

2014 ASSESSMENT ANNUAL REPORT



calgary.ca | 403-268-2888

Onward! Assure The City of Calgary of stable tax revenue financing through effective property and business assessment processes.



THE CITY OF
CALGARY
ASSESSMENT



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Message from the Director/City Assessor



On behalf of the Assessment management team, I am pleased to present Assessment's 2014 Annual Report, highlighting key activities and accomplishments over the past year.

Continuing our theme of exceeding customer expectations, and in response to customer feedback, we enhanced a number of customer-facing communication pieces, including our assessment notices and informational brochures. We also improved the Advance Consultation Period and began working on our websites, calgary.ca/assessment and calgary.ca/assessmentsearch.

The quality of our valuations remained extremely high and in 2014 we made further improvements to the valuation process. The accuracy in our values continues to be reflected in the relatively low number of complaints filed.

Every year we challenge ourselves to improve the way we do business to remain a leading assessment jurisdiction. In addition to improving our valuation process, we continued to recruit highly qualified staff and began a multi-year project to replace our core technology system with a new and more sustainable system.

We provided a detailed submission to The Government of Alberta's review of the Municipal Government Act (MGA). The MGA is the leading piece of legislation for Alberta municipalities and as such, greatly impacts us. The opportunity to further improve our ability to conduct fair and equitable assessments for The City of Calgary is one we welcome.

I am very pleased with the work of our staff and with what we achieved in 2014. Our values are strong, the number of complaints remained low and we're on track to make further enhancements in 2015.

Nelson Karpa





About us



Our vision

To be a leading annual market value assessment jurisdiction, earning the respect and trust of our customers every day.



Our mission

In serving our customers – taxpayers, The City of Calgary, and the Government of Alberta – we:

- > **Prepare** fair and equitable market value assessments that meet legislative standards.
- > **Communicate** with honesty, respect and transparency.
- > **Defend** assessments, ensuring equity for all customers.



Governance

Assessment is governed by the *Municipal Government Act (MGA)* of the Government of Alberta and civic bylaws. We adhere to this legislation through our activities preparing, communicating and defending assessments.



Our customers

We work to ensure:

- > All property and business owners receive fair and equitable assessments.
- > The City of Calgary and the Government of Alberta can rely on us for annual revenues that support municipal and provincial education financing needs.



Our employees

Our work stays on pace with one of the most dynamic real estate markets in the country.

Our assessment professionals are experts in their respective field and use some of the industry's most advanced analytical appraisal tools to prepare property and business assessments.



Our core business

Assessment's core business focuses on completing three activities in an annual cycle:

- 1 **Preparing** annual property and business market value assessments.
- 2 **Communicating** assessed values to property and business owners.
- 3 **Defending** assessments to ensure equity for Calgary taxpayers.



Prepare

Prepare annual property and business assessments.

- › Maintain physical inventory and data including ongoing roll maintenance.
- › Review real estate transactions and conduct field inspections to verify data.
- › Assess approximately 500,000 property and business accounts.
- › Meet and exceed legislated market value quality standards and audits.
- › Administer exemption activities.



Communicate

- › Provide year-round quality customer service and two major customer programs:
 - › Advanced Consultation Period (pre-Roll)
 - › Customer Review Period (post-Roll)
- › Provide property and business owners access to:
 - › Assessment information at calgary.ca/assessment.
 - › Tools, resources, sales and comparison information at calgary.ca/assessmentsearch.
 - › Valuation professionals to help answer inquiries.
- › Expand on information and tools available to property and business owners.



Defend

Ensure equity for all property and business owners.

- › Address issues outside the formal complaint process when possible.
- › Respond to assessment complaints filed with the Assessment Review Board.
- › Attend Assessment Review Board hearings.
- › Improve assessment processes upon review of tribunal and court decisions.
- › File for leave and appeal assessment decisions to higher courts such as the Court of Queen's Bench, the Court of Appeal and the Supreme Court.



Organizational structure

Assessment Management Team

Assessment's management team oversees Assessment's strategic direction and management.





2014 Assessment Rolls

Property and Business Assessments



Annual property and business assessments reflect Calgary's market conditions as of **July 1 of the previous year.**

Assessment Tax Revenue



Assessment values provide the basis for approximately **\$2.2 billion** in property and business tax revenues.

