

**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:

***Mona Lisa Artists' Materials 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:	067212399
LOCATION ADDRESS:	1516 7 Street SW
HEARING NUMBER:	67146
ASSESSMENT:	\$1,450,000

This complaint was heard on 31th 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. No procedural or jurisdictional matters were raised by the parties.

Property Description:

2. The subject property is a single storey retail building constructed in 1987 with 4,583 sq. ft. of leasable retail space.

Issues:

3. The subject property was classified as 'B' class and is assessed at a higher rate than adjacent buildings of similar condition and use.

Complainant's Requested Value: **\$ 1,030,000**

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

4. In support of the Complainant's request for a reduced assessed value, he provided detail on the adjacent property at 1518 7 Street SW, owned by the same owner. The adjacent property competes in the marketplace for tenants with the subject, yet its rental rate was set at \$21/sq. ft. while the subject is assessed at \$29/sq. ft. Both properties present a similar retail frontage to 7th Street SW. The subject is a single storey building while the adjacent building has a second storey of office space.

5. The Respondent argued that the subject is 17 years newer than the adjacent building at 1518 7th Street SW and therefore commands a higher classification. It is this 'B' classification that attracts a higher assessed rate per square foot. He testified that he had not visited either property but concluded that the age and the photographs of the exterior of the subject support his classification.

6. The Board examined the evidence and reviewed the testimony of the parties and determined that there was inadequate evidence to support the Respondent's classification of the subject property as being superior to that of the adjacent property at 1518 7th Street SW. As well, the income calculation for both exhibited the same capitalization rate. This suggests that the condition and market risk for both properties was similar. Accordingly, the Board concludes that the subject property rental rate is not equitable and should be reduced to \$21/sq. ft.

Board's Decision:

The complaint is allowed and the assessment is set at \$1,030,000.

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	Retail	Income Approach	Rental Rate

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.*