

Central Alberta

Regional Assessment Review Board

Decision: **LARB 0088 705/2016**

Complaint ID 705

Roll No. 2143000

LOCAL ASSESSMENT REVIEW BOARD DECISION

HEARING DATE: June 24, 2016

PRESIDING OFFICER: R. Schnell

BOARD MEMBER: A. Knight

BOARD MEMBER: D. Moore

BETWEEN:

GEORGE PATNOE

Complainant

-and-

TOWN OF DIDSBURY

Respondent

This is a complaint to the Central Alberta Regional Local Assessment Review Board in respect of a property assessment prepared by the Assessor of the Town of Didsbury as follows:

ROLL NUMBER: 2143000

MUNICIPAL ADDRESS: 34 Valarosa Drive, Didsbury Alberta

ASSESSMENT AMOUNT: \$ 246,190

The complaint was heard by the Local Assessment Review Board on the 24th day of June 2016, in the Council Chambers at The Town of Didsbury, in the province of Alberta.

Appeared on behalf of the Complainant:

Property Owner: George Patnoe

Appeared on behalf of the Respondent:

Assessor: Frank Watson

Tax Clerk: Marilyn Laurin

DECISION: The assessed value of the subject property is CONFIRMED.

JURISDICTION

- [1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 456 of the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”], and Town of Didsbury Bylaw No. 2011-13, (*Regional Assessment Review Board*).

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is located within low-density residential zoning in the Valarosa area of the town of Didsbury in the province of Alberta.
- [3] The Complainant submitted a property assessment Complaint on March 14, 2016 to the Town of Didsbury, and Notice of Hearing was sent to the parties on May 12, 2016.

PRELIMINARY MATTERS

- [4] The Board Chair 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] The Respondent brought forward an issue with Complainant’s submission, included with the hearing materials.
- [7] The Board confirmed the following exhibits to assist the parties in referencing the materials submitted:
A1: Hearing Materials agenda
A2: page 7-9 of hearing materials (property assessment and Notice of Hearing)
C1: pages 1 of hearing materials (complaint form)
C2: pages 2-3 of hearing materials (showing submission with 6 points)
C3: pages 4-5 of hearing materials (realtor listing showing subject property)
C4: page 6 of hearing materials (news article)
- [8] The Respondent identified item #6 of C2, and newspaper article identified as C4, as preliminary issues. The Respondent explained that the municipality has the authority to split tax rates within a municipality for vacant/improved commercial/industrial property. He further explained that this matter is currently before the courts and is relative to a tax issue, which has no property assessment relevance.
- [9] Town of Didsbury Tax Clerk, Marilyn Laurin, explained that these items relate to a commercial/industrial tax issue relative to coding and application of tax rate differentials for vacant/improved land only, and not to any residential properties.
- [10] The Respondent asked the Board to remove these items from the Complainant’s submission or to consider them as background information that has nothing to do with the assessment appeal.

- [11] The Complainant stated the items are off topic and related to a pending court hearing, but he believes it is applicable to the situation and does not want the material withdrawn.
- [12] The Board finds that the items identified are relative to a tax issue and have no relevance on the assessment complaint before them. The Board has jurisdiction to determine matters pertaining to property assessment only. The Board does not have jurisdiction to make findings or comment on matters that are before the courts.
- [13] The Board determined that the items identified will remain as part of the Complainant's submission, but the subject, along with item #6 of C2 and the newspaper article identified as C4, will not be discussed further at this hearing.
- [14] The Board further clarified that item #6 of C2 would not be stricken from the Complainant's submission, but there would be no further discussion on the matter.
- [15] The hearing proceeded with the Complainant's argument relative to the property assessment.

ISSUES

- [16] The Board confirmed with the parties, that box three of section 4 on the Complaint form (Exhibit C1) is the issue before the Board.

What is the appropriate assessment value of the subject property?

POSITION OF THE PARTIES

Position of the Complainant

- [17] The Complainant argues that the assessment of his home relative to other houses in other small towns in Central Alberta is overvalued. The Complainant submits that he has calculated the assessment to be over-valued by \$11,500, as stated in point #1 of Exhibit C2.
- [18] The Complainant explained that he researched the market and decided to purchase a small 2-bedroom home on a small lot in Didsbury. He described his home as basic accommodation, affordable housing. As noted in C2 point 2, the lot is very narrow with no poured concrete sidewalks or patios.
- [19] The Complainant further stated that 2 bedroom houses are not in demand; 3 bedroom houses are the choice of the majority of purchasers. The Complainant noted a number of issues in the area:
- Valarosa drive is too narrow for the volume of traffic.
 - As the area develops, the traffic problem will become worse. Numerous people are moving away because of this.
 - With only one access into the subdivision, this problem is enhanced.
 - The area is built on a flood plain with a high water table, which makes houses less attractive and causes a negative impact on market value.
 - Realtors have advised that one should never buy a house in Valarosa subdivision.

- [20] In response to questions from the Respondent, the Complainant acknowledged:
- The subject property was listed for sale in 2009; the house was on the market for 1.5 years, the list price varied from \$300,000 to \$240,000.
 - The property was purchased for around \$230,000 or \$235,000 with no basement development.
 - He moved into the house in June 2010, and had the basement developed with a bedroom, bath, recreation room, and a natural gas stove at a cost of about \$30,000.
 - The improvements were made for personal enjoyment and comfort, not to have the assessment go sky high.
- [21] In summary, the Complainant asks the Board to base their decision on what he has submitted, with the assessment reduced to \$235,000 as noted on the Complaint form.

