

**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

between:

***ALAN JAMES CHAPMAN AND ANNE FIONA LAW, COMPLAINANTS
(Represented by Assessment Advisory Group Inc.)***

and

The CITY OF CALGARY, RESPONDENT

before:

***Board Chair P. COLGATE
Board Member P. GRACE
Board Member R. DESCHAIINE***

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: 068173905
LOCATION ADDRESS: 310 15 AVENUE SW
HEARING NUMBER: 67207
ASSESSMENT: \$1,380,000.00

This complaint was heard on 24 day of June, 2012 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

Appeared on behalf of the Complainant:

- Terry Youn, Assessment Advisory Group Inc. – Representing Alan James Chapman and Anne Fiona Law

Appeared on behalf of the Respondent:

- Lawrence Wong – Representing the 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 parties had no objections to the panel representing the Board as constituted to hear the matter.

Preliminary Matter:

No preliminary matters were raised, so the Board proceeded to hear the merits of the complaint.

Property Description:

The subject property is a 2 storey house conversion (CS0501) located at 310 15th Avenue SW in the Beltline District. The structure, situated on a 0.12 acre parcel, has a total area of 2,494 square feet. The building was constructed in 1934. The subject property has been assessed, based upon the Sales Comparison for \$1,380,000.00.

Complainant's Requested Value: \$1,000,000.00

Board's Decision in Respect of Each Matter or Issue:

In the interest of brevity the Board will restrict its comments to those items the Board found 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.

Both the Complainant and the Respondent submitted background material in the form of photographs, site maps and City of Calgary Assessment Summary Reports and 2012 Assessment Explanation Supplement.

ISSUE: Does the assessment reflect market value?**Complainant's Evidence:**

In the Complainant's opinion the "assessment value is not reflective of the property's market value as it does not properly consider the area sales data and characteristics of the property." (C1, Pg. 2)

The Complainant submitted a "Comparable Valuation" table (C1, Pg. 5) which provided four equity comparables and one property listing. The Complainant noted a naming error on the table where "Sold Price" should have been "2012 Assessment".

The chart of equity comparables identified the assessments as a rate per square foot of land or per square foot of building, as follows:

Comparable Address	Assessment	Sq. Ft. Land	Sq. Ft. Building	Assessment/Sq. Ft. Land	Assessment/Sq. Ft. Building
316 15 Ave SW	\$649,500	5,326	1,908	\$122	\$340
320 15 Ave SW	\$589,000	5,256	1,907	\$112	\$309
322 15 Ave SW	\$644,500	5,257	1,515	\$123	\$425
324 15 Ave SW	\$539,000	3,505	2,868	\$154	\$188
Subject					
310 15 Ave SW	\$1,380,000	5,254	2,494	\$263	\$553

The Complainant submitted the Property Assessment Summary Reports for three of the equity comparables. (C1, Pg.21-23)

A comparison of the property listed for sale and the subject indicated the following-

List Address	Assessment	Sq. Ft. Land	Sq. Ft. Building	Assessment/Sq. Ft. Land	Assessment/Sq. Ft. Building	Asking Price	Asking Price/Sq. Ft. Building
224 15 Ave SW	\$1,630,000	7,007	3,370	\$233	\$484	\$1,500,000	\$445
Subject						Requested Assessment	Requested Assessment/Sq. Ft. Building
310 15 Ave SW	\$1,380,000	5,254	2,494	\$263	\$553	\$1,000,000	\$401

The Complainant submitted the listing of 224 15 Avenue SW from Barclay Street Real Estate Ltd. in support of the listing presented. (C1, Pg. 16-19)

Respondent's Evidence:

The Board noted the objection of the Respondent with respect to changing the heading on the Complainant's table to indicate '2012 Assessment' in place of 'Sold Price'. The Respondent submitted a disadvantage was created as the Respondent was looking to prepare a response for sales comparables, which did not exist, instead of a response to equity comparables.

The Respondent submitted two RealNet 'Office Transaction Summary' reports in support of the

assessment on the subject property – 816 13 Avenue SW and 903A 15 Avenue SW. The Respondent reported both sales were for houses converted for use as offices under the Direct Control guidelines.

Address	Sale Price	Sale Date	Sq. Ft. Land	Sq. Ft. Building	Sale Price/Sq Ft. Land	Sale Price/Sq Ft. Building
816 13 Ave SW	\$1,755,000	2010-06-01	6,534	5,706	\$269	\$308
310 15 Ave SW	\$1,400,000	2010-03-09	5,250	2,080	\$267	\$673

The Respondent submitted the two sales indicate residential properties converted to office use sell for higher values and therefore should have higher assessments.

Findings of the Board

The equity comparables submitted by the Complainant are properties designated as single residential and not comparable to the subject property designated as a conversion property. The Complainant failed to address the difference between the subject and the comparables with respect to the allowed use as an office under the Direct Control Guidelines. Further the Complainant failed to make adjustments in the analysis for the differences in building size and land area and their effect on the 2012 assessment.

The Complainant submitted no sales of similarly designated conversion properties, but did provide a listing for a property with the same sub-property use of house conversion. From the evidence submitted the Board found the comparable was larger, on a large lot and appears from the photographs to be in better condition. The Board also notes the comparable is assessed \$250,000 higher than the subject property and its asking price is \$120,000 more than the assessment of the subject. These differences would tend to support the lower assessment for the subject property.

The Board had difficulty accepting the objection by the Respondent with respect to the change of headings on the table (C1, Pg. 5) as the Complainant had submitted Property Assessment Summary Reports for three of four comparables. A careful review by the Respondent of the Complainant's submission would have clarified the error and eliminated the need for an objection.

Board's Decision:

The Board found the Complainant submitted insufficient evidence, through either market evidence of sales or equity comparables of similarly classified properties, to support the requested reduction the assessment of the subject property. A change to the current assessment was not warranted.

The Board found guidance in prior decisions with respect to the decision on the subject property.

Imperial Parking Ltd. v. Calgary (City) [2002] Board Order: MGB 140/02 at paragraphs 37:

"in the absence of any substantive evidence that would lead a reasonable person to conclude that there might be a problem of equity with the subject assessments, the MGB must agree with

must conclude the City correctly assessed the subject property."

The Decision of the Board confirmed the assessment at \$1,380,000.00.

DATED AT THE CITY OF CALGARY THIS 24 DAY OF July 2012.


PHILIP COLGATE
Presiding Officer

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

NO.	ITEM
1. C1	Complainant Disclosure
2. C2	Complainant's Rebuttal
3. R1	Respondent's 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	Office	Stand Alone Residential Conversion	Cost/Sales Approach	- Land and Improvement Comparables - Equity Comparables

LEGISLATIVE REQUIREMENTS

MUNICIPAL GOVERNMENT ACT

Chapter M-26

1(1)(n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

Division 1

Preparation of Assessments

Preparing annual assessments

285 Each municipality must prepare annually an assessment for each property in the municipality, except linear property and the property listed in section 298. RSA 2000 cM-26 s285;2002 c19 s2

289(2) Each assessment must reflect (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property,

ALBERTA REGULATION 220/2004

Municipal Government Act

MATTERS RELATING TO ASSESSMENT AND TAXATION REGULATION

1(f) "assessment year" means the year prior to the taxation year;

Part 1

Standards of Assessment

Mass appraisal

2 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.

Valuation date

3 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

Division 2 Decisions of Assessment Review Boards

Decisions of assessment review board

467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.