



CENTRAL ALBERTA REGIONAL
**Assessment
Review Board**

Complaint ID 0254 2141
Roll No. 54201

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: November 26, 2025

PRESIDING OFFICER: H. Williams
BOARD MEMBER: T. Handley
BOARD MEMBER: D. Wielinga

BETWEEN:

Kenneth R. Sockett, Professional Corporation

Complainant

-and-

Town of Ponoka

Respondent

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

ROLL NUMBER: 54201
MUNICIPAL ADDRESS: 4501 – 55 St., Town of Ponoka
ASSESSMENT AMOUNT: \$3,841,000

The complaint was heard by the Composite Assessment Review Board on the 26th day of November 2025, via video conferencing.

The Board derives its authority from the Municipal Government Act, R.S.A. 2000, Chapter M-26 (the MGA) and related legislation as set out in Appendix “B”.

Appeared on behalf of the Complainant: K. Sockett, Kenneth R. Sockett Professional Corporation

Appeared on behalf of the Respondent: K. Waters, Wild Rose Assessment Services

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 three-story apartment consisting of 48 rental suites built in 1981. It is a walk-up apartment of wood frame construction and is zoned R4 – High Density Residential.

PRELIMINARY MATTERS

- [3] Neither party raised any objection to the panel hearing the complaint.
- [4] The Respondent replied to a Board question regarding an issue of nonresponse to the assessors request for information and explained that the issue would be discussed within the hearing. The Respondent confirmed that there was no application under MGA sec. 295(4) to dismiss the complaint.

ISSUE

- [5] Is the assessment of the subject property a reflection of market value considering the income approach information used to prepare the assessment?

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

- [6] The Complainant provided information on the complaint form listing financials for the subject in terms of revenue and expenses. The information listed net income for the financial year ending January 1, 2025, of \$147,905. The information showed that using a 6% market capitalization rate, the same as the rate used by the Respondent for assessment valuation, would result in a 2024 value of \$2,465,000 for the subject.
- [7] Through rebuttal information, the Complainant explained that financial information for the subject had been prepared by the accounting firm of Rowland Parker and Associates and that net income for 2023 was \$176,586 and \$147,305 for 2024. Applying a 6% capitalization rate to these net income figures shows a value for the subject of \$2,943,688 for 2023 and \$2,455,547 for 2024.
- [8] The Complainant included a copy of the 2023 assessment for the subject showing an assessed value of \$3,181,000 and explained that there was not a great concern in terms of the value difference of the Complainant’s 2023 value of \$2.9m vs the assessment of \$3.2m. However, the difference of \$2.5m 2024 value vs the 2024 assessment (tax year 2025) of \$3.8m was of concern and the reason for the complaint.

- [9] The Complainant argued that the Respondent's 50% operating expense ratio (OER) is an arbitrary estimate and fails to reflect the higher costs of operating a 44-year-old apartment building.
- [10] The Complainant also argued that a request for information about the subject property had not been properly received before the assessment had been prepared, in that the governing legislation (*Municipal Government Act sec. 294(1)*) requires the request to come directly from the assessor and in this case a request may have been sent by the Town of Ponoka but not directly by the assessor.
- [11] In terms of the income valuation calculation used for the 2024 assessment of the subject, the Complainant argued that the 50% expense ratio used in the calculation is arbitrary and unrealistic and does not reflect the actual expenses incurred with a building as old as the subject.

Position of the Respondent

- [12] The Respondent explained that each year a request for information (RFI) is sent to owners and operators of income producing properties to gather information on revenue and expenses that determine net operating income amounts. The amounts are reviewed to determine typical revenues and expenses because typical information is required to meet the requirements of a mass appraisal methodology required for assessment. Net operating incomes derived through assignment of typical revenue and expenses is then used in the calculation of current value through application of a typical capitalization rate (6% in this case). As well, the Respondent argued that the expense ratio of 50% used in the income valuation calculation of the subject also reflects a typical ratio derived from the gathered RFI responses.
- [13] The Respondent explained that an RFI had been sent to all owners, including the Complainant, through the Town of Ponoka, and that the assessors name and contact information were clearly identified on the RFI. The Respondent stated that no RFI response had been received and therefore no information on the subject's financial situation would have been available to use as part of the determination of typical revenue and expenses.
- [14] In terms of the Complainant's financial information provided for purposes of the assessment complaint, the Respondent argued that the information does not follow an RFI format. For instance, the RFI format differentiates between one-time maintenance costs and ongoing costs and does not consider amortization and debt costs because these are individual owner arrangements and would not be typical across all properties.
- [15] The Respondent explained that a "Test of Reasonableness" in terms of the subject's market value had been applied by using information from two multi-family property sales within Ponoka over the last three-year period. The two sales ranged in price per suite (rental unit) from \$76,190 to \$85,714, whereby the subject's value per suite is \$80,021.
- [16] The Respondent also showed a "Test of Equity" in terms of the comparison of the subject's assessment to assessments of similar properties in Ponoka. Assessments for nine properties were shown which ranged from \$718,000 to \$1,634,450. The average value per suite of the nine properties was \$85, 917 vs the subject value per suite of \$80,021.
- [17] Given the foregoing information, the Respondent asked that the 2025 assessment for the subject be confirmed at \$3,841,000.

