

Central Alberta

Regional Assessment Review Board

Decision: **LARB 0262 698 2016**
Complaint ID 698
Roll No. 30000241050

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: 07 JUNE 2016

PRESIDING OFFICER: A. Gamble
BOARD MEMBER: B. Farr
BOARD MEMBER: V. Keeler

BETWEEN:

RAJNIKANT PUNABAI PANCHANI

Complainant

-and-

CITY OF RED DEER

Respondent

This is a complaint to the Central Alberta Regional Local Assessment Review Board in respect of a property assessment prepared by the Assessor of The City of Red Deer as follows:

ROLL NUMBER: 30000241050
MUNICIPAL ADDRESS: 323 Lancaster Drive
LEGAL DESCRIPTION: Lot 91, Block 3, Plan 1324962
ASSESSMENT AMOUNT: \$ 373,900

The complaint was heard by the Local Assessment Review Board on the 7th day of June 2016, in the Council Chambers at The City of Red Deer, in the province of Alberta.

Appeared on behalf of the Complainant:
Rajinkant Punabai Panchani, Property Owner

Appeared on behalf of the Respondent:
Cale Green, Assessor
David Clark, Assessor

DECISION: The assessed value of the subject property is CONFIRMED.

JURISDICTION

- [1] The Central Alberta Regional Assessment Review Board ["the Board"] has been established in accordance with section 456 of the *Municipal Government Act*, RSA 2000, c M-26 ["MGA"], and The City of Red Deer Bylaw No. 3474/2011, *Regional Assessment Review Board Bylaw*.

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is classed as residential, and is located at 323 Lancaster Drive in the city of Red Deer, in the neighborhood of Laredo, within the province of Alberta.

PRELIMINARY MATTERS

- [3] The Board Chair 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] The Board confirmed the submissions of the parties and entered the following Exhibits into the record:

A.1 Clerk materials: pages 1-4 and, 12-13 of "Hearing Materials"

C.1 Complainant submission: pages 5-11 of "Hearing Materials"

R.1 Respondent submission: 15 pages

The Respondent raised a preliminary matter related to corrections within Exhibit R.1. The Board was advised: Page 8, comparable 1 should read \$401,900 for time adjusted sale and \$399,200 for assessed value and comparable 2 should read \$337,900 for time adjusted sale and \$305,000 for assessed value. There were no objections to these changes.

- [6] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints

ISSUES

- [7] The Board considered the parties' positions and determined the following question is to be addressed within this decision:

a) *Does the assessed value reflect market value?*

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

- [8] The Complainant's evidence shows that the purchase agreement completed on August 20, 2015 with a purchase price of \$356,900, which is below the current assessed value. He submitted that the assessed value should be the same as the purchase price.
- [9] The Complainant argued that since the sales market is down, the assessment value should also be lowered because he does not feel that he could sell the property for the amount of the assessed value.
- [10] The Complainant summarized that he is requesting the assessed value be lowered to \$349,900 as shown on the Complaint form (page 1 of Exhibit A.1).

Position of the Respondent

- [11] The Respondent stated that the subject property is a standard bi-level single family dwelling with an undeveloped basement, as confirmed during the site inspection of the subject property on May 4, 2016.
- [12] The Respondent presented a map showing the location of the subject property in the Laredo area of Red Deer.
- [13] The Respondent explained how The City of Red Deer assesses properties using mass appraisal techniques, and further stated that a single sale alone cannot be used to determine an estimate of market value. Data for comparable sales analysis is obtained from the Land Titles Office.
- [14] The Respondent explained that only sales between July 1, 2014 and July 1, 2015 were used in their analysis. The sale of the subject property was not used as a comparable since it was not within the assessment period for the 2016 tax year. It will be included in their analysis for the 2017 tax year.
- [15] The Respondent noted that the sale of the adjoining property at 327 Lancaster Drive was not used as a comparable since this sale closed on September 24, 2015. However, the Respondent argued that it does provide a good example of a similar property that sold around the same time as the subject property.
- [16] The Respondent contended that the Complainant requests a reduction in his property assessment, but has not provided evidence to support this.
- [17] The Respondent referred to the chart relating to equity on page 7 of Exhibit R.1. He described the comparables, which are all standard bi-level properties. The chart shows that properties with unfinished basements have lower assessed values.
- [18] In reviewing the chart on page 8 of Exhibit R.1, the Respondent pointed out that the chart shows comparable sales of similar properties that sold within the assessment valuation period. He went on to describe the details of each of these comparable properties.

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- [19] In summarizing the sales comparisons, the Respondent stated that the assessor is legislated to use all sales of similar properties in determining assessment values, and further stated that the final adjusted sale price range of the comparable properties is between \$337,700 and \$401,800.
- [20] The Respondent clarified to the Board that in cases where the construction of a property may not be completed by July 1, 2015, the assessors must follow legislation that states that market value of the property must be estimated as of July 1, based on physical characteristics as of December 31st of the assessment year (see Exhibit R.1, Appendix, page 14).
- [21] In summary, the Respondent argued that the burden of proof was not met since there was no evidence submitted by the Complainant to suggest that the assessment is not fair and equitable using mass appraisal techniques in accordance with legislation.
- [22] The Respondent requested that the Board confirm the assessment value of \$373,900.

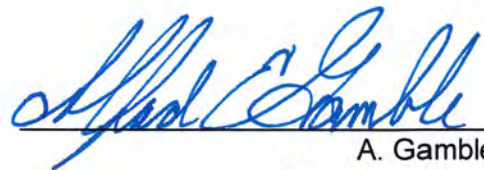
BOARD FINDINGS

- [23] The Board finds that the August 20, 2015 purchase agreement has no relevance. The purchase date and the closing date for the sale of the subject property were outside the assessment valuation period. Section 3 of the *Matters Relating to Assessment and Taxation Regulation*, AR 220/2004 (MRAT) states:
“Any assessment prepared in accordance with the Act must be an estimate of the value of property on July 1 of the assessment year.”
- [24] The Board finds that the property is subject to assessment valuation based on market value as stated in MRAT section 4(1)(a). The Board determined that market value is an estimate of the probable selling price of a property and that it is estimated from objective observations of the collective actions of the marketplace, not from an isolated action in the marketplace such as a single sale.
MRAT Section 2 states:
“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.”
- [25] The Board finds that the Respondent has prepared the assessment value using mass appraisal valuation techniques.
- [26] The Board accepts the Respondent’s comparable analysis that shows that the assessed value of the subject property is within the value range of the comparable properties.
- [27] The Board finds that the Respondent’s assessment of value of the subject property is reflective of its market value, and is supportable, fair and reasonable.

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- [28] The Board acknowledges that the Complainant has requested a lower assessed value than the sale price of the subject property and that he has done so due to his belief that market sales have decreased in value.
- [29] The Board has determined that the Complainant has failed to provide sufficient evidence to establish that the assessed value is not reflective of the subject property's market value.

DECISION SUMMARY

- [30] The assessed value of the subject property is CONFIRMED.
- [31] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 20th day of June 2016 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.



A. Gamble
Presiding Officer

This decision can be appealed to the Court of Queen's Bench on a question of law or jurisdiction. If you wish to appeal this decision, you must follow the procedure found in section 470 of the MGA, which requires an application for leave to appeal to be filed and served within 30 days of being notified 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>Exhibit No.</u>	<u>Item</u>
A.1	Clerk materials: agenda and pages 1-4 and, 12-13 of Hearing "Materials"
C.1	Complainant submission: pages 5-11 of "Hearing Materials"
R.1	Respondent submission: 15 pages