

**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:

***Gold Bar Development Ltd., (as represented by Linnell Taylor Assessment Strategies),
COMPLAINANT***

and

The City Of Calgary, RESPONDENT

before:

***C. McEwen, PRESIDING OFFICER
P. Grace, MEMBER
Y. Nesry, MEMBER***

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: 035139203

LOCATION ADDRESS: 725 NORTHMOUNT DR NW

HEARING NUMBER: 62318

ASSESSMENT: \$9,360,000

This complaint was heard on the 4th day of November, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, AB, Boardroom 5.

Appeared on behalf of the Complainant:

- D. Sheridan

Appeared on behalf of the Respondent:

- S. Poon

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

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

It should be noted that Linnell Taylor represented the Canadian Valuation Group Ltd. (CVG) in this matter as per the Agent Authorization letter attached to C1.

Property Description:

The subject property is a townhouse development, constructed in 1961, located in the Cambrian Heights district of NW Calgary. The 4.0 acre site is improved with a 2-story structure containing 56 units comprised of five 2-bedroom and fifty-one 3-bedroom suites. The subject is assessed as a Townhouse development (MR0401) using the Income Approach to Value at \$167,184 per unit.

Issues:

Is the subject property assessed higher than market value and is the assessment inequitable to comparable properties? Specifically,

1. Is the assessed vacancy rate correct?
2. Is the subject assessment equitable to comparable properties?

Complainant's Requested Value:

Income - \$9,200,000

Equity - \$8,470,000

Board's Findings and Reasons in Respect of Each Matter or Issue:

The Board finds the subject property correctly assessed for the following reasons:

- The Complainant argued that the subject property's assessed vacancy rate should be increased from 4.0% to 7.0% based upon the subject's actual vacancy rate over the valuation period. In addition, the Complainant provided modified rental rates for both the two and three bedroom units that varied slightly from the typical rates assessed. Using these inputs and applying a 12.0 Gross Income Multiplier (GIM), as assessed, the Complainant's Modified Assessment Calculation table (C1, page 6) provided a subject

assessment request of \$9,200,000.

The Respondent argued that the Complainant's request was within 1.7% of the subject assessment and, therefore, well within an acceptable range of values for a property stratum. In addition, the Respondent argued that the city is directed by the legislation to conduct assessments using mass appraisal and that the Complainant's calculation, using actual data rather than typical, did not meet this requirement.

The Board finds that even if the vacancy and rental rates used by the Complainant are accepted by the Board, the Complainant's Income Approach request supports the subject assessment. The mass appraisal methodology, used by the city, creates a range of values and the subject assessment, just 1.7% higher than the Complainant's requested value, appears fair and reasonable within even a conservative range of values.

In summary, the Board finds that the subject assessment is supported by the vacancy and rental rates presented by the Complainant. Therefore, no adjustment to the assessment is required on this basis. With respect to the equity comparable presented by the Complainant, the Board finds its age, size and unit mix too dissimilar to the subject property to be accepted as a valid comparable.

Board's Decision:

The subject assessment is confirmed at \$9,360,000.

DATED AT THE CITY OF CALGARY THIS 2 DAY OF December 2011.



C. McEwen
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	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.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Residential	Townhouse	Income Approach	Gross Income Multiplier