CALGARY
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, Section 460(4).

between:

Altus Group Limited, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

L.R. Loven, PRESIDING OFFICER
B. Kodak, MEMBER
T. Usselman, MEMBER

This is a complaint to the Calgary Combined 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:	**081058208**
LOCATION ADDRESS:	**2620 16 Street S.W.**
HEARING NUMBER:	**59200**
ASSESSMENT:	**$4,820,000**

This complaint was heard on the 26th day of October, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- B. Neeson, representing Altus Group Limited, on behalf of Mainstreet Equity Corp.

Appeared on behalf of the Respondent:

- P. Ohlinger, representing the City of Calgary

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

Both the Respondent and the Complainant confirmed to the Board that they had no procedural or jurisdictional matters to be raised.

Property Description:

The subject property consists of a 3.5 story, 34 suite low-rise apartment building, built in 1965 and located in the Bankview community, market zone 2. The assessment is $4,820,000.

Issues:

1. Vacancy rate increased to 5%; and
2. The Gross Income Multiplier (GIM) decreased to 13.

Complainant's Requested Value: $14,505,000.

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

Issue 1: Vacancy Rate

The Complainant provided a table containing nine comparables. four of which were high-rise, five were low-rise. The low-rise properties were assessed four at 2% vacancy and one at 1% (corrected to 2% at the hearing).

The Complainant submitted a CMHC Rental Market Report for Fall 2009, showing a change in the apartment vacancy rate from 2.1% as of October 2008 to 5.3 % for October 2009, and from 2.0% to 5.8% for the same time period for market zone 2, in which the subject property is located. The Board notes that the change in vacancy rates includes all apartment types and sizes.

The Complainant referenced Calgary Assessment Review Board ARB WR0083/2010-P regarding a single family property reducing the assessment based, in part, on the equity comparables used by the Respondent.

The Respondent provided four assessment comparables, all renovated, containing from 10 to 24 suites, of 2 to 6 years newer construction, all located in the same market zone and community as

the subject property, and all assessed at 2.00% vacancy.

Based on its consideration of the foregoing evidence and argument, the Board finds that CMHC report does not provide sufficient information regarding the vacancy rate for low-rise apartments. The Complainant's low-rise comparables supports the assessed vacancy rate of 2%, and the Respondent's assessment comparables supports a 2% vacancy rate.

Issue 2: GIM

Four of the low-rise comparables contained in the Complainant's table were assessed at a GIM of 13.5, and one at 13. Three of the low-rise apartment comparables were located in Bankview, all located in the same market zone as the subject property, and all assessed a GIM of 13.5 (the same as the subject property).

The Respondent provided four assessment comparables all located in the same community as the subject property, in market zone 2, and assessed a GIM of 13.5.

Based on its consideration of the foregoing evidence and argument, the Board finds that the Respondent's assessment comparables, as well as those low-rise comparables of the Complainant both support the assessed GIM of the subject property.

Summary

The only issues argued by the Complainant were to increase the assessed vacancy rate from 2% to 5%, and lower the GIM from 13.5 to 13.

The Board finds that the Calgary Assessment Review Board decision referenced by the Complainant regarding the lowering of an assessment for a single family property, has little weight given the decision was based in part on the change in assessment of the Respondent's comparables in the same community; however, the Complainant provided a table containing twelve mixed comparables, seven low-rise only, ranging in number of units from 50 to 330, none located in the same community as the subject property, showing an average and median percent change in assessment from 2009 to 2010 of -8.34% and -7.68% respectively. The percent in the low-rise only comparables varied from 0% to -11% and the percent change in the assessment for the subject property was -12%. Solely on the basis of the foregoing argument and evidence it is difficult for the Board to find that the assessment of the subject property should be reduced.

The low-rise comparables provided by Complainant were located in the same market zone, varied in year of construction, number of units and were assessed at the same GIM as the subject property.

The CMHC report submitted by the Complainant did not provide details for the Board to determine that the apartment vacancy rate rose uniformly across all apartment types. The Respondent's comparables supports the assessment of the subject property regarding vacancy rate. Finally, the low-rise comparables provided by the Complainant supports the assessed vacancy rate.

Therefore, the Board finds that subject property appears to have been assessed fairly and equitably with respect to the vacancy rate and GIM based on the comparables provided.

Board's Decision:

For the reasons set forth above, the assessment of the subject property is hereby confirmed as follows: $4,820,000.

DATED AT THE CITY OF CALGARY THIS 1 DAY OF December 2010.

L.R. Loven
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.