



Complaint ID 0262 1721  
Roll No. 30001110100

LOCAL ASSESSMENT REVIEW BOARD DECISION  
HEARING DATE: WEDNESDAY, MAY 17, 2023

PRESIDING OFFICER: SANDI ROBERTS  
BOARD MEMBER: JURGEN GRAU  
BOARD MEMBER: DON WIELINGA

BETWEEN:

MICHAEL DERRICK PROSSER

Complainant

-and-

REVENUE AND 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: 30001110100  
MUNICIPAL ADDRESS: 50 Linn Cl, Red Deer, AB  
ASSESSMENT AMOUNT: \$476,100

The complaint was heard by the Local Assessment Review Board on the 17<sup>th</sup> day of May 2023, in the City of Red Deer.

Appeared on behalf of the Complainants: Michael Derrick Prosser and Lorrie Lynne Whiteway

Appeared on behalf of the Respondent: Gail Bukva, Property Assessor, City of Red Deer  
John Lindsay, Property Assessor, City of Red Deer

**DECISION:** The assessed value of the subject property is confirmed at \$476,100.

**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 1,485 sq. ft. semi-custom bungalow on a 5,107 sq. ft. lot located in the neighbourhood of Lonsdale. The subject property has three bathrooms, one fireplace, a 495 sq. ft. front attached garage and a 1,253 sq. ft. walk-out developed basement. There is also a raised deck located off the back of the house.

**PRELIMINARY MATTERS**

- [3] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [4] Neither party raised any objection to the panel hearing the complaint.
- [5] 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 Complainants**

- [6] The Complainants’ position was that their property was not equitably assessed. They claimed that it was assessed higher than the neighbourhood and the homes on their Close (Linn CI). Therefore, they disagree with the current assessed value of the subject property.
- [7] The current assessed value of the Complainants’ property is \$476,100. This is a 10.3% increase from 2021. The average assessed value increase of properties on Linn CI (excluding #50 and #82) from 2021 to 2023 is 6.2%. The Complainants believe that 66 Linn CI is a good property for comparison and stated that its increase in assessment from 2021 to 2023 is 6.5%. The Complainants requested that their assessed value for 2023 be reduced to \$459,600. This is 6.5% more than 2021 and is in line with assessment increases in their neighbourhood.
- [8] The Complainants stated they purchased the property in early 2022 and have resided there since February 2, 2022.
- [9] The Complainants indicated in their submission that the City of Red Deer is proposing a 4.61% tax increase, but their property tax increase would be almost double this at 8.5% because of their increased assessed value. At the hearing, the Complainants stated that the City has since set the mill rate, and their tax increase was not as high as they predicted, but their taxes would still increase more than their neighbours.
- [10] The Complainants expressed a concern that the Respondent would not release previous years’ assessment information indicating this creates an unfair advantage since the Respondent has access to this information.

- [11] The Complainants indicated that their 2023 property assessment is based on sales data and not changes to the features or characteristics of their home.
- [12] The Complainants stated that they compared their home at 50 Linn CI with 66 Linn CI as both homes had a similar assessed value in 2021 (50 Linn CI was \$431,500 and 66 Linn CI was \$432,800). The Complainants suggested that 66 Linn CI had a slightly higher value due to the larger land size (6808 sq. ft.) as compared to their property on 50 Linn CI (5107 sq. ft.). The Complainants further indicated that nothing has changed over the past two years other than the taxes for their property and those of 66 Linn CI.
- [13] The Complainants suggested that based on this comparison, the methodology in calculating property assessments is flawed. Further, they stated that while the Respondent attempts to represent fair market value on a specific date, it is not a consistent calculation across the community, and that this inconsistency leads to an unfair tax burden. Therefore, there is no equity or fairness in this case.
- [14] The Complainants stated that all bungalows in SE Red Deer should experience the same market conditions and therefore should have similar assessment increases. Further, the Complainants stated their tax burden is not comparable and therefore not equitable.

