



Complaint ID 0262 1722
Roll No. 30000920370

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: MAY 26, 2023

PRESIDING OFFICER: MAUREEN CHALACK
BOARD MEMBER: DENNIS DEY
BOARD MEMBER: CHERI NIETZ

BETWEEN:

MARGARET A. SMITH

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: 30000920370
MUNICIPAL ADDRESS: 7-2821 Botterill Crescent
ASSESSMENT AMOUNT: \$320,300

The complaint was heard by the Local Assessment Review Board on the 26th day of May 2023, via Virtual Hearing.

Appeared on behalf of the Complainant: Written Submission

Appeared on behalf of the Respondent: Written Submission

DECISION: The assessed value of the subject property is confirmed as \$320,300

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

- [1] The subject property is a townhouse bungalow located in the Botterill Crescent condominium complex in South Red Deer.
- [2] The property assessment complaint was submitted to the Central Alberta Regional Assessment Review Board by the Complainant on March 10, 2023.
- [3] The Notice of Hearing was issued on April 11, 2023.

PRELIMINARY MATTERS

- [4] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [5] The Board confirmed the submissions of the Parties and entered the Exhibits outlined in Appendix A into the record.
- [6] No additional preliminary or procedural matters were considered by the Board. The parties had previously agreed the hearing would proceed by written submissions.

POSITION OF THE PARTIES**Position of the Complainant**

- [7] The current Assessed value for the subject property is \$320,300 while the previous year’s assessed value was \$309,800. The Complainant requested keeping the assessed value of \$309,800 from the previous year.
- [8] The subject property was listed for sale in September 2022 at a price of \$321,900. One offer was received which led to counter offers and a final sale price of \$299,000 which was transacted in February 2023.
- [9] The Complainant attributed increasing interest rates as a factor impacting market prices for this type of property. Most buyers of homes in the Botterill Crescent condominium complex would be selling their existing homes. This in turn meant buyers for these homes would require financing in an environment of increasing interest rates, which can affect property prices.

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- [10] Parking is a limitation for the subject property due to the combination of no on-street parking and only having a single garage with a driveway that is too short for most trucks.
- [11] The Complainant submitted the condo road (2821 Botterill Crescent) is a private road that is not part of City of Red Deer infrastructure. Repair costs for the road leading to individual driveways is paid out of condo fees. Property taxes of owners in the condo complex contribute to property owners in non-condo crescents where the City covers road repair costs.
- [12] Further, it is a challenge for the condominium complex to keep condo fees as low as possible due to having to repair and replace equipment. As condo fees are important to potential buyers, the potential of condo fee increases will have an impact on sales prices in the complex.
- [13] The Complainant notes having a view is important to buyers as they age. The subject property has a limited view of Sunnybrook farm while the main view is of houses across the street. The Complainant claims the limited outside view of the subject property was a factor in the lower selling price.

Position of the Respondent

- [14] The Respondent confirmed an exterior inspection of the subject property was completed on March 6, 2023.
- [15] The Respondent's written submission addressed each of the concerns raised by the Complainant as follows:
1. The Respondent confirmed property values had increased between July 1, 2021 and June 30, 2022. The sale of the subject property had a contractual date of February 6, 2023 which is a post facto sale that will be reflected in the next years assessed value.
 2. Regarding increases in interest rates, the Respondent submitted these occurred after the July 1, 2022 valuation period which led to different market conditions at the time of the sale of the subject property was transacted.
 3. Regarding the concern that only having a single garage with a short driveway was a limitation affecting sale prices, the Respondent submitted there is no market evidence to confirm that adjoined driveways impact market values. An Orthophoto taken on May 5, 2022 was submitted to illustrate that most of the driveways in the condominium complex are the same length.
 4. Regarding the condo fees having to pay for road repairs, the Respondent submitted 2821 and 2816 Botterill Cr. are private roads with repair and maintenance costs the responsibility of the condo association. However, Botterill Crescent which provides access to these private roads are part of the City's infrastructure.
 5. On the matter of condo fees, sales prices of four homes in the condominium complex over the period July 1, 2021 to June 30, 2022 was provided. The median sale price of \$316,750 demonstrates that condo fees for the same services as the subject property, did not dissuade potential buyers.

