

**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: 111170254

LOCATION ADDRESS: 7008 4A Street S.W.

HEARING NUMBER: 59338

ASSESSMENT: \$1,980,000

This complaint was heard on the 27th 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 Gaponow Construction Ltd.

Appeared on behalf of the Respondent:

- I. Pau, 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 story, 14 suite low-rise apartment building, built in 1967 and located in the Kingsland (KIN) community, market zone 8. The assessment is \$1,980,000.

Issues:

1. Vacancy rate increased to 5%; and
2. The Gross Income Multiplier (GIM) decreased to 11.

Complainant's Requested Value: \$1,630,000.

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

Issue 1: Vacancy Rate

The Complainant provided a table containing one equity comparable assessed at a vacancy rate of 2%, the same as the subject property.

The Complainant submitted a CMHC Rental Market Report for Fall 2009, showing changes 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 rates includes all apartment types and sizes.

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 a table containing four assessment comparables with 8 to 15 suites, all located in Kingsland, all in market zone 8, and all assessed at 2.00% vacancy.

Based on consideration of the foregoing evidence and argument, the Board finds that CMHC report

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

Issue 2: GIM

The Complainant's equity comparable, located in the community of Fairview within market zone 8, contains 150 suites, constructed in 1961, and was assessed at a GIM of 11, lower than that of the subject property by a GIM of 2.

The Respondent's four assessment comparables are all located in the community of Bankview within market zone 2 and assessed a GIM of 11 (the same as the subject property).

The Respondent provided a GIM study containing the sales of two low-rise apartments located in the same market area as the subject property, with less than half the number of suites, and showing GIMs calculated using 2010 typical effective gross income and time adjusted sale prices of 16.51 and 16.45, versus an assessed GIM of 16.50.

Based on consideration of the foregoing evidence and argument, the Board finds that the comparables provided by the Respondent, are more similar to the subject property in location, number of units and year of construction than the Complainant's comparable; therefore, they support the assessed GIM of the subject property.

Summary

The only issues argued by the Complainant were to increase the assessed vacancy rate from 2% to 5% and lower the GIM from 13 to 11.

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. The Complainant provided a table containing one comparable, containing 150 units, not located in the same community as the subject property. The percent change in the assessment for the subject property was approximately -3.03%. Given the foregoing, on this basis alone it is difficult for the board to find that the assessment of the subject property should be reduced.

The Respondent's comparables supported the assessment of the subject property regarding vacancy rate and GIM. The low-rise comparable provided by Complainant is located in the same market zone, although it is in a different community, 6 years older, contained 136 more suites and was assessed at the same GIM and vacancy as the subject property. The CMHC report submitted by the Complainant did not provide any details for the Board to determine that the apartment vacancy rate rose uniformly across all apartment types. Finally, the low-rise comparable provided by the Complainant supports the assessed vacancy rate.

Therefore, in conclusion, the Board finds that 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: \$1,980,000.

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.*