

**CALGARY
COMPOSITE 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(4).

between:

322116 Alberta Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

P. Irwin, PRESIDING OFFICER

J. Rankin, MEMBER

A hearing was convened on September 10th, 2010 in Boardroom 12 at the office of the Calgary Assessment Review Board, located at 1212 – 31 Avenue NE, Calgary, Alberta in respect of the Property assessment prepared by the assessor of the City of Calgary, and entered in the 2010 Assessment Roll as follows:

ROLL NUMBER:	080011604
LOCATION ADDRESS:	1023 CAMERON AV SW
HEARING NUMBER:	57128
ASSESSMENT:	\$1,660,000

PART A: BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

The subject property is a house located on an internal lot in the Lower Mount Royal Community. It is a commercial property used for office purposes. The zoning is Direct Control (DC) with RM-5 guidelines (Residential Medium Density Multi-Dwelling District). The land area of the property is 8,476 sf and is assessed at \$196 per sf. The market value was determined by using the sales approach to value.

PART B: PROCEDURAL OR JURISDICTIONAL MATTERS

There were no objections to the composition of the Board, nor were there any jurisdictional matters.

PART C: MATTERS/ ISSUES

Is the assessed value of the property too high?

The Complainant described his property as having a two and a half storey frame house on it that was built in 1911 and that was converted into five apartments in 1917. It was converted to offices sometime in the 1970's. It has a very steep slope, with 32 steps to the front door. The property has no parking on site. He described it as a "remnant" property, sandwiched in between two apartments, and one that cannot be used in a land assembly. He felt the assessment was inequitable, based on three avenues of analysis, namely: an appraisal, sales comparables, and equity comparables. His requested assessment is \$910,000, but a derivation of that figure was not provided.

An appraisal on the subject was conducted in July 2010, with an opinion of market value of \$1,190,000 at July 1, 2009. The appraisal included five sales in southwest Calgary, zoned MC-2, with sales prices ranging from ~\$83 per sf to ~\$175 per sf. The appraiser used \$130 per sf to arrive at the market value.

The Complainant stated that he had difficulty finding sales comparables in the immediate neighbourhood. However, he presented six sales, including properties in the Bankview and Beltline areas that were as close to the valuation date as possible. The lots ranged in size from 3,250 sf to 17,115 sf and the sale prices per sf ranged from ~\$59 per sf to ~\$124 per sf.

The Complainant provided seven equity comparables, with lot sizes ranging from 4,879 sf to 6,497 sf and assessments ranging from ~\$109 per sf to ~\$124 per sf.

The Respondent reviewed the Property Detail Report, noting that the assessment was prepared using a sales valuation approach on the land and improvement. The property use is commercial, with DC/RM-5 zoning.

The Respondent's sales comparables consisted of five "land-only" properties and one office conversion property in Lower Mount Royal. The land-only properties had land areas ranging from 5,797 sf to 23,192 sf. The sale prices ranged from ~\$149 per sf to ~\$253 per sf, with an average of ~\$210 per sf.

The Respondent's equity comparables consisted of four "office conversion" type properties in Lower Mount Royal, with land areas ranging from 4,079 sf to 7,449 per sf (similar to subject), all zoned as DC/RM-5 (same as subject) and assessed at \$196 per sf. The office conversion sale was a post-facto sale, at ~\$474 per sf, but it was conceded that some investigation may be needed on that sale because the price seemed unusually high .

The Respondent noted for the Board's attention that the Complainant's sales comparables were, for the most part, residential properties (i.e. not commercial).

Board's Findings and Reasons in Respect of Each Matter or Issue:

The Board notes that the Respondent stated that the Complainant had met the onus.

Whereas the subject property was assessed on the basis of land and improvement, the Board notes that the Respondent's sales comparables were land-only sales, with a different (MC-2) zoning and therefore the comparability was somewhat clouded. The Board did, however, take particular note that one of the Respondent's sales (1721 – 9A St SW) had a sale price of ~\$140 per sf, considerably lower than the subject's assessed value.

The Complainant's sales comparables, although mostly outside the Lower Mount Royal area, and with different zoning, appeared to support the notion of inequity in the subject's assessment. Of particular interest to the Board was the Complainant's equity comparable at 1740 - 10 St SW (the "Stanley House"), a commercial/ office conversion property with a DC land use designation with an assessed value of \$120 per sf. There was no evidence presented to confirm that the Stanley House had a Heritage Site designation, which might otherwise have affected the property value.

In the final analysis, the Board finds the equity evidence of the Complainant to be more compelling, and therefore applies a rate of \$120 per sf to the land area of 8,476 sf.

PART D: DECISION(S)

The 2010 assessment is reduced to \$1,017,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF OCTOBER 2010.


P. Irwin
Presiding Officer

APPENDIX "A" : ORAL REPRESENTATIONS**PERSON APPEARING CAPACITY**

Richard Lindseth	representing 322116 Alberta Ltd.
Roy Natyshen	Assessor, City of Calgary

APPENDIX "B" : DOCUMENTS RECEIVED BY THE ASSESSMENT REVIEW BOARD

Document C – 1	Complainant's Brief (considered)
Document R – 1	Respondent's Brief (considered)

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.*