

**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:

Residence Fountains of Mission Inc., (as represented by Ducharme, McMillen and Associates), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

***C. McEwen, PRESIDING OFFICER
P. Grace, MEMBER
Y. Nesry, 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: 200922458

LOCATION ADDRESS: 220 25 AVE SW

HEARING NUMBER: 63309

ASSESSMENT: \$15,980,000

This complaint was heard on the 3rd day of November, 2011 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, AB, Boardroom 5.

Appeared on behalf of the Complainant:

- M. Pierson

Appeared on behalf of the Respondent:

- E. Currie
- T. Johnson

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

There were no jurisdictional or procedural matters raised by either party.

Property Description:

The subject property is the Fountains of Mission senior's residence, constructed in 2002, located in the Mission district of SW Calgary. The 0.54 acre site is improved with a six-story structure containing 96 units comprised of 54 studios, 38 one-bedroom and 4 two-bedroom suites. The subject is assessed as a Senior Citizens (Supervised) development (IS0411) using the Cost Approach to Value. The land is assessed at \$3,748,640 and the improvement at \$12,244,050.

Issues:

1. Is the subject property assessment inequitable to comparable properties?
2. Is the subject improvement calculation correct?

Complainant's Requested Value:

\$9,600,000

Board's Findings and Reasons in Respect of Each Matter or Issue:

The Board accepts the Complainant's equity argument and reduces the subject assessment for the following reasons:

- The Complainant provided an Assessment & Building Details chart (Table 1, C1, page 22) of fourteen equity comparables, all retirement residences, and argued that the comparables' median assessment of \$95,722 per unit provided a better indication of value of the subject property than the subject's assessed value of \$166,458 per unit. The Complainant argued that retirement homes throughout the city were included in the analysis due to the unique location characteristic of senior's residences; such properties are spread throughout the city and so to assemble enough properties to provide a meaningful sample size required a significant geographic area to pull from.
- The Complainant argued that Eau Claire Retirement, located at 301 7 ST SW, was the best comparable based upon proximity, land area, improvement size, unit mix, age and

amenities. This comparable was assessed at \$98,639 per unit.

- The Complainant provided an Improvement-only Assessment per Unit Analysis chart (Table 3, R1, page 23) of three comparable properties that used their improvement value (taken from the city's cost calculations) to calculate the assessed improvement per unit for each comparable. The Complainant argued that by taking land value out of the calculation, the subject and comparables could be compared on the basis of improvement value only which, for the most part, would be consistent throughout the city. Accordingly, the best comparable, Eau Claire Retirement was assessed at \$65,129 per unit compared to the subject assessment of \$127,542 per unit. Based upon equity with the best comparable, the Complainant requested the assessment of the subject improvement be reduced to \$6,252,384 (\$65,129 x 96) resulting in a total subject assessment of \$10,001,024.
- The Complainant also provided an alternative calculation for the subject improvement based upon several input adjustments to Marshall and Swift. The adjustments resulted in an alternative assessment request of \$14,377,000 (C1, page 21).
- The Respondent argued that the Complainant's comparables were not similar enough to the subject for comparison purposes and that retirement residences are assessed using the Cost Approach to Value for the very reason that they are all unique thereby rendering direct comparisons unreliable.
- The Respondent also argued that the Complainant's best comparable, Eau Claire Retirement, was incorrectly classified for assessment purposes and that adjusting the subject based upon an assessment error would create further inequity.

The Board notes that in both Table 1 (total assessment per unit) and Table 3 (improvement-only assessment per unit) of the Complainant's evidence, the subject property's values are significantly outside the range of values exhibited by the comparables. The Board accepts this evidence as strong support for the Complainant's argument that the assessment of the subject property is inequitable.

The Board accepts Eau Claire Retirement as a valid equity comparable and gives little weight to the Respondent's argument that a misclassification error had occurred in the assessment of the comparable. The evidence before the Board suggests that Eau Claire Retirement and the subject property are similar in every significant characteristic, including location, and should be assessed equitably.

The Board accepts the Complainant's recalculation of the subject improvement based upon the improvement-only per unit assessment of the best comparable, Eau Claire Retirement.

The Board does not accept any additional reductions to the assessment of the subject improvement related to Marshall and Swift inputs as the equity argument advanced by the Complainant and accepted by the Board already captures the cost adjustments.

In summary, the Board accepts the subject land assessment to be correct at \$3,748,640 as land value is not an issue before the Board. The Board also finds the subject improvement to be incorrectly assessed, for the reasons noted above, and so reduces this component of the subject assessment to \$6,252,384 as calculated by the Complainant.

The Board recommends a site visit by the assessor to confirm the subject property's characteristics for future assessments.

Board's Decision:

The subject assessment is reduced to \$10,000,000.

DATED AT THE CITY OF CALGARY THIS 2 DAY OF December 2011.



C. McEwen
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. 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 ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Residential	Institutional	Cost Approach	Land Value Improvement Calculation