



Complaint ID 0262 1866
Roll No. 30001022125

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: MAY 29, 2024

PRESIDING OFFICER: C. NEITZ
BOARD MEMBER: R. IRWIN
BOARD MEMBER: K. SHANNON

BETWEEN:

MARK CURRAN

Complainant

-and-

REVENUE & ASSESSMENT SERVICES
for 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: 30001022125
MUNICIPAL ADDRESS: 52 AIKMAN CL, RED DEER
ASSESSMENT AMOUNT: \$568,100

The complaint was heard by the Local Assessment Review Board on the 29th day of May, 2024, via Video Conference.

Appeared on behalf of the Complainant: M. Curran

Appeared on behalf of the Respondent: G. Bukva, T. Larder and T. Anderson, City of Red Deer

DECISION: The assessed value of the subject property is CHANGED to \$499,000.

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] In the documentation and confirmed at the hearing the subject property is described as a 2049 SF single family, semi-custom bungalow built in 1977. The 5 Bedroom home has 3.5 baths, a fully developed basement and a front drive attached garage. The home is located on a 12751 sq ft lot at 52 Aikman Close in the subdivision of Anders Park in Red Deer Alberta.
- [3] The notice was mailed to the assessed person on January 4 2024 with a notice of assessment date of January 12 2024. The final date of complaint for that assessment was March 12, 2024.

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] A preliminary matter was raised by the Respondent in respect to the Complainant’s Rebuttal document. The Respondent objected to the inclusion of the Rebuttal document as the Respondent had not received this previously and asked the Board to reject the submission.
- [7] The Board questioned the Complainant regarding the Rebuttal document submission. The Complainant advised the Board that the submission was made to the Regional Board via email.
- [8] The Board notes the Notice of Hearing issued April 5, 2024 provided instructions on how to submit evidence, the dates that evidence must be received by, and the address any evidence must be sent was provided to the Complainant and the Respondent.
- [9] Under review the Board determined the Complainant followed the instructions as per the Notice of Hearing to provide disclosure to the Board and the Opposing Party (the Respondent) for the initial Complainant Disclosure.
- [10] The Board questioned the Complainant as to why he did not follow the instructions for the Rebuttal submissions. The Complainant replied he did not realize that he had missed this step, no excuses, he thought the Rebuttal was submitted properly.
- [11] The Board determined the 2-page Rebuttal Submission was not submitted properly in accordance with the rules of disclosure as per *Matters Relating To Assessment Complaints Regulation, 2018 AR 201/2017* (MRAC) section 5 (2)(c) states:

“(c) the complainant must, at least 3 days before the hearing date, disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the complainant

intends to present at the hearing in rebuttal to the disclosure made under clause (b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing.”

AND

MRAC section 6 (b) states:

“6 A local assessment review board panel must not hear ...

(b) any evidence that has not been disclosed in accordance with section 5.”

[12] 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

[13] The Complainant explained to the panel that he had purchased the property that was advertised on the open market through the MLS Realtor system for 19 days and took possession June 30 2023, one day prior to the valuation date for \$499,000.

[14] The Complainant explained that he related that it was a competitive bidding process, and this sales process should be considered a gauge of fair market value. The Complainant further explained that the property was in poor condition and cited the roof required repairs, the entire property was outdated, needs maintenance and would be considered sub par and lower quality than any of the comparables.

[15] The Complainant directed the panel to review the pictures in all parties submitted files to confirm the condition reported.

[16] The Complainant requested the Board confirm the assessment of the property at the market value of \$499,000, the value it sold at the day before valuation date 2023. Directing the Board to consider the small front drive garage, commenting that his garage could not fit two cars while the comparable properties in his own area had 2 car garages.

[17] In reply to the Boards question asking which of the comparables on C1 page 6 was the most comparable to the subject property the complainant stated the best 3 are

- I. 32 Aikman Cl., it is on a lot very comparable and similar to the subject but a bit larger assessed at \$474,500.
- II. 44 Aikman Cl. Similar, but a larger square footage house on a smaller lot assessed at \$556,600 and
- III. 62 Aikman Cl. is the same size lot but it is a bigger building and is assessed at \$510,600.

[18] In Rebuttal the Complainant stated that in his opinion, fair market value should be determined by the market. This property was marketed on MLS by real estate professionals, the clients were assisted by a relative who was a professional and it was active for 19 days.

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- [19] The Complainant rejected that an administrative error in lot size resulted in the property going for less. He also stated that the initial assessment of 568,100 was highest but when the Respondent completed an on-site visible inspection, they offered a reduction due to the condition. It was close but not enough.
- [20] The Complainant request the Board to reduce the assessment to align with the sale price of \$499,000.

