



## **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:

**4 S Holdings Ltd., (as represented by Linnell Taylor Assessment Strategies),  
COMPLAINANT**

and

***The City Of Calgary, RESPONDENT***

before:

***R. Fegan, PRESIDING OFFICER  
H. Ang, BOARD MEMBER  
P. Charuk, 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:

<b>ROLL NUMBER:</b>	<b>080097900</b>
<b>LOCATION ADDRESS:</b>	<b>503 17 AV SW</b>
<b>FILE NUMBER:</b>	<b>71951</b>
<b>ASSESSMENT:</b>	<b>\$3,200,000</b>

This complaint was heard on the 16<sup>th</sup> day of July, 2013 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:

- D. Sheridan, (Linnell Taylor Assessment Strategies)

Appeared on behalf of the Respondent:

- C. Fox, (City of Calgary)

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

[1] The Complainant raised the issue of late disclosure. The Complainant did not receive the Respondent's evidence disclosure in accordance with the regulations. The Respondent acknowledged that the disclosure had been sent on July 2, 2013 to an incorrect e-mail address and was not sent to the correct address until the following day, July 03, 2013.

[2] After reviewing AR310/2009, 9 (1) "*A composite assessment review board must not hear any evidence that has not been disclosed in accordance with section 8*", the Board did not hear any evidence from the Respondent's late disclosure.

**Property Description:**

[3] The subject property is a 51 year old two storey retail/office building, located in the community of Cliff Bungalow in the Beltline. The building has 10,125 square feet and the land size is 6,957 square feet.

**Issues:**

[4] The increase in the 2013 assessment (\$3,200,000) from the 2012 assessment (\$1,870,000) is not supported by changes in the real estate market.

[5] The capitalization rate of 5.25% used by the assessor is too low.

**Requested Value: \$2,400,000.**

**Board's Decision:**

**The complainant is denied and the assessment is confirmed at \$3,200,000.**

**Position of the Parties**

**Complainant's Position:**

[6] The Complainant provided a capitalization rate study using three sales. Two of these sales were located on Centre Street NW and one sale was located at 511 10 ST SW.

[7] The Complainant provided information regarding the similarity between the sold properties and the subject property.

**Respondent's Position:**

[8] The Respondent pointed out through questions to the Complainant that the Complainant had taken the net operating income, used to calculate the capitalization rate, from the 2013 assessment explanation sheets regardless of the year of the sale.

[9] The Respondent argued that the fact that the net income used by the Complainant was not taken from the year in which the sale took place invalidated the study.

[10] The Respondent argued that two of the three sales used in the Complainant's capitalization rate study were located on Centre Street NW., and were not indicative of capitalization rates in the Beltline.

**Board's Reasons for Decision:**

[11] The Board found that the Complainant's capitalization rate study was flawed as a result of not using the net income from the sale year, and further the Board found that the use of sales from outside the immediate area of the Beltline was not reflective of capitalization rates in the Beltline.

[12] In summary the Board found that the Complainant provided insufficient evidence to warrant a change to the capitalization rate.

**DATED AT THE CITY OF CALGARY THIS 20<sup>th</sup> DAY OF August 2013.**



**R. Fegan**

**Presiding Officer**

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant 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**

<b>Decision No. CARB 71951-P</b>			<b>Roll No. 080097900</b>	
<b><u>Complaint Type</u></b>	<b><u>Property Type</u></b>	<b><u>Property Sub-Type</u></b>	<b><u>Issue</u></b>	<b><u>Sub-Issue</u></b>
CARB	Commercial	Retail/Office	Market Value	Cap Rate

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