

**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:

Assessment Advisory Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

Hatem Naboulsi, PRESIDING OFFICER

Donald Steele, MEMBER

John Mathias, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 200660645

LOCATION ADDRESS: 5375 – 68 Avenue SE

HEARING NUMBER: 64120

ASSESSMENT: \$4,730,000

This complaint was heard on 8th day of August, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *Troy Howell*

Appeared on behalf of the Respondent:

- *Farkas Randy*

Property Description:

The subject property is a free standing retail automotive mechanical repair and tire shop known as KAL TIRE consisting of 20072 sq. ft. of repair and tire shop and 13671 sq. ft. of office for a total of 33743 sq. ft. built in 2005 and located in the Foothills Industrial area South East of Calgary and assessed for 2011 assessment year for \$4,730,000 based on the income approach.

Issues:

Is the capitalization rate applied by the assessor correct in this instance?

Summary of Evidence:

The Complainant submitted a brief C1 in support of 9% CAP Rate and provided the Board with 5 sales from Alberta Data Search and 2 sales from Real Net Search. All sales are located in different market zones. The Complainant also provided the Board with a copy of Assessment Request for Information for the subject with lease details C1– page 10. The Complainant requested the Board to reduce the assessment to \$4,266,667.

The Respondent submitted a brief R1 in support of 7.5% CAP Rate and provided the Board with 7 sale comparables with 7.07% average and 7.46% median CAP/Rate – R1, page 18. The Respondent also indicated that the subject property sold in April 25, 2007 for \$4,900,000 copy of the sale report R1, page 19. The Respondent requested the Board to confirm the assessment.

Findings:


The Board finds insufficient evidence in all sales submitted by the Complainant to support a 9% CAP/Rate to reduce the subject property assessment.

The Board is persuaded by the assessor's sales comparables and convinced that 7.5% CAP/Rate is the appropriate CAP/Rate to be applied to the subject. The Board also notes that the subject property sold in April 25, 2007 for the amount of \$4,900,000. The Complainant is requesting a reduction in the assessment to \$4,266,667. The Board is not convinced that the subject property has decreased in value from April 25, 2007 to July 01, 2010 valuation date.

Board's Decision:

The decision of the Board is to confirm the 2011 assessment of the subject property at \$4,730,000.

DATED AT THE CITY OF CALGARY THIS 31 DAY OF August 2011.


Hatem Naboulsi
Presiding Officer

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.*