

**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:

**979498 Alberta Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT**

and

The City Of Calgary, RESPONDENT

before:

**I. Zacharopoulos, PRESIDING OFFICER
S. Rourke, MEMBER**

[1] 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 2011 Assessment Roll as follows:

ROLL NUMBER: 141001404

LOCATION ADDRESS: 747 LAKE BONA VISTA DR SE

HEARING NUMBER: 64766

ASSESSMENT: \$3,860,000

[2] This complaint was heard by a Composite Assessment Review Board (the Board) on August 5th, 2011 at the office of the Assessment Review Board located at 4th floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

[3] Appeared on behalf of the Complainant:

- *Mr. S. Cobb* *Assessment Advisory Group Inc.*

[4] Appeared on behalf of the Respondent:

- *Ms. J. Ashley* *City of Calgary Assessment*

BOARD'S DECISION IN RESPECT OF PROCEDURAL OR JURISDICTIONAL MATTERS:

[5] No procedural or jurisdictional matters were raised.

PROPERTY DESCRIPTION:

[6] The subject property is identified as a commercial multi tenanted development located near the intersection of Lake Bonavista Drive and Acadia Drive SE within the Lake Bonavista community in SE Calgary. The building's year of construction is shown to be 1969 and the assessed area is 18,681 square feet (sf). The assessment is developed through the Income Approach to value (IAV) and is based on the following parameters:

- Rental rate: \$19.00/sf
- Vacancy allowance: 10%
- Vacant space shortfall: \$12.50/sf
- Non recoverables: 2%
- Capitalization rate: 7.50%

REGARDING BREVITY:

[7] In the interests of brevity the Board will restrict its comments to those items the Board found relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

MATTERS/ISSUES:

[8] The matter identified by the Complainant as the basis for this complaint is "an assessment amount".

[9] The Complainant's position is based on the following issue:

1. **Does the Complainant's Income Approach to Value (IAV) analysis produce an appropriate assessment indicator for the subject property as of July 1, 2010?**

COMPLAINANT'S REQUESTED VALUE:

[10] The Complainant requests an assessment of \$3,313,511 as per Doc. C-1, pg 17. The Assessment Review Board Complaint form shows \$2,670,000.

BOARD'S DECISION IN RESPECT OF EACH MATTER OR ISSUE:

[11] Along with the evidence the parties presented at the hearing the Board referenced the Municipal Government Act (MGA) and associated Regulations in arriving at its decision. We found the following to be particularly applicable to the complaint before us:

- **Municipal Government Act** Part 9 and Part 11.
- **Matters Relating to Assessment and Taxation Regulation 220/2004** (MRAT) Section 1; Part 1 and Part 5.1.
- **Matters Relating to Assessment Complaints Regulation 310/2009** (MRAC) Division 2 and Schedule 1.

[12] Jurisprudence has established that the onus of showing an assessment is incorrect rests with the Complainant. Evidence and argument was put before the Board by the Complainant in that regard; to show the assessment is incorrect and to provide an alternate market value as of July 1, 2010. The Board is to determine if (within the direction of the MGA and associated Regulations) it has been swayed to find the assessment before us to be incorrect and if the market value determination as of July 1, 2010 should be revised.

[13] With regard to the issue identified above the Board's findings are as follows:

1. **Does the Complainant's Income Approach to Value (IAV) analysis produce an appropriate assessment indicator for the subject property as of July 1, 2010?**

[14] The Complainant's request is based on rents realized at the subject property. In support he provided the Assessment Request for Information (ARFI) from the subject property dated May 30, 2008 (see C-1, pg 15).

[15] The Complainant points to the data for suites 107 and 109 (C-1, pg 16); identifying these as the most recent leases and therefore best indicators of rent rates. Suite 107 shows 1,621 sf leased as of October 1, 2004 at a rate of \$18.00/sf while Suite 109 shows 810 sf leased as of November 1, 2005 at a rate of \$15.00/sf. After averaging the two the Complainant proposes a rental rate of \$16.50/sf

[16] Beyond the rental rate, the Complainant accepts the City's valuation parameters as shown above under [6]:

- Vacancy allowance: 10%
- Vacant space shortfall: \$12.50/sf
- Non recoverables: 2%
- Capitalization rate: 7.50%

These inputs, in combination with the requested rental rate of \$16.50/sf result in a valuation of \$3,313,511 as shown on C-1, pg 17.

[17] In response to the 2008 ARFI provided by the Complainant the Respondent provided two more recent ARFIs for the subject property; one dated April 12, 2010 (see Doc. R-1, pg 22) and one dated April 19, 2011 (se R-1, pg 26).

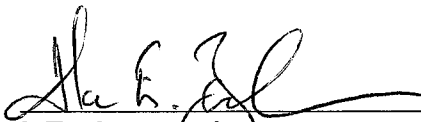
[18] The Board finds the Complainant's evidence does not support his request. Firstly, the 2008 ARFI is a dated document. Secondly, the Complainant's two lease references are themselves dated, showing 2004 and 2005 start dates. Lastly, the document under pg 15 shows a more recent lease – Suite 105, a lease of 1,563 sf with a start date of January 1, 2006 at a rate of \$24.00/sf – which refutes the Complainant's position and offers support for the current assessment parameters.

[19] The Board therefore finds the Complainant's evidence refutes his position and his IAV analysis does not produce an appropriate assessment indicator for the subject property as of July 1, 2010.

BOARD'S DECISION:

[22] The assessment is confirmed at \$3,860,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF SEPTEMBER 2011.


I. Zacharopoulos
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. Doc. C-1	Complainant's Disclosure
2. Doc. R-1	Respondent's 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.*