

**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, Section 460(4).

between:

Imran Mangalji, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L. Wood, PRESIDING OFFICER

J. Massey, MEMBER

I. Zacharopoulos, 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: 079045902

LOCATION ADDRESS: 2412 2 STREET SW

HEARING NUMBER: 56958

ASSESSMENT: \$1,390,000

This complaint was heard on 10th day of December, 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:

- Mr. M. Imran

Appeared on behalf of the Respondent:

- Mr. D. Satoor

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

At the commencement of the hearing, the Respondent raised a preliminary issue in regards to the filing of disclosure. He advised the Board that the Complainant had filed the rebuttal three days prior to the hearing, as opposed to seven days, as stated in section 8(2)(c) of *Matters Relating to Assessment Complaints Regulation* AR 310/09 (MRAC); therefore, the Board must not consider it in accordance with section 9(2). The Respondent also indicated that the rebuttal identified new issues. The Board, noting that the Complainant agreed that the rebuttal was late and it contained new issues, would not allow the rebuttal evidence.

Property Description:

The subject property is a 2 storey multi-residential townhouse that was built in 1941. The building is comprised of 4,722 sq ft and is located on a 0.15 acre site in the Mission district. There are 6 suites in the building: 4 one-bedroom and 2 two- bedroom suites.

Issue:

1. Based on the equity comparables, the assessment of the subject property is too high.

Complainant's Requested Value: \$909,180

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

1. Based on the equity comparables, the assessment of the subject property is too high.

The Complainant submitted three equity comparables in support of his request (Exhibit C1 pages 1 & 6). The comparables ranged between \$122,300- \$196,125/suite in comparison to the subject property at \$231,666/suite. Comparable #1 is a townhouse located in South Calgary. Comparables #2 & #3 are low-rise apartments located in the Cliff Bungalow and Mission districts. Based on the comparables, with adjustments, the Complainant requested that the subject property be valued at \$152,735/suite.

The Respondent submitted that the assessments for multi residential properties take into consideration the market zone and the building type. Multi residential properties are assessed based on the income approach to value (Exhibit R1 page 15). Based on typical market rents, he applied a rental rate of \$950/month for the one bedroom suites and \$1100/month for the two bedroom suites to arrive at a potential gross income of \$72,000. He then applied a typical 3% vacancy rate and a

gross income multiplier ("GIM") of 20.00 to derive a final assessment of \$1,396,800 for the subject property. The Respondent also submitted the completed 2009 and 2010 Assessment Request for Information forms for the subject property to indicate that the income supports the current assessment of the property (Exhibit R1 pages 18- 25).

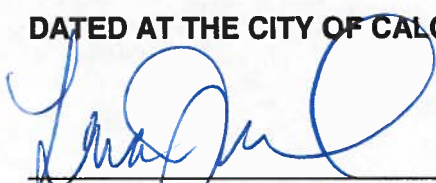
The Board noted that the Respondent admitted that the Complainant's equity comparable #1 is the most similar comparable to the subject property except for its location (Exhibit R1 page 40). That property was assessed for \$136,188/suite. The Board compared the rents of the two properties and determined that a 17% adjustment was required for location. The Board finds the Respondent's GIM analysis unconvincing because the Respondent failed to explain how the 20.00 GIM was derived. Based on the 17% locational adjustment, the Board has reduced the assessment of the subject property to \$950,000 as set out in the following calculation:

$$\text{\$136,188} \times 1.17 \times 6 = \text{\$956,040 (rounded \$950,000)}$$

Board's Decision:

The decision of the Board is to revise the 2010 assessment for the subject property from \$1,390,000 to \$950,000.

DATED AT THE CITY OF CALGARY THIS 20 DAY OF DECEMBER 2010.



Lana J. Wood
Presiding Officer

APPENDIX A**DOCUMENTS RECEIVED AND CONSIDERED BY THE ASSESSMENT REVIEW BOARD:**

NO.	ITEM
Exhibit C1	Evidence Submission of the Complainant
Exhibit R1	City of Calgary's Assessment Brief

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.*