

**CALGARY
ASSESSMENT REVIEW BOARD
DECISION WITH REASONS**

In the matter of the complaint against the Property/Business assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

between:

CVG Canadian Valuation Group Ltd. , COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. P. Acker, PRESIDING OFFICER

E. Reuther, MEMBER

K. Coolidge, MEMBER

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

ROLL NUMBER:	068111301
LOCATION ADDRESS:	221 10 Avenue SW
HEARING NUMBER:	57213
ASSESSMENT:	\$7,340,000

This complaint was heard on 26 day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *J. David Sheridan*

Appeared on behalf of the Respondent:

- *Dale Grandbois*

Property Description:

The subject property is a 32,532 sq ft parcel with a single story multi-tenant retail building, providing 14,791 sq ft of rentable space. Originally constructed in 1920, the building was extensively renovated in 2006/07 in support of a long term lease expiring in 2017.

Issues:

1. The subject was assessed on the basis of land value only using a rate of \$225 /ft² Insofar as it is a property with improvements, it has been incorrectly assessed.

Complainant's Requested Value: \$ \$6,100,000

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

Assessment Incorrect - Insofar as the property is indeed supporting a recently renovated improvement and is leased up until 2017, the assessor incorrectly used a direct sales comparison approach to assess it for land value only. This offends s289(2)(a) of the MGA which requires that an assessment must reflect the characteristics and physical condition of the property on December 31 of the year prior to the year in which the tax is imposed. Clearly, the characteristics and physical condition of the property included the building which is not reflected on the assessment. Accordingly, the board determined that the assessment is incorrect.


Turning to the evidence provided by the complainant, the board examined the income approach proposed to support the reduced value requested. The complainant suggested that the rental rate should be \$35 /ft² for the smaller space and \$30 /ft² for the larger rentable area of this 2 tenant property. The complainant had provided comparables which demonstrated an average of \$41 /ft² without stratification by area. The board therefore substituted the \$41 /ft² as the market rent in the income approach equation. All other coefficients in the income approach equation as proposed by the complainant were used. This calculation produced a value in excess of the assessment arrived at by the assessor.

Accordingly, the Board denies the appeal and confirms the assessment.

Board's Decision:

The assessment is confirmed at \$7,340,000

DATED AT THE CITY OF CALGARY THIS 5th DAY OF Aug 2010.



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.*