
Complaint ID 0262 1300
Roll No. 30001020075

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: June 18, 2020

PRESIDING OFFICER: A. GAMBLE
BOARD MEMBER: D. DEY
BOARD MEMBER: S. ROBERTS

BETWEEN:

GUNDERMAN & ASSOCIATES LTD.
Represented by Don Gunderman

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: 30001020075
MUNICIPAL ADDRESS: 41 Allan Close, Red Deer
ASSESSMENT AMOUNT: \$378,400

The complaint was heard by the Local Assessment Review Board on the 18th day of June 2020, via Zoom Video Conferencing, in the province of Alberta.

Appeared on behalf of the Complainant: Don Gunderman

Appeared on behalf of the Respondent: Written Submission Only

DECISION: The complaint is accepted on the assessment of the subject property. The assessment is changed to \$348,400.

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 split entry single family residence located in the Anders Park subdivision in the South East quadrant of the City of Red Deer. The civic address is 41 Allan Close, Red Deer, AB.
- [3] The zoning is RESIDENTIAL, SF with the permitted use being a single-family residential unit.
- [4] The current assessment value is \$378,400. The Respondent conducted an interior inspection March 5, 2020 which led to an adjustment in the assessment and the offer to reduce the assessment to \$348,400 which was rejected by the Complainant.
- [5] The property assessment complaint (Complaint ID #: 0262 1300) was filed by the Complainant on March 9, 2020.
- [6] The Notice of Hearing to parties was issued on May 1, 2020.

PRELIMINARY MATTERS

- [7] The Respondent raised the issue of the admissibility of the Complainant’s evidence which was not filed in accordance with the legislation, *Matters Relating to Assessment Complaints Regulation* (MRAC) Section 5(2)(a). The Complainant’s disclosure date was May 27, 2020. The City did not receive the Complainant’s disclosure package until June 9, 2020.
- [8] Since the Respondent had not consented to the lateness, the Board questioned the Complainant to determine if the late disclosure was due to extraordinary circumstances. The Complainant revealed that he had mistakenly interpreted the Respondent’s disclosure date of June 10, 2020 as the date by which his evidence package had to be filed.
- [9] The Board recessed to determine whether the Complainant’s evidence package could be included in the proceedings. The Board determined that the Complainant’s misunderstanding of disclosure dates did not meet the threshold of extraordinary circumstances. In accordance with Section 5(2)(a) of MRAC, the Board ruled that the evidence submitted by the Complainant must be excluded from the proceedings.

Disclosure of evidence

5(1) In this section, “complainant” includes an assessed person or taxpayer who is affected by a complaint who wishes to be heard at the hearing.

(2) If a complaint is to be heard by a local assessment review board panel, the following rules apply with respect to the disclosure of evidence:

(a) the complainant must, at least 21 days before the hearing date,

(i) disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the

complainant intends to present at the hearing in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing, and

(ii) provide to the respondent and the local assessment review board an estimate of the amount of time necessary to present the complainant’s evidence;

[10] The Complainant was advised of the Board’s ruling and that any information relied on in the proceedings by the Complainant would have to be limited to what was introduced on the Complaint Form.

[11] Prior to the commencement of the hearing, the Complainant indicated that the street address on the cover page of the Respondent’s package of 41 Allan Street was incorrect as the proper address for the subject property is 41 Allan Close.

[12] The Board acknowledges the error on the cover page of the Respondent’s package. Through questioning of the Complainant, the Board determined that the contents of the Respondent’s report are related to the subject property. The Complainant agreed with this determination.

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

[14] The Complainant did not raise any objection to the panel hearing the complaint. The Respondent was not present to address this matter.

[15] No additional preliminary or procedural matters were raised by any Party. The Complainant indicated that he was prepared to proceed with the complaint.

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

[16] The Complainant’s position as indicated on the Complaint Form was that the assessment was too high and he requested an assessed value of \$318,000.

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- [17] In rebuttal the Complainant confirmed information introduced on Page 6 of the Respondent's evidence package. The requested assessed value of \$318,000 was determined by adjusting the previous year's assessment of \$324,700, downward by a percentage equivalent to the reductions that he felt other properties in the same neighbourhood had received.
- [18] Through questioning the Complainant stated that the percentage applied in the downward adjustment was based on word of mouth information that many assessments for the 2020 Tax Year in his neighbourhood had decreased.
- [19] The Board inquired whether the Complainant could provide documentation to support his position that the assessment on similar properties in the neighbourhood had received reduced assessments for the 2020 Tax Year. The Complainant indicated that he did not have access to the assessed values of other properties and had no understanding of how he might gain this information.

