



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

William-Arnold Holdings Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
B. Jerchel, 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: 067188003

LOCATION ADDRESS: 818 16 Av SW

FILE NUMBER: 71986

ASSESSMENT: \$1,770,000

This complaint was heard July 8, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *T. Youn, Assessment Advisory Group Inc. (AAG)*
- *D. Bowman, AAG*

Appeared on behalf of the Respondent:

- *C. Chichak, City of Calgary Assessment*
- *K. Haut, City of Calgary Assessment*
-

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

[1] The Complainant and the Respondent agreed to present four appeals concurrently as they represented four units within the same block of buildings with similar issues. Roll #s 067187609, 067187708, 067187500 and 067188003 were heard together and will share similar evidence in the written decision, with separate attention paid to issues particular to each appeal.

Property Description:

[2] The subject property, located in the Tomkins Park Shopping Centre, is assessed as a 3,539 square foot (sf) 1997 retail mixed use building in the Beltline community of Calgary. It has been assessed using the Income Approach.

Issues:

[3] Is the Capitalization (Cap) rate correct for this assessment?

Complainant's Requested Value: \$1,690,000

Board's Decision:

[4] The Board confirms the assessment at \$1,770,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 Section 460.1:

(2) Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) the parcel is used for farming operations, agricultural use value.

Position of the Parties

Complainant's Position:

[5] Capitalization (Cap) Rate: T. Youn, AAG, on behalf of the Complainant, argued that the City was inconsistent in its application of Cap rates. He argued that the entire block of four buildings had similar qualities, but was assessed at a 5.75% or 5.5% Cap rate depending on the proportion of retail to office area in each space. The Complainant believed that these buildings should be uniformly assessed with a 5.75% Cap rate.

Respondent's Position:

Cap rate: C. Chichak, City of Calgary assessor, explained that the Cap rate was applied at 5.5% for retail space and 5.75% for office space. He said that the City Cap rate study established the rates using a large number of leases and that in the Beltline buildings that were predominantly retail space were assessed using 5.50% Cap rate and those that were predominantly office space were assessed using 5.75% Cap rate.

Board's Reasons for Decision:

[6] Cap Rate: The Board found that the City applied the Cap rate in an equitable manner which resulted in a fair assessment of value. In the case of the four buildings in this block, two were assessed with a 5.50% Cap rate and two were assessed with a 5.75% Cap rate, according to what type of space was largest in each building. This is the same process that is applied to all buildings of this type in this area.

DATED AT THE CITY OF CALGARY THIS 17th DAY OF July 2013.



L. Yakimchuk

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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Retail/Office	Low Rise	Income Approach	CAP