



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

***Paul Teoh Holdings 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:** 060067303  
**LOCATION ADDRESS:** 6 Parkdale Cr NW  
**FILE NUMBER:** 71819  
**ASSESSMENT:** \$1,610,000

This complaint was heard September 6, 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:

- *S. Poon, City of Calgary Assessor*
- *C. Chichak, 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 1953 Lowrise Apartment Building (MR0201) in the Community of Parkdale. It has been assessed at \$1,100/month for each of eight two-bedroom units for an annual rental of \$105,600/year.

**Issues:**

- [3] Is the assessment of the subject property reflective of Market Value using the Income Approach? Specifically, is the rent rate equitable with other similar properties?

**Complainant's Requested Value: \$1,310,000**

**Board's Decision:**

- [4] The Board reduces the assessment to \$1,310,000.

**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 Assessments for the subject and for two other similar properties to demonstrate that the subject had not been assessed equitably with other similar properties. He also included the Assessment Request for Information and rent roll for the subject and the rent roll for the Comparable on Memorial Dr NW.

[6] The proposed Comparable properties were located at 5 Parkdale Cr NW (adjacent to the subject property) and 1170 Memorial Dr NW. The Complainant showed photos of the exteriors of the properties to demonstrate their exterior similarity to the subject. Both proposed comparable properties were assessed at \$900/two-bedroom unit.

[7] The subject rent roll showed tenants were charged \$1,000/month for each suite, and the rent roll for 1170 Memorial Dr NW showed that the residents were charged \$975 to \$1500 per suite.

#### **Respondent's Position:**

[8] S. Poon, City of Calgary Assessor, argued that the Comparables proposed by the Complainant were inferior to the subject and assessed as "Average" quality buildings, but the subject was assessed as "Good".

[9] The Respondent presented photographs of the interior of one of the apartments in the

subject building which had been posted in connection with a rental advertisement to show that the apartment had been renovated in 2005. She also included a July 28, 2013 advertisement for one of the apartments as of September 1, 2013 for \$1250.

[10] The Respondent provided a 2013 Rental Analysis for "Average" Class and "Good" Class MR0201 apartment buildings which showed that the "Average" Class leases averaged \$846/two-bedroom unit (median \$895) for seven buildings and the "Good" Class leases averaged \$1,123 (median \$1,145)/ two-bedroom unit for the three buildings on the list.

[11] The Respondent argued that it was unfair to use actual rents in an assessment and important to use typical rents to create equity.

**Board's Reasons for Decision:**

[12] The Board considered the information presented by the Complainant. The neighbouring property at 5 Parkdale Cr NW appeared to be extremely similar to the subject in age, design and appearance. The property at 1170 Memorial Dr NW was newer, had balconies and was in a different but comparable area. The Board noted that neither party had been inside any of the three buildings discussed and there were no first-hand photographs of the interiors available.

[13] The Board considered the Respondent's statement that the subject building had a higher classification than the Comparables. There was no support for this statement other than that the subject had been renovated to some degree in 2005, according to the photographs of a suite in the advertisement. It was also noted that the advertisement stated that the subject was built in 1965 (assessed building date 1953). There was no evidence of the extent of the renovations, and no evidence that the proposed comparable buildings had or had not been renovated.

[14] The Board decided that the subject property was most similar to the neighbour at 5 Parkdale Cr NW and that it was not assessed equitably with this property.

[15] The Board reduced the rent rate to \$900/month, thereby reducing the assessment to \$1,310,000.

DATED AT THE CITY OF CALGARY THIS 3<sup>rd</sup> DAY OF October 2013.

  
Lana Yakimchuk

**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. 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.*

<b>Appeal Type</b>	<b>Property Type</b>	<b>Property Sub-type</b>	<b>Issue</b>	<b>Sub-Issue</b>
CARB	Residential	Low Rise Apartment	Income Approach	Equity