

**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:**

***2438527 Manitoba Ltd. (as represented by Colliers International), COMPLAINANT***

**and**

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

**before:**

***Board Chair, W. Garten  
Board Member, P. Pask  
Board Member, D. Morice***

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:** 068231000

**LOCATION ADDRESS:** 140 10<sup>th</sup> Ave. S.W.

**HEARING NUMBER:** 64611

**ASSESSMENT:** \$30,170,000

This complaint was heard on 12<sup>TH</sup> day of October, 2011 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, Colliers International*

Appeared on behalf of the Respondent:

- E. Borisenko, City of Calgary

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

The Board derives its authority to make this decision under Part 11 of the Alberta Municipal Government Act.

There were no procedural or jurisdictional matters brought before the Board.

The Board proceeded to hear the complaint, as outlined below.

**Property Description:**

The Subject Property is located in the beltline area within the City of Calgary market area BR2. This 202 suite 34 storey apartment building has 50 bachelor suites, 102 one bedroom suites and 50 two bedroom suites. The building also includes 4,730 square feet of commercial space. The subject was constructed in 1969.

**Issues:**

The issue under appeal is the Market Value of the multi-residential portion of the property calculated by using a Gross Income Multiplier (GIM) method. Is the assessed GIM of 13.0 fair and equitable? The assessment of the commercial portion of the property is not an issue.

**Legislation:****The Municipal Government Act, R.S.A. 2000, c. M-26 (MGA);**

s. 1 (n) *"market value" means the amount that a property, as defined in section 284(1)(r) might be expected to realize if it is sold on the open market by a willing seller to a willing buyer.*

s. 284 (1)(r) *"property means"*

- i) *a parcel of land,*
- ii) *an improvement, or*
- iii) *a parcel of land and the improvement to it;*

s. 293(1) *In preparing and assessment, the assessor must, in a fair and equitable manner,*

- (a) apply the valuation and other standards set out in the regulations, and*
- (b) follow the procedures set out in the regulations.*

s.293(2) *If there is no procedure set out in the regulations for preparing assessments, the assessor must take into consideration assessments of similar property in the same municipality in which the property that is being assessed is located.*

s. 467(1) *An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.*

s. 467 (3) *An assessment review board must not alter any assessment that is fair and equitable, taking into consideration*

- a) the valuation and other standards set out in the regulations,*
- b) the procedures set out in the regulations, and*
- c) the assessments of similar property or businesses in the same municipality.*

***Matters Relating to Assessment and Taxation Regulation, Alta Reg 220/2004 (MRAT);***

s. 2 *An assessment of property based on market value*

- a) must be prepared using mass appraisal*
- b) must be an estimate of value of the fee simple estate in the property, and*
- c) must reflect typical market conditions for properties similar to that property*

s. 4(1)(a) *The valuation standard for a parcel of land is market value*

s. 5(1) *The valuation standard for improvements is*

- a) the valuation standard set out in section 7, 8 or 9, for the improvements referred to in those sections, or*
- b) for other improvements, market value*

s. 6(1) *When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvement is market value unless subsection (2) or (3) applies.*

**Complainant's Requested Value:** \$28,610,000 (based on a GIM of 12.30 for the multi-residential portion of the property)

**Complainant's Position:**

The Complainant provided evidence package C-1 (57 pages) for his presentation. The Complainant argued that the Gross Income Multiplier (GIM) used by the City of Calgary for the 2011 property assessment is excessive. The City of Calgary used 13.0 as the GIM based on typical rents and a 6.0% vacancy allowance.

The complainant brought forward the following evidence in support of his argument.

- The Complainant provided a Colliers 2011 High Rise GIM Analysis chart of 7 valid comparable sales (C-1 pg 18).
- The Sales in this chart were sales throughout the City of Calgary. There were 4 sales in the Beltline area.
- The Chart reduces a parking value from the selling price to derive a net selling price for the purposes of calculating the GIM on 5 of the 7 sales.
- The Chart displays a median GIM of 12.355 based on the adjusted selling prices.