Roll highlights



474,692

Property accounts

Property assessments are prepared in accordance with the *Municipal Government Act (MGA)* which requires municipal taxes be levied in proportion to the market value of the real estate.

Residential



450,314

Residential accounts

Non-residential



23,788

Non-residential accounts



Assessment Roll value
\$188 billion

The median single residential assessment is **\$430,000** while the residential condo median is **\$260,000.**



Assessment Roll value
\$88 billion



Total Property Assessment Roll value
\$276 billion



26,358

Total business taxable accounts

Business assessments are prepared in accordance with the MG and civic bylaws.

Business assessment increased by six per cent.



Business Assessment Roll value
\$3.15 billion

In addition to preparing the Roll, Assessment handles roll maintenance throughout the year.



2014 Property and Business Assessment Rolls

Assessment Taxable Roll Value

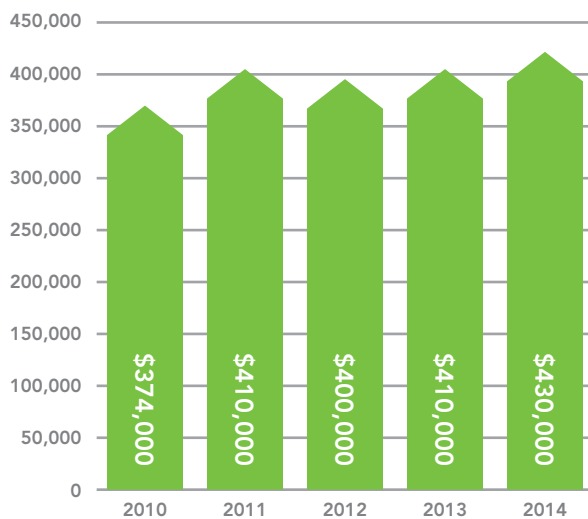
	2013 Roll	2014 Roll
Total taxable property assessment value	\$235 billion	\$256 billion
Residential and multi-residential assessment value	\$174 billion	\$187 billion
Farm land assessment value	\$11 million	\$12 million
Non-residential assessment value	\$61 billion	\$69 billion
Total taxable business assessment value	\$2.96 billion	\$3.15 billion

Assessment Roll Key Findings

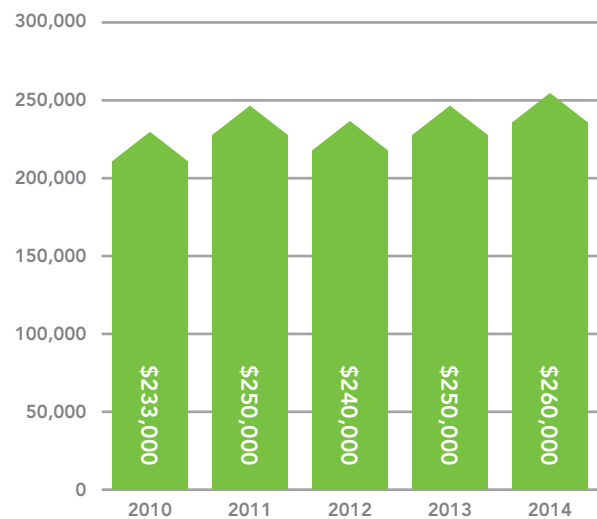
	2013 Roll	2014 Roll
Median single residential assessment (excluding condominium)	\$410,000	\$430,000
Median residential condominium assessment	\$250,000	\$260,000
Typical residential market value change	3%	6%
Typical non-residential market value change	20%	11%
Typical net annual rental value change (business assessment)	7%	6%

Median Property Assessment

Single residential



Residential condominium





2014 Property Assessment Roll

Total number of taxable property accounts by assessment class

	2013 Roll	2014 Roll
Residential (including multi-residential accounts)	440,424	449,051
Farm land	608	590
Non-residential	14,635	14,575
Total	455,667	464,216

Excludes accounts that are exempt from taxation.

