

**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:**

***Altus Group Ltd, COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***E K Williams, PRESIDING OFFICER***

***K Kelly, MEMBER***

***D Cochrane, 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: 080025208**

**LOCATION ADDRESS: 1704 12 St SW**

**HEARING NUMBER: 59708**

**ASSESSMENT: \$3,030,000**

This complaint was heard on 18 day of November, 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:

- B Neeson

Appeared on behalf of the Respondent:

- E Currie

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

No Preliminary Matters were raised

**Property Description:**

The subject property is a Multi-Residential (MR0201 Fee Simple-Apartment-Lowrise) located in Southwest Calgary. A detail profile of the property is as follows:

**1704 – 12 St SW:** a 17 unit (2-bachelor, 13-1 bedroom and 2-2 bedroom) 2.5 storey walk up built in 1948 in the Community of Lower Mount Royal which is in Market Zone 2 and having a Potential Gross Income (PGI) of \$182,100.

**Issues:**

The Complainant advised that the assessments were inequitable and were unable to accept two of the coefficients utilized in the City of Calgary Valuation formula. The formula is as follows:

Potential Gross Income (PGI) x Vacancy x Gross Income Multiplier (GIM)

The two coefficients were the Vacancy and the Gross Income Multiplier (GIM) which should be adjusted as follows:

- Vacancy Rate should be increased from 2% to 5%
- GIM should be reduced from 17.0 to a GIM of 13.0

**Complainant's Requested Value:**

**\$2,240,000**

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

The Complainant and Respondent presented a wide range of evidence consisting of relevant and less relevant evidence. Both parties presented photographs of the property, a map to identify location, the City of Calgary Assessment 2010 Information Multi-Residential Detail Report. The Complainant also presented for the property the City of Calgary Assessment 2010 Assessment Summary Report. Neither party presented in evidence the 2009 City of Calgary Assessment Request for Information (ARFI). Further there was no disagreement with the reported Potential Gross Income for the subject properties.

**Vacancy Rate**

The Complainant's evidence was based on the Canada Mortgage Housing Corporation (CMHC) – Rental Market Report for the Fall 2009 (pages 52 to 82). The comparables emphasized by the Complainant were for Private Apartments and are reported in the following table:

Vacancy (unit vacant on reporting date)

<b>Comparable</b>	<b>October 2008</b>	<b>October 2009</b>
City Wide	2.1%	5.3%
Zone 2	2.0%	5.8%

Availability (unit occupied but notice to vacate has been given on reporting date)

<b>Comparable</b>	<b>October 2008</b>	<b>October 2009</b>
City Wide	3.9%	7.5%
Zone 2	3.9%	8.1%

On the presented evidence the Complainant argued that the market vacancy has increased from 2008 to 2009 and this must be recognized in the Valuation formula. Questions from the CARB determined that the CMHC data is a consolidation of high-rise and low-rise properties. No market evidence was presented which reported the vacancy for comparable low-rise properties in Calgary or for the comparable Market Zone. No evidence was presented in respect of the historical or current vacancy of the subject property. Further the ARFI for the subject property was not included in Complainant's evidence package.

The Respondent presented a table titled 2010 Assessment Comparables Residential Low Rises (pages 30 of the evidence package). This table prepared by the City of Calgary Assessment Department was based on the ARFI data provided to the City and reported the number and mix of unit types, the vacancy, the GIM, the Market Zone as well as assessment information. This data is subsequently stratified and analyzed by the City for use in the valuation formula. The data in the table on page 30 reported details on 4 comparables in Market Zone 2. Photos of each of the comparables were presented in the evidence. The comparables were constructed between 1957 and 1963, with between 12 to 16 units, and a unit type mix of 1 to 3 being bachelor units, and 9 to 15 units being one (1) bedroom units. The comparables were assigned a vacancy rate of 2.00%. Further the Respondent disputed the accuracy of the CMHC report, as it reports vacancy rates on a consolidated basis and not separated into high rise and low rise categories.

**Board Decision**

Based on the evidence presented the vacancy rate was confirmed as 2.00%.

**Gross Income Multiplier (GIM)**

The Complainant's evidence was presented in 2 sections:

- Multi-Res Equity Market Zone 2 (pages 19-39) which included a profile of 9 low rise buildings (pages 20-26) and 12 high rise buildings (pages 27-39). The data was presented in two separate tables; low rise (up to 40 units) comparables on page 20 and high rise (40 plus units) comparables on page 27. The profile of each property included information on the municipal address, community, assessment, year of construction, number of units, rental rates, vacancy and the 2010 GIM. A review of the 21 comparables determined that 5 properties had 24 units or less and the reported GIM was 13.0 and 13.5.
- City Multi-res Sales presented the municipal address, sale registration date and sale price for 43 multi-residential transactions for the period 2008 and 2009. No analysis was completed to show the GIM for the subject properties.

The Complaint argued that the evidence presented supported the requested reduction in the GIM to 13.0.

The Respondent's evidence presented a table (page 30 of the evidence package) titled 2010 Assessment Comparables Residential Low Rises which is prepared by the City of Calgary Assessment Department and based on the ARFI data provided to the City. The table reported details on 4 comparables in Market Zone 2 and included the number and mix of unit types, the vacancy, the GIM, the Market Zone as well as assessment information. The comparables were constructed between 1957 and 1963, with between 12 to 16 units, and a unit type mix of 1 to 3 units being bachelor units and 9 to 15 units being one (1) bedroom units. The comparables were assigned a GIM of 17.0.


**Board Decision**

Based on the evidence presented the Gross Income Multiplier (GIM) was confirmed as 17.0.

**Board's Decision:**

Assessment confirmed as \$3,030,000.

DATED AT THE CITY OF CALGARY THIS 17 DAY OF DECEMBER 2010.



**Earl K Williams**  
**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.*