#### **Position of the Respondent**

- [15] The Respondent agrees with the Complainants' timelines in the purchase of the Complainants' home. The dates provided were from MLS and documentation from the Alberta Land Titles (LTO).
- [16] The Respondent referenced the Municipal Government Act, Section 460 (8) which states: "*There is no right to make a complaint about any tax rate.*"
- [17] The Respondent indicated that assessed values on Linn CI range from \$337,300 to \$555,100. Linn CI has a variety of model qualities and structure types from standard bungalows and split entries to semi-custom bungalows and two-story homes.
- [18] The Respondent stated there are five other properties on the Close that are in the same stratification as the subject, with a median price of \$488,450. The median assessment is \$307.49 per sq. ft.; however, not all properties included in this figure are in the same stratification. Therefore, when there are insufficient sales in a stratification then the market analysis would increase the parameters to include similar neighbourhoods.
- [19] The Respondent explained the assessment office does not have the authority to change prior year assessments; so only information/facts from the current year are relevant to the 2023 assessment. The Respondent offered to inspect the property to confirm the "Residential Ratepayer Report" since the last interior site inspection was completed in 2001. This request was denied by the Complainant.
- [20] The Respondent stated that each assessment must reflect the characteristics and physical condition of the property on December 31 of any given year, and that re-assessments occur annually. Re-assessments can include MLS reviews, requests for information forms, and exterior and interior physical inspections. MLS provides a cost-effective source of data to determine the property's condition and to verify the characteristics of the property at the time of sale.

- [21] The Respondent indicated that the 2023 Property Assessment is based on features of the property as well as a market analysis that was completed. The subject's Assessment to Sales Ratio (ASR) was in the median ASR for the stratification group.
- [22] The Respondent acknowledged that there are six semi-custom bungalows on Linn Cl, including 66 Linn Cl.
- [23] The Respondent acknowledged that the City of Red Deer uses mass appraisal to assess property as per legislated requirements, and further stated the subject property was assessed using the modified cost approach for Single-Family Dwellings.
- [24] The Respondent included a Sales Comparison Analysis in exhibit R1. Pgs. 14 – 16. The Sale Analysis indicated final time adjusted sales prices ranging from \$492,600 for 50 Linn Cl to \$563,000 for 67 Landry Cl. The Respondent believes that the most comparable property in this analysis to the subject property is 35 Landry Cl, as they are similar in size and design. Its time adjusted sale price is \$562,400.
- [25] The Respondent stated that most bungalows in SE Red Deer saw similar increases in the assessed value, although not all properties will shift the same. The Respondent explained properties may undergo changes due to interior or exterior renovations such as developing basements, demolishing detached garages, etc. If there are insufficient sales in a stratification, the parameters would be increased to include similar neighbourhoods for market analysis.
- [26] The Respondent stated that there were 51 semi-custom bungalow sales in south Red Deer between July 1, 2021 and June 30, 2022. The houses varied in size between 1,244 sq. ft. and 2,214 sq. ft. and have adjusted prices between \$336,000 and \$704,800. With similar features, size, and age these properties on average sold for \$474,135 and had an average assessed value of \$450,567, giving an ASR of 0.96. When narrowing sales to just Lonsdale, the Complainant's neighbourhood, the median ASR is 0.97.
- [27] The median size for semi-custom bungalows in Lonsdale is 1,453 sq. ft. and the median assessment is \$490,400 or \$329.53 per sq. ft. The subject property is 1,485 sq. ft. and is currently assessed for \$476,100 or \$320.61 per sq. ft. This demonstrates that 50 Linn Cl has been assessed slightly lower than the median compared to similar properties in the neighbourhood.
- [28] There are 20 semi-custom bungalows located in the neighbourhood of Lonsdale, where the subject property is located. These houses range between 1,333 sq. ft. and 2,214 sq. ft. and have assessments that range from \$409,800 to \$555,100.
- [29] The Respondent stated the Complainants are requesting a 6.5% assessment increase which is similar to the 66 Linn Cl bungalow, however, the percent shift is irrelevant if the changes to the characteristics of the subject were accurately recorded. The Respondent indicated that the Complainants confirmed the characteristics are accurately recorded on the Residential Ratepayer Report.

**BOARD FINDINGS and DECISION**

- [30] The Complainant believes the 2023 property assessment for 50 Linn Cl of \$476,100 is inappropriate as the City is proposing a 4.61% tax increase but their tax increase would almost double to 8.5%.
- [31] The Respondent stated the property assessment of \$476,100 has been processed in an equal and fair manner. The Respondent indicated that the subject property has been accurately assessed using mass appraisal in accordance with Alberta legislation.
- [32] While the Complainants did indicate concerns regarding the amount of their tax increase in their documents, the Board determined that Section 460(8) of the *MGA* applied, stating that *“There is no right to make a complaint about the tax rate.”* As a result, the Board’s findings focused solely on the assessed value of the property; during the hearing, it was clarified that this appeal is only related to assessment.
- [33] Further, The Board notes that the Respondent is required to use mass appraisal to prepare the assessment. However, once a complaint is filed on a property, the Board is not so bound. The Board reviews the subject property on an individual basis with the evidence before it and makes adjustments that it determines to be fair and equitable.
- [34] Both the Complainants and the Respondent agree on the timelines of the purchase of the subject home:

