

**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-26.1, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

C. Griffin, PRESIDING OFFICER

D. Julien, MEMBER

J. Mathias, MEMBER

This is a complaint to the Composite Assessment Review Board (CARB) 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: 038150504

LOCATION ADDRESS: 4505R – 37 Street NW

HEARING NUMBER: 57687

ASSESSMENT: \$20,630,000.

This complaint was heard on 22nd day of November, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Ab., Boardroom 6.

Appeared on behalf of the Complainant:

- J. Weber
- B. Neeson

Appeared on behalf of the Respondent:

- B. Brocklebank
- J. Toogood

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

There were no matters pertaining either Procedure or Jurisdiction brought forward at this Hearing.

Property Description:

The property under complaint is a large, sub-urban located apartment complex which, according to the City of Calgary Multi-Residential Detail Report, contains a total of 139 suites. The complex is comprised of 4 individual buildings, one of which is a 13 storey high-rise in design while the remaining three are all 3 storey walk-up in design. The suite mix consists of 95 one bedroom units, 34 two bedroom units and 10 three bedroom units. The complex was originally constructed in 1971.

Issues:

While there are a number of inter-related grounds for complaint identified on the complaint form, at the Hearing the Complainant confirmed, as identified on page 3 of Exhibit C-1, that there is only one issue to be argued before the CARB and that is:

1. The subject assessed rents are in excess of market rent and

Complainant's Requested Value:

The Complainant's requested assessment was revised at the Hearing to: \$18,940,000.

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

It is the contention of the Complainant that the rental rates applied by the Assessor are not indicative of the market rental rates for the subject property as at the Date of Value. In support of their rental rate argument, the Complainant introduced (Exhibit C-1 pgs 13 - 15) a master rent roll for the subject property which shows all 139 units having leases signed in 2009 which they maintain are indicative of the market rents for the subject property as at the July 1/09 valuation date. The median rent for the one bedroom is indicated to be \$984/month, median rent for the two bedroom suites is indicated to be \$1,114/month and the median rent for the three bedroom units is indicated to be \$1,312/month. The Complainant further introduced (Exhibit C-1 pg 81) an extract from the *Alberta Assessors' Association Valuation Guide (AAAVG)* which, under the heading *Determining Market Rents as of the Valuation Date* states "For most tenants the best source of market rent information is the rent roll. Using these rent rolls, the best evidence of "market" rents are (in order of descending importance): Actual leases signed on or around the valuation date." It is the contention of the Complainant that the aforementioned median rents are, in accordance with the AAAVG, the best evidence as to the market rents for the subject property as at the valuation date.

In support for their applied rental rates, the Respondent introduced (Exhibit R-1 pgs 25 - 29) a summary of rental rates extracted from the 2010 Assessment Request For Information (ARFI) which indicates the median one bedroom rent to be \$1,060/month, \$1,229/month for two bedroom units and \$1,355/month for three bedroom units. The Respondent further introduced (Exhibit R-1 pgs 30 - 32) a copy of the 2010 ARFI for the subject property. The Respondent also introduced (Exhibit R-1 pg 23) a 2010 Assessment Comparable Chart which provides information pertaining to two sub-urban high-rise apartment complexes located in northwest Calgary which have been assessed using the same parameters as those applied to the subject.

Though questioning by the Complainant it was derived that the rents reported by the Respondent on pages 25 through 29 of Exhibit R-1, which are not dated, were in fact extracted from an ARFI dated 2008 and not 2010 as reported. The CARB finds the evidence of the Complainant relating to signed leases on or about the valuation date to be compelling and notes that the AAVG supports this evidence as being "the best evidence of "market" rents". The CARB further notes that the Respondent concurs with this concept. The CARB further finds the rent roll introduced by the Complainant (Exhibit C-1 pgs 13 – 15) to be much more compelling than the undated rent roll summary introduced by the Respondent (Exhibit R-1 pgs 25 - 29) as the latter is devoid of supporting data.

In the final analysis the CARB is more persuaded by the evidence of the Complainant than that of the Respondent and the Complaint is allowed.

Board's Decision:

The assessment is **reduced** to: **\$18,940,000.**

DATED AT THE CITY OF CALGARY THIS 2nd DAY OF December 2010.


C. J. GRIFFIN
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.*