

**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:

Brian G. O'Kane(as represented by Assessment Advisory Group), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J.Zezulka
Board Member 1, P. Grace
Board Member 2, D. Steele***

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: 080019706

LOCATION ADDRESS: 1723 10A Street SW

HEARING NUMBER: 62707

ASSESSMENT: 1,060,000.00

This complaint was heard on 27 day of October, 2011 at the office of the Assessment Review Board located at Floor Number Three, 1212 – 31 Avenue NE, Calgary, Alberta, BoardroomEight.

Appeared on behalf of the Complainant:

- *T. Howell*

Appeared on behalf of the Respondent:

- *S. Bazin*

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

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

Property Description:

The subject is a Multi-Residential, converted residential property containing four units. The designation is Multi-Residential – Contextual Medium Profile. The property is in the Lower Mount Royal community. The building was constructed in 1911. The land area is 6,625 s.f.

Issues:

The Complainant brought forward his complaint based on the income approach to value, stating that the information received from the City Assessment department led him to believe that the assessment was based on the income approach.

Exhibit C-2, being the City of Calgary Multi-Residential Detail Report, submitted in evidence by the Complainant outlined the City's income approach calculations leading to the current \$1,060,000.00 assessment. That document showed a Gross Income Multiplier (G.I.M.) of 16.00. The Complainant submitted that a GIM of 14.00 would be more appropriate.

In actual fact, the City based the assessment on the value of the land only. The Complainant stated that the information he received was erroneous and misleading. Indeed, the Assessment Summary Report, dated January 4, 2011, shows the valuation approach as "income". There is an ambiguous reference to a "land only" assessment on the Multi Residential Detail Report. However, that reference is not explained, and is easily misconstrued. On the other hand, there is a 2011 Assessment Explanation Supplement that indicates a land only valuation. However, that form is not very explanatory, and is available only on request.

There is one basic issue before this Board. Should this Board view the assessment based on the land value approach being used by the Respondent, or should the Board consider the Complainant's income approach as valid in view of the circumstances.

Complainant's Requested Value: \$926,250.00, based on the income approach.

Evidence

The Board notes that the current assessment calculates to \$160.00 per s.f. of land area.

The Complainant, in pursuing his income approach valuation, failed to provide any evidence that would lead this Board to conclude that the requested assessment had any merit.

Similarly, the Respondent failed to produce any evidence in support of the land value adopted. Rather, it appears that the Respondent chose to rely on the fact that the Complainant had not questioned the land assessment, as their only defence.

Board's Decision

The question before this Board is whether or not the Complainant was misled by the information submitted to him by the City. On the one hand, this Board does not believe that there was any deliberate intent to mislead the owner. On the other, the principles of natural justice dictate that the Complainant is entitled to at least a bare minimum of information regarding the assessment in order to properly prepare for a complaint, and carry that complaint forward. For that reason, in the interests of natural justice and fairness, the Board accepts the Complainant's position, and accepts the Complainant's income approach calculations.

The assessment is reduced to \$926,250.00.

DATED AT THE CITY OF CALGARY THIS 18 DAY OF NOVEMBER, 2011.



Jerry Zezulka
Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1.	C1 Complainant Disclosure of Evidence
2.	C2 2011 City of Calgary Multi-Residential Detail Report
3.	R1 Respondent Disclosure, 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.

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Decision No. CARB 2661/2011		Roll No. 080019706		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Low rise apartment	Land value	Method of assessment	Natural justice