

**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:**

***The Assessment Advisory Group, COMPLAINANT***

**and**

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

**before:**

***T. Hudson, PRESIDING OFFICER***

***S. Rourke, MEMBER***

***R. Cochrane, 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:

<b>ROLL NUMBER:</b>	<b>200595486</b>
<b>LOCATION ADDRESS:</b>	<b>112 16 Avenue NW</b>
<b>HEARING NUMBER:</b>	<b>58501</b>
<b>ASSESSMENT:</b>	<b>\$1,000,000.00</b>

This complaint was heard on the 21 day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *Mr. Troy Howell*

*Representing the Assessment Advisory Group*

Appeared on behalf of the Respondent:

- *Mr. Phil Colgate*

*Representing the City of Calgary*

**Property Description:**

The subject is described as a free standing / strip centre commercial building with two floors of retail use and one floor of office use, totalling 6,348 sq ft. The rental rates used in the assessment are not in dispute. The current assessment is \$1,000,000.00; the requested assessment is \$890,000.00

**Issues / Grounds for Complaint:**

The Complainant identified vacancy rate and CAP rate as the issues in dispute with respect to the assessment calculation using the income approach to value. The vacancy rate should be increased to 9% from the assessed 4%; and the CAP rate to 8.25% from the assessed 8%.

**Position of the Complainant on the Issues:**

The Complainant submitted a CB Richard Ellis Report on vacancy rates for small retail properties which shows the rate in central Calgary was in the range of 9% at the end of 2009. The Complainant also submitted comparable properties where a vacancy rate of 9% had been applied as well as CAP rates higher than the 8% applied to the subject. The subject property assessment should be reduced to \$890,000.00

**Position of the Respondent on the Issues:**

The Respondent argued that vacancy reports from the fourth (4) quarter of 2009 are not relevant to 2010 assessments. The same reports for the earlier quarters of 2009 presented to the Board show vacancy rates were less than the rate applied in the subject assessment.

The Respondent further argued that CAP rates for retail properties are location sensitive and that the comparables submitted by the Complainant are all located in either SW or SE Calgary are therefore not comparable to the subject. The typical rates for vacancy and CAP applied to the subject produce a fair and equitable assessment for the subject property and should be confirmed.

**Board Findings on the Issues:**

The evidence of the Complainant is insufficient to disturb the assessment.


**Board's Decision:**

The assessment is confirmed at \$1,000,000.00

**Reasons:**

Evidence from the fourth quarter of 2009 with respect to vacancy is not conclusive. The ARFI for the subject shows an extremely low vacancy rate which supports the assessed rate of 4%. The CAP rate evidence of the Complainant was based on property locations not comparable to the subject. The CAP rate of 8% is fair and consistently applied in the North Central area.

DATED AT THE CITY OF CALGARY THIS 5<sup>th</sup> DAY OF August 2010.

  
T. Hudson  
Presiding Officer

TH/ms

*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.*