Total number of property assessment notices mailed

	2013 Roll	2014 Roll
Annual property assessment notices	464,574	473,295
Amended and supplementary property assessment notices	10,512	17,545
Total	475,086	490,840

Number of single residential houses and condominiums with an assessed value of over \$1 million

	2013 Roll	2014 Roll
Single residential	9,001	10,384
Residential condominium	455	564
Total	9,456	10,948

2014 Business Assessment Roll

Total number of taxable business accounts by major business category

	2013 Roll	2014 Roll
Office	6,346	6,450
Industrial/warehouse	7,923	8,082
Shopping centres	6,928	7,105
Retail	3,654	3,647
Accommodation	160	162
Parking	578	605
Other	379	307
Total	25,968	26,358

Total number of business assessment notices mailed

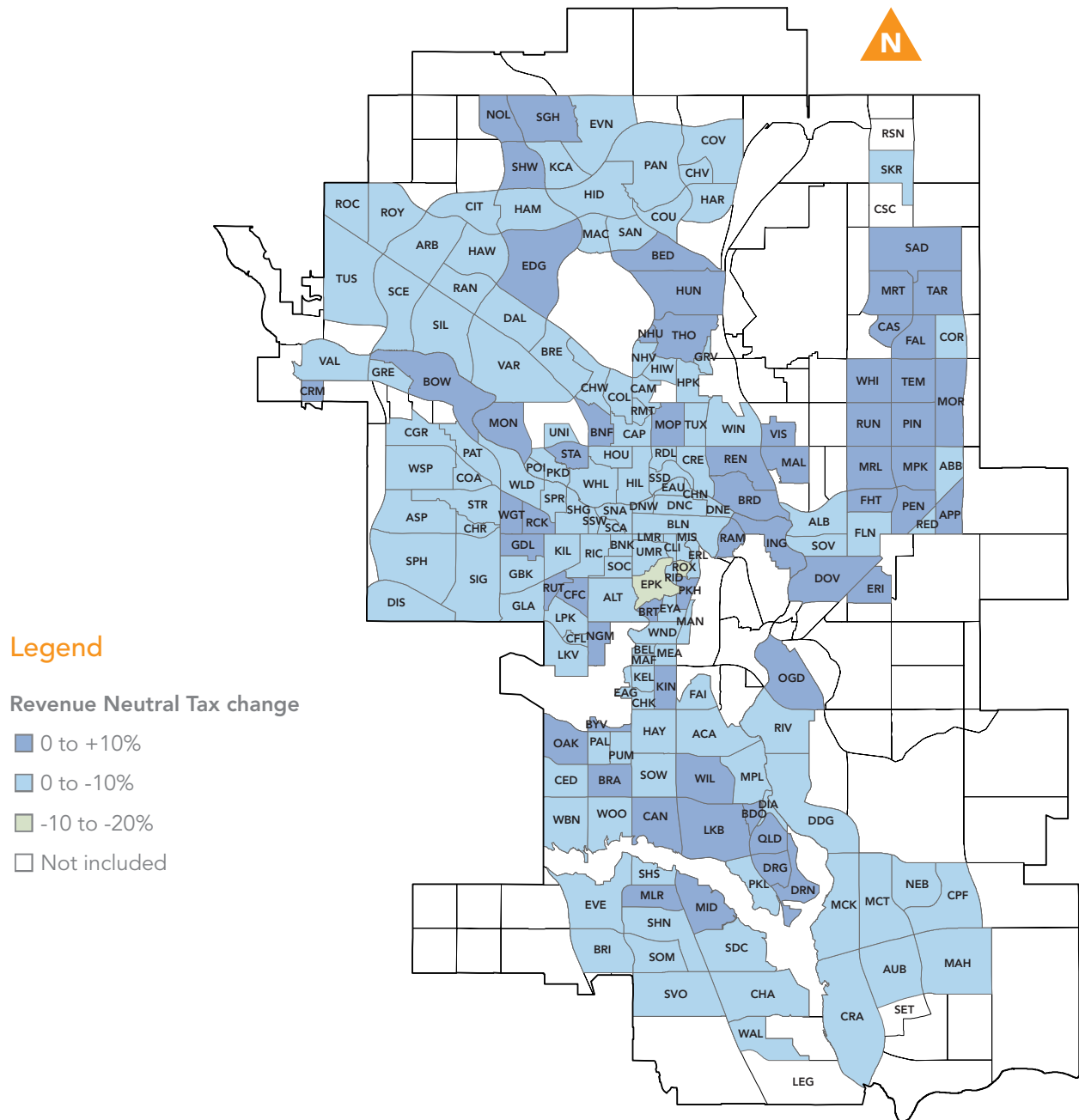
	2013 Roll	2014 Roll
Annual business assessment notices	26,260	26,358
Amended and supplementary business assessment notices	3,876	4,244
Total	30,136	30,602



2014 Tax Analysis Map

2014 median residential revenue neutral tax change (per cent by community)

- > 96 per cent of residential properties' revenue neutral taxes stayed within plus or minus 10 per cent.
- > 42 per cent experienced a revenue neutral tax increase.
- > 58 per cent experienced a revenue neutral tax decrease.





