

**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, 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: 123191702

LOCATION ADDRESS: 9100 Bonaventure Dr. SE

HEARING NUMBER: 58975

ASSESSMENT: \$48,880,000

This complaint was heard on 18th day of November, 2010 at the office of the Assessment Review Board located at Floor 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- J. Weber

Appeared on behalf of the Respondent:

- I. Pau
- A. Czechowskyj

Procedural or Jurisdictional Matters:

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

Property Description:

The subject property consists of four separate suburban multi residential buildings, three of which are three storey low rises in design and one of which is a thirteen storey high rise. There are 118-one bedroom units and 187-two bedroom units for a total of 305 units. All buildings were constructed in 1981.

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.

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

Complainant's Requested Value:

The Complainant's requested assessment follows: \$38,430,000

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 Valuation Date. In support of their rental rate argument, the Complainant introduced (Exhibit C-1 pgs 17-19) a rent roll for the subject property dated Dec. 1/2009 on which the Complainant highlighted some 78 leases signed between Jan. 1/09 and July 1/09 which they maintain are indicative of the market rents for the subject property as at the July 1/09 Valuation Date. The Complainant also introduced (Exhibit C-1 pg 26) 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 is (in order of descending importance): Actual leases signed on or around the valuation date.*" It is the contention of the Complainant that the aforementioned 169 leases are in accordance with the AAAVG, the best evidence as to the market rents for the subject property as at the Valuation Date which they contend are: \$900/mo. for the one bedroom units and \$1000/mo. for the two bedroom units.

In support of the applied rental rates, the Respondent introduced (Exhibit R-1 pg 36) a city prepared *Zone 9 Rent Analysis from 2009 ARFI* chart which, based upon 12 properties, indicates the typical rents to show a median of \$1090/mo for one bedroom units and \$1288/mo. for two bedroom units. The Respondent also introduced (Exhibit R-1 pgs. 64-85) a rent roll of the subject property dated June 4/09. The Respondent further introduced (Exhibit R-1 pg 62) an extract from the *Assessment Request For Information* (ARFI) for the subject property indicating the rents for the subject property range from a low of \$850/mo. to a high of \$1550/mo. The Respondent also introduced into evidence (Exhibit R-1 pg 30) an equity comparison chart pertaining to four properties and the subject property. This chart clearly shows these four properties have been assessed using the same parameters as those applied to the subject property.

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 the Respondent concurs with this concept. The CARB further finds the rent roll introduced by the Complainant (Exhibit C-1 pgs 17-19) to be more complete than the extracts from the ARFI introduced by the Respondent (Exhibit R-1 pgs. 65-85) which the CARB noted does not support the typical rents applied by the Respondent. The CARB finds the Zone 9 Rent Analysis from the 2009 ARFI chart introduced by the Respondent to be devoid of supporting data. The CARB notes the equity comparison chart introduced by the Respondent shows the assessed value per suite of the subject property to be at minimum \$5,500/suite and a maximum \$20,800/suite higher than the four properties considered, by the Respondent, to be equitably assessed. This is not compelling evidence as to the equity of the assessment of the subject property in relation to other properties deemed similar by the Assessor. As a result of the foregoing the CARB accepts the rents set forth by the Complainant to be more indicative of market rents for the subject property.

The CARB finds the evidence submitted by the Complainant is more reliable and therefore more weight placed on this information.

Board's Decision:

The assessment is **reduced** to: \$ 38,430,000.

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.*