

**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-26.1, Section 460(4).

between:

Assessment Advisory Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

S. Barry, PRESIDING OFFICER

R. Glenn, MEMBER

R. Roy, MEMBER

This is a complaint to the Calgary Composite Assessment Review Board (CARB) 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: 080119803

LOCATION ADDRESS: 1735 College LN S.W., Calgary, Alberta

HEARING NUMBER: 57939

ASSESSMENT: \$2,040,000

This complaint was heard on the 16th 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:

- *T. Howell, Assessment Advisory Group*

Appeared on behalf of the Respondent:

- *P. Ohlinger, City of Calgary*

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

There were no Procedural or Jurisdictional matters before the Board.

Property Description:

The property is a converted single family home, known as the Pearl Apartment, constructed in 1950 which contains 7 rental suites. It is located in the Lower Mount Royal neighbourhood within the City's Market Area 2 Zone.

Issues:

The Complaint Form lists two major issues: that the assessment is incorrect and inequitable. Each issue outlines four sub-issues which included, specifically, vacancy rates and GIM. At the time of the hearing the Complainant advised that the issue was the method of assessment and that the property should be assessed using the income approach, rather than the City's valuation based on land only using its highest and best use.

Complainant's Requested Value:

The requested amount on the Complaint form was \$1,800,000. The Complainant's Brief revised this to \$1,100,000.

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

The Complainant argues that this is a rental property comparable with other small properties in Altadore and Elboya which, although not residential conversions, are small properties with six and five suites respectively. The age of those buildings is 1964 and 1957. The Complainant was unable to demonstrate the rental stream for the property under complaint, instead assigning rental values in his chart from typical rents in Lower Mount Royal. These same typical rents were also applied to the two comparables in the chart. These typical rents do not reflect the rental rates used by the City in their assessment of the Complainant's comparables and the GIMs are likewise different from that used in the Complainant's analysis. The 2010 assessments for the comparables are considerably less than the assessments calculated by the Complainant for them. These properties had sales in 2008 and the sales prices were time adjusted in accordance with the City's formula. The GIM used

by the Complainant in arriving at the requested assessment is 17.

In addition to the comments on the rental rates applied to the Complainant's comparables, the Respondent advised that it is the City's practice to value income generating properties on their highest and best use as vacant land when the income approach results in an assessment that falls below the land value. The Respondent provided equity comparables intended to support the assessed value of \$196 per square foot but was not able to address the land use classifications of these comparables or whether they are improved or vacant parcels.

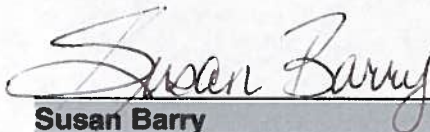
The Board has some sympathy for the Complainant's request for an assessment based on the income approach but cannot find that he has produced sufficient evidence as to rental rates or related analysis to support his requested assessment.

The Board is also not satisfied that the Respondent has supported its land rate but neither has the Complainant provided evidence to challenge it. The onus is on the Complainant and his complaint fails.

Board's Decision:

The 2010 assessment is confirmed at \$2,040,000.

DATED AT THE CITY OF CALGARY THIS 22nd DAY OF NOVEMBER 2010.



Susan Barry
Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB:

NO. ITEM

1. Complaint Form for Roll #: 080119803
2. Complainant's Assessment Brief
3. Respondent's Assessment Brief

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.*