
Complaint ID **0239 1367**
Roll No. **5220200**

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: OCTOBER 01, 2020

PRESIDING OFFICER: M. Chalack
BOARD MEMBER: R. Brown
BOARD MEMBER: B. Schnell

BETWEEN:

GEOFFREY STEPHENSON

Complainant

-and-

KCL CONSULTING INC
ON BEHALF OF THE TOWN OF OLDS

Respondent

This decision pertains to a complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by an Assessor for The Town of Olds as follows:

ROLL NUMBER: 5220200
MUNICIPAL ADDRESS: 3 DESTINY PL, OLDS, AB
ASSESSMENT AMOUNT: \$ 262,500

The complaint was heard by the Local Assessment Review Board on the 1st day of October 2020, by Virtual Zoom Hearing in the province of Alberta.

Appeared on behalf of the Complainant: Geoffrey Stephenson

Appeared on behalf of the Respondent: Grant Clark, Assessor, Town of Olds, KCL Consulting Inc.

DECISION: The complaint is not accepted for the assessed on the subject property. The assessed value is confirmed at \$262,500.

JURISDICTION

[1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 455 of the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”].

PROPERTY DESCRIPTION AND BACKGROUND

[2] The subject property is assessed as a single family residence located at 3 Destiny Place, Olds Alberta. The current assessment value is \$262,500.

[3] The property assessment complaint (Complaint ID #: 0239 1367) was filed by the Complainant on June 30, 2020. The Notice of Hearing to parties was issued on July 8, 2020.

PRELIMINARY MATTERS

[4] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.

[5] Neither Party raised any objection to the panel hearing the complaint.

[6] No additional preliminary or procedural matters were raised by any Party. Both parties indicated that they were prepared to proceed with the complaints.

POSITION OF THE PARTIES**Position of the Complainant**

[7] The Complainant stated that he believes the current assessed value of \$262,500 consists of two components, the land value \$70,500 and the Improvement of \$192,000.

[8] The Complainant argued the assessment value for his land is overvalued due to impairments that he believes to be negative influences to his property. The Complainant stated that the land value placed on his lot is \$10,300 more than any other property in Destiny Place.

[9] The Complainant further argued that the negative influences to the land value alone should result in a reduction of \$10,300 but when coupled with the other deficiencies an additional reduction of \$6,200 is warranted.

[10] The Complainant explained the negative influences consisted of an encroachment by a deck from the adjacent property. Other influences include a concrete swale running down the rear of his property, an easement for a Fortis Alberta street light as well as an Onet and Shaw box for the subject property.

[11] The Complainant stated in rebuttal to the Respondent’s lot size argument, when considering the easement on his property the difference in lot size is negated.

[12] The Complainant further argued that while the subject property is located on the corner lot for Destiny Place and Destiny Way, he believes this to be detriment rather than a benefit.

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- [13] The Complainant explained Destiny Way has many narrow lots & duplexes with front driveways. This is the main contributing factor to parking issues for this area resulting in a lack of parking.
- [14] The Complainant compared the land value attributed to 30 Destiny Place (\$60,200), stating the owner has access to green space behind them, is able to put a gate to allow drive up access to their backyard and has filled the public greenspace with pea-gravel to allow for driving of vehicles into the property.
- [15] The Complainant stated when comparing land value alone from other properties within Destiny Place the land is valued at \$60,200 for each property (Exhibit C.1. p.9). He further stated that the land value for the subject property should be no different.
- [16] The Complainant stated that his property was the first home built for Destiny Place; newer units on may look identical from the outside but there are many differences.
- [17] The Complainant explained that newer units may come with the finished basement, may have an increase in the living space, etc. Additionally, during construction for the newer homes in Destiny Place an adjustment to the layout for second floor as well as structural support changes occurred. This resulted in an increase of approximately 100 sq. ft. of livable space when compared to the subject property.
- [18] The Complainant further explained that there is a discrepancy for the square footage recorded by the Respondent for the subject property. The Complainant stated that the information provided in the ERSI Map's (Exhibit C.2. p. 10 – 11) indicate the square footage is actually 3816 sq. ft. not 3900 sq. ft. as stated by the Respondent.
- [19] The Complainant submitted his valuation for his square footage (Exhibit C.2. p.2) to support his position. The Complainant stated the numbers provided by the Respondent are inaccurate, therefore the value per square feet must also be considered an inaccurate valuation.
- [20] In summation, the Complainant stated that he believes the subject property's current land valuation of \$70,500 should be adjusted by \$10,300 lowering it to \$60,200 which is similar to the other homes on Destiny way.
- [21] The Complainant also stated he believes the easements and encroachments have a negative influence for the land value and should equate to an additional adjustment of \$6,200.
- [22] The Complainant respectfully requested the Board to change the assessed value for the land of the subject property to \$54,000, resulting in a total assessed value of \$246,000.

