

**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 Linnel Taylor Investment Strategies),  
COMPLAINANT***

**and**

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

**before:**

***T. Hudson, PRESIDING OFFICER  
D. Steele, MEMBER  
R. Kodak, 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 2011 Assessment Roll as follows:

**ROLL NUMBER: 099041402**

**LOCATION ADDRESS: 135 Lynnvew RD SE**

**HEARING NUMBER: 60809**

**ASSESSMENT: \$34,810,000**

This complaint was heard on the 8th day of November, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 5.

Appeared on behalf of the Complainant:

- D. Sheridan

Appeared on behalf of the Respondent:

- B. Brocklebank

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

The Respondent observed that the Complainant rebuttal document (i.e. C2 page 20) included new evidence in the form of assessments of three (3) comparable properties not included in the original disclosure materials. The Complainant clarified that the assessments were from 2009, and not to be compared to the subject. The purpose of the information was to show examples where adjustments (in these cases -10%), for atypical characteristics in multi-family properties had previously been incorporated. Based on the clarification the Respondent agreed to continue without further objection.

**Property Description:**

The subject property is a well maintained low rise apartment building located at 135 Lynnview RD SE in the multi-residential (MR5) SE market zone, and known as Cedar Ridge Apartments. There are a total of 263 units originally constructed in 1979; and include 90 one-bedroom, 160 two-bedroom, and 13 three-bedroom apartments. The current assessment based on the Gross Income Multiplier (GIM) method is \$34,810,000.

**Issues:**

Is the Market Value of the Subject Negatively Influenced by the Stigma of the Contamination Problems Affecting the Residential District of Lynnwood Ridge?

Are the Assessed Typical Rental Rates Appropriate?

**Complainant's Requested Value:** \$33,260,000

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

Is the Market Value of the Subject Negatively Influenced by the Stigma of the Contamination Problems Affecting the Residential District of Lynnwood Ridge?

**The Board finds that the "stigma" of the contamination issue has been mitigated over time, and that there is insufficient evidence to conclude a current negative impact on the market value of the subject property.**

The Complainant argued that the performance of the subject continues to be detrimentally affected by the stigma of the "contamination issues" associated with the Lynnwood Ridge Community. In support, the Complainant submitted numerous newspaper accounts of the impact on the community as a result of the contamination which was first reported in 2002. In addition the Complainant submitted a letter from the property owner dated March 2010 outlining vacancy challenges and extraordinary measures taken to improve performance (Page 1 of Appendix D, Exhibit C1).

The Respondent countered that recent media coverage has been positive around the successfully completed remedial work on the actual contamination site. In addition, the Respondent noted that the Complainant used both the assessed vacancy allowance, and the assessed Gross Income Multiplier in their requested assessment calculation.

Are the Assessed Typical Rental Rates Appropriate?

**The Board finds sufficient evidence to conclude the assessed rent rates are appropriate.**

The Complainant submitted that the assessed typical rents are higher than the actual rents achieved, and also higher than the CMHC reported rents for each of the suites types in the subject (Chart page 6 Of Exhibit C1).

The Respondent countered that the Assessment Request for Information (ARFI) report submitted by the owner for the 2011 assessment year supports the assessed rent rates. In addition, the Cedar Ridge web site also indicates that the complex is achieving or exceeding the rent rates applied in the assessment.

**Board's Decision:** The assessment is confirmed at \$34,810,000.

DATED AT THE CITY OF CALGARY THIS 28 DAY OF November 2011.



**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*

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<i>Decision No.</i>		<i>Roll No.</i>		
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Multi Family	Low Rise Apts.	Rent rates	Negative Influence