

# Central Alberta

Regional Assessment Review Board

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**LARB 0194-729/2016**  
Complaint ID 729  
Roll No. 194-050017521

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LOCAL ASSESSMENT REVIEW BOARD DECISION  
HEARING DATE: September 8, 2016

PRESIDING OFFICER: A. Knight  
BOARD MEMBER: T. Hansen  
BOARD MEMBER: V. Keeler

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BETWEEN:

DAVID & SHARON ADLER

Complainant

-and-

CITY OF LACOMBE

Respondent

This decision pertains to a property assessment complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by an Assessor of the City of Lacombe as follows:

ROLL NUMBER: 194-050017521  
MUNICIPAL ADDRESS: 5636 – 58 Street, Lacombe, Alberta  
ASSESSMENT AMOUNT: \$ 485,000

The complaint was heard by the Local Assessment Review Board on the 8<sup>th</sup> day of September, 2016, in the Council Chambers at the City of Lacombe, in the province of Alberta.

Appeared on behalf of the Complainant: David and Sharon Adler

Appeared on behalf of the Respondent: Warren Powers, Powers and Associates Appraisal Services, Assessor for the City of Lacombe

**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 City of Lacombe, Bylaw No. 375, *Regional Assessment Review Board Bylaw*.

## **PROPERTY DESCRIPTION AND BACKGROUND**

- [2] The subject property is a residential property located at 5636 – 58 Street, within the city of Lacombe. The legal land description for the subject property is Plan 912 – 2058, Block 2, Lot 39.

## **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 Complainant and Respondent confirmed the complaint information before the board. The Board accepted the documents as presented.
- [6] The Respondent requested his submission of a surrebuttal be entered in as an Exhibit to the Hearing.
- [7] The Board recessed to decide whether the surrebuttal should be allowed as an Exhibit to the Hearing. The Board determined that per MRAC 4(2)(c), the surrebuttal would be allowed.
- [8] The Board confirmed the submissions of the parties and entered the following Exhibits into the record:
- A.1 – Clerk’s Hearing Materials
  - C.1 – Complainant submission
  - C.2 – Complainant submission
  - C.3 – Complainant rebuttal
  - R.1 – Respondent submission
  - R.2 – Respondent surrebuttal

## **ISSUES**

- [9] The Board considered the Parties’ positions and determined the following questions are to be addressed within this decision:
- a) Does the statistical process utilized in the assessment of the subject property follow legislation?
  - b) What is the appropriate assessment amount based on the evidence presented?

## **POSITION OF THE PARTIES**

### **Position of the Complainant**

- [10] The Complainant submits that “Our issue is in the accuracy of the sales comparisons process used for the assessment.”
- [11] The Complainant submits that of the 53 properties used as sales comparisons, 32 of these properties had an assessment higher than the sale price, with 28 of the properties being above the 5% allowance. However, only 5 of the properties had an assessment lower than the sale price over the 5% allowance.
- [12] The Complainant submits, as noted in Exhibit C.1, that, of the 53 comparables, only 5 were developed within the same decade as the subject property. The Complainant further questioned how a fair comparable could be drawn from properties that were developed ten years later than the subject property.
- [13] The Complainant questioned, “How can the drastic swing in the last 2 years with some properties going down in value, and others increasing by as much as 16.5% over 2 years in the same small city be explained?”
- [14] In summary, the Complainant requests the Board reduce their assessment by 7%.
- [15] Upon questioning from the Respondent, the Complainant recognizes that the calculations submitted as evidence in Exhibit C.1 are flawed. The Complainant explained that there was a misunderstanding of the information explained to him by the Respondent’s office that led him to calculate the information in the way he did, referring to the percentages in the right column on pages 19 through 31 of Exhibit R.1.
- [16] Considering that the information on which the Complainant based the majority of his calculations was unknowingly incorrect, the Complainant stated that he was satisfied with the information he has now received, as he now has a greater understanding of the data and assessment process undertaken by the Respondent.
- [17] The Complainant added that a contributing factor leading to their complaint was that they felt that they did not receive the information and explanation of process from the assessor’s office that would have clarified the process used in doing the assessment.

