

**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: 067200915

LOCATION ADDRESS: 1320 – 16th Avenue SW

HEARING NUMBER: 59540

ASSESSMENT: \$33,670,000.

This complaint was heard on 22nd day of November, 2010 at the office of the Assessment Review Board located at Floor 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

Procedural or Jurisdictional Matters:

The Complainant and the Respondent pointed out to the CARB that there were two cases to be presented before the CARB (the other being case #58278) and while the properties are indeed separate and independent of each other the issues are the same. That being the case it was agreed by both parties that, as a matter of expediency, much of the argument and evidence presented would be presented in common. The CARB agrees to this deviation from normal procedure and acknowledges the co-operation of both parties to try to expedite an otherwise lengthy Hearing process.

Property Description:

The property under complaint is a twelve storey, Beltline located hi-rise apartment complex which, according to the City of Calgary Multi-Residential Detail Report, contains a total of 191 suites. The suite composition is 77 one bedroom and 114 two bedroom suites. The complex was constructed in 1981.

Exhibits Presented:

- C-1 Complainant's written submission
- R-1 Respondent's written submission

Issues:

There are a number of inter-related grounds for complaint identified on the complaint form; however, as found on page 3 of their Exhibit C-1, there are only two issues to be argued before the CARB and they are:

1. The assessed rents are in excess of market.
2. The assessed Gross Income Multiplier (GIM) is not reflective of a market GIM.

Complainant's Requested Value:

The Complainant's requested assessment was revised, as shown on page 3 of Exhibit C-1, to: \$29,450,000.

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

Insofar as the rent argument is concerned, the Complainant submitted (Exhibit C-1 pgs 8 - 10) a copy of the July 2009 rent roll for the subject property which shows new leases signed in the year 2009, on or before the July 1/09 valuation date. This rent roll provides 40 examples of new leases signed for 1 bedroom units and 79 examples of new leases for the 2 bedroom units. The indicated Median rents for these newly signed leases are \$1050/Mo. for the 1 bedroom units and \$1150/Mo. for the 2 bedroom units. The Complainant referenced evidence presented to this CARB in a previous Hearing, with the same Respondent, indicating that the *Alberta Assessors' Association Valuation Guide (AAAVG)*, 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."

The matter of the appropriate GIM to be applied to Beltline located hi-rise apartment developments was argued before this CARB, with identical evidence presented by the Complainant, in a previous Hearing. The matter was decided and is addressed in CARB WR 2277-2010-P. The CARB sees no reason to deviate from that decision in this case.

The Respondent introduced (Exhibit R-1 pg 23) *2010 Assessment Comparables Multi-Residential High Rises – Good* which shows 4 Beltline located high rise apartments complexes deemed similar to the subject, all of which have been assessed using the same inputs as those applied to the subject property, including the applied typical rents.

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 AA AVG supports this evidence as being *"the best evidence of "market" rents"*. The CARB further notes that the Respondent concurs with this concept. Accordingly the CARB accepts the rental rates as proposed by the Complainant to be more indicative of the market rents for the subject property as at the date of valuation. As has been addressed in WR 2277-2010-P the GIM applied by the assessor does not, in the judgment of the CARB, warrant a change. As a result of the foregoing the Complaint is allowed in part.

Board's Decision:

The assessment is reduced to: \$31,410,000.

DATED AT THE CITY OF CALGARY THIS 16th 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.*