



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:

Genco Holdings Ltd. (as represented by Colliers International Realty Advisors Inc.),
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Fegan, PRESIDING OFFICER
D. Julien, BOARD MEMBER
G. Milne, BOARD 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 2013 Assessment Roll as follows:

ROLL NUMBER:	068132208
LOCATION ADDRESS:	1108 4 ST SW
FILE NUMBER:	70327
ASSESSMENT:	\$5,410,000

This complaint was heard on the 2nd day of October, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- B. Peacock, (Colliers International Realty Advisors Inc.)

Appeared on behalf of the Respondent:

- L. Wong, (City of Calgary)
- D. Satoor, (City of Calgary)

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

[1] No procedural or jurisdictional matters were raised.

[2] As a preliminary issue the Complainant advised the Board that two of the original three issues would not be addressed as part of this hearing. The issue of an exempt tenant within the assessed property would be addressed by the parties in the manner described in the regulations. The issue of the capitalization rate would no longer be pursued.

Property Description:

[3] The subject property is a two storey retail/office building of 23,249 square feet, located in the Beltline area of Calgary. There are 22 surface parking stalls on the site. The property has been assessed using the income approach to value.

Issues:

[4] The only remaining issues to be dealt with by the Board are the rental rates used in the assessment calculation for the restaurant space, the retail space and the below grade retail space.

Requested Value: \$4,575,208. (exhibit C-1, revised page 7)

Board's Decision: The complaint is allowed in part and the assessment is revised to \$4,875,000.

Position of the Parties**Complainant's Position:**

[5] The Complainant argued that the subject property was inferior to other properties in the immediate area. The Complainant provided rental information taken from the subject property and argued that these rents are the best evidence of the rental value for retail space in the subject property.

[6] Recent leasing of retail space within the subject property ranged from \$15.00 to \$17.00. The restaurant space was currently leased at \$14.00 per square foot. The basement retail space was currently paying \$2.50 but that lease commenced in 2007. The Complainant argued that there was no evidence to support the rates used to assess the retail space in the subject property (\$23.00 for the restaurant space, \$17.00 and \$22.00 for retail space and \$14.00 for the below grade retail space).

Respondent's Position:

[7] The Respondent provided a 2012 Affidavit of Transferee, stating that the current value of the land in the opinion of the Transferee's agent was \$6,500,000.

[8] The Respondent argued that restaurant space should be assessed at a higher rate than other ground floor retail space and that below grade retail space should be assessed at a higher rate than storage space.

[9] The Respondent suggested that the rental rate for the 2012 renewal of the restaurant space may have been negotiated at the time of the original lease, but provided no evidence that that was the case.

Board's Reasons for Decision:

[10] The Board found that the "Affidavit of Transferee", was not sufficient evidence for determining the market value of the subject property for property assessment purposes.

[11] Neither party provided evidence of rental information taken from similar properties in the vicinity in order to establish typical market rents for similar space.

[12] In the absence of other evidence the Board accepted that recent leasing within the subject property was the best indicator of typical market rents for properties similar to the subject property. The highest rate being achieved by the subject retail space is \$17.00.

[13] The Board finds that the rental rates for retail space within the subject should be revised to \$17.00 on the ground floor and \$15.00 on the second floor and \$8.00 for the below grade space. No change would be made to the office space, storage space or the parking spaces.

[14] The Board had no information on how the assessed value of the existing exempt space was calculated and the figure of \$720,500 was carried forward for the exempt portion in calculating a revised assessment for the taxable account.

DATED AT THE CITY OF CALGARY THIS 22nd DAY OF October 2013.

R. Fegan

R. Fegan

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.*

CARB Identifier Codes

Decision No.		Roll No.		
<u>Complaint Type</u>	<u>Property Type</u>	<u>Property Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Commercial	Retail/Office	Market Value	Market Rent

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