

**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(4).

**between:**

***CVG CANADIAN VALUATION GROUP LTD., COMPLAINANT***

**and**

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

**before:**

***B. Horrocks, PRESIDING OFFICER  
J. Rankin, MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>048073209</b>
<b>LOCATION ADDRESS:</b>	<b>2363 20 Avenue NE</b>
<b>HEARING NUMBER:</b>	<b>57263</b>
<b>ASSESSMENT:</b>	<b>\$1,430,000</b>

This complaint was heard on the 9th day of July, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 12.

Appeared on behalf of the Complainant:

- *Mr. T. Howell (Canadian Valuation Group Ltd.)*

Appeared on behalf of the Respondent:

- *Mr. J. Lapine (City of Calgary)*

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

There were no preliminary matters. The merit hearing proceeded.

**Property Description:**

The subject property is an 8,846 sq. ft. retail space on an approximate 1.95 acre site located at the intersection of 20<sup>th</sup> Ave. NE and 23<sup>rd</sup> St. NE. The building was constructed in 1998 and contains a 6 bay Kal Tire Service Centre.

**Issues/Grounds for Complaint:**

The assessment is excessive because the City did not use appropriate values for:

- 1) Rental Rates
- 2) Vacancy Rates
- 3) Capitalization Rates

In utilizing the Income Approach to Value.

**Complainant's Requested Value:**

The Complainant requested an assessed value of \$940,000.

**Board's Findings in Respect of Each Matter or Issue:**

- 1) Rental Rates:

The Complainant provided listings for four (4) comparables:

- An office/warehouse with net rental rate of \$9.75 per sq. ft.
- An office/warehouse with net rental rate of \$9.00 per sq. ft.
- An Industrial/warehouse with net rental rate of \$9.00 per sq. ft.
- And a first class office/warehouse with net rental rate of \$10.00 per sq. ft.

This was in support of his request for a net rental rate of \$10.00 per sq. ft.

The Respondent provided five (5) comparables, all similar automotive uses with rental rates ranging from \$14.00 to \$16.00 per sq. ft.

The Respondent argued the Complainant's comparables are listings and not comparable because they are not in the subject area and they are not similar uses. Furthermore, the issue of rental rates had been confirmed by ARB 0070/2010-B

The Board finds the Respondent's comparables to be superior and accepts the \$14.00 per sq. ft. rental rate as appropriate.

2) Vacancy Rate:

The Complainant provided a Calgary Retail "Market View" for the 4<sup>th</sup> quarter of 2009 prepared by CB Richard Ellis indicating an average vacancy rate in the area of the subject property of 6%

The Respondent argued the report provided by the Complainant was for the wrong time period and beyond the valuation date.

The Board finds no evidence to support changing the vacancy rate from 4%.

3) Capitalization Rate:

The Complainant provided an income approach valuation for a gas bar convenience store, a shopping centre, a liquor store, a grocery store and a restaurant where a CAP rate of 8.25% had been used to calculate an assessed value.

The Respondent argued the comparables are not comparable and no CAP rate study has been prepared in support of the request.

The Board find's no evidence to support changing the CAP rate from 8%.

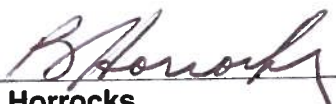
**Board's Decision:**

The assessment is confirmed at \$1,430,000.

**Reasons:**

There is insufficient evidence to change the parameter used in the Income Approach to Value.

DATED AT THE CITY OF CALGARY THIS 3<sup>rd</sup> DAY OF August 2010.

  
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**B. Horrocks**  
**Presiding Officer**

BH/kc

*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.*