable properties were rated "Good", like the subject. This did not show that the subject was substantially superior to the comparable properties. As well, the Complainant argued that the rent rates would reflect any increase in value due to superior physical attributes.
23) The Board did not consider the Calgary comparables as they are in a different municipality with different assessment approaches than Okotoks.
24) The Board found there was insufficient evidence to support a lower Cap rate due to superior qualities. If the subject has any superior qualities, it is likely the rent rates will reflect that, and the assessment will increase accordingly. Singling out one property among many serving the same purpose, for a lower Cap rate and higher assessment with no clear support is inequitable.
25) The Board reviewed the recent sale of the subject submitted by the Respondent. This sale is not arm's length. It is a sale between two business partners and it is uncertain what was taken into consideration for the exchange. It was not used in the calculation of the Cap rate. The accompanying Appraisal, similarly, was third person documentation and the parameters by which it was commissioned are not explained. The Board did not consider either of these for the purposes of supporting an assessed value.
26) With respect to the Income Approach, the Board agreed that the inputs include the sale

price compared to the NOI for the assessment period in which that sale occurred. The Board was not provided enough details of the parameters to review their correctness, and did not make a decision based on accuracy of calculations.

Decision

27) The Board accepts the mutual agreement between the Parties, and in addition increases the Cap rate to 6.25%, resulting in an assessment of $57,490,000.

Dated at the Town of Okotoks in the Province of Alberta this 18th day of August 2026.

[redacted]

L. Yakimchuk
Presiding Officer

APPENDIX "A"
DOCUMENTS PRESENTED AT THE HEARING AND CONSIDERED BY THE BOARD:

NO.	ITEM
C-1	Complainant's Disclosure (279 pages)
R-1	Respondent's Disclosure (111 pages)
C-2	Complainant's Rebuttal (157 pages)

LEGISLATION

MGA, RSA 2000, c M-26

s 1(1)(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

s 467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

s 467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

(a) the valuation and other standards set out in the regulations,
(b) the procedures set out in the regulations, and
(c) the assessments of similar property or businesses in the same municipality.

An application for Judicial Review may be made to the Court of King's Bench with respect to a decision of an assessment review board.

An application for Judicial Review must be filed with the Court of King's Bench and served not more than 60 days after the date of the decision, and notice of the application must be given to

(a) the assessment review board
(b) the Complainant, other than an applicant for the judicial review
(c) an assessed person who is directly affected by the decision, other than the Complainant,
(d) the municipality, and
(e) the Minister.