Residential communities

ABB Abbeydale	DIA Diamond Cove	MAL Mayland Heights	RUT Rutland Park
ACA Acadia	DIS Discovery Ridge	MAN Manchester	SAD Saddle Ridge
ALB Albert Park/Radisson Heights	DNC Downtown Commercial Core	MCK McKenzie Lake	SAN Sandstone Valley
ALT Altadore	DNE Downtown East Village	MCT McKenzie Towne	SCA Scarboro
APP Applewood Park	DNW Downtown West End	MEA Meadowlark Park	SCE Scenic Acres
ARB Arbour Lake	DOV Dover	MID Midnapore	SDC Sundance
ASP Aspen Woods	DRG Deer Ridge	MIS Mission	SET Seton
AUB Auburn Bay	DRN Deer Run	MLR Millrise	SGH Sage Hill
BDO Bonavista Downs	EAG Eagle Ridge	MON Montgomery	SHG Shaganappi
BED Beddington Heights	EAU Eau Claire	MOP Mount Pleasant	SHN Shawnessy
BEL Belaire	EDG Edgemont	MOR Monterey Park	SHS Shawnee Slopes
BLN Beltline	EPK Elbow Park	MPK Marlborough Park	SHW Sherwood
BNF Banff Trail	ERI Erin Woods	MPL Maple Ridge	SIG Signall Hill
BNK Bankview	ERL Erlton	MRL Marlborough	SIL Silver Springs
BOW Bowness	EVE Evergreen Estates	MRT Martindale	SKR Skyview Ranch
BRA Braeside	EVN Evanston	NEB New Brighton	SNA Sunalta
BRD Bridgeland/Riverside	EYA Elboya	NGM North Glenmore Park	SOC South Calgary
BRE Brentwood	FAI Fairview	NHU North Haven Upper	SOM Somerset
BRI Bridlewood	FAL Falconridge	NHV North Haven	SOV Southview
BRT Britannia	FHT Forest Heights	NOL Nolan Hill	SOW Southwood
BYV Bayview	FLN Forest Lawn	OAK Oakridge	SPH Springbank Hill
CAM Cambrian Heights	GBK Glenbrook	OGD Ogden	SPR Spruce Cliff
CAN Canyon Meadows	GDL Glendale	PAL Palliser	SSD Sunnyside
CAP Capitol Hill	GLA Glamorgan	PAN Panorama Hills	SSW Scarboro/Sunalta West
CAS Castleridge	GRE Greenwood/Greenbriar	PAT Patterson Heights	STA St. Andrews Heights
CED Cedarbrae	GRV Greenview	PEN Penbrooke Meadows	STR Strathcona Park
CFC CFB – Currie	HAM Hamptons	PIN Pineridge	SVO Silverado
CFL CFB – Lincoln Park PMQ	HAR Harvest Hills	PKD Parkdale	TAR Taradale
CGR Cougar Ridge	HAW Hawkwood	PKH Parkhill/Stanley Park	TEM Temple
CHA Chaparral	HAY Haysboro	PKL Parkland	THO Thorncliffe
CHK Chinook Park	HID Hidden Valley	POI Point Mckay	TUS Tuscany
CHN Chinatown	HIL Hillhurst	PUM Pumpmill	TUX Tuxedo Park
CHR Christie Park	HIW Highwood	QLD Queensland	UMR Upper Mount Royal
CHV Country Hills Village	HOU Hounsfield Heights/Briar Hill	RAM Ramsay	UNI University Heights
CHW Charleswood	HPK Highland Park	RAN Ranchlands	VAL Valley Ridge
CIT Citadel	HUN Huntington Hills	RCK Rosscarrock	VAR Varsity
CLI Cliff Bungalow	ING Inglewood	RDL Rosedale	VIS Vista Heights
COA Coach Hill	KCA Kincora	RED Red Carpet/ Mountview Mobile Park	WAL Walden
COL Collingwood	KEL Kelvin Grove	REN Renfrew	WBN Woodbine
COR Coral Springs	KIL Killarney/Glengarry	RIC Richmond	WGT Westgate
COU Country Hills	KIN Kingsland	RID Rideau Park	WHI Whitehorn
COV Coventry Hills	LEG Legacy	RIV Riverbend	WHL West Hillhurst
CPF Copperfield	LKB Lake Bonavista	RMT Rosemont	WIL Willow Park
CRA Cranston	LKV Lakeview	ROC Rocky Ridge	WIN Winston Heights/Mountview
CRE Crescent Heights	LMR Lower Mount Royal	ROX Roxboro	WLD Wildwood
CRM Crestmont	LPK Lincoln Park	ROY Royal Oak	WND Windsor Park
CSC Cityscape	MAC Macewan	RSN Redstone	WOO Woodlands
DAL Dalhousie	MAF Mayfair	RUN Rundle	WSP West Springs
DDG Douglasdale/Glen	MAH Mahogany		



