
Complaint ID 0262 1494 Roll 30000223445
Complaint ID 0262 1495 Roll 30000223440
Complaint ID 0262 1496 Roll 30000223435
Complaint ID 0262 1497 Roll 30000223430
Complaint ID 0262 1498 Roll 30000223425
Complaint ID 0262 1499 Roll 30000223420

LOCAL ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: June 3, 2021

PRESIDING OFFICER: A. Gamble
BOARD MEMBER: R. Brown
BOARD MEMBER: M. Chalack

BETWEEN:

LANGARA PROPERTIES CORP.

Complainant

-and-

REVENUE & ASSESSMENT SERVICES
For The City of Red Deer

Respondent

This decision pertains to six complaints 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 No.	Street Address	Current Assessment Value
30000223420	157 VANIER DR	\$92,200
30000223425	159 VANIER DR	\$89,200
30000223430	161 VANIER DR	\$89,200
30000223435	163 VANIER DR	\$89,200
30000223440	165 VANIER DR	\$89,100
30000223445	167 VANIER DR	\$93,000

The six complaints were heard by the Central Alberta Assessment Review Board on the 3 day of June 2021, via Video Conference, in the province of Alberta.

Appeared on behalf of the Complainant:

Larry J. Horsman, President, Langara Properties Corp

Appeared on behalf of the Respondent:

Harmohit Singh, Property Assessor, City of Red Deer

Travis Larder, Property Assessor, City of Red Deer

DECISION: The assessed value of the six subject properties are confirmed as follows:

Roll No.	Street Address	Current Assessed Value	Board Decision
30000223420	157 VANIER DR	\$92,200	\$92,200
30000223425	159 VANIER DR	\$89,200	\$89,200
30000223430	161 VANIER DR	\$89,200	\$89,200
30000223435	163 VANIER DR	\$89,200	\$89,200
30000223440	165 VANIER DR	\$89,100	\$89,100
30000223445	167 VANIER DR	\$93,000	\$93,000

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”] and the City of Red Deer bylaw.

PROPERTY DESCRIPTION AND BACKGROUND

[2] The subject properties are six Vacant lots zoned and designated for Townhouse development and approved by the City of Red Deer as part of a 111-unit residential development known as Greyhawk Landing. The lots are situated in Vanier Woods along Vanier Drive in Red Deer, Alberta.

PRELIMINARY MATTERS

[3] The Presiding Officer 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] Both Parties agreed to hear the complaints simultaneously and agreed to the Board issuing one decision for all six properties.
- [6] The Board confirmed the submissions of the Parties and entered the exhibits identified Appendix A into the record.
- [7] No additional preliminary or procedural matters were raised by either party. Both Parties indicated that they were prepared to proceed with the complaints.

POSITION OF THE PARTIES

Position of the Complainant

- [8] The Complainant requested that each of the six lots be reduced in assessment to \$70,000.00 as indicated in the table below:

Roll No.	Street Address	Current Assessment Value	Requested Value
30000223420	157 VANIER DR	\$92,200	\$ 70,000
30000223425	159 VANIER DR	\$89,200	\$ 70,000
30000223430	161 VANIER DR	\$89,200	\$ 70,000
30000223435	163 VANIER DR	\$89,200	\$ 70,000
30000223440	165 VANIER DR	\$89,100	\$ 70,000
30000223445	167 VANIER DR	\$93,000	\$ 70,000

- [9] The Complainant stated that the Respondent had used the extraction method to assess the subject property. He argued that this led to subjective, exaggerated and inappropriate values.
- [10] The Complainant then explained that he had met with purchaser, Allied Builders for the Evergreen district of Red Deer. During that meeting, Allied Builders confirmed they had purchased lots for the purchase price of \$78,000 per lot (15 lot purchase) from Melcor Developments.
- [11] The Complainant stated that he received feedback from realtor Kim Fox that the Evergreen neighbourhood is a superior neighbourhood to that of the subject's area Vanier Woods.
- [12] The Complainant explained that the Vanier lots do not have rear yards in their Residential Development known as Greyhawk Landing in Vanier Woods. The Complainant was required by the City of Red Deer to have the garages located at the rear of the unit for 12 Townhouse Units (Phase 1). This resulted in considerable amount of land required for vehicle access to the rear garages leaving no rear yard.
- [13] The Complainant argued that this has reduced the demand for lots by young families who are the traditional buyers of Townhouse properties. The subject properties have suffered due to the requirement from City to have the garages located in the rear of the property, therefore removing the ability for a rear yard. The Complainant stated that this problem cannot be considered lightly.

