

**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:**

Dierdre Mullen, Presiding Officer  
William (Bill) Gray, 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 2018 Assessment Roll as follows:

<u>Roll Number</u>	<u>Address</u>	<u>Assessment</u>
0104270	18 Storm Mountain Place	\$479,000

- 1) This complaint was heard on the 14<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:
  - Nathan Hanberry, Assessor
  - Carmel Staley, Assessor
- 4) Attending for the Assessment Review Board (ARB):
  - Patty Huber

## OKOTOKS LOCAL ASSESSMENT REVIEW BOARD ORDER #0238/01/2019-L

### **Preliminary Matters:**

- 5) There were no preliminary matters; the Board proceeded to hear the complaint.

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

- 6) The subject property, located at 18 Storm Mountain Place, is a 2050 square foot (sf), two-storey house with a finished basement. The property was built in 2013 and includes an attached garage on a 5188 sf lot.

### **Issues:**

- 7) The assessment is too high. More specifically, the assessment amount should be \$439,000 not \$479,000.

### **Panel'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 provided MLS® listing data for properties on Storm Mountain Place. There were five listings (one was duplicated to show it continues to be listed for sale). The presentation format did not include the date of the listing for any property, but did show the property address, size, lot details, number of bedrooms and bathrooms, whether the basement was finished or unfinished, and the listing price and price per sf.
- 10) The Complainant presented photographs of the property's back yard showing the berm erected by a developer directly behind the property. The Complainant estimated the berm to have a height of 15 feet and indicated that his view of a farmer's field had been ruined and that this berm was likely to remain for a few years. The Complainant stated that he was unaware when he purchased the property that there was to be development in the field and that this was a negative affect to his property value.
- 11) In rebuttal, the Complainant argued that the sales dates used by the Respondent were not good comparables except for the one with the most recent sale date of 6/16/2018; all others were too old because they were prior to the evaluation date of 7/1/2018. The most recent sale was 20% larger and never lived in.

## OKOTOKS LOCAL ASSESSMENT REVIEW BOARD ORDER #0238/01/2019-L

- 12) The Complainant argued that his basement was not finished and therefore should not be assessed as finished because the final inspection had yet to be completed. In response to questions by the Board, the Complainant stated that the permit to finish the basement was taken out sometime in 2017 and confirmed that the walls, floors, and ceilings were completed before December 31, 2018.

### **Respondent:**

- 13) The Respondent provided a ten-page document which included a summary of the subject property, photographs of the property and the neighbourhood, mapping details, and a chart of five (5) sales comparables used to determine the assessed value. All properties in the chart were in the same neighbourhood. The sales dates ranged from 11/29/2016 to 06/16/2018. The Respondent, upon questioning, stated that it uses two (2) years of sold data to calculate assessed value in mass appraisal. The chart calculated:
- a) minimum assessment price of \$204/sf, maximum assessment price of \$233/sf and median assessment price of \$219/sf;
  - b) the time adjusted sale prices: minimum \$204/sf, maximum \$247/sf and median \$247/sf; and
  - c) the subject property's sale date was 10/4/2016 and falls within the two years of sold data.
- 14) One of the Respondents comparables at 8 Storm Mountain Place was the same floor area above grade as the subject and had a finished basement but was a more recent sale by six months. The assessed price per sf was \$233, and the subject property is assessed at \$234 per sf.
- 15) The Respondent argued that it is mandated to use Assessment to Sales Ratio (ASR) to confirm that the sales used in the calculations fall within the 0.95% to 1.05% range. The sales chart confirms this showing all but one fall within this range. The chart has ASR between 0.94% and 1.04% with the median at 1.00%. The subject property has an ASR of 1.00%.
- 16) The Respondent argued that the data provided by the Complainant in C1 are listings and not sales. Only sold data can be used to determine assessed values.
- 17) The Respondent stated that they do not take a temporary nuisance like a berm into consideration when calculating assessment value because it is temporary.
- 18) Upon questioning by the Board, the Respondent offered that they allow two (2) years from the granting of the permit to finish a basement before they assess it as finished. It is up to the owner of the property to notify the Respondent if the basement remains incomplete by December 31<sup>st</sup> of the assessment year (condition date) of the second-year grace. The Respondent also clarified that there are three

## OKOTOKS LOCAL ASSESSMENT REVIEW BOARD ORDER #0238/01/2019-L

(3) elements to determine a finished basement: if the floors; the walls (dry-walled); and ceilings are finished, then it is determined to be a completed basement.

### **Findings and Reasons:**


- 19) The Board finds the listings provided are incomplete and the listing dates were not available, but even if they had complete information, the Board typically uses one of three traditional approaches to value. These include: *direct comparison*, *income*, and lastly *cost approach*. In the direct comparison approach, the approach used by the Respondent to determine the subject property's value, value is based on comparison of the selling price of other properties perceived to be similar to a given subject.
- 20) The Board finds the comparable at 8 Storm Mountain Place a good indicator that the subject is assessed fairly because both properties are on same street, have the same floor area above grade, both have finished basements, and they sold just outside of six months of each other. 8 Storm Mountain Place is assessed at \$233/sf and the subject is assessed at \$234/sf.
- 21) The Board finds that the basement of the subject property was completed by condition date of December 31, 2018 and no error was made by the Respondent.
- 22) The Board finds that the ASR value of the subject property of 1.00% is within the allowable range of 0.95 to 1.05% and therefore the assessment is acceptable.
- 23) The Board finds the berm behind the property a temporary nuisance and does not affect the value of the property.

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

- 24) The Panel will not change the assessment of the subject property.

It is so ordered.

Dated at the Town of Okotoks in the Province of Alberta, this 28<sup>th</sup> day of May 2019.



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Dierdre Mullen  
Presiding Officer

**OKOTOKS LOCAL ASSESSMENT REVIEW BOARD ORDER #0238/01/2019-L**

**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 rebuttal
R1.	Respondent's submission

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*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.*