Position of the Respondent

- [22] The Respondent stated that the subject subdivision development contains small bi-levels for entry-level housing in an area with a high water table. Most houses on the same side of the street as the subject have sump pumps. On the opposite side of the street, there are 10 lots on higher ground with larger custom homes built on them.
- [23] The Respondent stated that the subject property is a 2 bedroom Bi-level home built in 2005, and now has a fully developed basement (shown on page 14 of R1). The Respondent referred to a map showing the location of the subject home within the Valarosa subdivision.
- [24] The Respondent provided evidence of 12 similar homes in the subject area, 6 of which have sold from July 2012 to April 2015.
- [25] The Respondent believes the best comparable is a “mirror-home” to the subject property, and is the same size, built with the same plan, but with no basement development (page 12 of R1). This property sold in April of 2015 for \$255,000, and was assessed at \$254,000.
- [26] The Respondent presented two charts contained in Exhibit R1, showing:
- a chart with comparable properties assessments showing the subject property as the 2nd lowest of the group (page 1).
 - a chart with 12 comparable properties sorted according to size, sales price, and assessments. The chart demonstrates that houses of the same size and comparable to the subject are assessed higher than the subject property (page 2).

The Respondent submits that the market is showing sales of comparable homes. One home, built by the same builder with same floor plan etc. as the subject, and on the same street, sold for \$255,000.

- [27] The Respondent acknowledged the issues raised by the Complainant, and stated that allowances for these issues were considered in previous assessment years and have been carried forward. The Respondent further stated that the Complainant has not provided any evidence to show that the current assessment should be changed.

- [28] The Respondent explained that his job is to prepare assessments based on Market Value as of July 1 of the assessment year. He does not set sale prices; he only follows the market.
- [29] In summary, the Respondent submits that the assessment is fair and equitable, complies with all legislative requirements, and should be confirmed based on the evidence presented.

BOARD FINDINGS and DECISION

- [30] The Board finds that legislation relevant to assessment and valuation of property provides clear guidance for this Complaint in the *Municipal Government Act*, RSA 2000, c M-26 ["MGA"], and in Regulations passed pursuant to this Act, specifically *Matters Relating to Assessment and Taxation Regulation* ["MRAT"]. This legislation governs the assessor in completing assessments, and the Board must make decisions based on the same legislation.

MGA section (1)(n): Definition of Market Value

"market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

MGA section 293

293(1) In preparing an 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.

(2) If there are no procedures set out in the regulations for preparing assessments, the assessor must take into consideration assessments of similar property in the same municipality in which the property that is being assessed is located.

MRAT - Valuation standard for a parcel of land is described in section 4(1)(a)

4(1) The valuation standard for a parcel of land is
(a) market value

MRAT - Mass Appraisal is described in Section 2

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.

MRAT - Valuation Date is described in Section 3

3 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.

MRAT – Definition of "Mass Appraisal" is in section (1)(k)

"mass appraisal" means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing;

MRAT – Quality Standards are described in Section 10

- (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.

- [31] The Board is familiar with the assessment process whereby the best indicator of market value is considered to be comparable sales of similar properties in close proximity to the subject property. The Board finds that adequate sales have occurred to convince the Board that market value has been achieved.
- [32] The Complainant has failed to convince the Board that the assessment of his property is incorrect. The Board acknowledges that the Complainant has requested a lower assessment value due to conditions prevalent within the area, and that these conditions may have affected the value of properties in the area.
- [33] The Board has determined that the market in the area provides evidence that these conditions are recognized and the assessed value is reflective of market value in the area.
- [34] The Board acknowledges that the Respondent has prepared the assessment utilizing the sales comparison approach pursuant to all legislation using mass appraisal and market value techniques.
- [35] The Board accepts the Respondent’s comparable analysis, which shows that the assessed value of the subject property is within the value range of the comparable properties.
- [36] The Board finds that the Respondent’s assessment of the subject property is reflective of its market value and is supportable, fair, and equitable.
- [37] In summary, the Board finds the appropriate value for the subject property is the value provided by the Respondent’s assessor.

DECISION SUMMARY

- [38] The Board CONFIRMS the value of the property as assessed.
- [39] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, within the Province of Alberta, this 20th day of July 2016 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.



R. Schnell
Presiding Officer

This decision can be appealed to the Court of Queen's Bench on a question of law or jurisdiction. If you wish to appeal this decision, you must follow the procedure found in section 470 of the MGA, which requires an application for leave to appeal to be filed and served within 30 days of being notified 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

Clerk materials

- A1: Hearing Agenda
- A2: page 7-9 of hearing materials (property assessment and Notice of Hearing)

Complainant submissions

- C1: pages 1 of hearing materials (complaint form)
- C2: pages 2-3 of hearing materials (showing submission with 6 points)
- C3: pages 4-5 of hearing materials (realtor listing showing subject property)
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Respondent submission

- R1 Respondents disclosure package (14 pages)