

**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:

**Benjamin Katz  
As represented by  
Cushman & Wakefield Property Tax Services  
COMPLAINANT**

and

**The City Of Calgary, RESPONDENT**

before:

**J. Acker, PRESIDING OFFICER  
D. Julien, MEMBER  
J. Pratt, 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:

<b>ROLL NUMBER:</b>	<b>124178856</b>
<b>LOCATION ADDRESS:</b>	<b>200 Haddon Road SW</b>
<b>HEARING NUMBER:</b>	<b>63724</b>
<b>ASSESSMENT:</b>	<b>\$ 1,620,000</b>

This complaint was heard on 24<sup>th</sup> day of August, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- Jan Goresht

Appeared on behalf of the Respondent:

- Mike Ryan

**Property Description:**

The subject is a two storey office/retail complex of 9,454 square feet located on a parcel of 11,195 sq ft. The subject improvement is 36 years old and the assessment was prepared using the income approach on a mass appraisal basis.

**Issues:**

1. The assessor's use of the typical values in the income approach to value does not produce a market value for the subject property.

**Complainant's Requested Value:** \$ 1,300,000

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

1. There is insufficient evidence or argument to disturb the valuation applied by the assessor using typical market rent, vacancy allowance and CAP rate.

**Board's Decision:**

The Complainant provided the Board with a post facto independent appraisal prepared by Emanuel Cohen and Prabhdeep Singh of Elford Appraisal & Consulting Services Ltd. for the property owner. The Board noted that the appraiser indicated that the only use of this appraisal was *'to provide value documentation to assist with information gathering'* – and that it was post facto (November 29, 2010) of the assessment date of July 1, 2010.

The appraisal report provided estimates of value based upon two approaches; the Income Approach and the Direct Sales Comparison Approach. In the income approach, the appraiser offered 4 comparable properties to demonstrate net lease rates ranging from \$12.00 to \$14.00 per square foot supporting the rate he used for the subject of \$12.00. He applied estimated or reported operational costs of the comparable properties to produce a range of \$9.90 to \$13.89. He then applied a CAP rate of 8% supported by 5 indicators of properties with an unidentified use to produce an indicated property value of \$1,300,000.

In the direct sales comparison approach, the appraiser utilized 4 comparable sales to indicate a value of \$765,000.


The Respondent provided detailed rebuttal to the appraisal report and comparables that support the typical values utilized by the city for this market area in performing a mass appraisal using the income approach.

The Board, in analyzing the material and testimony provided by both parties, found insufficient support for the lease rates, operational costs or CAP rate applied in the comparables supplied by the Complainant's appraisal report. The lease comparables were all office buildings of dissimilar size in other areas of the city. The CAP rates for comparable properties did not give sufficient detail for the board to determine whether or not these were in any way comparable to the subject. The operational cost estimates for the comparable properties were unsupported by any additional data.

In the direct sales comparison approach, the comparable properties had very significant adjustments applied to bring them into similarity with the subject and the Board, having no supporting information as to how these adjustments had been applied, gave little weight to this evidence.

Accordingly, in the absence of sufficient evidence, the board will not disturb the assessment as rendered and confirms the assessment at \$1,620,000.

DATED AT THE CITY OF CALGARY THIS 31<sup>st</sup> DAY OF AUGUST, 2011.

  
J. P. Acker  
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.*