Position of the Respondent

- [21] The Respondent reviewed for the Board, the subject property facts on page 6 in R1 of their submission. It was noted that a city inspection had been completed in February 2024 and the corrected bathroom count was changed from 4 to 3.5 as one had been discovered to be a ½ not a full bath as first reported. The Respondent then informed the board that the lot size of the subject property was reported incorrectly on the MLS sales data and stated that this error affected the value of the property in the sale.
- [22] The Respondent further explained that the current assessment is set at 568,100 and there was a reduction recommendation of \$529,900 made after viewing the property and the property inspection report but it was not accepted by the Complainant.
- [23] The Respondent continued and reminded the Board that one sale does not make the market, and the Assessment departments responsibility is to complete a mass appraisal for the City of Red Deer in accordance with the procedures in the MGA.
- [24] In discussing market value, an open market and willing seller/buyer concepts, the Respondent had concerns that the sale price may have been affected by a quick sale. Presentations were made illustrating a listing May 11 2023, an offer that was pending but fell through followed by a re-listing and a later offer accepted. It was cited that the lot size on the listing was incorrect and normally, days on market is 25, this was a rapid sale of only 19 days.
- [25] The Respondent then stated that Sales date used for reporting real estate sales data in Red Deer is the land titles transfer date because it is most consistent with all sales. As this sale had not completed land title transfer until Aug 14 2023 it would be considered against next years analysis pool of sales set for July 1 2023- June 30 2024.
- [26] The Respondent expressed concern on the state of health of the sellers and wanted the Board to be aware that they were incapacitated, and as a power of attorney was involved, if that affected the sale considering the willing seller position?
- [27] The Board was assisted by the Respondent in reviewing the Equity chart in R1 Page 16 and the sales analysis chart R1 page 19. The time adjusted sale price range was noted in the range from \$404,300 to \$629,700.
- [28] The Respondents replied to questioning indicating their best comparable to the subject was 1 Sunnyside Crescent (\$500,400). It was explained that it was similar in size, age and design. The Respondent also informed the Board that all the comparables they had provided had the same building type with Developed basements and in similar neighborhoods.

[29] The Respondent requested the Board to accept the revised recommended assessed value of \$529,900.

BOARD FINDINGS and DECISION

[30] After hearing the presentations of both parties the Board finds the following issues outstanding and require decisions.

[31] The Board sought clarification on the following;

- I. Whether the incorrect listing information of the smaller size of the lot than it is, resulted in a lower sale price.
- II. Considering the fair sale process and purchase date of the subject property by the Complainant in 2023.
- III. Concerning the Respondent's issue of the seller's health condition. Did the involvement of a power of attorney who is a family member representing the sellers result in a lower sale price.
- IV. If the assessment of the property is in excess.

[32] The Board reviewed and considered the entire presentations, both written and verbal, from each party and has decided.

[33] In the First concern, typically, the size of the lot would matter but, in this case, the Board found that the subject has quite a unique fenced lot. The disputed difference was found to be located in an area adjacent to a fence line and not very obvious to the eye or on the diagram provided. The Board examined this large lot and considered the laws of diminishing returns. The Board agreed it was not significant or supported by any further evidence, that it affected the value of this sale.

[34] Secondly, the Board heard the Complainant explain that he had purchased the property on June 30, 2023. Meanwhile the Respondent explained to the Board that the City of Red Deer consistently uses the land transfer date as the sale date because the sale could fall through. As this transfer occurred on Aug 14 2023 this sale would be in the next pool of sales date from July 1 2023 -June 30 2024. Further questioning allowed the Respondent to relate that it was possible that a transfer through land titles could vary in length depending how far behind the land titles office was.

[35] The Board determined it could not accept the Respondent's claim that the sale occurred in August, and placed more weight on the evidence that the purchase of the subject property took place before the July 1, 2023 valuation date within the assessment year, on June 30 2023 as presented by the Complainant.

[36] Next in reviewing the power of attorney affect on the sale of the property, the Board finds that there was insufficient evidence presented to persuade the Board to support the Respondent's position that the involvement of a power of attorney has affected the sale price of the subject property.

[37] Finally, the Board reviewed the rules of mass appraisal as outlined in section 5 of the *Matters Related to Assessment and Taxation Regulation, 2018 AR 203/2017* (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.”

[38] The Board determined that due to the agreed on extremely poor state of condition of the subject property, mass appraisal does not quite fit. Therefore, the Board gives most weight to the recent sale of the subject as the best indicator of market value.

[39] The Board noted and considered guidance from MRAT, section 7 Valuation standard for a parcel of land;

“7(1) (a) the valuation standard for a parcel of land is

(a) market value...”

[40] The Board believes the current assessment is in excess. The Respondent’s recommended reduction did not have any supportive information other than an inspection was completed and resulted in a reduction being offered. Considering the reduction and the Respondent’s statement indicated the subject property is inferior, the Board accepts the Complainant’s request to set the assessed value of the subject property at \$499,000.

DECISION SUMMARY

[41] The Board finds that the original assessed value is CHANGED to \$499,000.

[42] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 27th day of June 2024 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.



L. Stubbard, Clerk on behalf of
C. Neitz
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 – 5 pages provided by Clerk
2. C.1	Complainant Submission - 6 pages
3. C.2	Complainant Rebuttal – 2 pages not accepted into the record
4. R.1	Respondent Submission – 61 pages