

**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: 058031600**

**LOCATION ADDRESS: 707 3 Avenue N.W.**

**HEARING NUMBER: 59928**

**ASSESSMENT: 1,200,000**

This complaint was heard on the 28<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 Lawrence David and Sheila Grayston  
c/o NewWest Enterprises Property Group

Appeared on behalf of the Respondent:

- J. Toogood, 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, 6 suite lowrise apartment building, built in 1979, and located in the Sunnyside (SSD) community within market zone 3. The assessment is \$1,200,000.

**Issues:**

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

**Complainant's Requested Value:** \$1,080,000.

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

**Issue 1: Vacancy Rate**

The Complainant provided a table containing six equity comparables, four high rise and two lowrise comparables. One lowrise comparable located in market zone 3 in a different community than the subject property and the other in market zone 2 were assessed vacancy rates of 2% and 1%, respectively. Whereas, the two highrise comparables located in market zone 3 were assessed a vacancy rate of 5%, and two other highrise comparables located in market zone 2 were assessed at 1% vacancy.

The Complainant submitted a CMHC Rental Market Report for Fall 2009 showing changes in the vacancy rate from October 2008 to October 2009 as follows: the total apartment vacancy rate from 2.1% to 5.3%; from 1.6% to 5.6% for zone 3, in which the subject property is located; for buildings constructed from 1975 to 1989 from 2.3% to 5.5%; and, for apartment buildings with 6 to 19 units from 1.9 to 5.2%. The Board notes that the change in vacancy rates includes lowrise and highrise apartment buildings.

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 three assessment comparables, all located within market zone 3, ranging from 14 years older to 1 year newer than the subject property, with 2 fewer to 2 more suites, all assessed at a vacancy of 2.00% (the same as the subject property).

The Respondent submitted an Assessment Request for Information for the subject property showing an potential gross income (PGI) equal to the effective gross income (EGI) or \$80,631.18; whereas, the assessed PGI AND EGI is \$87,000 and \$85,848, respectively.

The Respondent referenced Calgary Assessment review Board decision ARB 0536/2010-P, regarding the vacancy rate for a low-rise apartment building located in the Beltline community

Based on its consideration of the foregoing evidence and argument, the Board finds that the CMHC report does not provide the Board with information regarding the vacancy rates for lowrise apartments; whereas, the Respondent's assessment comparables and the Complainant's lowrise comparables both support the assessed vacancy rate of 2%.

## **Issue 2: GIM**

Of the Complainant's six equity comparables, five are located in market zone 2, containing from 16 to 38 suites, constructed from 1962 to 1980. All were assessed a GIM of 13, lower than that of the subject property by a GIM of 1.

The Respondent's three assessment comparables, as described above, are all assessed at a GIM of 14 (the same as the subject property).

Based on its 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 comparables; therefore, they better support the assessed GIM of the subject property.

## **Summary**

The only issues argued by the Complainant were to increase the assessed vacancy rate from .97 or 3% to .95 or 5%, and decrease the GIM from 20 to 13.

The Board finds that the Calgary Assessment Review Board decision ARB WR0083/2010-P referenced by the Complainant, regarding the lowering of an assessment for a single family property, merits little weight given the decision was based, in part, on the change in assessment of the Respondent's comparables in the same community. However, the Complainant provided a table containing four highrise and two lowrise comparables, containing from 16 to 38 units, not located in the same community as the subject property. The percent change in the assessment for the subject property was approximately -2.43%, versus from -6% to -20% for the comparables. 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 provided a table containing the sales of two assessment comparables. Both located in different communities within market zone 3, with 2 more suites and ten years older and one year newer, and showing a time adjustment of -1% for a 24 month period. However, in the hearing the Respondent confirmed the time adjusted sale price should be -1% per month for 23 and 24 months respectively resulting in time adjusted sales prices of \$981,750 and \$1,004,000, and assessment to sale ratios of 1.31 and 1.32.

The Complainant's comparables supports the assessment of the subject property regarding vacancy rate. 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 highrise and lowrise apartment buildings.

The Respondent's assessment comparables supports the assessed vacancy rate of 2% and assessed GIM of 14. However, the Respondent's sales comparables support an over assessment of the subject property by approximately 30%.

In conclusion, the Board therefore finds, based on the sales comparables provided, that subject property appears to have been assessed unfairly,

**Board's Decision:**

For the reasons set forth above, the assessment of the subject property is hereby reduced as follows: \$840,000.

DATED AT THE CITY OF CALGARY THIS 9 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.*