

Central Alberta

Regional Assessment Review Board

Complaint ID LARB 0262 1156 2019
Roll No. 30001131615

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: MAY 28, 2019

PRESIDING OFFICER: W.J. KLINE
BOARD MEMBER: D. DEY
BOARD MEMBER: A. GAMBLE

BETWEEN:

RUBY MEUNIER

Complainant

-and-

THE CITY OF RED DEER

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 of The City of Red Deer as follows:

ROLL NUMBER: 30001131615
MUNICIPAL ADDRESS: 182 Dowler Street
ASSESSMENT AMOUNT: \$ 271,400

The complaint was heard by the Local Assessment Review Board on the 28 day of May 2019, at The City of Red Deer, in the province of Alberta.

Appeared on behalf of the Complainant: Ruby Meunier

Appeared on behalf of the Respondent: Travis Larder – Property Assessor – The City of Red Deer
Devyn Murray - Property Assessor – The City of Red Deer

DECISION: The assessed value of the subject property is confirmed as \$271,400.

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”], and The City of Red Deer, Bylaw No. 3474/2011, *Regional Assessment Review Board Bylaw* (November 14, 2011).

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is a bi-level half duplex located in the Deer Park Estates subdivision in the South East quadrant of the City of Red Deer.
- [3] The zoning is RESIDENTIAL, 2F with the permitted use being a single-family residential unit.
- [4] The property assessment complaint (Complaint ID #: 0262 1156) was filed by the complainant on January 23, 2019.
- [5] The Notice of Hearing to parties was issued on April 11, 2019

PRELIMINARY MATTERS

- [6] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [7] Neither party raised any objection to the panel hearing the complaint.
- [8] The Board confirmed the submissions of the Parties and entered the following exhibits into the record:
A.1 – Hearing Materials provided by Clerk (8 Pages)
C.1 – Complainant Disclosure filed May 3, 2019 (5 Pages)
R.1 - Respondent Disclosure filed May 21, 2019 (19 Pages)
- [9] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaint.

POSITION OF THE PARTIES

Position of the Complainant

- [10] The Complainant stated that the assessed value of \$271,400 is \$7,200 higher than the previous year’s assessment and is considered to be unfair.
- [11] The Complainant stated they had gained information that the assessment on 182 Dowler Street was based on only one sale in that neighbourhood. This was also considered to be unfair.

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- [12] The Complainant presented evidence that two other owned properties in the City of Red Deer had received property assessment reductions. The recent property assessment value on 46 Otterbury Ave of \$375,500 was reduced \$11,400 from the previous assessment while 42 Rogers Crescent had an assessment of \$334,000 which was \$17,640 less than the previous assessment.
- [13] The Complainant presented a comparable sale for a duplex in the neighbourhood, 86 Duston Street sold for \$265,000. The Complainant made the case that this property was similar to the subject property with respect to having an attached garage and access to a park.
- [14] The Complainant stated that no improvements had been made to the subject property since the 2018 Property Assessment.
- [15] In the hearing, the Complainant was asked what amount would be considered a fair assessment. The Complainant responded that no specific amount had been considered. In response to further questioning, the Complainant acknowledged that an amount similar to the previous year's assessment (\$264,200) would be considered to be a more fair assessment of property value.

Position of the Respondent

- [16] The Respondent addressed the matter that the subject property assessment might be based on a single sale. The Respondent explained that the City of Red Deer assesses properties using mass appraisal techniques, and that a single sale cannot be used to determine an estimate of market value for an individual property.
- [17] The Respondent also explained that when comparable sales are limited in a particular neighbourhood, comparable sales from similar neighbourhoods with similar improvements are used to provide enough market evidence to provide a reliable estimate of market value.
- [18] The Respondent stated there were only two sales of similar properties in the subject neighbourhood. There were 16 sales in the south and 44 sales city wide during the valuation period of July 1, 2017 to June 30, 2018.
- [19] The Respondent addressed the matter that two other owned properties in the City of Red Deer had reductions in assessed values. The Respondent stated that 46 Otterbury Ave and 42 Rogers Crescent were both single family structures and therefore not comparable to the subject property.
- [20] The Respondent stated that the sale of 86 Duston Street occurred outside of the valuation period of July 1, 2017 to June 30, 2018 and therefore this sale was given no weight in determining an estimate of market value for this evaluation period. The standards of assessment stated in s. 6 of *Assessment and Taxation Regulation*, Alberta Regulation 203/2017 ["MRAT"] include the following with respect to the evaluation period:

