



## 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:

***Dennis Doherty, COMPLAINANT***

and

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

before:

***R. Fegan, PRESIDING OFFICER***

***Y. Nesry, BOARD MEMBER***

***J. Rankin, 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 2014 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>200668291</b>
<b>LOCATION ADDRESS:</b>	<b>7707 112 AV NW</b>
<b>FILE NUMBER:</b>	<b>74225</b>
<b>ASSESSMENT:</b>	<b>\$3,300,000</b>

This complaint was heard on the 15<sup>th</sup> day of July , 2014 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. Doherty (Property Owner)
- C. Tat (Controller)

Appeared on behalf of the Respondent:

- R. Sidikou, (Assessor City of Calgary)

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

- [1] No procedural or jurisdictional matters were raised.

**Property Description:**

[2] The subject of this complaint is a retail property with two separate buildings. One building is comprised of a car wash and the other building contains a liquor store and a bottle depot. The car wash is a 6,953 square foot building, the bottle depot has 6,017 square feet and the liquor store has 2,045 square feet. The building was constructed in 2006. For assessment purposes the building is classified as a "B" building.

**Issues:**

- [3] The 2014 assessment increase is not in line with the increase in the real estate market.
- [4] The 2014 assessed value does not reflect the location of the subject property.
- [5] The rental rate used by the assessor exceeds what the property can achieve in the market.

**Complainant's Requested Value: \$1,870,000. (complaint form)**

**Board's Decision: The complaint is allowed in part and the assessment is revised to \$2,640,000.**

**Legislative Authority, Requirements and Considerations:**

- [6] Section 293 of the Act requires that:
- (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) states:

**Mass Appraisal**

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.

The valuation standard for a parcel of land is

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

**Position of the Parties**

**Complainant's Position:**

[7] The Complainant described the property and the location of the property. He believed that the proximity of this property to the correctional centre, a large gravel pit and the spyhill landfill site, affected the rental value and therefore the market value of the property.

[8] The Complainant provided a copy of an "Offer to Lease" for the liquor store. The lease commenced on September 01, 2012 for a term of five years for a rental rate of \$15.00.

[9] The Complainant provided other leasing information however those transactions were not arm's length transactions.

**Respondent's Position:**

[10] The Respondent recommended a minor change to the assessed value due to "combining the CRU area for the liquor store". This change involved changing the rental rate from \$27.00 to \$25.00 per square foot on 881 square feet. The recommendation of the Respondent was not acceptable to the Complainant.

[11] After the above adjustment, 2,045 square feet was assessed using a rental rate of \$25.00 per square foot and 6,017 square feet was assessed using a rental rate of \$17.00 per square foot. The car wash is assessed using a rental rate of \$14.50 per square foot.

[12] The Respondent provided a rental analysis of car washes in various locations throughout the City. The median of that analysis was \$14.50 per square foot.

[13] The Respondent provided a sample of retail leasing for premises in the 2,000 square foot range, in the northwest quadrant of the City. That sample supported a rental rate of \$25.00 per square foot.

[14] The Respondent provided two samples of leases of space in the 6,000 to 14,000 square

foot range. These rates were \$18.36 and \$26.00 per square foot.

[15] The Respondent testified that the retail rate for Class "B" space in the 2,000 square foot size range was assessed at \$25.00 per square foot regardless where it was located in the northwest quadrant of the City.

**Board's Reasons for Decision:**

[16] The Board found that location within the northwest quadrant would have an impact on the rental value of retail space.

[17] The Board noted that the majority of the car wash rents used by the Respondent were taken from more prominent locations than that of the subject property. The Board reduced the car wash rent for the subject property to \$12.50 per square foot to recognize the location of the subject property.

[18] The Board found that the arm's length lease of the liquor store was the best evidence of the rental value of retail space in this location. Accordingly the Board used a rental value of \$15.00 per square foot for the retail space (liquor store and bottle depot) and \$12.50 per square foot for the car wash to calculate a revised assessment of \$2,640,000.

DATED AT THE CITY OF CALGARY THIS 28<sup>th</sup> DAY OF July 2014.

R. Fegan.  
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
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**

<b>Decision No.</b>		<b>Roll No.</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	Market Value	Location

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