

**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: 080103500

LOCATION ADDRESS: 515 - 19 Avenue SW

HEARING NUMBER: 58685

ASSESSMENT: \$2,740,000.

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 1963. This Cliff Bungalow located property contains a total of 16 suites consisting of 2 bachelor suites and 14 one bedroom suites. The above grade suites have small 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 the applied Gross Income Multiplier (GIM) utilized in preparation of the assessment.

Complainant's Requested Value:

\$690,000. Revised at the Hearing to **\$2,100,000**. (Exhibit C1 cover)

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

The single issue brought forward by the Complainant is the applied GIM utilized by the Assessor in the preparation of the assessment of the subject property and the Complainant contends that the single sale used by the Assessor to verify the said GIM has been misinterpreted as the sale, involving a property located at 515A – 23 Avenue SW, had been sold for condominium conversion purposes with no consideration having been given to the income stream. In their Rebuttal evidence (Exhibit C2 – pg 6) the Complainant provided evidence to support this contention.

The Respondent's representative, who was personally responsible for the preparation of Exhibit R1, upon reviewing the information provided by the Complainant, agreed that the sale had indeed been misinterpreted and that being the only sale used to verify the applied GIM, conceded that the assessment erroneous as a result.

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

Board's Decision:

The assessment is reduced to: **\$2,100,000.**

DATED AT THE CITY OF CALGARY THIS 1 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.*