

**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:

<b>ROLL NUMBER:</b>	<b>111096400</b>
<b>LOCATION ADDRESS:</b>	<b>820 67 Av S.W., Calgary, Alberta</b>
<b>HEARING NUMBER:</b>	<b>58532</b>
<b>ASSESSMENT:</b>	<b>\$10,500,000</b>

This complaint was heard on the 17th 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:

- *I. Pau, City of Calgary*
- *S. Poon, City of Calgary*

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

There were no Procedural or Jurisdictional issues before the Board.

**Property Description:**

The property is a four storey apartment built in 1969 containing 72 rental suites. It is situated in the Kingsland neighbourhood in Market Zone 8.

**Issues:**

The Complaint Form lists two major issues: that the assessment is incorrect and inequitable. Each issue outlines four sub-issues. At the time of the hearing the Complainant advised that the two issues under complaint are the vacancy rate and the market rents.

**Complainant's Requested Value:**

On the Complaint Form the requested assessment was \$8,000,000. This was revised in the Complainant's Brief to \$8,610,000.

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

The Complainant is requesting that a vacancy rate of four per cent be applied to the Potential Gross Income (PGI) as opposed to the two per cent used by the City. In support of this request the Complainant relied on, and rounded up, information in Canada Mortgage and Housing Corporation (CMHC) reports, specifically alluding to a vacancy rate spread in an unrelated Market Zone of 2.6 per cent to 3.2 per cent for the period October 2008 to October 2009 as well as another CMHC table that lists vacancy rates for the same period for apartments constructed within the time frame of the subject property. The range of rates in the latter is 2.0 per cent to 5.4 per cent. The Complainant did not have historical vacancy records from the subject property and did not conduct his own vacancy rate study.

The Respondent pointed out that while the CMHC reports are a valuable tool for some applications, the data is not specific to low rise apartments and includes both high and low rise buildings. The City, through its Assessment Request for Information (ARFI) process, canvasses a significant

number of rental properties and stratifies them as to type, market zone, year of construction, vacancy, rental rates and other factors. While the City typically achieves a 70 per cent response rate, no ARFI was received for this property relative to the assessment year.

While the Complainant presented information from a third party report that incorrectly identified the appropriate Market Zone, it is noted that the CMHC report shows a four per cent rate over the time range for the correct Zone. However, it is the time range that concerns the Board. There is no evidence presented by the Complainant to show the vacancy rates relative to the valuation date of July 1, 2009. The Board agrees with the Respondent that the CMHC reports cannot be relied on, alone, for assessment purposes having regard to the legislated requirements of the *Municipal Government Act*, RSA 2000 (MGA) and, specifically, ss.2 and 3 of *Matters Related to Assessment and Taxation Regulation* AR 220/2004 (M.R.A.T). These stipulate the requirement for a mass appraisal approach estimating property value as on July 1 of the assessment year. The Board finds that the Complainant has not met the burden of proof required to substantiate a change in the vacancy rate.

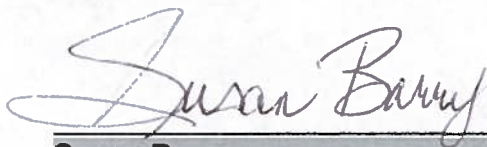
With respect to rental rates, the Complainant believes that the City's typical rates of \$1,100 for one bedroom and \$1,225 for two bedroom suites are excessive and should more appropriately be set at \$900 and \$1,100 respectively. Again, the Complainant relies on the incorrect Market Zone in the noted CMHC reports which produce rates, again, over the twelve month period of October 2008 to October 2009 of \$851 to \$873 for one bedroom units and \$1,080 to \$1,038 for two bedroom units. Rental rates in this chart show somewhat higher amounts relative to the year of construction,

Again, even referencing the correct Market Zone in the CMHC reports, the Board notes the same issue as regard to the time frame; it does not provide for rents relevant to the valuation date and the Board has the same position as articulated above with respect to vacancy information. The Complainant has not introduced a rent roll, or rental detail specific to the subject property. The Board finds that the Complainant has not met the burden of proof required to substantiate a change in the market rents.

**Board's Decision:**

The 2010 assessment is confirmed at \$10,500,000

DATED AT THE CITY OF CALGARY THIS 21<sup>st</sup> DAY OF November 2010.



**Susan Barry**  
Presiding Officer

**APPENDIX "A"**

**DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB:**

<b>NO.</b>	<b>ITEM</b>
1.	Complaint Form for Roll #: 111096400
2.	Complainant's Assessment Brief
3.	Respondent's Assessment Brief – this document was carried forward from file 58531

*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.*