

**CALGARY
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:

Linnell Taylor & Associates, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Sadlowski, PRESIDING OFFICER

I. Zacharopolis, MEMBER

A. Wong, MEMBER

This is a complaint to the Calgary Assessment Review Board in respect of a Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	200418929
LOCATION ADDRESS:	4825 MOUNT ROYAL GATE SW
HEARING NUMBER:	56606
ASSESSMENT:	\$37,020,000

This complaint was heard on 20th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *D. Sheridan* (Linnell Taylor & Associates, Agent)
- *S. Fitterer* (Mount Royal University)

Appeared on behalf of the Respondent:

- *E. Currie*
- *K. Cody*

Property Description:

The property is located on the campus of Mount Royal University. It is known as the West Residence and contains a total of 169 townhouses and apartment units in nine separate buildings. All of the townhouses are 4 bedroom units and the apartments are 1, 2 or 4 bedroom units. Individual rooms are leased to individual students on a 4 or 8 month basis. The units include all utilities, cable TV, telephones, internet and all are fully furnished. Resident advisors are available to students.

Issues:

1. Is the applied vacancy rate too low?
2. Are the applied typical rents too high?

Complainant's Position:

This property is typical of many residence facilities in other post secondary institutions, but it is atypical relative to the off campus market. The University attempts to utilize the facility during the summer break for conferences and other such activities, but is not highly successful because it is situated further away from the downtown and away from the LRT system.

The assessment on the subject has been calculated using an off-campus multi-residential model. Individual rooms are rented to individual students at the following rates:

1 Bedroom	\$799.50 per student / per month
2 Bedroom	\$617.75 per student / per month
4 Bedroom	\$573.75 per student / per month

The above are gross rental rates because they include the amenity package which is valued at \$255.38 per room per month.

The applied vacancy rate was 15% which is higher than the off-campus rate, but the actual vacancy is approximately 30%. The GIM that was used is 10.5 but that is not under appeal.

Respondent's Position:

The Respondent submitted a ARFI that had been supplied by MRU. This AFRI was based on budgeted rather than actual costs. The Respondent also provided 2 equity comparables. The City applied a 5% vacancy rate to these comparables and a GIM of 11.5. The subject is assessed with a vacancy rate of 15% and a GIM to 10.5. A GIM study was also provided. That study involved 7 sales and the GIM's ranged from 11.75 to 16.23.

Board's Decision:

The decision of the Board is to reduce the 2010 assessment for the subject from \$37,020,000 to \$30,490,000.

Reasons:

1. The subject is a student residence and as such the Board was persuaded that it is not a typical rental property. It is not comparable to other rental properties in the market place. It does not compete in the regular market place.
2. The Board was persuaded that because of the atypical nature of the property, it is more appropriate to use actual vacancy rates and actual gross rental rates rather than typical rates.
3. The Board placed little weight on the value of the amenities. The figure of \$255.38 was presented but was not sustainable.
4. Based on the evidence and argument presented, the Board is of the opinion that the reduced assessment is fair and equitable.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF NOVEMBER 2010.


T. Sadlowski
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.*