



Complaint ID 0262 1718
Roll No. 30001513030

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: MAY 16, 2023

PRESIDING OFFICER: ROB IRWIN
BOARD MEMBER: DENNIS DEY
BOARD MEMBER: JURGEN GRAU

BETWEEN:

CAPITAX APPEALS
for David Fletcher (Property Owner)

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: 30001513030

MUNICIPAL ADDRESS: 68 Elliot CR

ASSESSMENT AMOUNT: \$ 266,800

The complaint was heard by the Local Assessment Review Board on the 16th day of May 2023, via Virtual Hearing.

Appeared on behalf of the Complainant: Andre Wisdom, Capitax Appeals

Appeared on behalf of the Respondent: Travis Larder, Property Assessor, City of Red Deer
John Lindsay, Property Assessor, City of Red Deer

DECISION: The assessed value of the subject property is confirmed as \$266,800.

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 a single family split level residential property located in Eastview Estates in South Red Deer.

[3] The property assessment complaint was submitted to the Central Alberta Regional Assessment Review Board by the Complainant on February 13, 2023.

[4] The Notice of Hearing was issued on March 31, 2023.

PRELIMINARY MATTERS

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

[6] Neither party raised any objection to the panel hearing the complaint.

[7] As Mr. Wisdom is an Agent in matters related to assessment, the Board inquired whether he was being paid for representing the Property Owner in this matter. In response, Mr. Wisdom indicated he was assisting a family friend and was not receiving any payment for representation in this matter.

[8] The Board confirmed the submissions of the Parties and entered the following Exhibits outlined in Appendix A into the record.

[9] The Complainant confirmed they had not provided a Rebuttal submission.

[10] 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**

[11] The Complainant stated the Respondent’s assessment of the property failed to achieve market value. The best indicator of market value is the sale price of \$247,000 the property achieved in November 2021 eight months prior to the July 1, 2022 valuation date. The Complainant requests the assessment be reduced to \$247,000.

[12] The Complainant referenced *697604 Alberta Ltd. V Calgary (City)* 2005 ABQB 512 and submitted an interpretation of the Court’s findings that the sale of a subject property is often the best evidence of its market value.

-
- [13] The Complainant stated the sale of the subject property meets the test of a sale price being the best indicator of market value due to the following:
- I. The property was listed for a lengthy period of time;
 - II. The sale took place between two unrelated parties;
 - III. There were no special elements such as special financing that may have affected the sale price;
 - IV. The sale reflects the fee simple estate.
- [14] The Complainant submission included City of Red Deer comparable sales data of similar properties which included a time Adjusted Sales Price (TASP) for the subject property of \$249,700. The Complainant suggested this provides additional context for the requested value of \$247,000.
- [15] The Complainant referred to the Standard on Verification and Adjustment of Sales document of the International Association of Assessing Officers and argued the sale of the subject property is a valid sale that must be considered in the valuation process.
- [16] The Complainant reiterated that the issue is Market value and the most probable indication of market value is the sale price.

Position of the Respondent

- [17] The Respondents stated the assessment is fair and equitable. The assessed value of \$266,800 should be confirmed, as it is supported by the evidence of assessments and sales prices of comparable properties.
- [18] The Respondent argued that the Complainant's submission that the sale price of a subject property is often the best evidence of its market value, does not mean the sale price is always the best indicator of market value.
- [19] The Respondent stated the subject property was assessed by mass appraisal following the directives of the MGA and *Matters Relating to Assessment and Taxation Regulation* ["MRAT"]. The Respondent noted there were 65 average split level properties in Eastview Estates with assessments ranging from \$242,000 to \$374,200 and a median assessment of \$279,600. This demonstrates the subject has been assessed equitably and fairly using the mass appraisal approach.
- [20] The Respondent argued the Complainant did not provide any evidence to corroborate that the requested assessment was equitable.
- [21] The Respondent presented a table of assessments of comparable properties in the immediate area to demonstrate the subject property has been assessed equitably. The properties were similar in terms of age, style and features. The subject property had the lowest assessment at \$240.14 per sq. ft. versus the median assessment of \$251.66 per sq. ft. for the comparable properties.
- [22] The Respondent stated the mass appraisal approach to determining assessed value is more reflective of market value as it is based on the sales prices of multiple similar properties rather than the sale price of an individual property.

