

**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:

<b>ROLL NUMBER</b>	<b>LOCATION ADDRESS</b>	<b>HEARING NUMBER</b>	<b>ASSESSMENT</b>
103055604	2111 – 54 Ave SW	59484	\$2,400,000
103055703	2107 – 54 Ave SW	59485	\$2,350,000

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 two (2) subject properties are Multi-Residential (MR0201 Fee Simple-Apartment-Lowrise) located in Southwest Calgary. A profile for each property is as follows:

**2111 – 54 Ave SW:** a 12 unit (12-2 bedroom) 2.5 storey walk up built in 1961 in the Community of North Glenmore Park which is in Market Zone 4 and having a Potential Gross Income (PGI) of \$158,400.

**2107 – 54 Ave SW:** a 12 unit (1-1 bedroom and 11-2 bedroom) 2.5 storey walk up built in 1961 in the Community of North Glenmore Park which is in Market Zone 4 and having a Potential Gross Income (PGI) of \$154,980.

**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 unacceptable to the Complainant were the Vacancy and the Gross Income Multiplier (GIM) which should be adjusted as follows:

- The Vacancy Rate should be increased from 2% to 5%.
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- The GIM should be reduced from 15.5 to a GIM of 13.0; and

**Complainant's Requested Value: \$**

The following table presents the requested value:

ROLL NUMBER	LOCATION ADDRESS	REQUESTED VALUE
103055604	2111 – 54 Ave SW	\$1,950,000
103055703	2107 – 54 Ave SW	\$1,910,000

**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 each property the City of Calgary Assessment 2010 Assessment Summary Report. The Respondent presented in evidence the 2009 City of Calgary Assessment Request for Information (ARFI) and the December 2008 Statement of Income for each of the subject properties. 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)

Comparable	October 2008	October 2009
City Wide	2.1%	5.3%
Zone 4	2.6%	3.2%

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

Comparable	October 2008	October 2009
City Wide	3.9%	7.5%
Zone 4	4.1%	6.3%

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. The Complainant presented no evidence 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 28 and 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 of units, mix of unit types, the vacancy, the GIM, the Market Zone as well as assessment information. The table on page 28 reported details on 1 comparable in Zone 4. A photo of the comparable was presented on page 29. The comparable was constructed in 1955, contained 6 two (2) bedroom units. This comparable was assigned a vacancy rate of 2.00%. 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 for the City of Calgary or by Market Zone.

**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, unit type and mix, rental rates, vacancy and the 2010 GIM. A review of the 21 comparables determined that 5 of the reported 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 of the data to support the requested 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 (pages 35 -45) was based on 3 transactions located in Zone 4 and supported by the RealNet Canada Inc Transaction Summary pages. The analysis presented in a table titled 2010 Low Rise GIM Study (page 35) was for 2 six (6) unit properties that were January and April 2008 transactions. The analysis in the table reported a Time Adjusted GIM of 15.50.

**Board Decision**

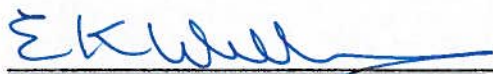
Based on the evidence presented the Gross Income Multiplier (GIM) was confirmed as 15.50.

**Board's Decision:**

Assessment confirmed as outlined in the following table:

ROLL NUMBER	LOCATION ADDRESS	HEARING NUMBER	ASSESSMENT
103055604	2111 – 54 Ave SW	59484	\$2,400,000
103055703	2107 – 54 Ave SW	59485	\$2,350,000

DATED AT THE CITY OF CALGARY THIS 16 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.*