

**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: 080105000

LOCATION ADDRESS: 536 - 20 Avenue SW

HEARING NUMBER: 57232

ASSESSMENT: \$1,490,000.

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 1965. This Cliff Bungalow located property contains a total of 10 suites consisting of 4 one bedroom suites and 6 two bedroom suites. The above grade suites have small balconies. The property has not been particularly well maintained and every suite reportedly requires extensive up-grades as do the exterior and the common areas. 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 to 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 rental rates utilized in preparation of the assessment.

Complainant's Requested Value:

\$370,000. Revised at the Hearing to **\$1,110,000**. (Exhibit C1 pg 3)

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

The Complainant introduced (Exhibit C1 pgs 4 - 18) a series of photographs of the subject property showing same to be in less than average condition and evidently suffering from deferred maintenance issues. The Complainant further explained that the property had suites that are considered to be smaller than average and presented (Exhibit C1 pgs 19 - 20) a Rent Analysis which verifies same. Additionally, the Complainant introduced (Exhibit C1 pgs 23 - 26) the Assessment Request For Information (ARFI) for the subject property which clearly shows the subject is not achieving the typical rents input by the Assessor in preparation of the assessment for the property. The Complainant also introduced (Exhibit C1 pgs 27 - 70) several examples of competing properties that are offering larger suites for rents that are similar to or lower than those input by the Assessor.

The Respondent, upon questioning the Complainant's evidence, conceded to the CARB that the rents input for estimating the assessed value of the subject property do appear high and unrealistic and that it would be unlikely that this property would be able to achieve same given the suite sizes and the overall condition of the property.

The CARB is appreciative of the honesty and integrity of the Assessor and the forthright manner in how an apparent error in the assessment was recognized and accepted.

Board's Decision:

The assessment is reduced to: **\$1,110,000.**

DATED AT THE CITY OF CALGARY THIS 4 DAY OF November 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.*