

**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 Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER: 068176205

LOCATION ADDRESS: 211 – 14 Avenue SW

HEARING NUMBER: 58774

ASSESSMENT: \$5,160,000.

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, Alberta, Boardroom 6.

Appeared on behalf of the Complainant:

- J. Weber

Appeared on behalf of the Respondent:

- 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 Beltline located apartment complex which, according to the City of Calgary Multi-Residential Detail Report, contains a total of 31 suites. The suite mix consists of 1 bachelor unit, 24 one bedroom units and 6 two bedroom units. The complex was originally constructed in 1963.

Issues:

While there are a number of inter-related grounds for complaint identified on the complaint form, at the Hearing the Complainant confirmed 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 is: \$4,570,000.

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

The Complainant contends that the Assessor has not accounted for the fact that the subject property has units of different sizes and these size differentials results in different rental rates being generated. The Complainant introduced (Exhibit C-1 pg 18) a chart showing a synopsis of 10 leases signed between January 1/09 and July 1/09. This chart indicates rents of \$495/month for a bachelor unit, \$850/month for 358 Sq. Ft. 1 bedroom units, \$1,025/month for 465 Sq. Ft. 1 bedroom units and \$1,300/month for 683 Sq. Ft. 2 bedroom units which the Complainant contends are representative of the market rents for the subject property as at the July 1/09 valuation date. The Complainant further introduced (Exhibit C-1 pg 92) 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 10 leases 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 pg 26) a breakdown of the subject property rents by unit size as extracted from the 2009 Assessment Request For Information (ARFI). This breakdown indicates the median rent for the bachelor units to be \$530/month, for the 1 bedroom units to be \$1025/month and \$1300/month for the 2 bedroom units. The Assessor acknowledged that in preparing the assessment the aforementioned median rents had not been applied; however, as shown on page 27 of their Exhibit R-1, applying same would have resulted in an assessment of (rounded) \$4,880,000. It was noted that the aforementioned assessment was not being put forth as a recommendation.

The CARB was perplexed that the Assessor would acknowledge that the rents appeared to have been incorrectly applied in preparation of the assessment and then provided an indication as to what the difference would be (Exhibit R-1 pg 27) but not put same forward as a recommendation. 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 agrees with the Complainant's requested rental rate of \$495/month for the bachelor units and \$1300/month for the two bedroom units; however, the CARB does not accept the requested \$940/month for the one bedroom units. The CARB finds that a more reasonable rent for the one bedroom units is the weighted average of the one bedroom rents, which the CARB has determined to be \$980/month. As a result of the foregoing, the Complaint is allowed in part.

Board's Decision:

The assessment is **reduced** to: **\$4,710,000.**

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.*