

**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:

**748476 Alberta Ltd.
(as represented by Assessment Advisory Group Inc.), COMPLAINANT**

and

The City Of Calgary, RESPONDENT

before:

**I. Zacharopoulos, PRESIDING OFFICER
S. Rourke, MEMBER
R. Deschaine, MEMBER**

[1] 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: 068197706
LOCATION ADDRESS: 1501 MACLEOD TR SE
HEARING NUMBER: 64774
ASSESSMENT: \$1,040,000

[2] This complaint was heard by a Composite Assessment Review Board (the Board) on August 3th, 2011 at the office of the Assessment Review Board located at 4th floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 11.

[3] Appeared on behalf of the Complainant:

- *Mr. S. Cobb* *Assessment Advisory Group Inc.*

[4] Appeared on behalf of the Respondent:

- *Mr. R. Natyshen* *City of Calgary Assessment*

BOARD'S DECISION IN RESPECT OF PROCEDURAL OR JURISDICTIONAL MATTERS:

[5] No procedural or jurisdictional matters were raised.

PROPERTY DESCRIPTION:

[6] The subject property is identified as a house conversion development located at the intersection of 15th Avenue and Macleod Trail SE within the Beltline community in SE Calgary. The land area is 3,373 square feet (sf) while the building's year of construction is shown to be 1913 with a total assessed area of 3,266 square feet (sf). The assessment is developed through the Direct Sales Comparison approach to value and reflects a rate of \$318.43/sf of building area as per Doc. R-1, pg 19.

REGARDING BREVITY:

[7] In the interests 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.

MATTERS/ISSUES:

[8] The matter identified by the Complainant as the basis for this complaint is "an assessment amount".

[9] The Complainant's position is based on the following issue:

1. **Does the Complainant's equity analysis produce an appropriate assessment indicator for the subject property as of July 1, 2010?**

COMPLAINANT'S REQUESTED VALUE:

[10] The Complainant requests an assessment of \$693,000 as per the Summary of Testimonial Evidence found under Doc. C-1, pg 1. The Assessment Review Board Complaint form shows \$653,000.

BOARD'S DECISION IN RESPECT OF EACH MATTER OR ISSUE:

[11] Along with the evidence the parties presented at the hearing the Board referenced the Municipal Government Act (MGA) and associated Regulations in arriving at its decision. We found the following to be particularly applicable to the complaint before us:

- **Municipal Government Act** Part 9 and Part 11.
- **Matters Relating to Assessment and Taxation Regulation 220/2004** (MRAT) Section 1; Part 1 and Part 5.1.
- **Matters Relating to Assessment Complaints Regulation 310/2009** (MRAC) Division 2 and Schedule 1.

[12] Jurisprudence has established that the onus of showing an assessment is incorrect rests with the Complainant. Evidence and argument was put before the Board by the Complainant in that regard; to show the assessment is incorrect and to provide an alternate market value as of July 1, 2010. The Board is to determine if (within the direction of the MGA and associated Regulations) it has been swayed to find the assessment before us to be incorrect and if the market value determination as of July 1, 2010 should be revised.

[13] With regard to the issue identified above the Board's findings are as follows:

2. Does the Complainant's equity analysis produce an appropriate assessment indicator for the subject property as of July 1, 2010?

[14] The Complainant's objections revolve around the 37% year-over-year increase in the subject assessment. The Complainant submits a number of purported comparable properties in an effort to illustrate an inequity exists, focusing especially on a comparison of year-over-year increases between the subject property and the purported comparables.

[15] The Complainant submits the 37% year-over-year increase in the assessment of the subject property is not in line with 9 purported comparables as identified under Doc. C-1, pg 28 and further identified as follows:

- #1 - 231 12 AV SE; Doc C-1, pg 16
- #2 - 125 15 AV SE; Doc C-1, pg 17
- #3 - 1005 1 ST SE; Doc C-1, pg 18
- #4 - 224 11 AV SW; Doc C-1, pg 19
- #5 - 1501 1 ST SE; Doc C-1, pg 20
- #6 - 1037 11 AV SW; Doc C-1, pg 22
- #7 - 303, 221 10 AV SE; Doc C-1, pg 24
- #8 - 1030 10 AV SW; Doc C-1, pg 25
- #9 - 330 10 AV SE; Doc C-1, pg 27

[16] The Complainant also looks to the 2010 Composite Assessment Review Board decision regarding the assessment of the subject property and the equity references provided by the City at that hearing (starting C-1, pg 8) to support comparability between the subject and those shown as #1, #2, #3, #4 and #5 as shown under [15] above.

[17] The Respondent provided 4 sales of house conversion developments in support of the assessment, as per the chart found under Doc. R-1, pg 19. The range is shown to be from \$267.94 to \$673.08/sf of building area with a calculated median of \$507.09/sf.

[18] The Board was left to reference the Assessment Summary Reports advanced by the Complainant and in particular the "Property Type" ("PT") and "Subproperty Use" ("SU") designations. None of these designations were challenged by the Complainant. The subject property shows a "PT" of "Land and Improvement" and a "SU" of "CS0501 House Conversion". These designations were also not challenged by the Complainant.

[19] The Board finds 4 of the purported comparables (#s1, 2, 3 & 9) show a "PT" of "Land Only" and therefore no "SU". The remaining purported comparables all show a "PT" of "Land and Improvements". However, the "SU" designations vary: #4 is identified as "CS1200 Office"; #5 is identified as "CS0501 House Conversion"; #6 is identified as "CS2100 Retail"; #7 is identified as "CS0610 Condo – Commercial Unit"; and #8 is identified as "CS2215 Retail/Office".

[20] Lacking clarity regarding the property characteristics of the Complainant's purported comparables, the Board can only conclude that as per the "PT" and "SU" identifiers shown on the Assessment Summary Reports and identified above that only one of the Complainant's purported comparables is an effective comparable to the subject property; that being #5 (See C-1, pg 20).

[21] Upon further review of the Assessment Summary Report under C-1, pg 20 the Board finds the indicated assessment rate/sf for #5 is \$429.05/sf of building area. The Board finds this does not support the Complainant's request for a reduction of the subject assessment which as per [6] above is \$318.43/sf.

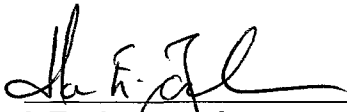
[22] The Board therefore finds the Complainant's equity analysis does not produce an appropriate assessment indicator for the subject property as of July 1, 2010.

[23] Furthermore, while the Board is cognizant of the substantial increase in assessment, we find no analysis was provided to address potential year-over-year fluctuations in the marketplace or the assessment base. Therefore, the Complainant's unsupported objection to annual assessment fluctuations is not persuasive.

BOARD'S DECISION:

[24] The assessment is confirmed at \$1,040,000.

DATED AT THE CITY OF CALGARY THIS 7 DAY OF SEPTEMBER 2011.


I. Zacharopoulos
Presiding Officer

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

NO.	ITEM
1. Doc. C-1	Complainant's Disclosure
2. Doc. R-1	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.*