

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:

TAI HUU NGUYEN, COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

BOARD CHAIR: P. COLGATE
BOARD MEMBER: D. STEELE
BOARD MEMBER: A. ZINDLER

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: 034051409

LOCATION ADDRESS: 3507 CENTRE STREET NW

FILE NUMBER: 70273

ASSESSMENT: \$452,500

This complaint was heard on 17th day of October 2013 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 10.

Appeared on behalf of the Complainant:

- Tai Huu Nguyen, Owner

Appeared on behalf of the Respondent:

- Steve Cook, 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 had no objections to the panel representing the Board as constituted to hear the matter.

Preliminary Matter:

- [1] No preliminary matters were raised at the hearing. The Board proceeded with the merit hearing.

Property Description:

[2] The subject property has been classified as a CS0502 House Conversion with Residential Corriponent. Situated on a 5,997 square foot lot, the 1949 house is assessed for 1,490 square feet distributed to 940 square feet of non-living area above grade and 550 square feet of living area below grade. There is an old garage on the site. The assessed value was determined through a sales comparison approach with other house conversion properties.

Issues:

- [3] The primary issue placed before the Board is one of equity with comparable properties in the immediate vicinity of the subject property.

Complainant's Requested Value: \$350,000.00 (Complaint Form)

Board's Decision:

[4] The Board, upon review of the evidence submitted by the Complainant and the Respondent, found sufficient evidence was provided to justify a change to the assessment of the property under complaint.

- [5] The Decision of the Board was to amend the assessment to **\$396,500.00**

Legislative Authority, Requirements and Considerations:

[6] 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.

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

[7] The Complainant submitted three (3) comparison properties in the vicinity of the subject parcel. The information provided is summarized:

Address	Property Use	Assessable Land Area (sq. ft.)	Assessable Building Area (sq. ft.)	Year of Construction	Quality	Assessed Value	Approach to Value
Subject							
3507 Centre St. NW	House Conversion with Residential Component	5997	1490	1949	C	\$452,000	Sales Comparison
Comparables							
3511 Centre St. NW	Residential	5997	968	1949	Fair	\$336,000	Sales Comparison
3423 Centre St. NW	Retail with some Residential Use	5994	2019	1948	C-	\$396,500	Sales Comparison (Valued as Land Only)
3501 Centre St. W	Retail with some Residential Use	5999	2,030 Retail 460 Garage	1950 1950	C C	\$396,500	Sales Comparison (Valued as Land Only)

(C1, Pg. 1-6)

[8] The Complainant stated the basement suite was unrented for several months.

[9] The Complainant argued there was an inequity as parcels with the same area and larger buildings were being assessed at a lower market value, specifically 3423 and 3501 Centre Street NW.

Respondent's Position:

[10] The Respondent informed the Board the assessment for the subject property, and all similar properties, was based upon a Sales Comparison Approach using houses converted to commercial use. The subject property was a 1949 house converted to its current commercial use, with a residential suite in the basement.

[11] The Respondent submitted photographs of the Complainant's comparables, noting 3511 Centre Street NW was a residential property and assessed using the residential model; 3423 Centre Street NW was a purpose built commercial operation; and 3501 Centre Street was also a purpose built commercial structure, both with attached living areas. The Respondent noted that the two commercial operations would have been valued on both the Income Approach and the Land Value Only Approach and assessed based upon Land Value Only as that method produced the higher value. (R1, Pg. 12-15)

[12] The Respondent submitted a table of eight (8) comparable properties assessed as house conversion properties. All the sales were located in the northwest quadrant, with two being located on Centre Street. (R1, Pg. 16) Two additional comparables were sales that occurred in the community of Mount Pleasant on Dec 5, 2011 and July 26, 2010.

Address	Community	Land Area (sq. ft.)	YOC	Main Floor Area (sq. ft.)	Bas't Area (sq. ft.)	Garage Y/N	Land Use	Assessment
Subject								
3507 Centre St NW	Highland Park	5997	1949	940	550	Y	Commercial	\$452,500
1207 20 Ave NW	Capitol Hill	5994	1949	1128	1128	N	Residential	\$458,000
1221 17 Ave NW	Capitol Hill	5992	1947	814	N	Y	DC	\$452,000
519 23 Ave NW	Mount Pleasant	5995	1925	893	N	Y	Commercial	\$584,500
501 30 Ave NW	Mount Pleasant	6030	1948	840	696	Y	DC	\$522,500
505 30 Ave NW	Mount Pleasant	6030	1949	1040	1040	Y	DC	\$546,500
516 40 Ave NW	Highwood	5998	1959	968	600	Y	Commercial	\$493,500
5011 Centre St NW	Thornccliffe	5991	1955	1007	1007	Y	Commercial	\$498,000
5015 Centre St NW	Thornccliffe	5992	1955	960	479	N	Commercial	\$492,500
Sales Info						Sale Date	Sale Price	Assessment
519 23 Ave NW	Mount Pleasant	5995	1925	893	N	Dec 5/11	\$625,000	\$584,500
505 30 Ave NW	Mount Pleasant	6030	1949	1040	1040	July 26/10	\$490,000	\$546,500

Board's Reasons for Decision:

[13] The Board notes the inability to explain to the Board why the two comparables located at 3423 and 3501 Centre Street NW were being assessed as land only when the structures were larger than the subject and had the potential for a higher income. The Board was not satisfied with the Respondent's explanation as to why the two comparables provided by the Complainant were assessed on Land Value Only. The general remark was they were analysed in a different grouping for retail while the subject was a house conversion.

[14] The Board noted that none of the Respondent's comparables were located in the same community as the subject property and only two were situated on Centre Street NW, but considerable north of the subject property.

[15] The sales information was not helpful to the Board as there was no time adjustment for the sale price. If the Board assumes none is necessary, then the resulting Assessment to Sales

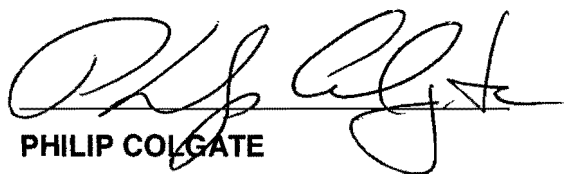
Ratios (ASR) falls outside the legislated range, being 0.93 and 1.11. These results leave the Board with questions as to the reliability of the House Conversion analysis as prepared by the City of Calgary.

[16] The Board did not find the sales evidence presented by the Respondent helpful, as both were located in a different community – Mount Pleasant – a significant distance from the subject property.

[17] The Board found the Complainant's evidence more compelling, especially as it relates to the properties at 3423 and 3501 Centre Street NW.

[18] The Board amended the assessment to \$396,500.00.

DATED AT THE CITY OF CALGARY THIS 21st DAY OF November 2013.



PHILIP COLGATE

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.*

FOR ADMINISTRATIVE USE

Subject	Property Type	Property Sub-Type	Issue	Sub-Issue
CARB	Other Property Type	Speciality Property	Cost/Sales Approach	Equity

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.