



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:

The Building Bloc Inc., (as represented by the Assessment Advisory Group Inc. (AAG),
COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. B. Hudson, PRESIDING OFFICER
I. Fraser, BOARD MEMBER
R. Roy, 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: 067092908

LOCATION ADDRESS: 720 11 AV SW

FILE NUMBER: 73442

ASSESSMENT: \$3,420,000

This complaint was heard on the 10th 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:

- D. Bowman

Appeared on behalf of the Respondent:

- K. Haut
- L. Wong

Procedural or Jurisdictional Matters:

[1] There were no procedural or jurisdictional matters raised by the Parties.

Property Description

[2] The subject property is a 0.15 acre parcel of land, and is improved with a low rise B class commercial office building constructed in the Beltline in 1949. The building includes 3,288 square feet (sf) of main floor retail space, and 4,977 sf of main floor office space. The building also includes 4,078 sf of retail space below grade, and 1,669 sf of office space below grade.

[3] The property is assessed based on the capitalized income approach to a total of \$3,420,000.

Issues:

[4] The Complainant identified the assessed vacancy rate (i.e. 9.5%), and the assessed capitalization (cap) rate (i.e. 5.25%) as the issues.

Complainant's Requested Value: \$3,330,000.

Legislative Authority, Requirements and Considerations

[5] The Composite Assessment Review Board(CARB), derives its authority from Part 11 of 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)

[6] For purposes of the hearing, the CARB will consider MGA Section 293(1):

In preparing the 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.*

[7] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA section 293(1)(b). The CARB consideration will be guided by MRAT Part 1 Standards of Assessment, Mass appraisal section 2:

Mass Appraisal

2. *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.*

Complainant's Position

[8] The Complainant submitted CARB 70517/P-2013, (Exhibit C1 pages 31-38), an assessment complaint decision on a similar property located close to the subject in the Beltline at 550 11 AV SW.

[9] The decision increased the vacancy rate valuation factor to 11% from 9.5%; and also increased the cap rate valuation factor from 5.25 % to 6.25%. for the similar property.

[10] The Complainant requested that an improved estimate of market value, and assessment equity, would be achieved for the subject property if an 11% vacancy rate and a 6.25 % cap rate were applied in calculating a revised assessment amount.

[11] Following questioning by the Respondent and the Board, the Complainant requested to withdraw the complaint.

Respondent's Position

[12] The Respondent had no objection to the Complainant's request to withdraw the complaint.

Board Decision

[13] The Board accepted the Complainant's request to withdraw the complaint, and concluded the hearing

DATED AT THE CITY OF CALGARY THIS 5 DAY OF November 2013.



T. B. Hudson

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.

For MGB Administrative Use Only

Decision No. 73442P-2013			Roll No.067092908	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issues</u>	<u>Sub-Issues</u>
CARB	Commercial	Retail/office	Market value/ equity	Vacancy and cap rate.