

**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, Revised Statutes of Alberta 2000 (the Act).

between:

***William Arnold Holdings Ltd. (as represented by Assessment Advisory Group Inc.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***J. Acker, PRESIDING OFFICER
P. Charuk, MEMBER
D. Cochrane, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2012 Assessment Roll as follows:

ROLL NUMBER:	067187500, 067187609, 067187708, 067188003
LOCATION ADDRESS:	802 16 Avenue SW, 808 16 Avenue SW, 812 16 Avenue SW, 818 16 Avenue SW
HEARING NUMBER:	67838, 67840, 67841, 67839
ASSESSMENT:	\$ 3,090,000 (802 16 Avenue SW) \$ 2,220,000 (808 16 Avenue SW) \$ 4,070,000 (812 16 Avenue SW) \$ 1,500,000 (818 16 Avenue SW)

This complaint was heard on 30th day of July 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- *S. Cobb, Assessment Advisory Group Inc.*
- *T. Youn, Assessment Advisory Group Inc.*

Appeared on behalf of the Respondent:

- *C. Fox*

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

1. Before the commencement of the hearing, both parties agreed that the four subject properties are adjoining and operate as a single operating unit under common ownership. The arguments in each case are the same and evidence from both parties is contained in their single document submissions. The Board agreed to hear all four properties in a single hearing.

Property Description:

2. The subject properties are four two-storey buildings that contain retail on the main floor level and offices on the second level. The properties were constructed in 1959, 1964, 1965 and 1967.

Issues:

3. The subject properties suffer from chronic vacancy and should be assessed using the income approach with an increased vacancy factor applied.

4. The rate assessed for the parking stalls associated with each of the buildings is excessive and not equitable with similar properties in the beltline area.

<u>Complainant's Requested Value:</u>	\$ 2,280,000 (802 16 Avenue SW)
	\$ 1,660,000 (808 16 Avenue SW)
	\$ 3,150,000 (812 16 Avenue SW)
	\$ 1,280,000 (818 16 Avenue SW)

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

5. In support of the Complainant's request for a reduced assessed value for each of the subject properties, he provided the Board with a detailed breakdown of the vacancies for each of the individual leasable spaces in each of the properties for the period 2009 through 2011. He then totalled the vacant space and divided it by the gross leasable area of all four buildings. Finally, he averaged the vacancy across those four properties to derive an average vacancy rate of 23% over the three-year period.

6. The Respondent provided detail on the approach taken by the assessor in using the income approach to value using typical values for the subject property's market area. Since the parties had agreed on all factors used except for the vacancy rate, the typical value applied by

the assessor using mass appraisal was 10% vacancy.

7. The Board examined the evidence of the Complainant and reviewed in detail the vacancy reports provided. It was not persuaded that sufficient evidence was provided to conclude that a chronic vacancy problem exists with the subject properties. The assessor's use of typical vacancy rates for the market area is fair and equitable.

8. The Complainant entered into evidence two comparable properties offering parking space to the marketplace at a rate of \$150 per stall per month. He requested that the rate of \$200 per stall per month assessed should be reduced to \$175 per month per stall.

9. The Board reviewed the evidence and testimony of the parties and determined that in the overall assessment for each of the subject properties, adjusting the parking stall rate would not affect the assessment as rendered within a +/- 5% range. Accordingly, the assessment will not be disturbed.

Board's Decision:

The complaints are dismissed and the assessments are confirmed as follows:

\$ 3,090,000 (802 16 Avenue SW)
\$ 2,220,000 (808 16 Avenue SW)
\$ 4,070,000 (812 16 Avenue SW)
\$ 1,500,000 (818 16 Avenue SW)

DATED AT THE CITY OF CALGARY THIS 8 DAY OF August, 2012.



J. Acker
Presiding Officer

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Commercial	Office/Retail	Income Approach	Chronic Vacancy

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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.*