Position of the Respondent

- [23] The Respondent stated that the subject property was assessed using mass appraisal based on the market value and must reflect typical market conditions for properties within the same Municipality. The Respondent further stated assessors must follow the specific legislation and regulations set out for preparing assessments for each Municipality. For this complaint the Respondent relied on the following legislation:

Municipal Government Act (*the MGA*)

Section 467(3) - Decisions of assessment review board

- (3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration
- (a) the valuation and other standards set out in the regulations,
 - (b) the procedures set out in the regulations, and
 - (c) the assessments of similar property or businesses in the same municipality.

Matters Related to Assessment and Taxation (*MRAT*)

Mass appraisal

- 5 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.

Quality standards

14(1) In this section, "property" does not include regulated property.

(2) In preparing an assessment for property, the assessor must have regard to the quality standards required by subsection (3) and must follow the procedures set out in the Alberta Assessment Quality Minister's Guidelines.

(3) For any stratum of the property type described in the following table, the quality standards set out in the table must be met in the preparation of assessments:

Property Type	Median Assessment Ratio	Coefficient of Dispersion
Property containing 1, 2 or 3 dwelling units	0.950 - 1.050	0 - 15.0
All other property	0.950 - 1.050	0 - 20.0

(4) The assessor must, in accordance with the procedures set out in the Alberta Assessment Quality Minister's Guidelines, declare annually that the requirements for assessments have been met.

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- [24] The Respondent stated the subject property's assessed value is for the entire land and improvement valuation, you can not have one without the other. Further, the Municipality needed a mechanism for the valuation of vacant lots, this is the reason for the separate values attributed to the land and improvement on the Assessment Notices. Since this is not the case for the subject property, the value of the lot as a separate component would not apply to the Complainant's property.
- [25] The Respondent stated that the Town of Olds annually submits the Audit Roll each year to ensure the Municipality meets the regulated provincial quality standards. The Respondent stated this is a good indicator of value to ensure the Town of Olds is in line with provincial standard. The report indicated that the quality standard has been met for the 2019 assessment year (Exhibit R.1. p.7).
- [26] The Respondent indicated the assessment to sale ratio ranged from 97.4% to 104.1% with an average of 99.7% for the Complainant's neighbourhood (Exhibit R.1. p.8)
- [27] The Respondent then provided a sales comparison chart (Exhibit R.1. p.8) within the same neighbourhood as the subject property. The lot size for each of the comparable properties was listed at 3310 sq. ft. with the square footage for each home ranging from 1410 to 1536 sq. ft. This resulted in an average value per sq. ft. of \$186.89.
- [28] The Respondent indicated that the subject property has one of the largest lot sizes, 3900 sq. ft. with the square footage of the home at 1410 sq. ft. This results in the value per sq. ft. \$186.17. This is a difference of 0.004% for the comparable properties and subject.
- [29] The Respondent then provided an assessment chart for the same comparable properties (Exhibit R.1. p.8). This chart indicated the subject property assessment value of 186.17 sq. ft. is in line with the average value per sq. ft. for the comparable properties by 0.001% at \$185.98.
- [30] The Respondent argued that the Complainant's lot size in comparison to the comparable properties is the largest, the other properties are 3310 sq. ft. and the subject property is 3900 sq. ft.
- [31] The Respondent further stated that the Complainant's property is the lowest value on one of the largest lots with a Destiny Place address. The three closest assessed values on Destiny Place are assessed between \$269,900 and \$278,400, up to \$15,900 higher than the assessed value of \$262,500 that the subject property is currently assessed.
- [32] The Respondent argued that the subject property is a larger corner lot and the land size is not negated due to the encroachment. Further, adding that an adjustment is not warranted in regards to the adjacent deck, this would have no impact on the assessment due to many others with a similar encroachment.
- [33] In summation, the Respondent stated that an adjustment to the subject property's assessment would create an inequity for other assessments of similar properties within the Municipality. Further, the Complainant did not provide sufficient market evidence (actual sales, etc.) to support an additional adjustment. In accordance with legislation the Board must not alter an assessment that fair and that is equitable, the Respondent respectfully requested the assessment be confirmed and assessed value remain unchanged at \$262,500.

