

**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:

<b>ROLL NUMBER:</b>	<b>043000322</b>
<b>LOCATION ADDRESS:</b>	<b>2500 UNIVERSITY DR NW</b>
<b>HEARING NUMBER:</b>	<b>56203</b>
<b>ASSESSMENT:</b>	<b>\$26,640,000</b>

This complaint was heard on 21<sup>st</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 11.

Appeared on behalf of the Complainant:

- *D. Sheridan, Linnell Taylor & Associates, Agent*

Appeared on behalf of the Respondent:

- *J. Toogood, City of Calgary, Assessor*
- *K. Cody, City of Calgary, Assessor*

### **Property Description:**

The subject property is a 5 storey reinforced concrete frame single student residence. It is a free standing structure located on campus and it has self contained units. It has no standalone HVAC system and it is connected to other buildings with a tunnel system. The property is in good condition, and is comprised of 11 bachelor units, 14 two bedroom units and 79 four bedroom units. It was built in 1999 and is known as Cascade Hall. Individual bedrooms are rented to individual students and the rent includes fully furnished units, utilities, cable television, internet, telephone, a Residence Life program and common area housekeeping.

### **Issues:**

1. Is the Income Approach the best approach to valuing the subject property?
2. Do the on-campus rents accurately represent the market?
3. Does the cost approach produce a fair and equitable value for the subject property?

### **Complainant's Position:**

The Complainant indicated that the subject property is atypical and exhibits a 33% vacancy rate. This rate is a result of the units having only an 8 month occupancy (typically September to April). During the non-regular University scheduling period (May to August) efforts are made to rent the space to conference attendees.

The subject has some sewer line problems. Settlement in the soil beneath the buildings results in breakage in the sewer lines. Regular monitoring of sections of the sewer lines take place.

The actual market rents for the subject are:

Unit Type	Number of Units	Actual Rent / per Month
Bachelor	11	\$750.00
2 Bedroom	14	\$1280.00
4 bedroom	79	\$2380.00

**Respondent's Position:**

The Respondent provided a cost approach summary. It described the land use as Special Purpose – Community Institution. The Respondent also provided a copy of Board Order: MGB 036/09 to justify the use of the Cost Approach.

**Board's Decision:**

The decision of the Board is to confirm the 2010 assessment at \$26,640,000.00

**Reasons:**

1. The subject property is a special purpose community institution. Like other dormitory facilities at the University of Calgary, the subject is assessed on the Cost Approach.
2. The Complainant argued for the use of Income Approach. The Board was not persuaded that the Income Approach is the most appropriate method to be used. The subject is a mandated property designed to provide accommodations for the students enrolled at UofC.
3. The Board reviewed Board Order: MGB 063/09 which was presented by the Respondent. The Board recognized that the atypical nature of the properties like the subject support the Cost Approach to value.
4. The Board was persuaded that the Cost Approach was the best approach to establish value for the subject.
5. The Complainant provided insufficient information to persuade the Board that the Income Approach could be used to establish a lower value.
6. The Board is persuaded that the 2010 assessment of the subject property is fair and equitable.

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

  
T. Sadlewski  
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.*