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Complaint ID 0262 1488  
Roll No. 3000934105

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LOCAL ASSESSMENT REVIEW BOARD DECISION  
HEARING DATE: May 31, 2021

PRESIDING OFFICER: D. Dey  
BOARD MEMBER: M. Chalack  
BOARD MEMBER: A. Gamble

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BETWEEN:

LANE MENARD

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: 3000934105

MUNICIPAL ADDRESS: 311, 3730 50th AVE, Red Deer, AB

ASSESSMENT AMOUNT: \$155,200

The complaint was heard by the Local Assessment Review Board on the 31<sup>st</sup> day of May, 2021, via Video Conference within the province of Alberta.

Appeared on behalf of the Complainant: Lane Menard

Appeared on behalf of the Respondent: Jason Baumbach, Property Assessor, City of Red Deer  
Kurtis Hall, Property Assessor, City of Red Deer

**DECISION:** The assessed value of the subject property is confirmed at \$155,200.

**JURISDICTION**

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”] and the City of Red Deer bylaw.

**PROPERTY DESCRIPTION AND BACKGROUND**

1. The subject property is a two bedroom, one bath top floor condominium apartment with underground titled parking located at the Hampton Court condominium building 311, 3730 50th Avenue, Red Deer, AB.

**PRELIMINARY MATTERS**

2. The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
3. Neither party raised any objection to the panel hearing the complaint.
4. No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaint.
5. The Board confirmed the submissions of the parties and entered the exhibits identified Appendix “A” into the record.

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

6. The Complainant stated that he purchased the subject property in January 2020 for \$98,000.
7. The purchase price included assigned parking which has an approximate value of \$11,000.
8. The Complainant noted that the property was first on the market September 19, 2020 for a price of \$129,900 and was reduced to \$119,900 prior to him purchasing it.
9. After purchasing the property, the Appellant spent \$6 - \$7,000 in improvements, which included paint, some new flooring and new appliances.
10. The Complainant stated he moved into the unit 3 - 4 days after purchasing the property.
11. The Complainant stated that the assessment is inaccurate. The property should be assessed for what he paid for the property \$98,000.
12. The Complainant provided the MLS fact sheet for supporting evidence of property value.

13. The Complainant stated that his unit was not air conditioned and doesn't have a gas fire place further stating that the unit does have an electric fireplace.
14. In verbal testimony the Complainant advised the Board that an alternative assessment of the list price of \$119,900 would be acceptable.

### **Position of the Respondent**

15. The Respondent stated the subject property is a condominium apartment unit located on the top floor, 865 sf, considered standard quality and built in 2004. Further stating that the purchase was a foreclosure sale when the mortgage company took ownership of the property.
16. The Assessor used mass appraisal to assess the unit. The unit is currently assessed at \$155,200.
17. The Respondent did not use the subject property in his sale analysis as the foreclosure purchase is not considered a good sale and the City had sufficient good sales of comparable properties.
18. The Respondent provided a comparison of assessed to foreclosure values for three foreclosure properties to indicate to the Board how value is skewed due to foreclosure sales. Median ASR foreclosures 165%, median ASR non foreclosures 101%.
19. The Respondent provided evidence to indicate the subject property when compared to 5 other sales of similar properties the assessed value of 155,200 is fair and equitable.
20. Of the comparable sales the final time adjusted sale price ranged from \$152,600 to \$188,000 with a median adjusted sale price of \$156,000, similar to the subject properties assessed value.
21. The Respondent indicated in his sales analysis that the subject property had both air conditioning and a fireplace.
22. The Respondent noted on the documents registered at land titles shows the value of the subject property as \$170,000.
23. The Respondent requested the assessment be confirmed.

### **BOARD FINDINGS and DECISION**

24. With respect to the fireplace, the Board finds that there was no evidence given to indicate what constitutes a fireplace (wood, gas or electric). The existence of an electric fireplace in the opinion of the Board fulfills the requirements of the assessment notice indicating a fireplace exists. Therefore, the Board does not make any adjustments to the assessment.
25. With respect to air conditioning, the Board heard conflicting evidence on whether the subject property was air conditioned. No value was assigned for the costs of air conditioning for a property. The Board acknowledges that the property may not have air conditioning but without a value to assign to it no adjustment to the property value is to be made.

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26. The Complainant stated that he paid \$98,000, however during questioning stated that he believed the value for assessment should be similar to the list price of \$119,900.
27. The Respondent stated that the purchase of the subject property should not be used in determining the value of the property. The sale of the property was a foreclosure sale and far less than what a reasonable seller would sell for.
28. The Board is persuaded by the Respondents argument because, as noted above, assessments must be prepared by mass appraisal using market value. The Board referred to section 5 of the *Matters Relating to Assessment and Taxation Regulation (MRAT)*:

**Mass appraisal**

**5** 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.
29. The Board then reviewed the term “market value” as defined in the MGA section 1(n)
- (n) “market value” means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;
30. As such, the Board considers this property to be an outlier for the purposes of valuation, the Board gives the sale price of the subject property little weight.
31. The Board then turned its mind to the comparable sales provided by the Respondent. The Board noted comparable sales #1, 2 & 3 were in the same building as the subject property, sale #4 was in the same neighborhood of South Hill while sale #5 was in the neighborhood of Inglewood West. The adjusted sales ranged from \$152,500 to \$163,000, further noting sales #1, 2, 3 & 4 all including titled parking in the sale price that ranged from \$11,490 – \$12,090.
32. Further, it is the Board’s opinion that the Respondent provided five good comparable sales to base his assessed value on. All sales were within the valuation period of July 1st, 2017 to June 30th, 2020 with similar features and building amenities. Each unit had two bedrooms and all but one has two bathrooms. The Board accepts the median adjusted sales price of \$156,700.
33. Given the above the Board then turned to section 476(3) of the MGA:

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- (3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration
- (a) the valuation and other standards set out in the regulations,
  - (b) the procedures set out in the regulations, and
  - (c) the assessments of similar property or businesses in the same municipality.
34. As the Board is bound by this legislation the Board finds for the Respondent and confirms the Assessed amount of \$155,200.

#### **DECISION SUMMARY**

35. The Board finds that the Respondent values are CONFIRMED at \$155,200.
36. Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 22<sup>nd</sup> day of June, 2021 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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Dennis Dey  
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 "A"**

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 – 3 pages
3. R.1	Respondent Submission – 30 pages