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-26.1, Section 460(4).

between:

Assessment Advisory Group, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

S. Barry, PRESIDING OFFICER
R. Glenn, MEMBER
R. Roy, MEMBER

This is a complaint to the Calgary Composite Assessment Review Board (CARB) 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:	**079013900**
LOCATION ADDRESS:	**302 20 Av S.W., Calgary, Alberta**
HEARING NUMBER:	**58321**
ASSESSMENT:	**$1,930,000**

This complaint was heard on the 15th day of November, 2010 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 8.

Appeared on behalf of the Complainant:

- *T. Howell, Assessment Advisory Group*

Appeared on behalf of the Respondent:

- *D. Satoor, City of Calgary*

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

There were no Procedural or Jurisdictional matters raised with respect to this Complaint.

Property Description:

The property under complaint is a low rise apartment building consisting of 3.5 stories and containing 16 rental suites. It was constructed in 1963 and is located in the Mission neighbourhood within an area designated by the City as Market Zone 2.

Issues:

The Complaint Form lists two major issues: that the assessment is incorrect and inequitable. Each issue outlines four sub-issues. At the time of the hearing the Complainant advised that the only issue under complaint was the Gross Income Multiplier (GIM) which was deemed, by the Complainant, to be too high.

Complainant's Requested Value:

On the Complaint Form, the requested assessment was $1,760,000. This was revised on the Complainant's Brief to $1,650,000 and was further amended during the hearing to $1,900,000.

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

In support of his request for an amended assessment, the Complainant argued that an evaluation of four comparables presented in his report produced an average and equitable GIM of 11.36 as opposed to the City's rate of 13.0. The Complainant's requested GIM was 11.0. The four comparables had sales in various months of 2008 and the Complainant advised he had time adjusted those sales in accordance with the City's rate of a negative 1 per cent per month. Additionally, he had applied the City's accepted vacancy rate of 2 per cent in arriving at the effective Gross Income for the properties. In response to questions, the Complainant agreed that he had made calculation errors in the table, assigning a value of one per cent instead of 2 per cent for the vacancy rate and improperly applying the time adjustment factor to the comparables. A review of each comparable determined that the revised implied GIM was actually 12.8, not 11.36. The

Complainant agreed and was given the opportunity to revise his assessment calculation for the subject property. This recalculation was delivered orally to the Board. The result of the calculation was an assessment of $1,900,000 which was confirmed by the Complainant as his revised request.

In addition to the issues raised by the Respondent in questioning, he also noted that three of the four comparables were suspect if not invalid: one because it was a transfer from a director of a corporation to that corporation and, therefore, was not arms length; the other two because they were converted to condominiums shortly after the sale and in one instance, consent to register the condominium plan was agreed prior to the sale. In at least one instance, the condominium conversion occurred prior to the valuation date of July 1, 2009. The Respondent's position is that these actions place the sales prices outside the parameters that would be relevant if sold as rental properties. Additionally, it was noted that the rental rates applied by the Complainant to these properties in his table are not the actual rental rates for the properties but rather reflect the typical rental rates used by the City for the subject property. It was also noted that the comparables are between 15 and 17 years newer in construction than the subject and that would impact typical rents for these properties as demonstrated in the Respondent's documentation.

The recalculation of the requested assessment by the Complainant puts it within $30,000 of the City's assessment, or within approximately two per cent of the assessed value. The Board also accepts that there are difficulties with the validity of at least some of the comparables and that the remaining, unchallenged comparable, when correctly time adjusted, generates a GIM of 15.17. The Complainant has not demonstrated any errors in the City's valuation method in accordance with the legislative constraints of mass appraisal and, accordingly, the complaint fails.

Board's Decision:

The 2010 assessment is confirmed at $1,930,000

DATED AT THE CITY OF CALGARY THIS 24th **DAY OF** NOVEMBER **2010.**

Susan Barry

Susan Barry
Presiding Officer

APPENDIX "A"

DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB:

NO.	ITEM
1.	Complaint Form for Roll #: 079013900
2.	Complainant's Assessment Brief
3.	Respondent's Assessment Brief – the Brief was carried over from File No.: 58314; Decision No. 2105-2010-P

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.