

**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:

Kerby Assembly, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Fleming, PRESIDING OFFICER

D. Morice, MEMBER

S. Rourke, 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 2011 Assessment Roll as follows:

ROLL NUMBER: 067066902

LOCATION ADDRESS: 1126 8 Ave. SW

HEARING NUMBER: 61734

ASSESSMENT: \$3,240,000

This complaint was heard on 6th day of October, 2011 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *L. Whitmarsh, C. Geiger.*

Appeared on behalf of the Respondent:

- *A. Cormick*

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

There were no preliminary matters raised.

Property Description:

The property is a two storey plus walk out basement multi-residential unit in the downtown west end. The Kerby Centre is a charitable organization that operates this property as a home for distressed senior citizens (older adults 55 years and over) with 18 Bachelor suites on the second floor, communal public areas on the main floor, and meeting rooms on the lower level. The Land Use designation is Direct Control, and the property was valued on the cost approach.

Issues:

Does the assessment of last year (2010) represent a better estimate of value than the current assessment?

Complainant's Requested Value:

\$4,500,000

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

The Cost Approach provides a better estimate of value than last year's assessment.

Board's Decision:

The Kerby Centre wants their assessment raised to the amount it was in 2010. They provided a summary of 4 property comparables which they indicated were all in deficient in some way to their property, yet were assessed at amounts that were close to or exceeded the value of the Kerby Centre. They could not understand why the assessed value of their property had declined by over \$1,000,000. When questioned about why they wanted their assessment INCREASED (emphasis added), they responded that as a registered charity, much of their funding was asset based, and they had tied their building value to the assessed value for financial statement presentation. Thus, a reduction in their assessment would conceivably lead to a reduction in funding.

The Respondent's assessor advised that he had assumed responsibility for this area this year, and he had reviewed the assessment of this property. In previous years, the property had been valued on the income approach, and he had determined that the cost approach was a more reasonable basis for the assessment. The Respondent Assessor could not explain why the property had been assessed using the income approach in previous years, but reiterated that the cost approach was more appropriate. Given the physical characteristics and design of the facility with a variety of individual rooms (some with shared bathrooms), as well as the use (which would tend to be more short term) and the sponsorship of the facility, it was inappropriate to compare the property to a typical multi-residential building. While the assessor sympathized with the Complainant, he said that he had no alternative but to value the facility on the cost approach.

The CARB considered all of the information. MRAT (Matters Relating to Assessment and Taxation: Alberta Regulation 330/2009) specifies that the valuation standard is market value (MRAT Sec. 6(1)). As well, it is generally accepted that a Municipality may choose the method of establishing market value that it believes yields the best result. In this case, the Assessor has chosen the Cost Approach.

The Complainant may select another method and argue through evidence, that it yields a better estimate of value. In this case, the Complainant wanted the previous year's assessment value restored for the current year. However, neither the Respondent nor the Complainant could (or more correctly, had) provided any evidence of the attributes which resulted in the previous year's assessment. While the Complainant had provided some assessments of neighbouring properties, there was little evidence to show these properties were comparable or how their assessment had been prepared.

Accordingly, the CARB accepts that the Respondent chose a reasonable method of valuation, in light of the design, and use of the property. As well, the Complainant provided insufficient evidence to convince the CARB that the value or the method of valuation was incorrect. Accordingly, the CARB confirms the assessment as noted above,

DATED AT THE CITY OF CALGARY THIS 20 DAY OF October 2011.


James Fleming
Presiding Officer

APPENDIX "A"**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1	Complainant Disclosure
2. R1	Respondent Disclosure

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.*