

**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, Revised Statutes of Alberta 2000 (the Act).

**between:**

***827757 Alberta Ltd (as represented by K. Fong), COMPLAINANT***

**and**

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

**before:**

***Board Chair, J. Zezulka  
Board Member 1, P. Grace  
Board Member 2, D. Steele***

This is a complaint to the Calgary Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Calgary and entered in the 2011 Assessment Roll as follows:

**ROLL NUMBER: 079035903**

**LOCATION ADDRESS: 303-23-Avenue SW**

**HEARING NUMBER: 61613**

**ASSESSMENT: 1,090,000.00**

This complaint was heard on 24 day of October, 2011 at the office of the Assessment Review Board located at Floor Number Three, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom Eight.

Appeared on behalf of the Complainant:

- *K. Fong*

Appeared on behalf of the Respondent:

- *E. Currie*

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

There were no procedural or jurisdictional matters raised by either party.

**Property Description:**

The subject is a two and a half storey, eight unit apartment building known as Gloria Court. The building contains seven 325 s.f one bedroom units, and one 425 s.f. one bedroom apartment. Originally, the project was intended for housing staff employed at the Holy Cross Hospital, which is across 2 Street from the subject. The building was not originally intended for typical residential occupancy, and, as such, lacks the contemporary electrical service required for conventional electric stoves. The structure was built during the 1930's. The site area is 6,495 s.f.

**Issues:**

The Complainant brought forward his complaint based on the income approach to value, stating that the information received from the City Assessment department led him to believe that the assessment was based on the income approach. In fact, the City based the assessment on the value of the land only. The Complainant stated that the information he received was erroneous and misleading. Indeed, the Assessment Summary Report, dated January 4, 2011, shows the valuation approach as "income". The issues before this Board are (a) should the Board consider the income approach or the land only approach as the appropriate method of valuation, and (b) if the Board opts for the land only approach, then is the City's land value assessment fair and equitable?

**Complainant's Requested Value:** \$812,200.00, based on the income approach.

**Evidence**

The Board notes that the current assessment calculates to \$160.00 per s.f. of land area.

The Complainant, in pursuing his income approach valuation, produced the actual rent roll from the subject property, which was effective on August 24, 2011. The rent roll shows the actual Potential Gross Income of the subject at \$57,300.00. The Complainant applied a 5.5 % vacancy rate, and a Gross Income Multiplier of 15.00, to arrive at the requested assessment amount. The Complainant also produced an independent appraisal report that showed an appraised value for the property of \$900,000.00, effective December 8, 2009. That report was prepared for

financing purposes.

The Respondent's position regarding communication with the Complainant relative to the valuation method being used was not clear. However, this Board does not believe that there was any intent to mislead the owner.

In support of the land valuation, the Respondent produced three sales of undeveloped or marginally developed land as comparables for the subject. These are at 1749-College Lane SW, 1723-9 Street SW, and 327-23 Avenue SW. All three sold in 2009, and the Respondent produced MLS data to verify property details and details of each of the transactions. The three reflected time adjusted selling prices ranging from \$158.00 to \$219.00 per s.f. The mean and median is \$183.00 and \$172.00 per s.f.

In his Rebuttal document, the Complainant produced two land sales in close proximity to the subject, at 302 24 Avenue SW, and 308 23 Avenue SW. Per s.f. prices are \$122.85 and \$123.36. One is an occupied residence, and one is a residence that has been converted to a professional office.

### **Board's Decision**

It is evident from the Complainant's Rebuttal submission that he became aware of the City's change in valuation methodology in ample time to prepare the appropriate evidence for the hearing. For that reason, this Board accepts the Respondent's land only approach, and disregards any of the Complainant's evidence dealing with the income approach. The Board is therefore left with eight land comparables. Two of those contained in the Complainant's appraisal report are either expired or cancelled listings, and are not considered reliable indicators of market value. The third is a 2008 transaction, at \$133.69 per s.f. The remaining five include three City sales referenced previously at \$172.00, \$158.00, and \$219.00 per s.f. and two contained in the Complainant's rebuttal submission at \$123.36 and \$122.84 per s.f. One of Complainant's comparables is an occupied residence. The manner of assessment for an occupied residence is prescribed in Section 11 of the Matters Relating to Assessment and Taxation Regulation. This property must be assessed as a residence without regard to the land's development potential. As such, using this assessment as a comparable to the subject would be misleading. The remaining five transactions reflect a mean and median value of \$161.20 and \$158.00 per s.f. Those totals are virtually the same as the assessed land value.

The assessment is confirmed.

**DATED AT THE CITY OF CALGARY THIS 18 DAY OF NOVEMBER, 2011.**



**Jerry Zezulka**  
**Presiding Officer**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

(a) *the assessment review board, and*  
 (b) *any other persons as the judge directs.*  
 (c) **For MGB Administrative Use Only**  
 (d)

Decision No. CARB 2544/2011		Roll No. 079035903		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Low rise apartment	Land value	Method of assessment	