

**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:**

***Kenrosa Holdings Ltd. (as represented by Assessment Advisory Group Inc.),  
COMPLAINANT***

**and**

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

**before:**

***J. Acker, PRESIDING OFFICER  
Y. Nesry, MEMBER  
D. Cochrane, 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 2012 Assessment Roll as follows:

<b>ROLL NUMBER:</b>	<b>068036193</b>
<b>LOCATION ADDRESS:</b>	<b>111 3<sup>rd</sup> Avenue SE</b>
<b>HEARING NUMBER:</b>	<b>68612</b>
<b>ASSESSMENT:</b>	<b>\$ 2,510,000</b>

This complaint was heard on 2<sup>nd</sup> day of August 2012 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- T. Youn, Assessment Advisory Group Inc.
- D. Bowman, Assessment Advisory Group Inc.

Appeared on behalf of the Respondent:

- B. Tang
- D. Grandbois

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

1. No procedural or jurisdictional matters were raised by the parties.

**Property Description:**

2. The subject property is a 14,009 sq. ft. parcel improved with a 17,695 sq. ft. improvement consisting of two levels of retail space. The upper level of 8,954 sq. ft. is ½ storey above grade and the lower level of 8,741 sq. ft. is ½ storey below grade. The improvement was constructed in 1987 in the Chinatown area of the downtown core in the city of Calgary.

**Issues:**

3. The property suffers from chronic vacancy which has not been adequately addressed in the income approach used by the assessor to determine market value.

**Complainant's Requested Value:** \$ 1,645,000

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

4. In support of the Complainant's request for an assessed value of \$1,645,000, the Complainant presented his vacancy analysis dating back to 2007 for both the upper and lower floors of this property. His analysis indicated a 34 – 35% annual vacancy for the upper floor and a 48 – 52% annual vacancy for the lower level. He requested a vacancy allowance for the subject property of 30% for this assessment cycle.

5. The Respondent provided a detailed income approach using typical values with the vacancy allowance of 8% reflecting the market area of the subject. The Respondent indicated that an additional 20% allowance was applied on the capitalized value derived from the income approach calculation to reflect the unique circumstances of the subject property. He argued that the subject vacancy was a symptom of design and form factors unique to the subject, a lack of on-site parking and limited exposure of the lower level retail spaces. The assessor therefore applied the 20% market adjustment reduction to the overall assessment to recognize these attributes.

6. The Board reviewed the evidence and testimony of the parties and determined that the Complainant's vacancy analysis was unsupported insofar as the subject property rent rolls were not disclosed. In the absence of this evidence, the Complainant's analysis could not be given adequate weight to disturb the assessment as rendered.

**Board's Decision:**

The complaint is dismissed and the assessment is confirmed at \$2,510,000.

DATED AT THE CITY OF CALGARY THIS 8 DAY OF August, 2012.

  
 J. Acker  
 Presiding Officer

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Commercial	Neighbourhood Shopping Centre	Income Approach	Chronic Vacancy

**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.*