

**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:

**464110 ALBERTA LTD. (as represented by Linnell Taylor Assessment Strategies),
COMPLAINANT**

and

The City Of Calgary, RESPONDENT

before:

***R. Glenn, PRESIDING OFFICER
A. Wong, MEMBER
E. Reuther, 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:	031015001
LOCATION ADDRESS:	3520 32 ST NE
HEARING NUMBER:	62589
ASSESSMENT:	\$3,170,000

This complaint was heard on the 20th day of September, 2011 at the office of the Assessment Review Board located on Floor Number 4, at 1212 – 31 Avenue NE, in Calgary, Alberta, in Boardroom 9.

Appeared on behalf of the Complainant: Joel Mayer (Agent)

Appeared on behalf of the Respondent: Shelly Turner (Assessor)

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

No issues of procedure or jurisdiction were raised.

Property Description:

The subject is a an autobody shop with a reported area of 16,252 SF, in a "B" class building, built in 1993, located in the north east community of Horizon.

Issues:

Whether the subject property is properly assessed.

Complainant's Requested Value:

\$2,785,755

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

The Complainant seeks a reduction based on several tenets. Firstly, they suggest that the actual building area is smaller than stated. Secondly, they state that the assessment is too high because the rental rate for the subject is a rate normally assigned to better located properties. Thirdly, they state that based on comparable properties, the assessment is simply too high as the subject is in an industrial area with no exposure to major roadways. Lastly, the subject assessment is 100% higher than last year's assessment.

The fact that the subject assessment is higher (or, in any amount different) than last year's assessment is of no consequence as the Municipal Government Act states that assessments are to be done on an annual basis. The Complainant put forward only one comparable property which is located 110 metres south of the subject, so the Complainant claims both properties have the same locational attributes and the same sub property use of Retail Vehicle/ Accessories - Auto Repair/Parts from the Assessment Summary Report. The comparable property does however, have different zoning, and the properties are of different classes (B vs C+). The comparable has a Net Annual Rental Value of \$14/SF

The building on the comparable property is approximately 1400 SF smaller than the building on

the subject property. It sold for \$171.41/ SF in September of 2009. The comparable property is currently for sale with an asking price of \$188/SF. The subject's current assessment is \$195.05/SF

The Respondent argues in their Income Approach Valuation that the subject building has 14,792 SF on the main floor used as a repair shop, and a non-retail mezzanine area of 1460 SF

The Complainant responds that the area of the mezzanine has most likely been added in twice, because the actual area of the repair shop is 13,332 SF (which is exactly 1460 SF less than the Respondent's stated size), as shown by the Respondent's own evidence of the subject ARFI and Business Assessment Comparable Report.

The Respondent presented a number of Automotive Retail Equity Comparables, most of which were in other quadrants of the city, but all showing a lease rate of \$18/SF. They also provided a listing of Retail Lease Comparables, where the average of the current leases listed was \$18.39/SF.

The Complainant also provided a Rebuttal Brief which was intended to show each of the Respondent's Automotive Equity Comparables were located in superior locations to the subject and thus were not really comparable. However, based on what they presented, they were not able to convince the Board that the rental rate should be reduced below \$18/SF.

However, the fact that the repair shop area was incorrect as assessed and as agreed by the parties is significant and accordingly, the assessment should be reduced to \$2,850,000 to account for area correction.

The subject assessment is reduced to \$ 2,850,000.

DATED AT THE CITY OF CALGARY THIS 7th DAY OF OCTOBER, 2011.



R. Glenn
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2 C2.	Complainant Rebuttal
3 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.*

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<i>Decision No.2336-2011-P Roll No.031015001</i>				
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Retail	Stand Alone	Equity Approach	Net Market Value