

**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:**

***Assessment Advisory Group, COMPLAINANT***

**and**

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

**before:**

***Board Chair, J. Zezulka  
Board Member 1, H. Ang  
Board Member 2, R. Roy***

This is a complaint to the Calgary 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: 050220003**

**LOCATION ADDRESS: 3800 Rundlehorn Drive NE Calgary, Alberta**

**HEARING NUMBER: 58476**

**ASSESSMENT: \$33,990,000**

This complaint was heard on 23<sup>rd</sup> 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*

Appeared on behalf of the Respondent:

- *C. Neal*

**Property Description:**

The property is a 197 unit, multi building townhouse complex, constructed in 1978. The site size is 9.20 acres.

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

Not Applicable

**Issues:**

The assessment does not properly reflect market value because the vacancy rate used in the preparation of the assessment is too low, and the Gross Income Multiplier applied is too high.

	City's Input	Complainant's Request
Vacancy Allowance	3.00 %	8.00%
Gross Income Multiplier	13.00	10.00

**Complainant's Requested Value:** \$27,550,000

**The Evidence:**

The Complainant held that the assessment was too high because the vacancy rate used by the City in the income capitalization calculations was too low, and the Gross Income Multiplier was too high. In support of his position, the Complainant presented a summarized rent roll for 2009, a detailed rent roll for July, 2009, and a table containing three comparable properties, as well as the subject. Within the table, the Complainant derived a potential gross income from rents inserted by the Complainant, but not necessarily the actual rents that currently prevailed in that particular project. He then inserted a common 3.0 per cent vacancy allowance, and a common 13 per cent Gross Income Multiplier. He then proceeded to perform a calculation that produced a "Value/Assessment" for each of the properties.

The purpose of the exercise eludes this Board, since the result does not reflect either the actual assessment or the actual selling price of any of the Comparables. At the end of the exercise there remained an "Implied GIM Using Typical Rent". However, the "typical" rent used in the calculation bore little or no resemblance to the actual rents being generated by each of the properties.

The detailed rent roll submitted showed 14 vacant units for that particular month. That calculates to a vacancy rate of 7.1 per cent, not 8.0 per cent as requested by the Complainant. In addition, the CMHC Rental Market report for Calgary, submitted as evidence by the Complainant, indicates an

overall vacancy for townhouses, or row units, of 4.7 per cent for October, 2009, up from 2.7 per cent in 2008 ( Page 33 of the Complainant's submission). No income information was available for the Complainant's comparables.

The Respondent submitted three equity comparables, wherein each of the properties was assessed using the same inputs, resulting in similar assessments for each property, with the only difference resulting from differing suite counts. The evidence was uncontroverted by the Complainant. Finally, the Respondent held that the comparables of the complainant were not comparable to the subject. Two of the properties are low rise apartments, compared to the subject's townhouse configuration. The third comparable is a seven storey elevated apartment building.

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

In the Board's opinion, the Complainant's analysis of the comparables submitted is confusing and inconclusive. It did not indicate that the assessment of the subject did not properly reflect market value, nor did it indicate that there was inequity with similar properties. The Board also agrees with the Respondent that the comparables used by the Complainant are not comparable to the subject.

**Board's Decision:**

The onus of proving that an assessment is incorrect lies with the individual alleging it. The onus rests with the Complainant to provide convincing evidence to justify a change in the assessment.

In *Manyluk v. Calgary (City)*, MGB Board Order 036/03, it states;

"Every opportunity is provided to both [parties to present evidence and arguments in support of their positions. The ultimate burden of proof or onus rests on the appellant, at an assessment appeal, to convince the MGB their arguments, facts and evidence are more credible than that of the Respondent."

In *Kneehill (County) v. Alberta ( Municipal Affairs, Linear Assessor)* (2004) Board Order MGB 001/04

" It is up to the parties who file a complaint on an assessment to put sufficient energy into proving that their allegations are well founded. In other words, the onus is upon the complaining party to provide sufficient evidence in order to prove their case."

Finally, in *Shirley-Anne Ruben et al v. City of Calgary* MGB 239/00 at page 15

"Furthermore, just as the onus is on the Appellants to provide prima fascia proof that any particular assessment may be incorrect or inequitable, the Appellants have the initial burden of proving that the Respondent erred in the methodology adopted or implemented in connection with the assessments."

In this Board's opinion, the Complainant failed to provide convincing evidence to justify a change in the assessment.

The assessment is confirmed at \$33,990,000.

DATED AT THE CITY OF CALGARY THIS 6 DAY OF December, 2010.



J. Zezulka  
Presiding Officer

**List of Exhibits**

C-1; Evidence submission of the Complainant  
R-1; City of Calgary Assessment Brief

---

*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.*