Assessment Roll Quality

Performance Measures

Quality is at the forefront of our business.

Our 2014 assessment roll met the Provincial Assessment Quality Standards for the residential and non-residential property classes, confirming that The City of Calgary's Assessment business unit continues to follow legislated and professional standards.

There are two main quality measures that are regulated by the provincial government and used to determine the accuracy of assessments: the level of assessment and the uniformity of assessment.

- › The level of assessment is considered accurate when it falls within the allowable range of 95 to 105 per cent.
- › The uniformity of assessment measure has a maximum allowable value of 15 per cent or less for residential and 20 per cent or less for non-residential property.

The statistical quality measure of the overall level of assessment for residential property in 2014 was 99.9 per cent and for non-residential property was 97.9 per cent. This quality measure shows the typical relationship between assessed values determined by Assessment and the actual sale price for all properties that sold during the valuation time frame.

Assessment has internal, as well as provincial controls and measures in place to achieve high quality standards. Assessed values also go through a final important quality check – review by property and business owners.

Key performance indicators

Key performance indicator results	Provincial quality standards	The City of Calgary Assessment	
		Actual 2013 (%)	Actual 2014 (%)
Residential overall ratio (assessment level)*	Property containing 1, 2 or 3 dwelling units.	99.8	99.9
	Median assessment ratio 0.950 – 1.050		
Non-residential overall ratio (assessment level)	All other property.	97.0	97.9
	Median assessment ratio 0.950 – 1.050		
Coefficient of dispersion** for single family dwellings	Property containing 1, 2, 3 dwelling units	6.2%	5.9%
	Coefficient of dispersion 0 – 15.0		
Coefficient of dispersion for non-residential	All other property	10.5%	11.8%
	Coefficient of dispersion 0 – 20.0		

* The common or overall ratio of assessed values to market values.

** The average percentage deviation from the median ratio.



Communicate



Assessment is committed to providing property and business owners with timely and transparent communication.





Property and business taxes are calculated based on assessment values. It is therefore important that property and business owners understand how their assessment was derived to ensure accuracy and that they pay the correct amount of taxes.

To help ensure transparent communication, we offer:

Products, services and tools to illustrate how property values are fairly and equitably assessed.

- > calgary.ca/assessment
- > calgary.ca/assessmentsearch

You can contact us:

-  **By phone**
403-268-2888 (Mon. – Fri. 8:00 a.m. – 4:30 p.m.)
3-1-1 (after 4:30 p.m. and on weekends)
-  **In person**
2924 11 Street N.E., Calgary
Please call in advance to book an appointment.
-  **By mail**
The City of Calgary, Assessment (#8002),
P.O. Box 2100, Stn. M, Calgary AB, T2P 2M5
-  **By fax**
403-268-8278

Customer Service Programs

Assessment offers a year-round inquiry service staffed by valuation professionals, and two consultation periods to assist customers with their assessments.

- > The Advance Consultation Period (pre-Roll) is for non-residential property and business owners. It starts 90 days before the mailing of the notices and runs approximately 30 days.
- > The Customer Review Period (post-Roll) begins the day assessments are mailed and runs for 60 days.

By providing accessible, convenient customer support, we hope to increase taxpayers' understanding of the assessment process, facilitate opportunities for two-way dialogue and resolve customer concerns.





