

**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, Section 460(4).

between:

J.W.J. Enterprises Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Sadlowski, PRESIDING OFFICER

R. Kodak, MEMBER

J. Massey, 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: 066114000

LOCATION ADDRESS: 1721 10th Ave S.W.

HEARING NUMBER: 56678

ASSESSMENT: \$1,470,000

This complaint was heard on 30th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- *M. Grant, J.W.J. Enterprises*

Appeared on behalf of the Respondent:

- *D. Satoor, City of Calgary*

Issue:

Is the assessment on the subject property in excess of market value in relation to similar properties in close proximity to the subject?

Property Description:

The subject property is located at 1721-10 Ave SW in the Sunalta community. The subject is a commercial property with a subproperty use of office and parking. The land use designation is Commercial – Corridor 2. The subject is a four storey office low-rise with 6,495 square feet of assessable land area and 7,915 square feet of building area. It was constructed in 1978 and is of quality B.

Complainants Position:

The subject is assessed at \$185.82 per square foot. The Complainant submitted an assessment summary report for one comparable which is a B quality office building that was built in 1979. It is a four storey office low-rise with 18,108 square feet of office space and 16,253 square feet of assessable land area. That comparable was assessed at \$129.22 per square foot (C-1). A second comparable, also a four storey office building of B quality was built in 1976. This comparable has 28,697 square feet of building space and 12,986 square feet of assessable land area and was assessed at \$117 per square foot (C-1). The Complainant also provided leases from its three tenants. The leases commenced on September 1, 2009 and terminate on August 31, 2014. One of the leases start at \$8 per square foot and step-up to \$16 per square foot in year five. The other two leases also commenced on September 1, 2009 and terminate on August 31, 2014. They start at \$9 per square foot and step-up to \$15 per square foot in the fifth year. All three of the leases are net leases.

Respondents Position:

The Respondent submitted three comparables (R-1, P-14) which are in close proximity to the subject. Comparable #1 is a B-class building like the subject. It is assessed at a rate of \$15 with assessments of \$152.54 per square foot. Two other comparables (R-1, P-14) were submitted. One is a B-class building with an assessment per square foot of \$129.22 and the other was a C-class building and an assessment per square foot of \$117.

Reasons:

The Board was persuaded by the Respondent's comparable #1 (R-1, P-14). It is in close proximity to the subject. The Board is of the opinion that the Complainant's comparables, although in close proximity to the subject, were substantially larger than the subject and both had assessment classes that were lower than the subject. Regarding the lease rates, the five rates provided by the Complainant yielded an average of approximately \$12.00 per square foot. Using the same parameters as the Respondent submitted in the Income Approach, the Board was able to determine a value.

Board's Decision:

The decision of the Board is to reduce the 2010 assessment of the subject property to \$1,210,000. The Board is of the opinion that the revised assessment is fair and equitable.

DATED AT THE CITY OF CALGARY THIS 27 DAY OF August 2010.



T. Sadłowski
Presiding Officer

TS/mh

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.*