

**CALGARY
COMPOSITE 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:

Linnell Taylor Assessment Strategies, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Steven C Kashuba, PRESIDING OFFICER

Alfredo Wong, MEMBER

Ike Zacharopoulos, 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:

ROLL NUMBER: 080101199

LOCATION ADDRESS: 1813 – 4 Street SW

HEARING NUMBER: 56609

ASSESSMENT: \$1,790,000

This complaint was heard on 30th day of August, 2010 by the Composite Assessment Review Board 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:

- *David Sheridan*

Appeared on behalf of the Respondent:

- *Andy Czechowskyj*

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

At the outset of the hearing, the parties requested that the board call a recess in order that they might have an opportunity to discuss the lease rates for the main and upper floors of the subject property, the vacancy rate allowance, and the capitalization rate with the goal of coming back to the hearing with a recommendation. The request was granted by the board and the position of the two parties is captured in the merits of the hearing, which follow.

Property Description:

Located at 1813 – 4 Street SW, the subject property is a freestanding retail property consisting of 7,969 square feet of floor space. This Zone of the City is known as Beltline. Constructed in 1957, the subject property is a two-storey building with a partially finished basement. The property is assessed *as-if-vacant* at \$215 per square foot, plus a corner location premium of 5% which results in an assessment of \$225 per square foot. The current assessment is \$1,790,000.

Issue:

1. Is the assessment of the subject property correct based upon the income approach to value?

Complainant's Requested Value: \$1,520,000.

Position of Complainant

The Complainant, in representing the position of the two parties as a result of their discussion during the recess, stated that an agreement had been reached as regards the lease rate per square foot for the 3,105 square feet of floor space on the main level at \$32 and \$10 per square foot for the upper floor area. Both parties agreed that the vacancy rate allowance of 2% was satisfactory as was the capitalization rate of 7.5%. By applying these variables to the Pro-Forma as presented on page 9 of 1-C, the parties agreed to bring a recommendation of \$1,680,000 to the board as representing a fair and correct assessment of the subject property.

Position of Respondent

The Respondent echoed the position of the Complainant and agreed with the joint recommendation of \$1,680,000.

Decision of Board as regards Issue #1:

The board accepts the recommendation of the two parties and applies a lease rate of \$32 per square foot for the main floor and \$10 per square foot for the upper floor, a vacancy allowance rate of 2%, and a capitalization rate of 7.5%.

Board's Decision:

It is the decision of the board to reduce the assessment of the subject property for 2010 from \$1,790,000 to \$1,680,000.

Reasons:

The board accepts the recommendation of the two parties as regards lease rates, vacancy rate allowance, and capitalization rate, which results in a reduced assessment amount.

DATED AT THE CITY OF CALGARY THIS 8 DAY OF September 2010.



Steven C. Kashuba,
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.*