

**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:**

***Rio Verde Properties Ltd. (as represented by MNP LLP), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***T. B. Hudson, PRESIDING OFFICER***

***S. Rourke, MEMBER***

***P. McKenna, 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 2012 Assessment Roll as follows:

**ROLL NUMBER: 099041402**

**LOCATION ADDRESS: 135 Lynnvie RD SE**

**FILE NUMBER: 66556**

**ASSESSMENT: \$37,170,000**

This complaint was heard on the 28th day of August 2012 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:

- *W. Van Bruggen*
- *M. Uhryn*

Appeared on behalf of the Respondent:

- *S. Poon*

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

[1] The Respondent objected to the rebuttal document submitted by the Complainant (Exhibit C2), claiming that rent roll information from the subject property did not constitute rebuttal; but rather new evidence that should not be heard or considered by the Board.

[2] The Complainant explained that the rent roll information was submitted in response to the Respondent concern about the reliability of information obtained from the representative of the property manager with respect to current rent rates.

[3] The Board accepted the explanation of the Complainant, and determined that ~~the~~ all of the information in Exhibit C2 would be heard and considered in adjudicating the merit of the assessment complaint.

**Property Description:**

[4] The subject property is a 9.17 acre parcel of land, improved in 1979 with a low rise multi-residential apartment complex known as the Cedar Ridge Apartments, and located in the Ogden community of SE Calgary. There are 263 suites in the complex including 90 one bedroom, 160 two bedroom and 13 three bedroom suites. The current assessment is **\$37,170,000 or \$141,330 per suite**, based on typical income and using the Gross Income Multiplier (GIM) approach.

**Issues:**

[5] The Complainant identified the assessment amount as the issue on the complaint form.

[6] The Complainant argued that the assessed rent rates per suite per month are higher than the typical rates that the subject property can achieve, and higher than market rates for properties similar to the subject property. Application of the assessed rates resulted in an assessment for the subject property which does not reflect market value, and is not equitable when compared to the assessments of similar properties.

**Complainant's Requested Value:**

[7] **\$32,480,000(\$123,498 per suite)** based on typical rent per suite per month in the subject property, or alternatively, **\$31,220,000(\$118,707 per suite)** based on the average apartment rents per suite per month extracted from the SE Calgary market between October 2010 and October 2011, by a Central Mortgage and Housing Corporation (CMHC) Study.

**Board's Finding in Respect of Each Matter or Issue:**

**The Board finds that the evidence is inconclusive with respect to whether the current assessment is a correct estimate of market value for the subject property.**

[8] The Complainant submitted that the assessment for the subject property should be calculated using either the rent rates per suite per month reported by the property manager for the subject (page 20 of Exhibit C1); or alternatively by the average rent rates reported by CMHC (page 20 of Exhibit C1). The assessed vacancy rate and GIM were not in dispute.

[7] The Respondent submitted no market evidence in support of the assessed rates per suite per month, but argued that the rates supplied by the property manager were actual not typical in the market, and that the average rates published by CMHC were not stratified by property type, and therefore should not be applied to the subject property.

[8] The Complainant submitted sufficient evidence from the subject property to suggest that the current assessment amount may not be correct, shifting the onus of proof to the Respondent. The Respondent submitted no market evidence to support that the current assessment is correct.

**The Board finds that the evidence of the Complainant is sufficient to conclude that the current assessment is not equitable in comparison to the assessments of similar properties.**

[9] The Complainant submitted a chart of five assessment equity comparable properties (page 42 of Exhibit C1). Three of the five properties had lower assessments per suite than the subject, even though they were located in a market zone (i.e. zone 9) and were achieving higher average rents than the subject in market zone 5 (CMHC study page 35 of C1).

[10] One of the five assessment comparable properties (located at 111 146 AV SE), was similar to the subject property in terms of year of construction, suite mix, and number of buildings. The assessment comparable was assessed with a lower vacancy rate, and yet the assessment per suite was significantly lower (\$131,000), than that of the subject (\$141,330).

[11] The Respondent submitted a chart of two assessment equity comparable properties (page 18 of Exhibit R1). Both properties were in the same market zone and had similar years of construction, but were much smaller, with fewer buildings, and a very different suite mix than the

subject.

**Board's Decision:** The assessment is reduced to \$34,450,000 or \$131,000 per suite based on equity.

DATED AT THE CITY OF CALGARY THIS 26 DAY OF SEPTEMBER 2012.

A handwritten signature in black ink, appearing to read 'T. B. Hudson', with a long horizontal flourish extending to the right.

**T. B. Hudson**  
Presiding Officer

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

<b>NO.</b>	<b>ITEM</b>
1. C1	Complainant Disclosure
2. C2	Complainant Rebuttal
3. 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.*

**For MGB Administrative Use Only**

<i>Decision No. 1693/2012-P</i>			<i>Roll No 099041402</i>	
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Multi- Residential	Low rise Apartments	Market Value and Equity	Rent Rates