

**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: 081082703

LOCATION ADDRESS: 1832 27 Avenue S.W.

HEARING NUMBER: 59208

ASSESSMENT: 1,080,000

This complaint was heard on the 29th 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 Lemonade Capital Corp.
c/o Mainstreet Equity Corp.

Appeared on behalf of the Respondent:

- M. Ryan, 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 2.5 story, 9 suite lowrise apartment building, built in 1955, and located in the South Calgary (SOC) community within market zone 4. The assessment is \$1,080,000.

Issues:

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

Complainant's Requested Value: \$880,000.

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

Issue 1: Vacancy Rate

The Complainant provided a table containing six equity comparables as follows: two lowrise comparables, one located in market zone 3 in a different community than the subject property, assessed vacancy rates of 2% and 1%, respectively; two highrise comparables located in market zone 3 assessed a vacancy rate of 5%; and, two highrise comparables located in market zone 2 assessed at 1% vacancy.

The Complainant submitted a CMHC Rental Market Report for Fall 2009, showing changes in vacancy rates from October 2008 to October 2009 as follows: total apartment vacancy rate from 2.1% to 5.3%; from 2.6% to 3.2% for zone 4, in which the subject property is located; and total for 6 to 19 units from 1.9% to 5.2%. The Board notes that the change in vacancy rates reported by CMHC does not distinguish between highrise and lowrise type apartments.

The Respondent provided a table containing four assessment comparables, all located with the same community of South Calgary within market zone 4, from 2 years newer to 4 years older, with from 1 to 3 fewer suites, and all assessed at a vacancy of 2.00% (the same as the subject property).

The Respondent referenced Calgary Assessment review Board ARB 0536/2110-P, regarding the vacancy rate for a low-rise apartment building located in the Beltline community

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

Issue 2: GIM

The Complainant's equity comparables, five located in market zone 2, containing from 16 to 38 suites, constructed from 1962 to 1980, all assessed a GIM of 13, lower than that of the subject property by a GIM of 0.5.

The Respondent's two assessment comparables, as described above, are all assessed at a GIM of 15.5 (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 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 .98 or 2% to .95 or 5%, and decrease the GIM from 15.5 to 13.

The Board finds that the Calgary Assessment Review Board ARB WR0083/2010-P 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 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 -6.20%, 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 more or less.

The Respondent's assessment comparables were also sales comparables, including the subject property, dated November 22, 2006, and January 16, 2008 and September 13, 2007 for the two newer sales and January 31, 2002 and September 15, 1999 for the two older sales. In the hearing the Assessment to sales ratio for the two newer sales was given as 1.04 and 1.19, respectively.

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 apartment types.

The Respondent's assessment comparables, in equity, supports the assessed vacancy rate of 2% and assessed GIM of 15.5.

In conclusion, the Board therefore finds based on its consideration of the evidence and argument provided, that subject property appears to have been assessed equitably.

Board's Decision:

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: \$1,080,000.

DATED AT THE CITY OF CALGARY THIS 8 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.*