- [14] The Complainant stated that the second reason for the Evergreen area townhouse lots would be considered superior to the Vanier area is because they are slightly newer, builders are able to sell for a higher rate than a similar property in Vanier.
- [15] The Complainant then explained Evergreen builders are offered the ability to incorporate a rear yard and therefore the lots may be sold at a higher rate, further supporting his belief that the Evergreen is superior to Vanier Woods.
- [16] The Complainant stated that finished townhouses sold for \$325,000 in Evergreen while a Vanier Woods townhouse has been on the market for sometime at \$274,900. They are similar in design however the Evergreen Townhouse has a backyard.

Position of the Respondent

- [17] The Respondent explained the assessors duty is set out in the MGA:

Duties of assessors

293(1) In preparing an assessment, an assessor must, in a fair and equitable manner,

- (a) apply the valuation and other standards set out in the regulations, and
- (b) follow the procedures set out in the regulations.

- [18] The Respondent further explained that the method of mass appraisal as set out in s. 293 of the Matters Relating to Assessment and Taxation Regulation, 2018 ("MRAT") was used to value the subject properties.

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.

- [19] The Respondent provided a chart with sales comparables. All were developed properties and recently closed sales. The Respondent disagreed with the Complainant about the use of the extraction method. He stated that extraction method is the most effective approach for valuation of vacant lots in this type of development.

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- [20] The Respondent stated that the subject properties had many amenities the new Evergreen Development did not have such as a large green space with a children's playground and soccer, football and recreational space nearby.
- [21] The Respondent stated that in considering the conditions of the sale in the Evergreen Subdivision of 15 Vacant lots; it was sold to a single builder, not placed on open market for individual purchase, and likely a volume discount was given. This is not typical. The Respondent believes the value of lots to be higher than 78,000 per lot. Further stating that each lot has own title, must be assessed on its own market value rather than as whole parcel.
- [22] The Respondent argued that the "reason for the higher rate on the smaller lots (~1800sf) is because of diminishing returns. Similarly, as the lots get larger than 2200sf, the value per square foot begins to really plateau. It is important to note, as touched on earlier, that Evergreen is in its first phase of development when prices are typically at their lowest as developers try to build awareness and sales momentum. Vanier Woods is in its final phase of development when prices typically hit their peak".

BOARD FINDINGS and DECISION

- [23] Although the Complainant stated that in his opinion "the extraction method contains a number of subjective variables that can lead to exaggerated or inappropriate valuations regarding property", he did not provide the Board with an alternate method of evaluation nor examples to substantiate a different value.
- [24] The Complainant failed to demonstrate that the Evergreen Development lots were more attractive than the Vanier lots. He relied on verbal opinion only, therefore the Board gives little weight to this argument as there was no physical evidence in support his verbal testimony.
- [25] In reviewing the matter the Board gave little weight to the argument for diminishing returns. While the Respondent brought forward reasoning regarding the principle of a greater value of smaller a lot (~1800sf) there was insufficient evidence to support this argument.
- [26] In considering lot purchase for the Evergreen Development, it was confirmed that the purchase was a multiple parcel sale to the same buyer. The Board gave little weight to the sale price of the 15 lot purchase in the Evergreen Development since no evidence to support the circumstances of the sale were provided to the Board.
- [27] The Board considered the relevant legislation, specifically s. 467(3) of the MGA

(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.

- [28] The Board determined that the Complainant failed to provide sufficient information to change or amend the assessed value and therefore the Board finds that the assessment is confirmed for all six properties.

DECISION SUMMARY

- [29] The Board finds that Complainant did not provide sufficient evidence to support the requested values. The Board finds for the Respondent, the assessed values are confirmed as follows:

Roll No.	Street Address	Current Assessed Value	Board Decision
30000223420	157 VANIER DR	\$92,200	\$92,200
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30000223445	167 VANIER DR	\$93,000	\$93,000

- [30] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 29th 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.



Alfred 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 "A"

Documents presented at the Hearing and considered by the Board.

<u>NO.</u>	<u>ITEM</u>
1. A.1	Hearing Materials provided by the Clerk (26 pages)
2. C.1	Complainant Submission (3 pages)
3. R.1	Respondent Submission (29 pages)