

**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: 064070808**

**LOCATION ADDRESS: 937 37 St SW**

**HEARING NUMBER: 59944**

**ASSESSMENT: \$1,850,000**

This complaint was heard on 19 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:

**937 – 37 St SW:** a 18 unit (13-1 bedroom and 5-2 bedroom) 2.5 storey walk up built in 1968 in the Community of Rosscarrock which is in Market Zone 4, with a Potential Gross Income (PGI) of \$172,500.

**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%.
- The GIM should be reduced from 11.0 to a GIM of 10.5; and

**Complainant's Requested Value:**

**\$1,720,000**

**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. The Respondent presented in evidence the 2009 City of Calgary Assessment Request for Information (ARFI) and the December 2008 Statement of Income for the subject property. There was no disagreement with the reported Potential Gross Income for the subject property.

**Vacancy Rate**

The Complainant's evidence and argument was based on the

- Boardwalk City-Wide (page 19) which reported the vacancy on a monthly basis for the years 2006 through 2009. The Complainant focused on the July vacancy which in 2009 was 4.79% up from 3.27% in 2008.
- Canada Mortgage Housing Corporation (CMHC) – Rental Market Report for the Fall 2009 (pages 72 to 102). 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%

Based 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 Boardwalk City-Wide report is based on the Boardwalk portfolio in Calgary and the CMHC data is a consolidation of high-rise and low-rise properties.

The evidence provided by the Complainant showed that there has been an increase in vacancy between July 2008 and July 2009. However no evidence was presented which reported the vacancy for comparable low-rise properties in Calgary or the comparable Market Zone. In respect of the subject property the Complainant presented no evidence of the historical or current vacancy of the subject property as well the ARFI for the subject property was not included in the Complainant's evidence package.

The Respondent's evidence and argument was based on:

- a Table titled 2010 Assessment Comparables Residential Low Rises (page 25 of the evidence package) which is prepared by the City of Calgary Assessment Department based on the ARFI data provided to the City. The table reported the number and mix of unit types, the vacancy, the GIM, the Market Zone as well as assessment information. The data in the table reported details on 3 comparables in Market Zone 4. The comparables were constructed in 1965 and 1968, with between 8 to 18 units, a unit type mix of 6 to 13 units being one (1) bedroom units, 3 to 5 units being two (2) bedroom units. The best comparable was a property at 929 37 St SW which was constructed in the same year as the subject with the identical number of units and unit mix as the subject property. All the comparables were assigned a vacancy rate of 2.00%.
- Canada Mortgage Housing Corporation (CMHC) – Rental Market Highlights for the Spring 2010 (pages 35 to 42). The Spring 2010 report included a Table title Rental Market Indicators (page 37 and 38) for Privately Initiated Apartment Structures of three units and more. Information extracted from the report for Calgary shows that as of April 2010 both vacancy and availability have increased over April 2009. The CMHC data present is on a City wide basis and is not reflective of Market Zones or lowrise properties.

**Board Decision**

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

**Gross Income Multiplier (GIM)**

The Complainant's evidence was comprised of transaction details for 3 multi-res sales (pages 51 to 64) in 3 quadrants of Calgary. Specifically; a high rise in the Southwest quadrant, a walkup low rise in the Southeast quadrant and a walkup low rise in Northeast quadrant. Details on the total sale price and sale price per unit was included in the table. The Complaint argued that the evidence presented supported the requested reduction in the GIM to 10.5.

The Respondent's evidence (page 24) was presented in a table titled 2010 Low Rise GIM Study and reported the particulars for a October 2007 sales transaction of a 11 unit (1- bachelor unit and 10 – 1 bedroom unit) property located in the Rossbarrock community in Market Zone 4. The details were not supported by an independent transaction summary page. The analysis in the table reported a Time Adjusted GIM of 11.00.

**Board Decision**

Based on the evidence presented the Gross Income Multiplier (GIM) was confirmed as 11.00.

**Board's Decision:**

Assessment confirmed at \$1,850,000.

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.*