

## **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:

***EGR Holdings Ltd., as represented by the Assessment Advisory Group Inc. (AAG),  
COMPLAINANT***

and

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

before:

**T. B. Hudson, PRESIDING OFFICER  
I. Fraser, BOARD MEMBER  
R. Roy, BOARD MEMBER**

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: 079033007**

**LOCATION ADDRESS: 308 23 AV SW**

**FILE NUMBER: 70533**

**ASSESSMENT: \$1,420,000**

This complaint was heard on the 10th day of October, 2013 at the office of the Assessment Review Board located at Floor Number 3, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *D. Bowman*
- *D. Barry*
- *S. Cobb*

Appeared on behalf of the Respondent:

- *K. Haut*
- *L. Wong*

**Procedural or Jurisdictional Matters:**

[1] The Respondent noted in their submission (Exhibit R1), that the Complainant had failed to disclose their evidence by the August 28, 2013 deadline, stating it was not received until September 11, 2013.

[2] As per Section 9(2) of the Matters Relating to assessment Complaints Regulation (MRAC), the Respondent requested that the CARB decline to hear the Complainant's evidence and confirm the assessment.

[3] The Complainant submitted material in the form of email and telephone communication with both the Respondent and the Assessment Review Board (ARB) which began on August 28 and concluded on September 6.

[4] The material provides some insight into the difficulty the Complainant had in confirming receipt by the Respondent, and the ARB, of their disclosure documents for our file #70533 and a companion file #71092. Apparently the documents were sent as attachments to email on August 28, but there was no confirmation that they had been received.

[5] The Complainant sent the attachments again on August 30 and September 5, but neither the Respondent or the ARB could open them.

[6] Unfortunately, there was no indication on August 28 or August 30 that the documents were not delivered as intended...and it took another attempt on September 6 to send, and have them received and opened, successfully.

**Board Decision on the Jurisdictional Matter**

[7] The CARB was satisfied that the Complainant had made a concerted effort to comply with the August 28, 2013 deadline for submission of their disclosure. The Respondent did not suggest that their position had been compromised as a result of the circumstances outlined by the Complainant. Therefore the CARB determined that the Complainant's disclosure document(s) should be entered as evidence in the respective merit hearings, and that the Respondent's request to discontinue the hearings and confirm the assessments as a consequence of late disclosure was denied.

**Property Description**

[8] The subject is a home office conversion of a residential property originally constructed in 1912, and located at 308 23 AV SW in the Mission community. The property includes a 2,270 square foot (sf) two storey structure on a 6,504 sf lot. The assessment was prepared using the direct sales comparison approach to a total value of \$1,420,000.

**Issues:**

[9] Is the current assessment a reasonable estimate of both market value and assessment equity for the subject property?

**Complainant's Requested Value:** \$920,000 (rounded).

**Board's Decision:** The assessment is confirmed at \$1,420,000.

**Legislative Authority, Requirements and Considerations**

[10] 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).*

[11] 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.*

[12] 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:

**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.*

[13] For purposes of this hearing, the CARB also considered Alberta Regulation 310/2009, MRAC, Division 2, Section 8(2)(a)(i), and Section 9(2) which state:

*8(2) If a complaint is to be heard by a composite assessment review board, the following rules apply with respect to the disclosure of evidence:*

*(a) The complainant must, at least 42 days before the hearing date,*

*(i) disclose to the respondent and the composite assessment review board the documentary evidence, a summary of testimonial evidence, including a signed witness statement for each witness, and any written argument that the complainant intends to present at the hearing in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing.*

*9(2) A composite assessment review board must not hear any evidence that has not been disclosed in accordance with Section 8.*

### **Complainant's Position**

[14] The Complainant approached the assessment on the basis of an estimated per square foot (psf) value for each of the the residential and non-residential components of the property.

[15] The Complainant observed that the current assessment based on the total area of 2,270 sf is \$625 psf, (rounded).

[16] However, the Assessment Summary Report shows that the property is 53% non-residential (i.e. 1200 sf ), and 47% residential (i.e.1070 sf).

[17] The Complainant submitted a spread sheet (Exhibit C1 page 19), which proposed a rate of \$328.71 psf for the residential portion of the property, based on the median assessed value of three residences in the Mission community.

[18] A rate of \$471.64 psf, was proposed for the non-residential portion based on the median assessed value of three Beltline office properties in Mission, (Exhibit C1, page 19).

[19] The result was an assessment estimate of \$565,970 for the non-residential portion, and \$351,716 for the residential portion, for a total requested assessment \$917,686, rounded up to \$920,000.

[20] The Complainant also disclosed that the subject property had recently been listed for sale at an asking price of \$1,450,000. However, the asking price has since been reduced to \$1,195,000, after 95 days on the market.

### **Respondent's Position**

[21] The Respondent argued that the per square foot analysis submitted by the Complainant is flawed. To compare property assessments based on value psf, the properties must be quite similar, or adjustments must be made.

[22] The Respondent noted that the Complainant's comparable properties varied in size, land area, renovations, influences, and quality, compared to both the subject property, and to each other. However, the Complainant made no adjustments for these variances.


[23] In addition, the Complainant ignored the value attributed to the parcel size, location, garage and other influences, by only calculating the psf value of the residential and non-residential portions of the property.

[24] The Respondent also submitted the sale of three properties similar to the subject (Exhibit R1 page 16), in support of the assessment.

#### **Board Reasons for Decision**

[25] The Board concurs with the Respondent, that the assessment requested by the Complainant was based on a flawed process. In fact, when appropriate adjustments are made to the Complainant's evidence, the results support the current assessment of the subject property as a reasonable estimate of market value and equity.

DATED AT THE CITY OF CALGARY THIS 5 DAY OF November 2013.



**T. B. Hudson**

**Presiding Officer**

**DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

1. C1 Complainant Disclosure
2. C2 Email Evidence on Late Disclosure
3. R1 Respondent Disclosure

*Any of the following may appeal the decision of an assessment review board:*

- 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*

- For MGB Administrative Use Only**

Decision No. 70533P-2013		Roll No.079033007		
<u>Subject</u>	<u>Type</u>	<u>Sub-Type</u>	<u>Issue</u>	<u>Sub-Issue</u>
CARB	Commercial	Residential/Office Conversion	Market value	Equity