Position of the Respondent

- [20] The Respondent's position was presented through the written submission contained in the disclosure package R.1. The Board recessed in order to ensure both the Complainant and the Board had sufficient time to review this written material.
- [21] The Respondent's disclosure confirmed that an interior inspection was completed on March 5th, 2020. This inspection resulted in changes to the model and quality structure components of the assessment as well as adjustments to features that were considered not functional.
- [22] These adjustments led to an offer to reduce the assessment to \$348,400 which was rejected by the Complainant. The Respondent acknowledged that the Complainant felt that the assessment should be 2.5% lower than the 2018 assessed value of \$324,700.
- [23] The Respondent's submission included the statement that 41 Allan Close was assessed by mass-appraisal as per Alberta legislation requirements. The modified cost approach was used for valuation of the Single Family Dwelling category. This method is similar to the Sales Comparison approach, using non-arm's length market sales to adjust the cost of the components of the property to reflect the market value on July 1st, 2019.
- [24] The Respondent's submission stated that there were 36 sales of split-entry homes in South Red Deer between July 1st, 2018 and June 30th, 2019. It also stated that on average these properties had features that were considered to be in similar or better condition than the subject.
- [25] The Respondent's analysis of the sales data provided a median sale price per square foot for split-entry homes in South Red Deer of \$261.35 while the recommended assessment value of \$348,400 equates to \$235.72 per square foot.
- [26] The Respondent also presented a Sales Comparison Analysis with data from four recent sales located in the same or similar neighbourhoods and having the same building type, developed basements and garages. This analysis produced time adjusted sales prices ranging

from \$307,600 to \$354,700. The property determined to be most similar had a time adjusted sales price of \$354,700.

- [27] The Respondent's submission states that the sales data demonstrates fairness as the recommended assessed value of \$235.72 per square foot for the subject property is below the median sales price per square foot for a standard split-entry homes in South Red Deer of \$261.35.
- [28] The Respondent also undertook to demonstrate equity by analyzing the assessments of 96 split-entry homes located in the Anders subdivision. These assessments ranged from \$239,800 to \$400,900 with a median assessment of \$300,400. It was noted that the subject property was assessed higher than this median due to the value drivers of house size, size of lot and having two garages.
- [29] The assessment data provided a range in assessments per square foot of \$197.39 to \$313.88 with a median assessment of \$268.01 per square foot which was compared with the \$235.72 applied to the subject property.
- [30] The Respondent also presented a comparison of assessed values for four similar properties in the neighbourhood of 41 Allen Close. The assessments ranged from \$308,200 to \$373,700 which equate to assessments ranging from \$228.97 to \$253.87 per square foot.
- [31] The Respondent's submission argued that the recommended assessed value of \$348,400 (\$235.72 per square foot) is equitable as it is lower than the median assessed value of similar properties in South Red Deer and in the lower portion of the range for properties in the Anders subdivision.
- [32] The Respondent's submission requested that the recommended assessed value of \$348,400 be confirmed.

BOARD FINDINGS and DECISION

- [33] The Complainant's primary argument was that the assessment value increase for his property for the 2020 Tax Year, while assessments for similar properties in the neighbourhood had decreased, was unfair.
- [34] The Complainant acknowledged that he did not have documentation to support the view that other similar properties in his neighbourhood had decreased assessment values for the 2020 Tax Year.
- [35] The Respondent provided evidence of fairness offering analysis of 36 sales for this property type as well as analysis of specific comparable sales to support the value estimate for the subject property. This data reveals a median sales price per square foot of \$261.35 while the recommended assessed value for the subject property is \$235.72 per square foot.
- [36] The Respondent provided evidence of equity by offering analysis of the assessments of 96 Split Entry homes in the Anders subdivision. This analysis revealed a median assessment of \$268.01 per

square foot while the recommended assessment for the subject property is \$235.72 per square foot.

- [37] The Board determined that the burden of proof remained with the Complainant to provide supporting documentation indicating the assessment of 41 Allan Close was unfairly higher than those of similar properties in the neighbourhood.
- [38] The Board found that the Complainant's word of mouth information that assessments in the neighbourhood had generally decreased was not sufficient to challenge the evidence provided by the Respondent.
- [39] The Board found that the evidence and argument provided in the Respondent's written submission supports the recommended assessed value of \$348,400 as being both fair and equitable.

DECISION SUMMARY

- [40] The Board finds the assessed value of the subject property is changed to \$348,400.
- [41] Dated at the Central Alberta Regional Assessment Review Board, in the City of Red Deer, in the Province of Alberta this 2nd day of July, 2020 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.



Al Gamble
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 provided by Clerk (11 Pages)
2. R.1	Respondent submission (24 Pages)