	Date
MLS Pending	January 13, 2022
MLS Sold	January 21, 2022
Transfer Document Signed	January 28, 2022
Land Titles Office Processed Date	May 11, 2022

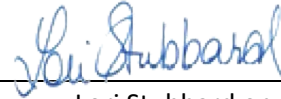
- [35] The Complainants stated they made numerous attempts to retrieve previous years’ assessment information, however the Respondent would not provide it to them. The Complainants believe this creates an unfair advantage as the Respondent has access to this historical data. The Respondent stated that assessments are completed on a yearly basis and no changes may be made to previous years’ assessments, therefore it is their policy to not release this information. The Board accepts the Respondent’s statement that previous assessments do not have a bearing on assessments for the current year.
- [36] In its submission C.1 pg. 7 (attachment 2) the Complainants provided a listing of the 2021 & 2023 assessment values of various properties located in Linn Cl. Also, C1 pg. 8 (attachment 3) contained 2021 & 2023 assessment and tax values for 50 Linn Cl (subject property), 66 Linn Cl, and the remainder of Linn Cl.

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- [37] The Board has carefully reviewed the Complainants' attachments 2 and 3. The Board appreciates the effort made by the Complainants to gather, analyze and present this information at the hearing. However, the values provided are assessments only and do not include sales figures. The Board notes that the Respondent's submission includes both a "Sales Analysis within the Valuation Period" as demonstration of fairness, as well as a "Sample of Assessment Comparable Properties" as demonstration of assessment equity. Due to its completeness, the Board places a higher weighting on the Respondent's sales and assessment data than the Complainants' assessment data.
- [38] The Board notes that 66 Linn CI is similar to the subject property in almost every way other than having a slightly larger lot. The subject property and 66 Linn CI are very similar regarding age and characteristics; 66 Linn CI was assessed at \$461,000 and the subject was assessed at \$476,100.
- [39] The Complainant stated that property assessments should shift exactly the same throughout the southeast of Red Deer.
- [40] The Respondent provided an Assessment Comparison Analysis R1 pg. 12 to support the argument that mass assessment procedures were applied to all single-family dwellings. The Respondent stated that the percentage increase of the subject property's assessment is an indicator of it being under-assessed in the past because some of its characteristics may not have been taken into consideration.
- [41] The Board notes the Respondent stated the last time an assessor inspected the interior of the subject property was in 2001, and this statement was not refuted by the Complainant. The Complainant agreed with the Residential Ratepayer Report, which identifies characteristics of the property. Additionally, the Complainant refused an interior inspection of the subject property. The Board finds that assessments are based not only on general economic shifts but also property characteristics and believes that the Respondent did their best to accurately determine the characteristics of the subject property. Further the Board finds the Respondent satisfied the mass appraisal requirements through the use of the stratification for similar properties, sales and geographical parameters.
- [42] The Respondent suggested the strongest indicator of accurate market value is a time-adjusted sale price of the subject property. The subject property was sold on MLS for \$490,000 and was calculated to have a time-adjusted sale price of \$492,600. Considering these calculations, the Respondent noted that the subject's assessed value of \$476,100 is actually lower than the sale price.
- [43] The Board acknowledges that 66 Linn CI is a similar property for assessment but finds that it is not a comparable for sales given that this property was not selling on the market. The Board examined the sale of the subject property, per the Respondent's information the transaction was registered at the land titles office May 11, 2022. As noted by the Complainant there were no changes to the property since time of purchase. The subject property sold on MLS for \$490,000, which has a time-adjusted sale price of \$492,600. The Board notes this was a validated sale by the Respondent with its information used this year within the mass appraisal analysis.
- [44] Upon review the Board finds the Respondents sales information a stronger indicator of value for the subject property than the Complainants assessment data. As the burden of proof lies with the Complainant, the Board finds it has no evidence or reason to alter the assessment.
- [45] Therefore, the Board confirms the assessed value of \$476,100.

**DECISION SUMMARY**

[46] The Board finds that the original assessed value of the subject property was confirmed at \$476,100.

[47] Dated at the Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 15<sup>th</sup> 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.



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Lori Stubbard on behalf of  
Sandi Roberts  
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 – 14 pages provided by Clerk
2. C.1	Complainants Submission - 11 pages
3. R.1	Respondent Submission – 32 pages