-
- [23] The Respondent further stated that in Eastview Estates there were 10 sales of similar properties between July 1, 2019 and July 1, 2022. These properties ranged from 984 sq. ft. to 1, 1226 sq. ft. with sale prices ranging from \$247,000 to \$348,000. As well there were 43 sales of similar properties in South Red Deer over the same time period ranging from 963 to 1783 sq. ft. and selling prices ranging from \$247,000 to \$438,900.
- [24] The Respondent stated that the typical market value is not a single sale value but is determined by a group of similar properties. In this case the comparable sales of similar types of properties located in the immediate area are more reflective of market value than the individual sale of the subject property.
- [25] The Respondent provided a detailed sales analysis of 5 similar properties. The Respondent stated the analysis includes transfer dates in which case Sale #5 occurred after the valuation period. However the actual sales dates are likely to have occurred before the transfer date. Applying this lens, the sales for all of the comparable properties occurred before the valuation date.
- [26] The Respondent's sales analysis indicated the 5 comparable sales had assessed values lower than their time adjusted sales values. The subject property was the only one assessed above the time adjusted sales value. The Respondent also noted the subject property has an assessment to sales ratio (ASR) of 1.07 indicating the subject property sold for 7% less than what it was expected to sell for. The Respondent argued the best comparable was Sale # 1 at 31 Elliot Cr. with a time adjusted sales price of \$277,500.
- [27] The Respondent stated a sales verification process was undertaken but no evidence is before the Board. A visit to the subject property was limited to an exterior view. As a result the City relied on pictures and local real estate market reports.
- [28] The Respondent stated this is not a case where the subject property was different than comparable properties. Although the subject property had been available on the market for 152 days there were no circumstances that might explain the lengthy time to sell and arrive at the sale price that is lower than expected.
- [29] The Respondent states the property is fairly assessed and requests that the Board confirm the assessment of \$266,800. The Respondent argued that a reduction in the assessment would unfairly affect the assessment of the stratum and create an inequity for property owners in that stratum.

BOARD FINDINGS and DECISION

- [30] The Complainant relied solely on the sale of the subject property to support his requested assessed value. The Complainant argued the sale occurred November 2021 for 247,000, just eight months prior to the valuation date. Further stating this was the best reflection of market value.
- [31] The Respondent stated the subject property was assessed using mass appraisal and provided sales evidence that is believed to support the current assessed value. The Respondent further stated the sale price of a property is not always the best indicator of value when you have good comparative sales within the valuation timeframe.

- [32] The Board notes the Complainant did not provide additional evidence of market sales that would support the requested assessment value beyond the sale of the subject property.
- [33] The Board finds the subject property has no distinguishing features that would require it to be treated as a unique property which would justify that the sale price of the property alone, is most reflective of market value.
- [34] The Board notes that neither party was able to explain why the sale of the subject property was different than the sales prices of comparable sales. The Board is not persuaded there were circumstances, either in the market or specific to the property, that would demonstrate why the sale price of the subject property is below those of the comparable sales provided by the Respondent. Accordingly the Board finds there is no evidence to support the sales price of the subject being the best indicator of market value at the July 1, 2022 valuation date.
- [35] The Board finds the market exists beyond the sale of a single property. Further the Board finds that in this case, market value of the subject property is best reflected by the multiple sales of similar properties. The Board is persuaded the Respondent's evidence of multiple comparable sales best supports the assessed value achieved through the Mass Appraisal approach.

DECISION SUMMARY

- [36] The Board was not provided with enough information by the Complainant to determine that an adjustment to the assessed value was warranted. The comparable sales of similar properties in the immediate area supports the assessed value of \$266,800.
- [37] The Board finds that the original assessed value is CONFIRMED.
- [38] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 1st day of June 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.



Rob Irwin
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 A

Documents presented at the Hearing and considered by the Board.

<u>NO.</u>	<u>ITEM</u>
1. A.1	Hearing Materials – 7 pages provided by Clerk
2. C.1	Complainant Submission – 17 pages
3. R.1	Respondent Submission – 22 pages