

**IN THE MATTER OF A COMPLAINT** filed with the Town of Okotoks Local Assessment Review Board (LARB) pursuant to the *Municipal Government Act*, Chapter M-26.1, Section 460.

**BETWEEN:**

 - Complainant

- and -


The Town of Okotoks - Respondent

**BEFORE:**

Bill Gray, Presiding Officer  
Suzette DeMott, Regional Member  
Anne Eastham, Member

These are complaints to the Town of Okotoks Local Assessment Review Board (LARB) in respect of property assessments prepared by the Assessor of the Town of Okotoks and entered in the 2019 Assessment Roll as follows:

<u>Roll Number</u>	<u>Address</u>	<u>Assessment</u>
0000790	138 McRae Street	\$147,000

- 1) This complaint was heard on the 15<sup>th</sup> day of May 2019 at the Town of Okotoks Council Chamber at 5 Elizabeth Street, Okotoks, Alberta.
- 2) Appearing on behalf of the Complainant:
  - 
- 3) Appearing on behalf of the Respondent:
  - Carmel Staley, Assessor
- 4) Attending for the Assessment Review Board (ARB):
  - Patty Huber

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### **Preliminary Matters:**

- 5) There were no preliminary matters; the panel proceeded to hear the complainant.

### **Property Description and Background:**

- 6) The subject property is a vacant parcel of land civically described as 138 McRae Street and legally described as Lots 4 & 5 Block 2 Plan 1650E. This parcel has a frontage of 50' on McRae Street and a continuous depth of 129.92' for a total area of 6,496 square feet. There is no access to the site from the rear property line. The subject parcel is located in an older section of downtown Okotoks in close proximity to parks, shopping, river frontage, major collectors and amenities. Surrounding developments include older single family homes, multi family developments and some commercial uses. The property is zoned Residential Mixed Dwelling District.

### **Issues:**

- 7) The Complainant believes the assessment is too high. More specifically, the assessment amount should be \$87,000 not \$147,000.

### **Board's Findings in Respect of Each Matter or Issue:**

- 8) The panel found the assessment is correct and will not be altered

### **Summary of Positions:**

#### **Complainant:**

- 9) The Complainant stated that all sales used to establish the assessed value of the property by the Respondent were not comparable to the subject. Specifically, no sales were zoned Residential Mixed Dwelling District like the subject. The Complainant stated that the multi family sites used in the analysis had better development potential than the subject and that the single family lot sales were all located in new subdivisions while the subject site was located in an older downtown district which would not attract a buyer who wished to build a new single family home.

- 10) The Complainant indicated that the property was purchased in May of 2000. At that time, an old home was located on the subject site and the adjoining lot which fronts Maple Street. The historic assessment for the property included both lots and the building value of the old home. Services to the home were in poor condition and the home was demolished. The Complainant indicated that the assessed value of the property in 2018 was \$174,000 for both the subject site and the adjoining lot. The Complainant stated that prices had fallen since the last assessment period and

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therefore the new assessment is not reflective of the value of the property. It was noted that the Complainant lowered the estimated assessed value of the subject property to \$87,000 from \$94,873 when the Complainant provided new information on a second submission provided to the Town of Okotoks..

11) The Complainant indicated that an Offer to Purchase was made for both sites by a builder however this sale was never completed. As the Complainant was acting as the Realtor in this sale, details of the offer could not be released.

12) The Complainant provided as evidence the post facto sale of 37 Maple Street which occurred on January 31, 2019. This property is located just to the north of the subject on Maple Street. The sale price was \$300,000. The Complainant used a land extraction technique to estimate the value of the vacant land. The estimated assessed value of the subject was \$83,680 based on the land extraction technique.

13) The Complainant provided a second post facto sale located at 55 Riverside Gate which occurred on December 19, 2018 for a purchase price of \$462,500. This site is 0.69 acres in size and has a DC zoning. After adjustments the Complainant stated that this sale supported an assessed value of \$94,873.18.

### **Respondent:**

14) The Respondent provided a 23 page report in support of its estimation of the assessed value of the subject site. The Respondent stated that the subject assessment account is considered to be a new account as the building that occupied the site and the adjacent lot had been demolished. The assessed value estimated must reflect the subject property as its own distinct title.

15) The Respondent indicated that in preparing for the assessment of vacant land they looked at a total of 308 sales over two years. This group of sales had an assessment to sales ratio of 99%. When they examined vacant land sales which occurred between July 1, 2017 and July 1, 2018 the assessment to sales ratio was 98.9%, firmly within the legislative requirements which states that the sales to assessment ratio must be within the range of 0.95% to 1.05%. This pool of data contained 214 sales. The Respondent indicated that the median sale price for a typical lot was \$160,000 with a typical lot size of 4,984 square feet. The median price and average lot size reflects a sales price per square foot of \$32.00. The subject's assessed value is \$22.63 per square foot which the Respondent indicated was a reasonable value.

16) The Respondent provided two multifamily sales in support of the assessed value, one of which is located very near the subject. The Complainant indicated that these two properties had a better development potential than the subject and were not comparable.

17) The Respondent confirmed to the Complainant that all the sales were of vacant land

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and were located in newer subdivisions with the exception of 2 Linehame Avenue. When asked, the Respondent confirmed that it was their belief that potential purchasers would buy the subject site to build a new single family home. As evidence, the Respondent referred to 5 residential sales within the evidence package that showed sales transactions of residential homes which had occurred in close proximity to the subject. The Respondent also indicated that they had to use the sales information that they had within the legislated time frame to establish the assessed value and that if any sales of vacant land had occurred in the immediate vicinity of the subject, those sales would have been included in the analysis.

### **Findings and Reasons:**

18) The Complainant could not provide any details on the potential sale of the site to a developer due to confidentiality issues and as such the Board cannot give this evidence any consideration.

19) The Complainant provided evidence in support of a lower assessed value based on the sale of 37 Maple Street. The method used to estimate the land value was an extraction method and is not a recognized valuation technique in support of evidence for an assessment reduction. In addition, this is a post facto sale and cannot be provided any weight.

20) The Complainant provided evidence in support of a lower assessed value based on the sale of 55 Riverside Drive. No evidence was provided to support a negative adjustment awarded for zoning differences. In addition, this is a post facto sale and cannot be provided any consideration.

21) The Board finds that the Respondent acted correctly in assessing the subject property as a new account as the building has been demolished and as such this property is a single titled lot.

22) The Board finds that the evidence provided by the Respondent with respect to the vacant land sales credible and the assessment to sales ratio to be a very strong indicator that the resulting assessment is correct.

### **Board's Decision:**

23) The Board will not change the assessment of the subject property.

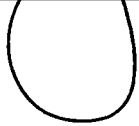
It is so ordered.

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Dated at the Town of Okotoks in the Province of Alberta, this *25* day of *May* 2019.



William (Bill) Gray  
Presiding Officer



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**APPENDIX "A"  
DOCUMENTS PRESENTED AT THE HEARING  
AND CONSIDERED BY THE BOARD:**

<b>NO.</b>	<b>ITEM</b>
C1	Complainant's Submission
C2	Complainant's Submission
R1	Respondent's Submission

*An application for Judicial Review may be made to the Court of Queen's Bench with respect to a decision of an assessment review board.*

*An application for Judicial Review must be filed with the Court of Queen's Bench and served not more than 60 days after the date of the decision, and notice of the application must be given to*

- (a) the assessment review board*
- (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) the municipality, and*
- (a) the Minister .*