

**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:

***HMPS Properties Ltd. (as represented by Assessment Advisory Group Inc.),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***J. Acker, PRESIDING OFFICER
Y. Nesry, 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:	067222901
LOCATION ADDRESS:	1125 Kensington Road NW
HEARING NUMBER:	66976
ASSESSMENT:	\$ 2,580,000

This complaint was heard on 3rd day of August 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:

- T. Youn, *Assessment Advisory Group Inc.*
- D. Bowman, *Assessment Advisory Group Inc.*

Appeared on behalf of the Respondent:

- B. Tang, City of Calgary

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

1. No procedural or jurisdictional matters were raised by either of the parties.

Property Description:

2. The subject property is a commercial, retail use property consisting of 7,400 sq. ft. of leasable space with 2 main floor retail units (restaurant, retail) and a second floor office. This 2 storey improvement was built in 1979. There are 2 on-site parking stalls to the rear of the property.

Issues:

3. The rental rate applied to the restaurant portion of the property for an income approach to valuation is incorrect at \$33/sq. ft.

Complainant's Requested Value: \$ 2,417,000

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

4. In support of the Complainant's request for a reduced assessed value on the restaurant portion of the retail space, he provided two comparable property business assessments indicating values of \$28-31/sq. ft. and one comparable property assessment indicating \$31/sq. ft. These were supported by photos of those properties. The Complainant argued that the assessment on the subject has increased substantially over past years.

5. 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 rental rate, the typical value applied by the assessor using mass appraisal was \$33/sq. ft. for the restaurant component. There was no issue taken for the rates applied to the other retail and office spaces in the subject building.


6. The Respondent provided rebuttal to the comparable properties advanced by the Complainant insofar as the two business assessments are not similar as business assessments are discounted for tenant inducements. In all three of the Complainant's comparables, no detail was provided to ascertain the degree of similarity of those properties with the subject. The renovations to the subject and the Complainant's own evidence suggests that the property is at the higher end of value and the \$33/sq. ft. rental rate applied is typical for this market area.

7. The Board considered the evidence and argument advanced by the parties and was not persuaded that the assessment equity comparables were sufficiently supported to clearly indicate similarity with the subject. The photographic evidence of recent renovation to the subject provide insight into the concerns raised by the Complainant of increasing assessed value for the property and the Board is satisfied that the typical rental rate applied to the restaurant component is correct and equitable.

Board's Decision:

The complaint is dismissed and the assessment is confirmed at \$2,580,000.

DATED AT THE CITY OF CALGARY THIS 9 DAY OF August, 2012.



J. Acker
Presiding Officer

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Commercial	Restaurant	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.*