BOARD FINDINGS and DECISION

- [34] The Complainant argued that there are two components to assessment within the town of Olds: land and improvements. Each of these components can be assessed independent of the other.
- [35] The Respondent, stated that the Assessment is prepared using mass appraisal in accordance to the applicable legislation, quoting s. 5 of the MRAT.
- [36] The Respondent's position was that the land component is for a vacant lot valuation and, as such, this was not applicable to the subject property.
- [37] The Board noted that the Town of Olds Notice of Assessment and Taxation Notice (Exhibit A.2.) provided values for both land and improvements. In the case of the subject property; Land \$70,500 and Improvements \$192,000.
- [38] The Board concluded that it would be possible for land and improvements to be examined independently but together the two components equate to the total assessed value of the property.
- [39] The Board agrees that the entire amount of improvement and land evaluation is used for mass evaluation.
- [40] The Complainant argued that there is a discrepancy in the size of his lot, stating that the size should be 3816 sq. ft. and not 3900 sq. ft. The Complainant's calculation of 3816 sq. ft. is based on ESRI map information (Exhibit C.2. page 2, 10 and 11) and from his own measurements based on those maps. The Complainant provided no independent or professional evidence to confirm his measurements.
- [41] The Respondent indicated that the lot size of 3900 sq. ft. comes from the Notice of Assessment and Taxation from the Town of Olds (Exhibit A.2.). The Respondent stated that the calculation used on the Notice of Assessment and Taxation would have been taken from the original plans of the property.
- [42] Based on the evidence provided by the parties, the Board gives more weight to the lot size provided on the Notice of Assessment and Taxation than from the calculations provided by the Complainant.
- [43] The Board therefore accepts the lot size of the subject property to be 3900 sq. ft. as recorded on the Notice of Assessment and Taxation.
- [44] The Complainant noted that his land was assessed at \$70,500 while the comparable properties that were provided to the Board were assessed at \$60,200.
- [45] The Complainant indicated there were a number of impairments on the property that should result in a negative impact on his assessment. These impairments included but were not limited to:
- a. An easement on his property not on other properties;
 - b. A deck on an adjoining his property;
 - c. Parking issues, and
 - d. A concrete swale running down the rear of his property.

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- [46] The Respondent indicated that impairments due to encroachment or easement have no impact on assessed value.
- [47] The Respondent provided comparable properties that:
- a. Provided support to the valuation of square footage of the subject property.
 - b. Demonstrated that the current assessed value is in line with others throughout the municipality;
 - c. The subject property already has the lowest assessed value of comparable properties; and
 - d. Any further would not be fair and equitable.
- [48] The Board notes the easement and encroachments are not in dispute by either party.
- [49] The Board reviewed the comparable charts included in Exhibit R.1.
- [50] Given the Board accepted 3900 sq. ft. for the lot size of the subject property, the Board also accepts the value per square foot which was not disputed by the Complainant.
- [51] The Board reviewed the Respondent's comparable properties (Exhibit R.1. p.10), noting the value ranged from \$269,900 to \$278,500.
- [52] The Board then reviewed the property information provided by the Complainant: three properties all with land valuation of \$60,200 with improvements ranging from \$213,300 to \$223,600.
- [53] The Board finds the comparable information provided by the Complainant to be limited to just the land value and improvement values and lacked supporting information, such as sales data of similar properties within the Municipality.
- [54] The Board notes the Complainant did not dispute the information provided relating to the Respondent's value attributed to the square footage of the subject property nor the assessed values of the comparable properties.
- [55] The Board reviewed the information provided by the Complainant regarding the assessed value for three properties; 11 Destiny Place, 10 Destiny Place and 30 Destiny Place. The Board noted the assessed values ranged from \$273,500 to \$283,800 listing the land at \$60,200 for each property while the improvements ranged from \$213,300 to \$223,600.
- [56] The Board notes the information provided about the Complainant's comparable properties is limited to the land and improvement value therefore, the Board gives less weight to the Complainant's comparable properties due to lack of supporting evidence.
- [57] The Board reviewed the request from the Complainant for a reduction in the assessment of the subject property by \$10,300 and \$6,200. However, given the Board rejected the calculations provided by the Complainant for the subject property, the Board determined there were no other qualifying parameters to quantify this request.
- [58] The Board accepts the Respondent's assessment to sale ratio of 99.7% is within the mass appraisal quality standards as per regulations in s. 14(3) MRAT.

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- [59] The Board accepts the sale comparison for the same neighbourhood: average value of 186.89 per sq. ft.
- [60] The Board accepts the Respondent's comparable property assessment average, 185.98 per sq. ft.
- [61] The Board is persuaded by the Respondent's submissions that the subject property is within the average for each of the above measures.

DECISION SUMMARY

- [62] Based on the evidence the Board finds there is no change, the assessed value is confirmed at \$262,500.
- (34) Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 21st day of October, 2020 and signed by the Presiding Officer on behalf of all the panel members who agree that the content of this document adequately reflects the hearing, deliberations and decision of the Board.



Lori Stubbard
On Behalf of M. Chalack
Presiding Officer

If you wish to appeal this decision you must follow the procedure found in section 470 of the MGA which requires an application for judicial review to be filed and served not more than 60 days after the date of the decision. Additional information may also be found at www.albertacourts.ab.ca.

APPENDIX

Documents presented at the Hearing and considered by the Board.

<u>NO.</u>	<u>ITEM</u>
1. A.1	Hearing Materials – 6 pages provided by Clerk
2. A.2.	Notice of Assessment and Taxation Notice – 2 pages
3. C.1	Complainant Disclosure - 28 pages
4. C.2.	Complainant Rebuttal Disclosure – 15 pages
5. R.1.	Respondent Disclosure – 10 pages