

**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:

ALFRED MAURICE BEATTY, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

R. Mowbrey, PRESIDING OFFICER

I. Zacharopoulos, MEMBER

A. Wong, MEMBER

This is a complaint to the Calgary 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: 080004302

LOCATION ADDRESS: 807 ROYAL AV SW

HEARING NUMBER: 56584

ASSESSMENT: \$4,440,000

This complaint was heard on the 4th day of November, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- M. Uhryn Agent Colliers International Realty Advisors Inc.

Appeared on behalf of the Respondent:

- A. Cornick Assessor City of Calgary

Board's Decision in Respect of Procedural or Jurisdictional Matters:

Upon questioning by the Presiding Officer, the parties present indicated they had no objection to the composition of the Board.

In addition, the Board could not see any circumstances that might raise an apprehension of bias.

Under a preliminary issue, the Respondent stated that the agent authorization had not been disclosed by the Complainant. The Complainant advised the Board that the agent authorization had been sent. The Board recessed the hearing for a short period of time, so both parties could determine if the agent authorization had been sent by the Complainant to the City. After a short recess, the Complainant was able to prove on a generic smart phone, that the agent authorization had been sent to the City. The Respondent agreed after reviewing the generic smart phone and the hearing continued.

During the course of the hearing, the Complainant argued the subject property's number of suites was 27, which was really 28. Suite number 30 draws no income and there was agreement that the number of suites was 28.

Property Description:

The subject property is a 28 suite low-rise apartment building located in the Upper Mount Royal community. The subject property is 2.5 stories and the bottom level suites are half below grade. In addition, there are no balconies and the suites are generally smaller. The assessment is for \$4,440,000.

Issues:

What is the market value of the subject property?

Complainant's Requested Value:

The Complainant's requested value is \$3,160,000.

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

What is the market value of the subject property?

The complainant provided evidence to the Board detailing the assessment request for information. (ARFI). The information showed that potential gross income was dropping the last few years, from \$254,740 in 2008, \$243,750 in 2009 and \$232,560 in 2010. (Exhibit C-1 pages 10/11).

The Complainant provided a chart on multi-residential sales from July 2007 to June 2009. (Exhibit C-1 page 38/39). From these sales, the Complainant selected a number of comparables that would compare to the subject property. These 13 selected produced an average sale price gross income multiplier of 13.02 and a median gross income multiplier of 13.00. When the Complainant utilizes a GIM of 13.00, a vacancy rate of 5% with a potential gross income of \$256,500 this produces an assessment of \$3,160,000 or \$117,325 per suite. (Exhibit C-1 page 102).

The Complainant provided five equity comparables utilizing equity comparable of a GIM of 13.00, typical rent of \$625 for a bachelor suite and \$800 for a one-bedroom suite. This produced an assessment per suite range of \$120,075 to \$130,000.

The Respondent provided market sales analysis, typical of the subject property, but the subject property has a greater number of suites. The time adjustment sale price per suite ranged from \$160,000 to \$201,203. The assessment sales ratios were 79%, 86% and 97% respectively showing that sales were higher than their assessments. (Exhibit C-1 page 19).

The Respondent provided the Board with an equity chart detailing comparables with the subject property. The assessment per suite ranged from \$125,244 to \$173,438 compared with the subject property at \$142,018. (Exhibit C-1 page 31).

The Respondent noted the Complainant had provided no supporting documentation to support the Complainant's 5% vacancy used in the calculations.

The Board did not find the market evidence from either party very convincing. The Board notes there are distinct differences of multi-residential markets.

The Board notes the Complainant accepts different rents for his purported comparables and therefore they operate in a different market and therefore they are not comparable for GIM comparison purposes. GIM's are based on location and building quality and the rents are often reflective of the location and quality.

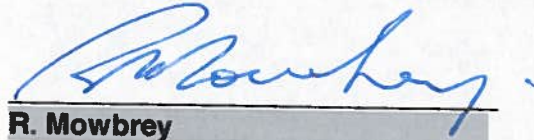
The Complainant based the argument on 27 suites and the actual number of suites is 28. The one suite draws no income, but should have an imputed income attached to the suite, thus making the potential gross income somewhat higher.

In addition, the Complainant utilizes a vacancy rate of 5% which is not supported with any sufficient data. When using a subjective 5% vacancy rate against typical rents etc. this would distort the GIM.

Board's Decision:

The decision of the Board is to confirm the 2010 assessment of \$4,440,000.

DATED AT THE CITY OF CALGARY THIS 10th DAY OF NOVEMBER 2010.



R. Mowbrey
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.*

Exhibits:

C-1 Complainant's evidence (103 pages).

R-1 Respondent's evidence (48 pages).