Valuation date

<p>6 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.</p>

- [21] The Respondent stated that there were notable differences between 86 Duston Street and the subject property. These were:
- The attached garage at 86 Duston Street was a single car garage of 258 Square Feet while the attached garage for the subject property was a double car garage of 482 Square Feet.
 - 86 Duston Street had a smaller lot size than the subject property
 - 86 Duston Street did not front on to a park as did the subject property
- [22] To demonstrate equity the Respondent presented the assessed values for 10 similar semi-detached dwellings on the same street as the subject property. The assessment values ranged from \$233,000 to \$281,400 which the Respondent stated is reflected the range in the individual characteristics of the different properties.
- [23] The Respondent stated that there are 33 standard semi-detached bi-levels in same neighbourhood as the subject property. The assessments for these properties ranged from \$219,800 to \$290,000, with a median assessment of \$261,100. The higher assessed value of the subject property was attributed to having a larger double attached garage while most others had smaller single car garages. As well the subject property fronted onto a large park area which also contributed to a higher assessed value than the median.
- [24] To demonstrate fairness the Respondent presented comparable sales for similar properties that sold within the valuation period. The time adjusted sales prices ranged from \$243,900 to \$264,400.
- [25] The Respondent noted that the sale considered to be most similar to the subject property had a time adjusted price of \$264,400. This property was considered inferior to the subject property in terms of age, the size of the attached garage and lot area. It was considered superior in terms of the number of bathrooms and floor area.
- [26] In the hearing the Respondent acknowledged that property values in general have dropped and it could be considered odd that a duplex would go up while single family dwellings go down. The explanation offered was that in the current market higher valued properties tended to go down first as families downsize and move to lower valued properties. An increased demand for lower value properties has led to higher demand and price increases for townhouses and duplexes.
- [27] The Respondent requested that the current assessed value of \$271,400 be confirmed.

BOARD FINDINGS and DECISION

ISSUE ONE

- [28] The Complainant stated that it would be unfair if the assessment on 182 Dowler Street was based on a single sale in the neighbourhood.

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- [29] The Respondent provided supporting evidence of overall market performance (44 sales) for this property type and specific comparable sales to support the value estimate for the subject property.
- [30] The Board acknowledges that if this was the case (the assessment being based on a single sale) it would be unfair. However the evidence provided by the Respondent demonstrates that the mass appraisal technique used to determine an estimate of market value did consider multiple sales.

ISSUE TWO

- [31] The Complainant raised the matter that two other owned properties in the City of Red Deer had received reduced assessment values compared to the previous year's assessment.
- [32] The Respondent addressed this matter by pointing out these other properties (46 Otterbury Ave and 42 Rogers Crescent) were single family structures and therefore not comparable to the subject property.
- [33] The Board accepts the argument that these two other properties are not comparable to the subject property and should not be given any weight in considering the assessment value for the subject property.
- [34] The Board recognizes that the real estate market is sending mixed signals in which some values are dropping while others are increasing. The Board takes the view that this can be explained by economic uncertainty leading residents to downsize from higher value properties to lower value properties resulting in higher demand for townhouses and duplexes.

ISSUE THREE

- [35] The Complainant made the case that a recent sale of a similar property (86 Duston Street) in the same neighbourhood had a sales price of \$265,000 which was felt to be a more reflective indication of the value of the subject property.
- [36] The Board recognizes the Complainants belief that this sale could be an indicator of market value for the subject property.
- [37] The Respondent made the case that this sale occurred outside of the valuation period of July 1, 2017 to June 30, 2018. Standards of assessment stated in s.6 of MRAT include the following with respect to the evaluation period:

Valuation date

6 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

- [38] The Respondent made the case that the sale price of \$265,000 would require positive adjustments in order to make it more similar to the subject property.
- [39] The Board puts no weight on the comparable sale for 86 Duston Street as this sale occurred outside of the legislated timelines that establish the valuation period.

DECISION SUMMARY

- [40] Based on the reasons herein the Board finds that the assessment value for the subject property is CONFIRMED at \$271,400
- [41] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 19 day of June, 2019 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.


FOR W.J. KLINE
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.

NO.

ITEM

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| 1. A.1 | Hearing Materials provided by Clerk |
| 2. C.1 | Complainant submission(s) |
| 3. R.1 | Respondent submission(s) |