

**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-26.1, Section 460(4).

between:

Colliers International Realty Advisors, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER

A. Zindler, MEMBER

R. Roy, MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) 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: 067190108

LOCATION ADDRESS: 920 – 16 Avenue SW

HEARING NUMBER: 57762

ASSESSMENT: \$2,210,000.

This complaint was heard on 20th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- D. Porteous

Appeared on behalf of the Respondent:

- J. Toogood

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

There were no Procedural or Jurisdictional matters brought forward.

Property Description:

The subject property is a low rise, walk-up, wood framed apartment building which was originally constructed in 1964. This Beltline located property contains a total of 16 suites consisting of 1 bachelor suite, 7 one bedroom suites and 8 two bedroom suites. The above grade suites have balconies. Outside, surface parking is provided at the rear of the building.

Issues:

The grounds for appeal identified on the Complaint Form are as follows:

1. The assessed value is not reflective of the income potential of the subject property and therefore the subject is assessed in excess of market value.
2. The comparable sales for the subject in the relevant time frame suggest that the assessed value is in excess of market value.
3. The allowances from Potential Gross Income for the property are insufficient in determining the appropriate Net Operating Income for the subject property.
4. The Gross Income Multiplier (GIM) or stabilized expense/capitalization rate used in preparation of the assessment does not reflect the risk factor and return requirements necessary for the property to transact within the market place between a willing buyer and a willing seller at the most probable price.
5. The assessment of similar or competing properties suggests that the assessment is inequitable with these and other properties.
6. The assessment of superior properties suggests that the assessment is inequitable these and other properties.
7. The subject's assessment was not prepared in accordance with the Municipal Government Act.
8. The physical features of the property have not been properly reflected in the subject's assessed value.
9. The location of the property has not been properly reflected in the subject's assessed value.
10. The input factors used by the Assessor in preparing the assessment are erroneous.
11. The modelling process utilized by the City of Calgary failed to achieve the valuation standards.
12. Changes in the investment market have not been properly reflected in the assessment modelling process and therefore resulted in an incorrect assessed value for the subject property.

At the Hearing the Complainant confirmed with the CARB that the single Issue to be considered by the CARB is that of applied GIM utilized in preparation of the assessment.

Complainant's Requested Value:

\$550,000. Revised at the Hearing to **\$2,050,000**. (Exhibit C1 cover)

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

The Complainant introduced (Exhibit C1 pg 13) a chart of *Multi-Family Residential Sales July 2007 – June 2009* which they maintain originated with the City of Calgary Assessment Department. This chart provides a summary of the sales details of 13 properties having various locations throughout the city. The Complainant contends that the concrete hi-rise buildings, of which there are three, should not be given consideration in this case as they differ dramatically

from the wood framed walk-up style of the subject too greatly to be of consideration. Utilizing the reported GIM of the 6 non hi-rise sales produces an average GIM of 12.3. Utilizing all 9 sales (including the hi-rise) with reported GIMs produces an average of 13.02 and a median of 13. The Complainant suggested that one property in particular (4348 – 4 St. NW) is more comparable to the subject as it is 16 suites in size and this sale has a reported GIM of 12.1.

The Respondent introduced 4 equity comparables (Exhibit R1 pg 24) all of which have been assessed on the basis of a 14 GIM, as has the subject, and which, according to the Exhibit, indicate an assessment/suite ranging from a low of \$125,244 to a high of \$134,064 vs. the subject's assessment indicated at \$133,127/suite. Additionally, the Respondent provided (Exhibit R1 pg 25) their *Low Rise GIM Study* which they contend fully supports the GIM of 14 used in the valuation of the subject property.

The CARB agrees with the Complainant that comparing the subject property to concrete hi-rise buildings will not produce any reliable sales indicators that could be applied to the subject. Obviously it is better to use properties that are as similar as possible for comparative purposes as the more comparable a property is to the subject, the fewer adjustments need be applied and this serves to enhance the accuracy of the process. The CARB questioned why one of the sales referred to by the Complainant (2022 – 11th Ave. SW) was not on the City provided list of sales which is presented in full on pages 14 & 15 of their Exhibit C1. The Complainant suggested that the Assessor may consider the sale to have been post-facto as the sale reportedly (Exhibit C1 pg 42) sold in September of 2008, but that should not exclude its being given consideration by the CARB.

Referring to the Respondent's brief (Exhibit R1) the CARB notes that the assessment per suite calculations shown on page 24 of same are all wrong. This is a simple calculation and the CARB is dismayed that the Respondent would not proof their material more closely prior to submitting same as an Exhibit to this Board. The CARB further notes that the Respondent's 2010 Low Rise GIM Study (Exhibit R1 pg 25) refers to only two properties both of which are only 5 units in size and one of which was constructed in 1917 while the other was constructed in 1928. The CARB does not find these properties to be similar to the subject and find it curious that, of all the City sales, presented in Exhibit C1 pgs. 14 & 15, the Assessor could find no better comparable properties. In the final analysis the CARB is more persuaded by the evidence and argument of the Complainant than that of the Respondent.

Board's Decision:

The assessment is reduced to: **\$2,050,000.**

DATED AT THE CITY OF CALGARY THIS 28 DAY OF October 2010.


C. J. GRIFFIN
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.*