



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:

3414493 Canada Inc (as represented by Altus Group Ltd), COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

F. Wesseling, PRESIDING OFFICER

K. Farn, BOARD MEMBER

P. Cross, 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 2014 Assessment Roll as follows:

ROLL NUMBER: 123191702

LOCATION ADDRESS: 9100 Bonaventure Dr SE

FILE NUMBER: 75589

ASSESSMENT: \$60,310,000

This complaint was heard on 5 day of August, 2014 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 4.

Appeared on behalf of the Complainant:

- J. Weber, Agent, Altus Group Ltd

Appeared on behalf of the Respondent:

- C. Chichak, Assessor, City of Calgary
- M. Byrne, Assessor, City of Calgary

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

The Board derives its authority to make this decision under Part 11 of the Municipal Government Act (the Act). The parties did not object to the panel representing the Board as constituted to hear the matter.

The Respondent requested that pages 25 and 26 be deleted from the rebuttal as being immaterial to the complaint. The Complainant agreed. The Board deleted pages 25 and 26 from the rebuttal package (C-2).

Property Description:

[1] The subject property is known as Bonaventure Estates and is multi-family residential development. The development consists of 114 low rise units and 203 high rise units. The site consists of 4.51 acres. The building was constructed in 1981. The City of Calgary Land Use Bylaw classifies the property Direct Control (DC) District.

Issues:

[2] The Complainant raised the following matter in Section 4, item 3 of the Assessment Complaint form: Assessment amount

[3] The issues were further clarified as: The difference of assessment rental rates between low and high rise residential units.

Complainant's Requested Value: \$53,400,000

Board's Decision:

[4] Upon reviewing the evidence provided by the parties, the Board found that the Complainant demonstrated that the assessment was in excess of market value.

[5] The Board establishes the assessment at **\$55,894,000**.

Legislative Authority, Requirements and Considerations:

[6] Both parties submitted background information in the form of photographs, aerials, site maps as well as evidence on the issues at hand. In the interest of brevity, the Board will restrict its comments to those items the Board determined to be relevant to the matters at hand. Furthermore, the Board's findings and decision reflect on the evidence presented and examined by the parties before the Board at the time of the hearing.

[7] The Board was presented with a number of previous decisions of the Assessment Review Board. While the Board respects the decisions rendered by those Boards, it is mindful that those decisions were made in respect of issues and evidence that may be dissimilar to the evidence presented to this Board. This Board will therefore give limited weight to those decisions, unless the issues and evidence are shown to be timely, relevant and materially similar to the subject complaint.

Position of the Parties**Complainant's Position:**

[8] The Complainant described the project as being a significant residential development consisting of both low rise and high rise rental units. The primary issue is one of equity and differentiation in terms of assessment rental rates between low rise and high rise rental units. In the past the two types of units have been assessed using the same rental rates. For 2014 that has changed leading to a significant increase in assessment. The Complainant is requesting that the high rise units be assessed at the same rental rate as low rise units. In the assessment prepared by the City, high rise two bed room rental units are assessed at \$1430 per month while the low rise 2 bedroom rental units are assessed at \$1175 per month. The request is that the high rise 2 bedroom units be assessed at \$1175 per month and one bedroom units be assessed at \$1025 instead of \$1215 per month.

[9] In support of the request the Complainant presented comparable information but also the actual data in terms of the rent roll for the complex. The comparables depicted that the 2 bedroom units in the subject property were considerably higher than similar units in comparable buildings. The rent roll information was dated July 2013 and showed a medium for one bedroom units to be at \$1057 per month while the median for 2 bedroom units was \$1195 per month. The actual data did not depict a significant difference in median rental income for 1 or 2 bedroom units between high rise and low rise units.

[10] An extract from the *Alberta Assessors Association Valuation Guide* (AAAVG) was presented. Highlighted was Section 3.0 *Determining Market Rents* which indicates the best evidence of market rents are the actual leases signed on or around the valuation date. It is the Complainant's position, that in accordance with AAAVG, the best evidence is the actual market rents as of the valuation date for the subject property.

[11] In rebuttal, the Complainant provided background rental information on the single building (the Pinnacle) used in the City's analysis to determine the rental rates for 2 bedroom units. In addition, various CARB orders were pointed to for the Board's reference.

Respondent's Position:

[12] The Respondent noted a change in the 2014 assessment is that different rental rates were established for low and high rise units. The Respondent presented the 2014 Multi Residential Rental Analysis for Market Zone 9. The assessment rental rate of \$1430 per month for high rise 1 and 2 bedroom units are based on this study. The market analysis only showed one building on 9600 Southland Circle SW known as the Pinnacle.

[13] The Respondent further reviewed a CMHC report entitled Rental Market Report Calgary CMA with data for 2012-2013. The report indicated a very robust rental market.

Board's Reasons for Decision:

[14] The City's rental rate analysis on which the rental rate for high rise 1 and 2 bedroom units is based for this market zone is derived from one property and in the Board's opinion is not "typical" of market. The evidence provided by the Complainant was compelling in this regard.

[15] Evidence before the Board suggested that the assessed rental rate applied for 1 and 2 bedroom high rise units are higher than the actual achieved in the subject building.

DATED AT THE CITY OF CALGARY THIS 4th DAY OF September 2014.



F. Wesseling

Presiding Officer

APPENDIX "A"

**DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:**

NO.	ITEM
1. C1 Evidence Submission	Complainant Disclosure
2. C2 Rebuttal Evidence Submission	Complainant Disclosure
3. R1 Assessment Brief	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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Decision No.		Roll No.		
<u>Subject</u>	<u>Type</u>	<u>Issue</u>	<u>Detail</u>	<u>Issue</u>
CARB	Residential	Assessment Value	Rental rates	Differentiation between low and high rise.