6. On the matter of limited outside views, the Respondent submitted floor plans of units 7-9 to demonstrate the layout is the same. An analysis of units with the same floor plan found there was no correlation between sale price and layout.
- [16] The neighbourhood of Bower, 2816 and 2821 Botterill Crescent has 27 bungalow townhouses with a median assessment per square foot of \$290.39. The higher assessment per square foot of \$311.18 for the subject property was attributed to it having a walkout basement and enclosed sunroom.
- [17] To demonstrate equity, the Respondent provided a comparison of homes in 2821 Botterill Crescent with similar in age, style, and features. Most have the same length of driveway. The assessments ranged from \$289.86 to \$326.04 per square foot.
- [18] To demonstrate fairness, the Respondent submitted that there were 14 sales of standard townhouse bungalows in South Red Deer between July 1, 2019 and June 30, 2022. As well, there were six sales in South Red Deer of similar properties over the period July 1, 2021 to June 30, 2022 with sizes that varied between 898 and 1,178 square feet and adjusted sales prices of \$288,600 to \$363,600. As well as a median sale price per square foot of \$237.28 and a median assessment value of \$254,000. The subject property has an assessed value of \$311.88 per square foot, this is higher than the median of the comparable sales. The subject property has a more desirable location and a walkout basement.
- [19] The Respondent provided a sales analysis of similar properties sold in 55+ communities in South Red Deer within the valuation period. The adjusted sales prices ranged from \$233.21 to \$330.02 per square foot. The property deemed to be most comparable to the subject was located in the Botterill complex and had a time adjusted sales price of \$332,000 and an adjusted sales price per square foot of \$330.02. The Respondent submitted the properties in Botterill Crescent sold at higher prices than those in other 55+ communities.
- [20] The Respondent indicated there were no comparable sales that fell within the valuation period to support the requested reduction in the assessment.
- [21] The range of values presented by the comparable sales demonstrates that the selling price of any one property can be affected by a range of factors. For this reason, the Respondent does not rely on a single sale to determine market values. Rather it uses all the sales of similar properties in determining assessment values.
- [22] The Respondent states the property is fairly assessed and requests that the Board confirm the assessment of \$320,300.

Complainant's Rebuttal

- [23] In its rebuttal submission the Complainant indicated the evidence presented by the Respondent included three properties with longer driveways, double garages and larger finished basements than the subject property.
- [24] The Complainant pointed out the Respondent included a property with a double garage as well a newer property in the complex that is larger than the subject property and has a large enclosed deck and interior upgrades.

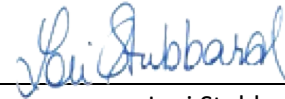
BOARD FINDINGS and DECISION

- [25] The Board notes the Complainant refers to the 2023 Assessed value of \$320,300 and the 2022 assessed value of \$309,800. The Board understands these to be the July 1, 2022 assessed value of \$320,300 and the July 1, 2021 assessed value of \$309,800.
- [26] The Board notes the Complainant relied on the July 1, 2021 assessed value and sale of the subject property in February 2023 to support the requested assessment amount of \$309,800.
- [27] The Board finds the sale of the subject property is a post facto sale. Information on market conditions and interest rates in February 2023 were not available on the July 1, 2022 valuation date. As a result the Board gives little to no weight on the February 2023 sale of the subject property.
- [28] The Board notes that the Respondent submitted property values increased between July 1, 2021 and July 1, 2022. Further, these increases are reflected in the adjusted sales prices provided in the sales analysis. The Board acknowledges the concerns raised by the Complainant on the matters of the short driveways, the costs to maintain the road, the challenge of keeping condo fees as low as possible and the limited outside views of the subject. The Board is not persuaded these factors have had a measurable impact on sales prices in the Botterill Complex during the valuation period. There was no information provided regarding the impact to the sales prices or actual sales comparisons for the Board to use to determine an adjusted assessed value.
- [29] The Board finds that condo fees are not a factor that would dissuade potential buyers. The Board gives weight to the Respondent's evidence of sales in the Botterill Crescent Complex over the period July 1, 2021 to June 30, 2022 and the median sale price of \$316,750, to demonstrate that condo fees had no effect on sales prices.
- [30] The Board finds the lack of view is not a factor that adversely impacts on the market value of the subject property. The Board is persuaded that in the context of sales price, the enclosed deck is a mitigating factor. The Board finds the submission of the Respondent, that an analysis of units with the same floor plan found no correlation between sale price and layout, has merit.
- [31] The Board finds the Respondents evidence of the assessment of similar properties demonstrates equity. The subject's assessment per square foot of \$311.81 fits in the range of \$289.86 to \$326.04 per square foot for similar properties with similar features located in the 2821 Botterill Crescent complex. The Board is persuaded the higher assessed value of the subject is more likely than not, explained by it being one of the larger units as well as having a walkout basement and an enclosed sunroom.
- [32] The Board finds the Respondent's sales analysis of properties with similar building type, developed basements, attached garages and located in similar 55+ communities in South Red Deer demonstrate fairness. The subjects assessed value of per square foot of \$311.81 fits in the range of \$233.21 to \$330.02 for the comparable sales. The Board is persuaded the higher value for the subject property can be attributed to a desirable location and a walkout basement which was not disputed by the Complainant.

- [33] The Board finds there were no comparable sales in the valuation period that supported the requested reduction in assessment value. The Complainant's Rebuttal did not provide evidence to demonstrate that the features of #14 2821 Botterill Crescent and #71 2816 Botterill Crescent could limit the comparability of these properties.
- [34] 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

- [35] 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 \$320,300.
- [36] The Board finds that the original assessed value is CONFIRMED.
- [37] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 16th 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



Lori Stubbard For
MAUREEN CHALACK
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 – 4 pages provided by Clerk
2. C.1	Complainant Submission – 4 pages
3. C.2	Complainant Rebuttal – 1 Page
4. R.1	Respondent Submission – 28 Pages