

**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:**

***Colliers International Realty Advisors, COMPLAINANT***

**and**

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

**before:**

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

***K. Kelly, MEMBER***

***R. 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: 111000659**

**LOCATION ADDRESS: 525 75 Ave SW**

**HEARING NUMBER: 57245**

**ASSESSMENT: \$21,400,000**

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:

- M. Uhryn

Appeared on behalf of the Respondent:

- D. Desjardins

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

No Preliminary Matters were raised

**Property Description:**

The subject property located at 525 75 Ave SW (Coventry Place), is a Multi-Residential (MR0301 Fee Simple-Apartment-Highrise), was constructed in 1972 and is located in the Southwest Calgary community of Kingsland which is Market Zone 8 (Chinook). The subject property is comprised of 2 buildings a 14 storey concrete high rise comprised of 112 units and a 2 storey wood frame townhouse complex of 17 units. The type of units in the subject property is as follows:

<u>Highrise</u>	<u>Townhouse</u>
1 bedroom unit 56	3 bedroom units 17
2 bedroom unit 55	
3 bedroom unit 1	

**Issues:**

The Complainant contends that the assessment was inequitable and was unable to accept the unit monthly rental rates utilized to determine the Potential Gross Income (PGI) which is a variable in the City of Calgary Valuation formula. The Complainant accepted the vacancy rate and the Gross Income Multiplier (GIM). The formula is as follows:

$$\text{Potential Gross Income (PGI)} \times \text{Vacancy} \times \text{Gross Income Multiplier (GIM)}$$

Specifically the unit monthly rental rates should be reduced as follows:

- 1 bedroom from \$1,025 to \$950
- 2 bedroom from \$1,450 to \$1,175
- 3 bedroom from \$1,450 to \$1,225

**Complainant's Requested Value:**

**\$18,330,000**

**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 Respondent presented as evidence the information submitted for the property in response to April 2009 Assessment Request for Information (ARFI) and the December 2008 Statement of Income for the subject property.

#### Rental Rate

The Complainant's evidence package included a table of the 2009 median monthly rental rate by unit type (page 16) as well as the Fall 2009 Canada Mortgage and Housing Corporation (CMHC) Calgary Rental Market Survey (pages 141 – 149). The following table presents the rental rate by unit type:

**Monthly Rental Rate by Unit Type**

Unit Type	Assessment	CMHC Fall 2009 (Zone 8)	Subject July 2009
1 bedroom	\$1025	\$920	\$950
2 bedroom	\$1450	\$1115	\$1175
3 bedroom	\$1450	\$1480	\$1225

The Complainant argued that the CMHC data for Market Zone 8 shows that the monthly rental rate by unit type is lower than the assessed monthly rental rate and is reflective of the subject property. As further support the Complainant argued that the current listing for three residential high rise properties (page 163-165) in the Beltline (Market Zone 2) have based the listing performance on unit rental rates similar to CMHC.

The Complainant included in the evidence the Master Rent Roll for 6 individual months for during the period July 2007 to July 2009 (pages 17 – 135). Based on a review of the Master Rent Roll and the annualized monthly rent to estimate the PGI the Complainant argued that the subject has never achieved the PGI utilized for the assessment. The following table presents the summarized data:

**Monthly Rental Revenue and PGI**

Year	Month	Monthly Rent Charge	PGI
2009	July	\$118,150	\$1,417,800
2009	January	\$137,520	\$1,650,240
2008	October	\$136,260	\$1,635,120
2008	July	\$135,715	\$1,628,580

The Complainant argued that when selected months are annualized to determine the PGI at no time has the subject achieved the PGI utilized for the assessed value.

A review of the subject property's Monthly Master Rent Roll determined that the roll did not identify the unit type which made it difficult to confirm the subject property's rental rate by unit type. Further the CMHC data is a consolidation of high-rise and low-rise properties. Further no analysis was presented of market rental rates for properties in Market Zone 8 with consideration for location, age or construction.

The Respondent presented a table (page 27) titled 2010 Assessment Comparables Multi-Residential High Rises prepared by the City of Calgary Assessment Department. The Table presented data on 4 comparables in Market Zone 8; two of the comparables are within 8 City blocks of the subject property. The rental rates by unit type were the same as the rates applied to the subject property.

**Board Decision**

Based on the evidence presented the monthly Rental Rates were confirmed to be

- 1 bedroom from \$1,025.
- 2 bedroom from \$1,450.
- 3 bedroom from \$1,450

**Board's Decision:**

Assessment confirmed as \$21,400,000

DATED AT THE CITY OF CALGARY THIS 20 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.*