

**CALGARY  
COMPOSITE 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:**

***Altus Group Limited, COMPLAINANT***

**and**

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

**before:**

***L.R. Loven, PRESIDING OFFICER***

***B. Kodak, MEMBER***

***T. Usselman, MEMBER***

This is a complaint to the Calgary Combined 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:

**ROLL NUMBER: 080115504**

**LOCATION ADDRESS: 515 23 Avenue S.W.**

**HEARING NUMBER: 59179**

**ASSESSMENT: \$3,230,000**

This complaint was heard on the 25<sup>th</sup> day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- B. Neeson, representing Altus Group Limited, on behalf of Lemonade Capital Corp.

Appeared on behalf of the Respondent:

- E. Currie, representing the City of Calgary

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

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

**Property Description:**

The subject property consists of a 3.5 story, 16 suite low-rise apartment building, built in 1965 and located in the CLI community, market zone 2. The assessment is \$3,230,000.

**Issues:**

1. Vacancy rate increased to 5%; and
2. The Gross Income Multiplier (GIM) decreased to 13.

**Complainant's Requested Value:** \$2,082,000.

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

**Issue 1: Vacancy Rate**

The Complainant provided a table containing nine comparables, four of which were high-rise and five were low-rise. The low-rise properties were assessed at 2% vacancy and one at 1%.

The Complainant submitted a CMHC Rental Market Report for Fall 2009, showing changed in the apartment vacancy rate from 2.1% as of October 2008, to 5.3 % for October 2009. The Board notes that the change in vacancy rate included both high-rise and low-rise apartments.

The Complainant referenced Calgary Assessment Review Board ARB WR0083/2010-P regarding a single family property, reducing the assessment based in part on reduced assessments of the equity comparables used by the Respondent.

The Respondent provided four assessment comparables with seventeen or less suites all assessed at 2.00% vacancy.

Based on its consideration to the foregoing evidence and argument, the Board finds that CMHC

does not provide the Board with sufficient information regarding the vacancy rate for low-rise apartments. The Complainant's low-rise comparables supports the assessed vacancy rate of 2%, and the Respondent's assessment comparables supports a 2% vacancy rate in equity.

### **Issue 2: GIM**

Four of the low-rise comparables contained in the Complainant's table were assessed at a GIM of 13.5, and one at 13. None of the low-rise apartment comparables were located in the Beltline.

Three of the Respondent's assessment comparables are located in the same market zone as the subject property and all assessed at a GIM of 17.

The Respondent provided a GIM study for the sale of the subject property showing a calculated GIM of 16.90 based on a 2010 typical gross income of \$190,512 and a time adjusted sale price of \$3,219,250.

Based on its consideration of the foregoing evidence and argument, the Board finds that the comparables provided by the Complainant may have supported a lower GIM if they had been located in the same market zone, whereas the Respondent's assessment comparables were all located in the same market zone as the subject property and were all assessed at a GIM of 17.

### **Summary**

The only issues argued by the Complainant were to increase the assessed vacancy rate from 2% to 5% and lower the GIM from 14 to 13.

The Board finds that the Calgary Assessment Review Board decision referenced by the Complainant, regarding the lowering of an assessment for a single family property, has little weight given the decision was based in part on the change in assessment of the Respondent's comparables and in this case neither the Complainant nor the Respondent provided comparables showing a change in assessment. The Respondent's comparables supported the assessment of the subject property regarding vacancy rate and GIM. The low-rise comparables provided by the Complainant were not located in the same market zone, varied in year of construction, number of units and were assessed at a GIM lower than the subject property. The CMHC report submitted by the Complainant did not provide the Board with any details for the Board to determine that the apartment vacancy rate rose uniformly across all market zones and apartment type. Finally, the low-rise comparables provided by the Complainant supported the assessed vacancy rate.

Therefore, the subject property appears to have been assessed fairly with respect to the vacancy rate and GIM based on the comparables provided.

**Board's Decision:**

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: \$3,230,000.

DATED AT THE CITY OF CALGARY THIS 1 DAY OF December 2010.

  
L.R. Loven  
Presiding Officer

*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.*