

**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(4).

between:

Linnell Taylor & Associates, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

T. Sadlowski, PRESIDING OFFICER

A. Wong, MEMBER

I. Zacharopolis, 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 2010 Assessment Roll as follows:

ROLL NUMBER:	042018952
LOCATION ADDRESS:	3825 32 Av NW
HEARING NUMBER:	56202
ASSESSMENT:	\$30,320,000

This complaint was heard on the 20th day of October, 2010 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:

- *D. Sheridan* *Agent, Linnell Taylor & Associates*

Appeared on behalf of the Respondent:

- *K. Cody* *Assessor, The City of Calgary*
- *E. Currie* *Assessor, The City of Calgary*

Property Description:

The subject property, known as Varsity Courts, is a student family housing complex at the University of Calgary. It occupies a separate legal parcel and consists of 250 unfurnished townhouse units. The average year of construction is 1970. There are 5 one bedroom units, 218 two bedroom units and 27 three bedroom units. The actual rent per month is as follows:

Unit Type	Actual Rent Per Month
1 Bedroom	\$ 880
2 Bedroom	\$ 975
3 Bedroom	\$1,005

The units are rented on a twelve month basis and the average vacancy was 10.17%.

Issues:

1. Is the vacancy rate applied by the Respondent too low?
2. Is the Gross Income Multiplier (GIM) used by the Respondent too high?
3. Are the typical lease rates applied by the Respondent too high?

Complainant's Position:

The Complainant provided a Modified Assessment Calculation based on actual rental rates and actual vacancy rates. The actual rents are as reported above and a vacancy of 10%. The GIM used was 10.5, to produce a requested assessment of \$27,670,000.

The Complainant also provided a letter from the University of Calgary, indicating that an independent opinion of market value of Varsity Courts was conducted by a "prominent national appraisal company". The market value estimate was \$22,500,000. A copy of the appraisal was not provided.

Respondent's Position:

The Respondent provided a Multi-Residential Detail Report on the subject property. In the report, the Respondent used typical rents of \$750, \$900 and \$1,000 per month for one bedroom, two bedroom and three bedroom units respectively. A 3% vacancy allowance and a GIM of 11.48 were applied. In addition, the Respondent provided eight residential townhouse comparables. It should be noted that in all instances, the typical vacancy that was applied was 3%, the GIMs ranged from 13 to 14 and the assessments per unit ranged from \$124,664 to \$197,996. The assessment per unit for the subject was \$121,307.


Board's Decision:

The decision of the Board is to confirm the 2010 Assessment at \$30,320.00.

Reasons:

1. The Board was persuaded that the typical vacancy rates that were applied were lower than the actual vacancy experienced by the subject. However, the Respondent provided eight (8) comparables and all had an applied vacancy rate of 3%.
2. All of the comparables were assessed using a GIM of 13 or 14. All of the comparables in NW Calgary were assessed using a GIM of 14. The GIM of the subject was 11.48. The Board considered the GIM 11.48 to be fair and equitable.
3. The comparables provided by The Respondents that were located in NW Calgary ranged in year of construction from 1978 to 1980. Their assessments were suite ranged from \$124,664 to \$197,996. The subject was assessed at \$121,307 per suite. The Board was persuaded the subjects' 2010 assessment is fair and equitable. The actual rents for the subject exceeded the typical rents applied by The City of Calgary.

DATED AT THE CITY OF CALGARY THIS 23 DAY OF NOVEMBER - 2010.



T. Sadlowski
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.*