Communicate

Advance Consultation Period

Held annually, several months before the assessment notices are mailed, the Advance Consultation Period provides non-residential property and business owners the opportunity to review their preliminary assessment value and exchange information with us prior to the assessment rolls being finalized. Sharing preliminary assessment information provides non-residential property and business owners greater ability to manage their assessment and tax planning activities while enabling Assessment to continue preparing fair and equitable assessments.

The Advance Consultation Period for the 2015 assessment roll ran from Oct. 6 – Nov. 6, 2014. It included an industry representative forum for tax agents and corporate representatives to share:

- › Preliminary business and property assessment value
- › Customer service opportunities
- › New developments that could impact non-residential property and business owners





Customer Review Period

The 60-day Customer Review Period provides owners with the opportunity to understand, review and inquire about their assessment. Customers can also access and review their assessment online at calgary.ca/assessmentsearch. By securely logging into Assessment Search, customers can review sales of similar properties and compare for equity with the same real estate market information used to prepare 2014 property assessments.

To inform customers about the upcoming mail out of assessment notices, Assessment conducts an extensive public awareness campaign. The following communication channels are used to reach property and business owners:



print



online



social media



radio
advertising



television
advertising



media briefing



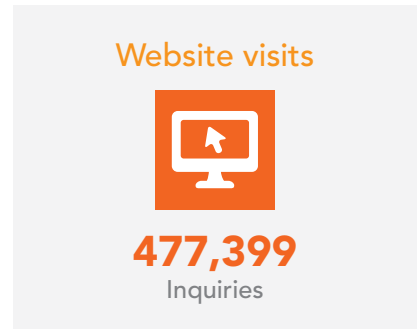
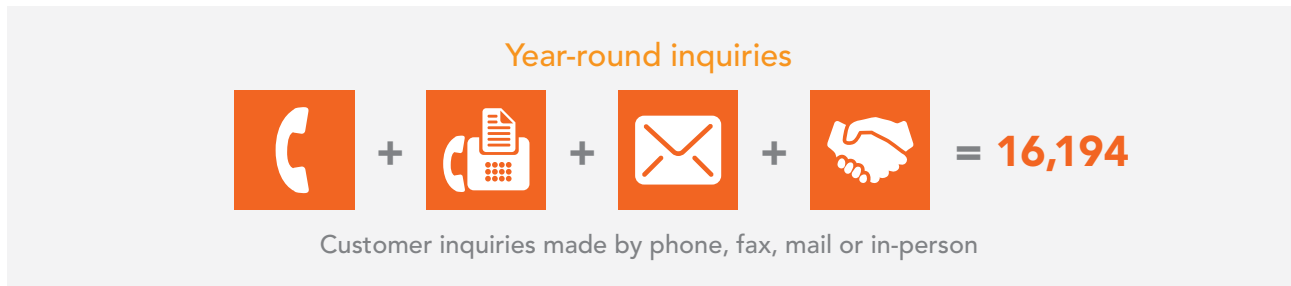


Communicate

2014 Customer Service Outcomes

Each year, the number of visits to the Assessment Search website (calgary.ca/assessmentsearch) increases, confirming that property and business owners rely on the information and services provided there. Incoming inquiries to Assessment's customer service line and response times are monitored daily to ensure prompt and accurate customer service is being provided to citizens.

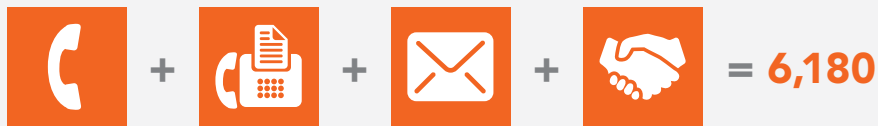
Year-round customer service





2014 Customer Review Period outcomes

Jan. 3 – Mar. 4, 2014



Customer inquiries made by phone, fax, mail or in-person



1,806

Assessor appointments



978

Assessment information requests processed (Assessment explanation supplement reports)



128,424

2014 web visits to Assessment Search (60 days)



6,056

Inquires closed by end of Customer Review Period



11 seconds

Average wait time



98%

Per cent of phone calls resolved

This year's Advance Consultation Period saw our highest level of participation since it started seven years ago.



