

**COMPOSITE
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:

C. Griffin, PRESIDING OFFICER

D. Julien, MEMBER

J. Mathias, MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) in respect of a Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 124190414

LOCATION ADDRESS: 9600 Southland Circle SW

HEARING NUMBER: 58977

ASSESSMENT: \$44,250,000.

This complaint was heard on 1st day of December, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- J. Weber

Appeared on behalf of the Respondent:

- I. Pau
- J. Toogood

Procedural or Jurisdictional Matters:

There were no matters pertaining either Procedure or Jurisdiction brought forward at this Hearing.

Property Description:

The property under complaint is a large, sub-urban located, high-rise apartment complex which, according to the City of Calgary Multi-Residential Detail Report, contains a total of 277 suites. The suite mix consists of 3 bachelor units, 115 one bedroom units, 153 two bedroom units and 6 three bedroom units. The complex was originally constructed in 1981.

Issues:

While there are a number of inter-related grounds for complaint identified on the complaint form, at the Hearing the Complainant confirmed, as identified on page 3 of Exhibit C-1, that there are only two issues to be argued before the CARB and they are:

1. The vacancy rate applied by the Assessor is not indicative of market vacancy and
2. The assessed Gross Income Multiplier (GIM) is not equitable with similar investment grade properties.

Complainant's Requested Value:

The Complainant's requested assessment was revised to: \$40,850,000.

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

It is the contention of the Complainant that the applied vacancy rate of 5% is not appropriate and that a vacancy rate of 8.3% is more reflective of market conditions as at the Date of Value. In support of their argument, the Complainant introduced (Exhibit C-1 pgs 12 - 16) a rent roll for the subject property dated July 1/09 which shows 23 units to be vacant which equates to the requested 8.3%. As additional support for their request, the Complainant provided (Exhibit C-1 pgs 22 - 52) a copy of the CMHC prepared Rental Market Report – Fall 2009.

In support of their request for a lower GIM of 11 as opposed to the assessed GIM of 11.50, the Complainant introduced (Exhibit C-1 pg 16) a list of 12 equity comparables all of which have sub-urban locations and all of which have been assessed using a GIM of 11.

In support of the applied vacancy rate of 5%, the Respondent introduced (Exhibit R-1 pg 26) four equity comparables, all being sub-urban located hi-rise developments and all of which have been assessed using the same typical inputs for vacancy at 5%. Additionally, these same comparables also indicate a common application of a GIM of 11.50. The Respondent further introduced (Exhibit R-1 pg 28) their *2010 High Rise GIM Study Summary* which indicates the Median GIM for suburban properties to be 11.75

Insofar as the vacancy issue is concerned, the CARB does not find the evidence of either party to be particularly convincing. While the evidence of the Complainant does show a vacancy rate of 8.3% for the month of July, this is not an annualized rate and as a result fails to convince the Board that a change is warranted. Additionally, the Complainant's own evidence, specifically the CMHC Market Report, reports a vacancy rate of 4.8% in Zone 9 wherein the subject property is located. As a result of the foregoing the vacancy argument of the Complainant fails.

With regard to the GIM issue, the CARB notes that the equity comparables presented by the Complainant are all low rise properties, unlike the subject and this, in the judgment of the CARB makes them less reliable for comparative purposes. The Complainant did not provide a GIM study that related to suburban high rise apartment complexes such as the subject property. The Respondent did provide a summary of such a study in their evidence which, inexplicably, indicates the appropriate GIM to be 11.75 as opposed to the applied 11.50. While this latter situation was not clarified by the Respondent, the CARB notes that the applied GIM is in fact lower than is indicated by the Assessor's own study and as this serves to benefit the ratepayer. In light of the foregoing the CARB is not convinced that a change in the applied GIM is warranted.

Board's Decision:

The assessment is **confirmed** at: **\$44,250,000.**

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



C. J. GRIFFIN
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.*