

**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:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***Board Chair, J. Zezulka
Board Member 1, S. Rourke
Board Member 2, P. Pask***

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: 730099306

**LOCATION ADDRESS: 20 – Promenade Park SE
Calgary, Alberta**

HEARING NUMBER: 58333

ASSESSMENT: \$13,060,000

This complaint was heard on 29 day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- *B. Bickford*

Appeared on behalf of the Respondent:

- *P. Sembrat / D. Desjardins*

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

Not Applicable

Property Description:

The property consists of a 141 unit seniors residence located in the community of Mckenzie Towne. The site size is 3.02 acres. The project was constructed in 2002. The project consists of a four storey elevated apartment. A number of semi-detached units that form part of the entire facility are not part of this complaint. The project offers all of the amenities typically found in an assisted living complex; i.e. nurses quarters, common kitchen, recreation and meeting rooms, and so forth.

Issues:

The subject property is inequitably assessed compared to similar and competing properties.

Complainant's Requested Value: \$10,390,000

Evidence .

The Complainant's position is that the subject is inequitably assessed with other apartments because of a shift in assessment from the 2009 taxation year to 2010. No actual market comparables were submitted, nor was there any evidence relative to cost or income introduced by the Complainant. Rather, the Complainant introduced a chart containing 33 high rise and 35 low rise apartments that compared the assessments of each property from 2009 to 2010. The chart revealed that the average change in assessments from 2009 to 2010 was a reduction of 8.34 per cent, and the median change was a reduction of 7.68 per cent. In the same chart, a group of seven seniors and assisted living residences showed an average increase in assessment of 18.30 per cent over the same two year period. The Complainant argued that assisted living and retirement projects are the same as any conventional apartment and are therefore subject to the same economic fluctuations, in this case a downturn, or downward shift in values. According to the Complainant, retirement projects offer additional services, but these are simply services that are paid for by the tenants with higher rents, and are set off by higher operating costs. The subject is simply a conventional apartment project with some Designated Assisted Living suites.

The Respondent took the position that the cost approach is the only method of valuation for assessment purposes, because these types of properties simply do not change hands. The assessment of the subject is based on the cost approach, based on the Marshall and Swift Valuation Service. These cost calculations were submitted by the Respondent. Neither the

calculations, nor the inputs into the calculations were disputed by the Complainant. The Respondent argued that while the property owner is entitled to equity in the assessment, he is not necessarily entitled to equity in a change in assessment.

Board's Findings

While this Board might be sympathetic to the Complainant's position, in that the direction of assessments for the different property classes between the two years appears inequitable, the Board agrees with the Respondent, in that the property owner is not entitled to equity in the change in assessments. Moreover, the 2009 assessments are the starting point, or foundation, of the Complainant's argument. However, no details relative to these assessments were submitted to the Board. For that reason, the Board is reluctant to rely heavily on this evidence.

This Board does not agree with the Respondent that the Cost Approach is the only valuation method available. These types of properties can, and do, change hands on the open market. However, the cost calculations presented by the Respondent constitute the only actual value evidence before the Board. This Board does not endorse the valuation methodology, or the ingredients in the calculations, but simply acknowledges that it is the only value evidence available.

Finally, a random sampling of the Complainant's Assessment Shift Comparison Chart revealed that Assessments for the low rise properties in the Chart ranged from \$143,376 to \$221,807 per unit. The high rise properties reflected a range from \$140,893 to \$204,982 per unit. The subject's assessment calculates to \$96,624 per unit.

Board's Decision:

The assessment is confirmed at \$13,060,000.

DATED AT THE CITY OF CALGARY THIS 6 DAY OF October 2010.



J. Zezulka
Presiding Officer

CC: Owner

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.*