### **Position of the Respondent**

- [18] The Respondent submits in Exhibit R.1 that “It is not considered evidence to merely question and critique the assessor’s comparable sales. The process in which adjustments are made by the CAMA software is standardized across the province of Alberta and has been applied in the conjunction with standard appraisal and assessment practices.”
- [19] The Respondent addressed his understanding of the Complainant’s concern with changes in year over year assessments by referring to several Municipal Government Board and Assessment Review Board decisions on year over year assessment increases. The Respondent submits that “In each case the respective Boards have held that each year’s

assessment is independent of previous assessments, and the mere fact of a large percentage increase with more evidence, is not enough information to draw the conclusion that an assessment is too high.”

[20] The Respondent submits that property assessments are to be prepared using mass appraisal to predict accurate market values. Mass appraisal requires that:

- Properties be stratified into groups of comparable properties;
- Common property data be identified for the properties in each group;
- A uniform valuation method using market information, which incorporates the individual property attributes, be calibrated for each group;
- Statistical testing be performed to confirm quality control.

[21] The Respondent addressed the Complainant’s concern that only 5 of the 53 properties were of similar age to the subject property. The Respondent confirms that only 5 comparables were from the late 80’s and 90’s, however he notes in Exhibit R.1 page 13, “as shown in the addendum, all of the comparable properties have been adjusted accordingly to the figures used to calculate each assessment and its difference from that of the subject property; including age.”

[22] The Respondent submits information related to legislated assessment quality standards in response to the Complainant’s contention that 32 of the 53 comparables fall outside the 5% allowance. The Respondent stated that there are quality standards for the statistical testing required by the Government of Alberta for the equalized assessment for each municipality. For all properties, the quality standards direct the median assessment ratio of assessments to market value indicators for a specified group of properties is acceptable if it lies between 0.95 and 1.05. For each of the two groups of properties the Coefficient of Dispersion (C.O.D.) is as follows:

Property containing:	
1, 2, or 3, dwelling units	0 – 15.0
All other property	0 – 20.0

The Respondent pointed the Board to MRAT 10(3), which refers to these quality standards and emphasised that these quality standards relate to the stratum of property rather than any individual assessed property.

[23] The Respondent referenced in Exhibit R.1 several Municipal Government Board and Assessment Review Board decisions on the topic of burden of proof. The Respondent suggested that the Complainant has not met the burden of proof required to alter the assessment.

[24] The Respondent summarized that simply questioning the assessment roll and the year over year changes of the property within the assessment roll is not evidence that there is an error with the assessed value of the subject property. To further critique and question each comparable used in the model is also not sufficient to bring the assessment of the subject property into question. The Respondent stated that the assessment appears to be calculated correctly, and appears to be supported by the comparable sales used in the analysis. The Respondent points the Board to observe the burden of proof, requirements for mass appraisal, year over year case law rulings, and the 5% range rules.

[25] The Respondent requests the board confirm the assessment at \$485,000.

### **BOARD FINDINGS and DECISION**

[26] The Board finds that they cannot rely on the calculations, data, and conclusions submitted in Exhibit C.1 by the Complainant as they appear to be flawed based on information provided by the Respondent and the Complainant during questioning.

[27] The Board finds that there is insufficient evidence to suggest that the subject property was assessed utilizing a statistical process inconsistent with the legislation. Further there is insufficient evidence to suggest that the assessed value is inappropriate.

[28] The Board acknowledges the Complainant's frustration with access to assessment information. However, there is no evidence to suggest that the legislated access to assessment information was not provided to the Complainant. The Board notes that Section 4 of the Complaint form was left blank asking "if information was requested from the municipality pursuant to section 299 and 300 of the MGA, was the information provided?" In all assessment disputes the Board highly encourages the Complainant and Respondent to work together to clarify and exchange information with a view to resolving complaints prior to the appeal process.

[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 30<sup>th</sup> day of September, 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.



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Al Knight  
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](http://www.albertacourts.ab.ca).*

**APPENDIX**

Documents presented at the Hearing and considered by the Board

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<u>NO.</u>	<u>ITEM</u>
1. A.1	Hearing Materials with Complaint Form and Notice of Hearing
2. C.1	Complainant submission
3. C.2	Complainant submission
4. C.3	Complainant rebuttal
5. R.1	Respondent submission
6. R.2	Respondent surrebuttal