- Evidence in the form of “RealNet” and City of Calgary Assessment Summary Reports (C-1 pg 23-52) were provided to support the Colliers GIM analysis chart.
- The Complainant further argued that the City of Calgary is not permitted (per the Municipal Government Act) to assess parking in a multi-residential building and as such the Complainant has reduced the selling prices accordingly on his GIM Analysis Chart to reflect an adjusted selling price.
- The Complainant argued that the Burden of Proof has been met with the evidence provided and the GIM should be lowered to 12.30.

Upon questioning, the Complainant clarified the following points:

- Rent in each comparable was calculated by Colliers for GIM purposes.
- Typical rents were used at the time of sale.
- Commercial assessment rate of \$275 per S.F. is not an issue.

**Respondent’s Position:**

The Respondent provided evidence package R-1 (16 pages) for her presentation.

The Respondent argued that the City of Calgary assessment of \$30,170,000 is fair and equitable using a GIM of 13.0.

The Respondent brought forward the following evidence to support her argument.

- The Respondent brought forward evidence of 5 valid time adjusted/comparable sales chart in the beltline area completed over a period of approximately 15 months. These sales indicate GIM not higher than 13.14 and not lower than 12.48 (R-1 pg 10). Evidence included typical rents, typical vacancy, selling price and typical GIM in the year of sale.
- The Respondent indicated that 2 of the comparable properties on the Complainant’s chart (C-1 pg 18) were in the suburbs and not true comparables.
- The Respondent provided equity comparables (R-1 pg 12-14) as evidence of a GIM of 13.0 used for 3 additional comparable high density property assessments in the beltline area.

Upon questioning, the Respondent clarified the following points:

- Parking was not adjusted as it is included in the rent for residential suites
- Two of the Complainant’s sales were excluded from the Respondent’s comparable evidence as these sales were out of the beltline market area.

**Complainant Summary**

In summary the Complainant argued the following additional points:

- The Complainant argued even when 2 suburban sales are excluded from the chart on C-1 pg 18, the GIM is calculated as 12.3.

- The Complainant argued that the GIM is the same throughout the City and as such all 7 comparables should be taken into consideration.
- The Complainant argued that parking has value in every building and since the City of Calgary cannot assess parking in a Multi-residential property then selling prices are required to be reduced to compensate for this and will result in a lower GIM applied for assessment purposes.
- This building sale even though it is post facto, does support a GIM of 12.30

### **Respondent Summary**

In summary the Respondent argued the following additional points:

- The Respondent argued that the only issue in this hearing is parking and parking is included in rental income of residential property. There is no deduction for parking.
- The Respondent argued that based on the comparable sales evidence before the board, this information supports the current assessment and GIM used.
- The Respondent argued that the City does use different GIM factors throughout the City of Calgary based on each area.

### **Last Word by the Complainant**

- Parking has value and the City of Calgary cannot assess this.

### **Board's Decision:**

It is the Board's Decision to confirm the assessment at \$30,170,000.

### **Reason(s) for Decision**

The Board's reasons for this decision are as follows:

- The Board could not find any direction in the Municipal Government Act which specifically excludes the City of Calgary from assessing Parking in a Multi-residential Building.
- The Board found that the GIM method of assessment is to be applied towards the Gross Income of Multi-residential property and as such would include all income including parking if separate from the basic rent.
- The Board placed the most weight to the City of Calgary GIM Study (R-1 pg 10) since the information provided included typical rents, typical vacancies and time adjustments.
- No rent rolls or actual vacancies were provided by the Complainant.

DATED AT THE CITY OF CALGARY THIS 9 DAY OF November 2011.



**W. Garten**  
Presiding Officer

**APPENDIX "A"****DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
1. C-1	Complainant Disclosure
2. R-1	Respondent Disclosure

*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.*