



CENTRAL ALBERTA REGIONAL  
**Assessment  
Review Board**

Complaint ID 0262 1775  
Roll No. 30009700275

**COMPOSITE ASSESSMENT REVIEW BOARD DECISION  
HEARING DATE: SEPTEMBER 20TH, 2023**

PRESIDING OFFICER: B Hisey  
BOARD MEMBER: R Irwin  
BOARD MEMBER: C Neitz

**BETWEEN:**

CHILES DEVELOPMENT CORPORATION LTD.  
AS REPRESENTED BY B CHILES AND M CHILES

**Complainant**

-and-

THE CITY OF RED DEER  
ASSESSMENT DEPARTMENT

**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: 30009700275

MUNICIPAL ADDRESS: 8835 Chiles Industrial Link

ASSESSMENT AMOUNT: \$565,200

The complaint was heard by the Central Alberta Regional Assessment Review Board on the 20th day of September 2023, at the City of Red Deer in the Province of Alberta.

Appeared on behalf of the Complainant: Brian and Margaret Chiles, for Chiles Development Corp. Ltd.

Appeared on behalf of the Respondent: John Lindsay and Gail Bukva, for the City of Red Deer

**DECISION:** The assessed value of the subject property is reduced to \$449,700.

**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 was annexed in 2009 from the County of Red Deer. It has a mixture of 3 non-conforming uses; a single-family residence component (one older home, 3 acres of residential land and all the garages), 4 manufactured homes and 1.1 acres of farmland. It is zoned I1 Industrial (Business Service) District.
- [3] The appeal hearing had originally been scheduled for a Local Assessment Review Board but was rescheduled as a Composite Assessment Review Board hearing as there were 5 residences identified on the Property.
- [4] The Assessment Department recommended a change of the 2023 assessed value from \$565,200 to \$479,100. This revised value was rejected by the Complainant.

**PRELIMINARY MATTERS**

- [5] No Board Member raised any conflicts of interest with regard to matters before them and neither party raised any objection to the composition of the Board.

**POSITION OF THE PARTIES****POSITION OF THE COMPLAINANT**

- [6] The subject property has been over assessed with regards to the Residential land component of \$278,000. There are no city services to the site and no legitimate access, streetlights or maintenance for the public roadway to the property. The Complainant suggested a land value at 50% of its current assessment (\$139,000 or \$46,333 per acre).
- [7] The Complainant also suggested other services generally provided to residential properties in the City such as proper addressing (the existing address is incorrect as the subject cannot be accessed by Chiles Industrial Link) and mail delivery, are not available to the units on the subject property.
- [8] Additionally, when the ages of the mobile homes (approximately 50 years) and single-family residence (approximately 80 years) are taken into consideration the homes are not worth the market values applied by the City. These residential units are nearing the end of their economic life.
- [9] A review of each residential unit was provided by the Complainant along with the following requested values:

<b>STRUCTURE</b>	<b>ISSUES</b>	<b>REQUESTED VALUE</b>
Building 1: MH with garage	1973 mobile home with private well and septic	\$20,000 - \$25,000
Building 2: MH -with addition and garage (not occupied)	1978 mobile home	\$20,000 - \$25,000

Building 3: MH -with porch	1976 mobile home	\$20,000 - \$25,000
Building 4: Single Family Dwelling with shop and garage	1935	\$35,000 - \$50,000
Building 5: MH	1978	\$18,000 - \$20,000
	<b>TOTAL VALUES</b>	<b>\$113,000 - \$145,000</b>

### SUMMARY

[10] The Complainant suggested the subject property was assessed higher than market value and requested the Board reduce the assessment.

### POSITION OF THE RESPONDENT

[11] A review of the subject was provided along with the methodology used by the City for assessments based on legislative requirements. The City of Red Deer (City) is required to prepare assessments in accordance with the requirements of the *Municipal Government Act*, RSA 2000, c M-26 (MGA), and the *Matters Relating to Assessment and Taxation Regulation 2018*, AR 203/17 (MRAT). The legislation requires a municipality to prepare assessments that represent market value by application of the mass appraisal process using typical values.

[12] The market modified cost approach was used for valuation of the single-family dwelling and manufactured home components. This method is similar to the Sales Comparison approach using transactions of similar properties to determine typical values. An exception would be the farmland component, which is regulated.

[13] The current assessment details were reviewed; the Respondent noted that when the property and manufactured home are owned by the same person, the parcel cannot be classified as a manufactured home park. Furthermore, the structures on the property have been assessed as substandard in quality and their effective ages have been accounted for in the characteristics for each structure.

[14] The Respondent confirmed the subject had its own water and septic system and provided a map showing the location of municipal services adjacent to the property.

[15] Several other issues were reviewed but were identified as not being within the purview of the assessment department:

- I. snow removal - a section of the Snow and Ice Control Program states that Industrial and Commercial areas are "plowed within 5 days of a 15 cm snowpack; plowing can start prior to the 15 cm trigger when it makes operational sense to do so".
- II. property address - was the responsibility of the planning department. The Complainant questioned the correctness of the addressing provided by the City; the property can not be accessed by Chiles Industrial Link. This is a safety issue as fire and ambulance could not find these properties in an emergency.

