

**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:

Gold Bar Developments Ltd., Andromeda Investments Ltd.

***As represented by
CVG Canadian Valuation Group Ltd.
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***J. Acker, PRESIDING OFFICER
A. Blake, MEMBER
R. Roy, 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:	068111301
LOCATION ADDRESS:	221 10 Avenue SW
HEARING NUMBER:	64115
ASSESSMENT:	\$ 6,660,000

This complaint was heard on 23th day of September, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- David Sheridan

Appeared on behalf of the Respondent:

- James Toogood

Property Description:

The subject is a two-unit retail development renovated in 2007 located on 10 Avenue SW in the Calgary Beltline area. The subject 14,791 square feet improvement is a heritage building built circa 1920 on a parcel of 32,532 square feet. The assessment was prepared on a land value only basis as the improvement is not deemed by the assessor to add value to the property.

Issues:

1. The vacant land value applied by the assessor is in excess of the market value of the subject.

Complainant's Requested Value: \$6,120,000

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

1. There is insufficient evidence or argument to disturb the land only valuation applied by the assessor.

Board's Decision:

The Complainant provided the Board with an income approach to value using market rents of \$30/sq. ft. for the larger space of 10,487 sq. ft. and \$35/sq. ft for the smaller commercial retail unit of 4,304 sq. ft. He applied a vacancy rate of 1.0% based on market reports specific to the Beltline market area submitted in evidence; and a capitalization rate of 7.50% as the median value of market reports for the overall Calgary strip mall market.

The Board was not convinced that the appropriate typical values were applied for the Beltline market area as no supporting evidence from either party provided insight into those values.

The Respondent provided 5 vacant land sales supporting a rate of \$195/sq. ft. for such properties in the Beltline market area. The Board examined these sales by review of the supporting sales evidence submitted and was not persuaded that these were similar to the subject property.

The Board was sympathetic to the argument of the Complainant that applying vacant land value

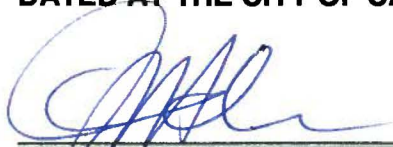
to an improved and renovated property operated as a going concern is offensive to S 289(2) of the MGA which requires that each assessment must reflect *"the characteristics and physical condition of the property on December 31 of the year prior to the year in which the tax is imposed ..."*. However, notwithstanding the use of any valuation approach, the overriding requirement of legislation is that the standard for valuation is market value. Accordingly, the Board turned to the evidence and testimony in support of a market value to apply to the subject property.

Upon review of the testimony and evidence of both parties, the Board found that the Respondent's argument that the appropriate market rents attributed to each of the retail spaces in the subject property should be reversed (i.e. the \$30/sq. ft. rate should apply to the smaller space and the \$35/sq. ft. rate should apply to the larger space) was better supported by the Complainant's own evidence.

Applying these reversed rates to the Complainant's calculation brought the income approach to value calculation to within 1.1% of the assessed value – well within a 5% range of values considered appropriate for assessment purposes.

Accordingly, in the absence of compelling evidence that the assessor's valuation is incorrect, the board will not disturb the assessment as rendered and confirms the assessment at \$6,660,000.

DATED AT THE CITY OF CALGARY THIS 26th DAY OF September 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.*