BOARD DECISION

[18] The Board confirms the 2025 assessment of the subject property at \$3,841,000.

REASONS

[19] The Board notes that both parties supported an income approach to valuation for the subject property. However, the Board also notes that regulation directs that assessment valuation is to be carried out using mass appraisal, (see Appendix B - "*Matters Relating to Assessment and Taxation Regulation*, 2018 A.R. 2003/2017" (MRAT) sec. 5), which requires that assessments must reflect typical market conditions.

[20] There is no information showing that the subject would be atypical in terms of similar multi-family rental properties in Ponoka. Both parties agree that the subject is an older property, but that fact does not remove it from operating as a typical multi-family rental property. The Board accepts the Respondent's assertion that the 50% expense ratio used in the assessment calculation of the subject is derived from information on similar multi-family properties in Ponoka and is derived from an RFI process.

[21] The Board did not consider that the financial information provided by the Complainant on the subject property would necessarily represent a typical expense ratio across all multi-family properties.

[22] In terms of the Complainant's concern about the sending of RFIs, the Board considered that the sending of the RFI by the Town of Ponoka and including the assessor's contact information, would meet the direction of legislation under MGA sec. 294(1) which reads as follows:

294(1) *After giving reasonable notice to the owner or occupier of any property, an assessor may at any reasonable time, for the purpose of carrying out the duties and responsibilities of the assessor under Parts 9 to 12 and the regulations,*

(a) enter on and inspect the property,

(b) request anything to be produced, and

(c) make copies of anything necessary to the inspection.

[23] The Board placed the greatest weight on the Respondent's test's of reasonableness and equity, whereby two similar property sales showed that the value per suite of the subject (\$80,021) fell well within the price per suite range (\$76,190 - \$85,714) of the similar properties and that the assessed value per suite of the subject (\$80,021) was lower than the average assessment per suite (\$85,917) of nine similar but lesser valued multi-family properties.

[24] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta, this 11th day of December 2025 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.

Lisa Nord

L. Nord on behalf of
H. Williams
Presiding Officer

This decision may be judicially reviewed by the Court of King's Bench pursuant to section 470(1) of the Municipal Government Act, RSA 2000, c M-26.

MGA 470(1) Where a decision of an assessment review board is the subject of an application for judicial review, the application must be filed with the Court of King's Bench and served not more than 60 days after the date of the decision.

(2) *Notice of an application for judicial review must be given to*

- (a) the assessment review board that made the decision,*
- (b) the complainant, other than an applicant for the judicial review,*
- (c) an assessed person who is directly affected by the decision, other than the complainant,*
- (d) a municipality, if the decision that is the subject of the judicial review relates to property that is within the boundaries of that municipality, and*
- (e) the Minister.*

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>	<u>PAGES</u>
A.1	Hearing Materials – prepared by the Clerk	8 pages
C.1	Complainant Submissions	10 pages
C.2	Complainant Rebuttal	8 pages
R.1	Respondent Submissions	67 pages

APPENDIX "B"**LEGISLATIVE AUTHORITIES CONSIDERED BY THE BOARD:*****Municipal Government Act, R.S.A. 2000, Chapter M-26 (the MGA)*****Interpretation**

s 1(1)(n) In this Act,

- (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;

Assessments for property other than designated industrial property

s 289(2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and
- (b) the valuation and other standards set out in the regulations for that property.

Joint establishment of assessment review boards

s.455(1) Two or more councils may agree to jointly establish the local assessment review board or the composite assessment review board, or both, to have jurisdiction in their municipalities.

Jurisdiction of assessment review boards

s.460.1(1) A local assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on

- (a) an assessment notice for
 - (i) residential property with 3 or fewer dwelling units, or
 - (ii) farm land

s.460.1(2) Subject to section 460(14) and (15), a composite assessment review board has jurisdiction to hear complaints about

- (a) any matter referred to in section 460(5) that is shown on
 - (i) an assessment notice for property other than property described in subsection (1)(a)

Decisions of assessment review board

s. 467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

- (1.1)** For greater certainty, the power to make a change under subsection (1) includes the power to increase or decrease an assessed value shown on an assessment roll or tax roll.

- (2) An assessment review board must dismiss a complaint that was not made within the proper time or that does not comply with section 460(9).
- (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.
- (4) An assessment review board must not alter any assessment of farmland, machinery and equipment or railway property that has been prepared correctly in accordance with the regulations.

Matters Relating to Assessment and Taxation Regulation, 2018 A.R. 2003/2017 (MRAT)

Mass Appraisal

- s. 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.

Valuation Date

- s. 6** Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.