

**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>080009202</b>
<b>LOCATION ADDRESS:</b>	<b>1039 17 Av SW</b>
<b>HEARING NUMBER:</b>	<b>56552</b>
<b>ASSESSMENT:</b>	<b>\$11,360,000</b>

This complaint was heard on the 21<sup>st</sup> day of October, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- *David Sheridan*      *Agent, Linnell Taylor & Associates*

Appeared on behalf of the Respondent:

- *J. Toogood*      *Assessor, The City of Calgary*

### **Property Description:**

The subject is located in Zone 2 – Beltline and is known as Sovereign Heights Apartments. It was built in 1968 and is a mixed use residential/commercial building. It has eight stories with retail occupancies on the main floor, office occupancies on the second floor, five floors of apartments (exclusively one bedroom), and offices on the eighth floor. The basement level extends partially under the building footplate. The basement level includes a leasing office, a laundry room and storage areas.

### **Issues:**

Is the 2010 assessment of the subject property inequitable with other similar properties and in excess of market value?

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

The subject is assessed at a monthly rent rate of \$975. The rent rolls indicates that the average rent as at July 2009 was \$865 per month. The vacancy rate that was applied is 5%. The actual vacancy was 3.64%. The main floor retail is assessed at \$275 per square foot. The upper office space is assessed at \$200 per square foot, and the basement space is assessed at \$100 per square foot. Neither of these two latter spaces is under appeal. The Complainant is requesting that the overall assessment be reduced to \$10,260,000.

### **Respondent's Position:**

The Respondent submitted four comparables. They were all in Market Zone 2 and all were reasonably close in age to the subject. All were assessed at an applied vacancy of 5% and a Gross Income Multiplier (GIM) of 13.0. They varied in assessment per suite from \$113,761 to \$170,430. The subject was assessed at \$144,495, which falls into the range for the comparables. The comparables' number of suites ranged from 97 to 202. The commercial components of the comparables were all assessed at \$275 per square foot.

**Board's Decision:**

The decision of the Board is to reduce the 2010 assessment of the subject from \$11,360,000 to \$10,260,000.

**Reasons:**

1. The assessment rental rate applied by The City of Calgary is \$975 per month. An ARFI provided by the owner as at July 2009 showed that the average rent was \$865 per month. The Board was persuaded that the subject is an atypical structure that under achieves in its actual rental rates. A CMHC Rental Month Report shows that the October, 2008 rental rates in Zone 2- Beltline were \$947 per unit per month and those in October, 2009 were \$903. This shows a downward trend and supported the Complaint's actions that the subject is atypical and unable to achieve the assessment rental rate per month. The Board applied the actually rental rate to the subjects residential compound.
2. The retail bay in the subject is assessed at \$275 per square foot. The Complainants comparables, Ambassador on 17<sup>th</sup>, is assessed at \$188 per square foot for the retail space. Both properties are located in the Zone 1- Beltline. The Board was persuaded that \$275 per square foot was not equitable and hence reduces the rate per square foot to \$188 per sq foot.
3. The Board is persuaded that the reduced assessment is fair and equitable.

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

  
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T. Sadiowski  
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.*