Communicate

Customer Satisfaction

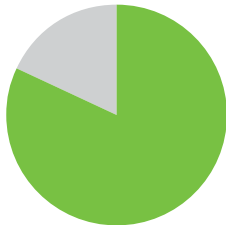
Each year, Assessment reaches out to property owners in its efforts to continually exceed customer expectations. The results of the 2014 customer satisfaction survey show that satisfaction continues to remain high.

Key survey highlights

Residential property owners

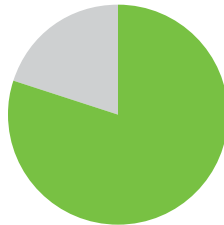
82%

Indicate overall satisfaction with the property assessment process and information provided by The City of Calgary



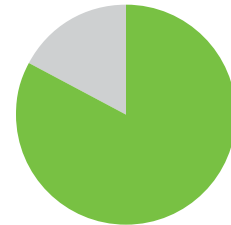
80%

Indicate they can get assessment information quickly



83%

Are satisfied with the clarity of information provided





2014 Assessment Rolls Complaint Overview

An important component of Assessment's role is to defend assessments under complaint to ensure equity for all property and business owners. Fortunately, our steadfast commitment to product quality has resulted in a substantial decrease in complaints.

In addition, we strive to address assessment issues outside the formal complaint process and encourage customers to contact our customer service line at **403-268-2888** with any concerns they may have about their assessment. Concerns may be able to be addressed without the need for a formal hearing.

In 2014, there were 3,455 complaints filed against assessments. The total assessment value under complaint is 17.9 per cent of the assessment base. The residential assessment value represents approximately 1.3 per cent of the assessment base and the non-residential assessment value under complaint equates to 64.5 per cent of the assessment base.

Reducing the number of complaints allows Assessment to mitigate financial risks to The City's revenue stream, while also allowing assessors to spend more time preparing and communicating assessments to better serve customers.

Key performance indicators

Account type	Number of taxable accounts	Total number of complaints	Percentage of all complaints	Confirmed by Assessment Review Board		Revised by Assessment Review Board decision		Resolved without hearing	
				#	%	#	%	#	%
Property	464,216	2,583	74.7%	1,110	43.0%	801	31.0%	672	26.0%
Residential	449,051	742	21.5%	320	43.1%	192	25.9%	230	31.0%
Non-Residential	14,575	1,819	52.6%	781	42.9%	606	33.3%	432	23.7%
Farm Land	590	22	0.6%	9	40.9%	3	13.6%	10	45.5%
Business	26,358	873	25.3%	429	49.1%	214	24.5%	230	26.3%
Total	490,574	3,456	100.0%	1,539	44.5%	1,015	29.4%	902	26.1%





Business Tax Consolidation

In 2012, Council moved to consolidate Calgary's business tax with the non-residential property tax. The process will transfer Calgary's business tax revenue to the non-residential property tax through a series of incremental tax revenue transfers over seven years.

The process began in 2013 with a zero per cent revenue transfer.

In 2014, 10 per cent of business tax revenues were transferred to and collected through the non-residential property tax. This resulted in a 10 per cent decrease to the business tax rate and an estimated 2.7 per cent increase to the non-residential property tax rate. The incremental revenue transfers will occur annually until 2019, culminating with the elimination of the business tax.

The consolidation process is expected to enhance Calgary's economic competitiveness and attractiveness and continue to make our city a great place for businesses to start and flourish.

Customers can find more information about business tax consolidation at calgary.ca/btc.

Business Tax Consolidation – tax change effects*

Year	Business tax change	Non-residential property tax change
2013	0%	0%
2014	-10%	2.7%
2015	-10%	2.7%
2016	-20%	5.4%
2017	-20%	5.4%
2018	-20%	5.4%
2019	-20%	5.4%
Totals	-100%	27%

The business tax, for business tax revenue purposes, will be eliminated in 2019.

*The 2014-2019 figures are based on the estimated 2015 tax rates. The annual tax implications will vary based on changes to property/premises details, annual re-assessment shifts and/or annual Council or provincial tax rate adjustments.





2015 Outlook

Preparing for a strong future

Calgary remains a very dynamic city with an abundance of growth and opportunity. To prepare for continued success as a leading market value assessment jurisdiction, we will continue to monitor market conditions and work to exceed customer expectations.

In our effort to make information more accessible, we will continue to move more customer services online and further improve our valuation process to ensure accuracy.

The commitment and hard work of our employees will enable us to achieve our goals in 2015 and the years ahead.



