



## **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:**

***Alan James Chapman and Anne Fiona Law, (as represented by Assessment Advisory Group Inc.), COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

***Board Chair, T. Hudson PRESIDING OFFICER  
BOARD MEMBER, B. Bickford  
BOARD MEMBER, P. Loh***

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: 068173905**

**LOCATION ADDRESS: 310 15 AV SW**

**FILE NUMBER: 74197**

**ASSESSMENT: \$908,000**

This complaint was heard beginning on the 10th day of June, and concluding on the 11<sup>th</sup> day of June, 2014 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Board room 10.

Appeared on behalf of the Complainant:

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

Appeared on behalf of the Respondent:

- *Mr. C. Fox, Assessor, City of Calgary*
- *Mr. K. Mulenga, Assessor, City of Calgary*

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

- [1] There were no procedural or jurisdictional matters in dispute between the Parties.
- [2] The Parties requested, and the Board agreed to reference the evidence and argument submitted with respect to our complaint file #74858 in determining a decision on this complaint file, (i.e. #74197).

**Property Description:**

- [3] The subject property is a 5,254 square foot (sf.) parcel of land, developed with a commercial house conversion, and located at 310 15 AV SW in the BL3 area of the Beltline community.
- [4] The property is currently assessed based on the land value sales comparison approach.
- [5] Details of the assessment include the base land rate of \$285 per square foot (psf.), with no influence adjustment.
- [6] The calculated assessed value is \$908,000 taxable, and \$589,000 exempt. Only the taxable portion is under complaint.

**Issue:**

**Assessed Land Value Rate**

- [7] The Complainant contends that the land value rate should be reduced to \$175 psf.

**Complainant Requested Value: \$560,000(rounded).**

**Board's Decision:**

- [8] The taxable portion of the assessment of the subject property is reduced to **\$727,980.**

**Legislative Authority, Requirements and Considerations:**

- [9] The Composite Assessment Review Board (CARB) derives its authority from Part 11 of 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).*

[10] For purposes of the hearing, the CARB will consider MGA Section 293(1):

*In preparing the 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.*

[11] The Matters Relating to Assessment and Taxation Regulation (MRAT) is the regulation referred to in MGA section 293(1) (b). The CARB consideration will be guided by MRAT Part 1 Standards of Assessment, Mass appraisal section 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.*

### **Position of the Parties**

#### **Complainant**

[12] The Complainant argued that the subject property assessment exceeds market value and is inequitable.

[13] Five sales, (i.e. two house conversions and three other commercial properties), and five assessment equity values, (i.e. one house conversion and four multi-residential properties) in the Beltline, were submitted in support, (Exhibit C1 page 15).

[14] The median sale price of the comparables is \$173 psf., and the assessment equity comparables demonstrate a median land value rate of \$142 psf.

[15] The Complainant noted that 2<sup>nd</sup> ST SW has been selected by the Respondent as an arbitrary boundary where similar properties on either side of this boundary, are assessed at dramatically different land rates.

[16] The Complainant noted that their best comparable property is a house conversion located at 224 15 AV SW, which is on the same street as the subject, but east of 2<sup>nd</sup> ST SW. The property is assessed at \$172 psf., and sold in December of 2012 for \$169 psf. The subject property is assessed at \$285 psf.

#### **Respondent**

[17] The Respondent submitted nine sales, and one post facto sale, in support of the base land value rate of \$285 psf. for the BL3, 4, 6, and 7 sub-markets in the Beltline community, (Exhibit R1 page 40 and 46).

[18] The Respondent also provided four sales, one post facto sale in support of the base land value rate of \$165 psf. for the BL2, 5, and 8 sub-markets in the Beltline, (Exhibit R1 pages 41 and 46).

[19] The Respondent noted that one of the sales in the BL3 sub-market, the property at 709 15 AV SW is a house conversion that sold in September of 2012 for \$332 psf.

**Board's Reasons for Decision:**

[20] The Board was not convinced by the Complainant that their evidence had produced an assessment estimate that reflects the 2014 market value of the subject property.

[21] The Board was also not convinced that the methodology submitted in the Respondent submission had produced an assessment estimate that reflects the 2014 market value of the subject property.

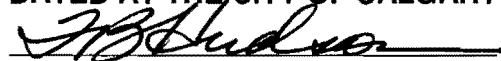
[22] The Board analyzed all of the Beltline sales evidence submitted by the Parties, in order to isolate the house conversion properties similar to the subject property from the other sales.

[23] The house conversion properties in evidence that sold, include 224 15 AV SW for \$169 psf., 934 15 AV SW for \$184 psf., 1215 14 AV SW for \$223 psf., and 709 15 AV SW for \$332 psf.

[24] These four Beltline house conversion sales similar to the subject, averaged \$228 psf.

[25] At \$228 psf. the taxable portion of the subject property assessment is reduced to \$727,980, which maintains the 39% taxable portion of the total assessment amount.

DATED AT THE CITY OF CALGARY THIS 16<sup>th</sup> DAY OF July 2014.



T. B. Hudson

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.*

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|                                 |             |                     |                            |                  |
|---------------------------------|-------------|---------------------|----------------------------|------------------|
| <i>Decision No. 74197P-2014</i> |             |                     | <i>Roll No 068173905</i>   |                  |
| <u>Subject</u>                  | <u>Type</u> | <u>Sub-Type</u>     | <u>Issue</u>               | <u>Sub-Issue</u> |
| CARB                            | Office      | House<br>Conversion | Market Value and<br>Equity | Land Rate        |
|                                 |             |                     |                            |                  |