III. mail delivery - is the responsibility of Canada Post and not a municipal issue.

- [16] To support the assessment a chart of three residential land equity comparables were provided to the Board. All had their own well and septic systems, and all were in the Phase 1 annexation from the County of Red Deer. They ranged from 1.01 to 3 acres and were assessed at \$92,667 to \$209,208 per acre. The subject has been assessed at \$92,667 per acre.
- [17] Three residential market comparables were provided to support the assessment. These properties transferred between June 16, 2018 to September 23, 2021 and ranged from 0.30 to 1.16 acres in size. The sale prices were \$380,800, \$393,750 and \$465,000. The assessed values were \$353,200, \$384,000 and \$353,303. The subject has an assessed land value of \$278,000.
- [18] Three single family dwelling market comparables were provided that had effective building ages of 1950, to 1978. The main floor areas ranged from 557 to 750 square feet and the condition of these structures ranged from fair to good. The land value was extracted to assist with comparison of buildings. These values were \$76,400, \$38,000 and \$33,100. The subject property has a single family dwelling revised assessment of \$25,900.
- [19] The two older manufactured home comparables were also provided that were sold in December, 2021 and May 2022. These homes were both assessed at \$20,300 while their sale values were shown to be \$30,000 and \$33,300.
- [20] An inspection of the subject property was conducted on March 10th, 2023. At that time a revised recommended assessment was provided at \$479,100; reducing the values of several of the buildings and removing a storage structure.

#### **SUMMARY**

- [21] The Respondent confirmed that assessment has been based on a portion of nonfarm land that could be classified as multifamily. The tax class and rate bylaw were provided for information purposes. The Respondent did not request the Board to alter the assessment class of the subject for the current year.
- [22] A further reduction to the recommended assessment was suggested after a review of the rebuttal information. The Respondent proposed the following revised assessment of \$449,700 from \$479,100. This was based on the following component and a reduction of Building 2 to \$40,000:

<b>COMPONENT</b>	<b>CURRENT ASSESSED VALUE</b>	<b>RECOMMENDED VALUE</b>
Farmland	\$200	\$200
Residential Market Land	\$278,000	\$278,000
Building 1: MH -ID 164017751	\$60,700	\$47,700
Building 2: MH -ID 164003600	\$80,200	\$40,000
Building 3: MH -ID 164003601	\$51,700	\$36,200
Building 4: Single Family Dwelling	\$40,600	\$25,900

Building 5: MH -ID 164003602	\$47,500	\$21,100
Building 10: Det GA - ID 16403603	\$6,300	N/A
	<b>\$565,200</b>	<b>\$449,700</b>

**REBUTTAL**

- [23] The Complainant clarified the history and provided interior photographs of Building 2. This structure has two units; one had extensive damage due to ongoing roof damage and leakage. This building has no skirting and was not “blocked up” properly, allowing both units to separate slightly. The Complainant suggested one unit is unsalvageable and the other side will require substantial maintenance.
- [24] The Complainant argued the water and sewer lines shown in the Respondents disclosure documents for the subject property were incorrect. The sanitary line is for transmission only and not available for connection.
- [25] Additionally, the Respondents' comparables were dissimilar to the subject and are either in Red Deer County or on municipal services.
- [26] The Respondent noted the disrepair of Building 2 and adjusted the recommended assessment in their presentation (paragraph 22).

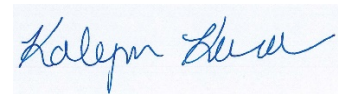
**BOARD FINDINGS AND DECISION**

- [27] In matters before the Regional Assessment Review Board, the onus is on the Complainant to prove that the assessment is incorrect. Although there were claims that certain issues (i.e. road maintenance and municipal servicing) affected property values, no market or equity evidence was provided to substantiate how these items would affect the value.
- [28] The Board recognized that although the Complainant stated that the buildings were at the end of their economic life, these residential units were occupied or rent was being paid for them.
- [29] The Board finds the adjusted revised assessment provided by the Respondent (paragraph 22) are more easily understood than the current assessment summary and were somewhat supported by the comparables provided.
- [30] The Board did not have any evidence for a determination of reduced services to the subject property. There was no email or request identified to show the requests were ignored or regarding these items. There was no information detailing substandard road maintenance or snow clearing. Additionally, there was no evidence provided to show how those items would affect value.
- [31] The Board did not rely on the single-family residential market sales from the Respondent as good comparables. They were all on residential lots; the subject is nonconforming and on an industrial property. Additionally, these comparables were larger than the residential home on the subject and generally in better condition.

- [32] The two manufactured homes provided as comparables have newer effective ages (1992) compared to the subject. The sale prices for these market comparables were \$30,000 and \$33,300 and were both assessed at \$20,300. These did not support the current assessment.
- [33] The Board acknowledges the subject has a private septic and water service, but finds there was no evidence provided by the Complainant that would indicate how that would affect the value of the subject property.
- [34] The Board accepted the revised values for the structures proposed by the Respondent; the class was not corrected as the Respondent did not submit a request for this issue through section 305 of the MGA. The classification of the property as a multi-family property may be corrected for future assessments.
- [35] The Board notes the Complainant has highlighted a safety concern regarding the inability for fire and ambulance services to access the property from the existing address (the parcel does not connect to Chiles Industrial Link roadway). The appropriate department will be notified of this concern.
- [36] The ultimate burden of proof and onus is on the Complainant to show that the assessment is not fair and equitable on a balance of probabilities. In this case, the Complainant has not provided sufficient evidence upon which the Board could make a further change to the assessment other than that proposed by the Respondent.

#### **DECISION SUMMARY**

- [37] The Board reduces the assessment to \$449,700.
- [38] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 20 day of October, 2023 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.



Katlyn Kostashuk on behalf of  
BRENDA HISEY  
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](http://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 provided by Clerk - 4 pages
2. C.1	Complainant submission - 10 pages
3. C.3	Complainant Rebuttal - 16 pages
4. R.1	Respondent submission - 61 pages