

**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:

Scott's Trustee Corp.,(as represented by CVG Canadian Valuation Group, and Linnel Taylor Assessment Strategies), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***T. Hudson, PRESIDING OFFICER
J. O' Hearn, MEMBER
J. Joseph, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 075248203

LOCATION ADDRESS: 4315 17 AV SE

HEARING NUMBER: 64106

ASSESSMENT: \$1,250,000

This complaint was heard on 18th day of August, 2011 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:

- J. Mayer

Appeared on behalf of the Respondent:

- K. Gardiner

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

There were no procedural or jurisdictional matters raised by the parties.

Property Description:

The subject property is a 0.36 acre parcel in Forest Lawn, improved in 1970, with a free standing building including 2,879 square feet (sf) of fast food restaurant space. The subject is assessed based on capitalized income at \$1,250,000 (rounded), or \$434.17 per square foot.

Issues:

The Complainant identified that the assessment amount exceeds market value, and specifically that the lease rate applied to the restaurant space should be reduced to \$30 psf. from \$37. All of the other value factors used by the Respondent to calculate the capitalized income assessment estimate were accepted.

Complainant's Requested Value: \$1,010,000

Board's Finding in Respect of Each Matter or Issue:

What is the Correct Rent Rate for the Restaurant Space in the Subject Building?

The Complainant provided the lease rates for six (6) retail properties, and the business assessment rent rates for two (2) fast food restaurants, in support of the request for a \$30 psf. rate. The range of rates went from a low of \$17 psf. to a high of \$30.

The business assessment rates are not comparable for property assessment purposes. Only three (3) of these properties are free standing, and the only one of these that is located in

reasonable proximity to the subject on 17 AV SE, has a below market lease rate of \$25 psf.

The Respondent provided a chart of current market lease rates for eight (8) free standing fast food restaurants similar to the subject in support of the \$37psf assessed lease rate. Including one below market rate of \$25, the median was \$36.53 psf.

The Respondent also submitted a chart of six (6) free standing fast food restaurants located along 17 AV SE, including the subject, all assessed at \$37 psf.

The Board finds that the assessed rent rate of \$37psf. is correct for the subject property.

Board's Decision: The assessment is confirmed at \$1,250,000

DATED AT THE CITY OF CALGARY THIS 16 DAY OF SEPTEMBER 2011.



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.*

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<i>Decision No. 1759</i>		<i>Roll No.075248203</i>		
<u>Subject</u>	<u>Type</u>	<u>Sub-type</u>	<u>Issue</u>	<u>Sub-issue</u>
CARB	Retail	Stand alone	Income approach	Market rent