

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
Reg Power, 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 2015 Assessment Roll as follows:

Roll Number	Address	Assessment
0073180	2 Cimarron Estates Way	\$789,000

- 1) This complaint was heard on the 5th day of June 2018 at the Town of Okotoks Council Chamber at 5 Elizabeth Street, Okotoks, Alberta.
- 2) Appearing on behalf of the Complainant:
 - ██████████ Subject Property Owner
- 3) Appearing on behalf of the Respondent:
 - Nathan Hanberry, Assessor, Town of Okotoks
 - Carmel Staley, Assessor, Town of Okotoks
- 4) Attending for the Assessment Review Board:
 - Patty Huber, Clerk

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Preliminary Matters:

- 5) There were no preliminary matters, the panel proceeded to hear the complaint.

Property Description and Background:

- 6) The subject property is a one bedroom, 1820 square foot (SF) bungalow built in 2008, on a 13,229 SF corner lot with an unfinished basement in the neighbourhood of Cimarron Country Estates.

Issues:

- 7) The assessment is too high. More specifically, should the property be assessed at \$751,000 not \$789,000?

Panel's Findings in Respect of Each Matter or Issue:

- 8) The Panel found the assessment to be correct and will not be altered.

Summary of Positions:

Complainant:

- 9) The Complainant provided a summary of his argument labelled C1.
- 10) The Complainant argued that since his property was a corner lot and did not have a finished basement, it should be assessed at a lower amount. The Complainant provided two tables: Table 1 (C3) – "Assessment Changes All Bungalows in Cimarron Country Estates", and Table 2 (C4) – "Properties that were Assessed in either 2017 or 2018 in the \$750,000 to \$800,000 range for comparison to the Subject Property." To develop tables one and two, the Complainant drove around his neighbourhood and noted all the bungalows in his neighbourhood.
- 11) Table 1 shows a total of 43 bungalows and the 2017 and 2018 assessment amounts with either an increase or decrease from 2018 over 2017. The total number of bungalows with increased assessments equal 17, the total number of bungalows with decreased assessments equal 26.
- 12) Table 2 shows bungalows in the Complainants neighbourhood in the \$750,000 to \$800,000 assessed ranges and includes a column showing an increase or decrease from 2018 over 2017 assessed values. There are 16 properties in total, four increased in value and 12 decreased in assessed value.

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- 13) The Complainant stated that this was convincing evidence that the market overall was in decline since there was a greater number of decreased assessed amounts in both tables.
- 14) The Complainant also stated that the Town of Okotoks website posted a map (C2) which shows all assessments in Okotoks. His neighbourhood was coded as having an assessment change of less than 1%. Other areas were coded as having a greater than 1% increase. The Complainant questions, if his neighbourhood had an average decrease of less than 1%, why his property had an increase of more than twice the average over 2017 assessed values.
- 15) The Complainant also provided the MLS® Seller Representation Agreements (C5, C6, C7) showing that he tried to sell his house from March 23, 2017 to June 30, 2017. The listing amount started at \$769,900 and then was reduced April 10, 2017 to \$758,500. The property was then reduced again on May 10, 2017 to \$749,500 and the listing was extended to July 15, 2017 at that time. The property did not sell.
- 16) The Complainant argued that this was evidence that the market was in decline and his property is over assessed since it did not sell, even at the reduced amounts. The Complainant stated that feedback provided to him by his REALTOR® about showings by other REALTORS® was negative. The main concern was the asking price which he was told was too high, and secondly there was concern about the potential for high traffic volumes due to the yellow line having been painted on the road adjacent to his corner lot.

Respondent:

- 17) The Respondent argued that the subject property is fairly assessed, and only actual sales data is used to determine the assessments each year. This assessment used sales from the last two years: July 1, 2015 to June 30, 2017.
- 18) The Respondent stated that it uses Assessment Sales Ratio (ASR) to verify its assessment each year and further explained that the ASR for the subject was 0.99, which falls between the 0.95 and 1.05 allowable by the *Municipal Government Act (MGA)*.
- 19) The Respondent provided a chart showing the subject property and five additional, comparable properties in the neighbourhood. All were bungalows which had sold between March 16, 2016 and June 4, 2017. The year of construction for all properties ranged between 2007 and 2016, all had a garage and a fireplace, all but the subject had finished basements. The median price per SF was \$444, the minimum price per SF was \$409 and the maximum price per SF was \$520. The

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subject property was assessed at \$434 per SF, below the median of the group. This was evidence that the property was assessed correctly.

Findings and Reasons:

- 20) The Panel found the Complainants argument that the property values in his neighbourhood were decreasing by using assessed values is insufficient evidence that the market is in decline. Assessed values are not used in calculating assessments. The *MGA* states that there are only three methods of valuation: the Sales Comparison Approach; Income Approach; and Cost Approach.
- 21) The Panel cannot determine in the Complainants evidence in C3 and C4 that the properties are similar or different to the subject property as no additional information or defined analysis about possible comparable properties was provided to the Panel.
- 22) The Panel found that the requested assessed amount was within 5% of the actual assessed amount and did not feel this was significant enough to alter the assessed value.
- 23) The listing of the subject property during the assessment period, although frustrating to the Complainant that it did not sell, cannot be used to determine an assessed amount or an indication of value. The Panel cannot determine: that the property was shown; condition of property at time of sale; willingness of the seller to allow showings; buyer motivations; and seller motivations.
- 24) When the Panel dissected the Respondent's chart, it determined that even if it removed the comparable property newly built in 2016 as possibly not a good comparison due to the YOC (it had a maximum price per SF of \$520), the median price was reduced to \$431 per SF, which is very close to the assessed median of \$434 of the subject property.

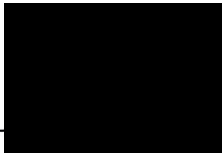
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Panel's Decision:

25) The Panel will not alter the assessment of the subject property.

It is so ordered.

Dated at the Town of Okotoks in the Province of Alberta, this 20th day of June 2018.



Dierdre Mullen
Presiding Officer

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

NO.	ITEM
C1	<i>Complainant Disclosure - Summary</i>
C2	<i>Complainant Disclosure - Map</i>
C3	<i>Complainant Disclosure - Table 1</i>
C4	<i>Complainant Disclosure - Table 2</i>
C5	<i>Complainant Disclosure - MLS ® listing</i>
C6	<i>Complainant Disclosure - MLS ® amendment</i>
C7	<i>Complainant Disclosure - MLS ® amendment</i>
R1	<i>Respondent Disclosure</i>

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.*