



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

Westside Properties Ltd.,
(As represented by Assessment Advisory Group) COMPLAINANT

and

The City Of Calgary, RESPONDENT

before

L. Yakimchuk, PRESIDING OFFICER
P. Charuk, BOARD MEMBER
P. Pask, BOARD 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 2013 Assessment Roll as follows:

ROLL NUMBER: 079052106
LOCATION ADDRESS: 115 25 Av SW
FILE NUMBER: 70956
ASSESSMENT: \$5,680,000

This complaint was heard September 5, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- *D. Bowman, Assessment Advisory Group Inc. (AAG)*

Appeared on behalf of the Respondent:

- *C. Chichak, City of Calgary Assessor*
- *S. Poon, City of Calgary Assessor*

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

- [1] There were no preliminary matters.

Property Description:

- [2] The subject property has been assessed as a 1971 35-suite Highrise Apartment Building (MR2) in the Calgary Beltline Community of Mission. It has been assessed at the rates of \$950/month for 17 one-bedroom suite and \$1,150/month for 18 two-bedroom suites. The property is assessed at \$162,285.71/rental unit.

Issues:

- [3] Is the assessment of the subject property reflective of Market Value using the Income Approach? Specifically, is the rent rate accurate?

Complainant's Requested Value: \$5,310,000

Board's Decision:

- [4] The Board confirms the assessment at \$5,680,000.

Legislative Authority, Requirements and Considerations:

The Composite Assessment Review Board (CARB) derives its authority from the Municipal Government Act (MGA) RSA 2000 Section 460.1:

- (2) Subject to section 460(11), a composite assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on an assessment notice for property other than property described in subsection (1)(a).

For the purposes of this hearing, the CARB will consider MGA Section 293(1)

In preparing an assessment, the assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA Section 293(1)(b). The CARB decision will be guided by MRAT Section 2, which states that

An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) must be an estimate of the value of the fee simple estate in the property, and
- (c) must reflect typical market conditions for properties similar to that property.

and MRAT Section 4(1), which states that

The valuation standard for a parcel of land is

- (a) market value, or
- (b) if the parcel is used for farming operations, agricultural use value.

Position of the Parties

Complainant's Position:

[5] The Complainant, D. Bowman of AAG, argued that the subject property has been assessed at a rate higher than the market value for the property. He presented a rental analysis which included rents from the subject building. The rents ranged from \$915/month to \$1200/month for two-bedroom suites (median \$1,050) and from \$825 - \$975/per suite for one-bedroom suites (median \$915).

[6] The Complainant also proposed a comparable on 2010 Hope St. SW (Mount Royal Community) which earned rents from \$835 to \$1075/month for two-bedroom suites and from \$750 to \$885/month for one-bedroom suites.

[7] The Complainant provided photographs and Assessment Requests for Information (ARFIs) for the subject and the proposed Comparable. He argued that because they were similar buildings in communities similar to each other, the lower assessment of the Comparable supports a reduction for the subject.

Respondent's Position:

[8] C. Chichak, City of Calgary Assessor, argued that the Comparable proposed by the Complainant was inferior to the subject and assessed as a "Fair" quality building, therefore the rent rate for the Comparable was lower.

[9] The Respondent presented two sales of similar properties in the same area which he said were more comparable to the subject. The properties sold at \$160,000 and \$157,000 per rental unit.

[10] The Respondent also provided a CMHC Rent Rate Study which supported the rent rates assessed by the City of Calgary (R2 p57). As well, he explained the factors which contribute to the quality of the building (R1 p7). The Respondent provided photographs of the subject building and the Complainant's proposed comparable which he took on site visits to the properties.

Board's Reasons for Decision:

[11] The Board considered the information presented by the Complainant. The Complainant's argument was supported by actual rents in the subject building and an assessment of another building which did not appear to be comparable in photographs, by achievable rents, or by assessed quality. The Board decided that the subject appeared to be a typical apartment building, therefore typical rents should be used to calculate an Income Value for the subject.

[12] The Board considered the two Sales presented by the Respondent. The two buildings appeared to be similar to the subject and their Sale Values supported the assessment. The Respondent had included CMHC information which also supported the rent rates assessed by the City of Calgary.

[13] The Board confirmed the assessment at \$5,680,000.

DATED AT THE CITY OF CALGARY THIS 3rd DAY OF October 2013.


Lana Yakimchuk

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.*

Appeal Type	Property Type	Property Sub-type	Issue	Sub-Issue
CARB	Residential	High Rise Apartment	Income Approach	Sales