

IN THE MATTER OF A COMPLAINT filed with the Regional Municipality of Wood Buffalo Local Assessment Review Board (LARB) pursuant to Part 11 of the *Municipal Government Act* being chapter M-26 of the revised statutes of Alberta 2000.

BETWEEN:

Hugh Christopher Serroul – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

BEFORE:

Alex McKenzie, Presiding Officer

Joshua Gogo, Member

Keith Haxton, Member

Staff:

Anita Hawkins, Clerk

BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

[1] A hearing was convened on September 30, 2020 in the Regional Municipality of Wood Buffalo in the Province of Alberta to consider a complaint about the assessment of the following property:

Assessment Roll Number	51002515
Civic Address	313 Callen Drive Fort McMurray, AB
Owner	Hugh Christopher Serroul
File Number	ARB 20-001

[2] The subject property is a 3-bedroom, 2 and half bathroom, semi-detached residence, located in the Parsons Creek neighbourhood of Fort McMurray.

PROCEDURAL MATTERS

[3] The LARB derives its authority to make decision under Part 11 of the *Municipal Government Act*, R.S.A. 2000, c. M-26.

[4] The parties confirmed that they had no objections to the composition of the Board.

[5] The Board confirmed it had no bias in relation to the matters.

PRELIMINARY MATTERS

[6] There were no preliminary matters raised by either party.

ISSUES

Issue identified on the complaint form	Assessment Amount	Requested Value
An Assessment Amount	\$512,710	\$420,000

MERIT MATTERS

Position of the Complainant

[7] The Complainant confirmed his position appealing the assessed value of the subject property located at 313 Callen Drive.

[8] The Complainant offered as evidence, the executed offer to purchase the property for \$420,000 and provided the land titles certificate for the subject property, showing a value of \$420,000 with the transaction date of May 8, 2019. (Exhibit C1).

[9] The Complainant indicated the garage is a 260 sq ft shared garage rather than the 572 sq ft detached garage as identified by the Assessment Department.

[10] The Complainant offered as evidence, photographs of Lots 57 to 61 showing the subject property and the properties adjacent to the subject property, noting that they were all similar in land size and home size, with garages.

[11] The Complainant also presented as evidence, comparable land sales by way of copies of land titles certificates for Lot 57, showing a value of \$434,276 with a sale date of July 4, 2019; Lot 58, showing a value of \$411,814 with a sale date of May 24, 2019; Lot 59, showing a value of \$420,000 with a sale date of April 24, 2019; and Lot 61, showing a value of \$402,830 with a sale date of July 5, 2019. It was noted that the variation in purchase price would be explained by decks, landscaping, fences or air conditioning being part of the sales contract, and that the home size with the number of bedrooms, washrooms square footage and yard size are all comparable.

[12] The Complainant offered that properties in the neighbourhood were all purchased around the same time period, at market value and although there were some variations, the purchase price ranged between \$402,830 and \$434,276 with an average purchase price of \$417,784.

[13] The Complainant asked the board to recognize the value of \$420,000 as fair and equitable market value for the subject property.

[14] The Complainant confirmed the property is located in a residential neighbourhood comprising of single-family homes and duplexes, not directly backing onto the tree line, but accessing walking paths a few streets over. There is a park across the open area and two schools in the vicinity.

[15] The Complainant confirmed all the comparables provided were built by the same builder.

[16] The Complainant also confirmed that of the comparables offered, two of the purchases were made using a real estate agent, and two were purchased directly through the builder.

Position of the Respondent

[17] The Respondent spoke to market value as defined in the *Municipal Government Act* (MGA) is a prediction whereas the sale price is a fact. (Exhibit R-2)

[18] The Respondent spoke to property assessment valuation, the mass methodology, the multiple regression analysis and the single-family residential assessment process in Alberta (Exhibit R-1).

[19] The Respondent confirmed that for this property group, the assessment is determined using the direct sales approach as is it the most appropriate method of valuation for residential improved property because it mirrors the actions of willing

buyers and sellers in the marketplace and provides sufficient residential sales data within the municipality in order to derive reliable market estimates (Exhibit R-1).

[20] The Respondent summarized that family residential assessments represent:

- an estimate of the value;
- of the fee simple estate in the property;
- as it existed on December 31, 2019 and
- as if it had been sold in that condition on July 1, 2019;
- on the open market;
- under typical market conditions;
- by a willing seller to a willing buyer.

[21] The Respondent presented that the subject property, 313 Callen Drive, is located in the Parsons Creek neighbourhood of Fort McMurray. Construction of the structure began in 2018 and was completed in 2019, noting that the dates in the Respondent's submission of construction beginning in 2019 and being completed in 2020 were incorrect. The structure is an approximately 1502 sq ft, two storey, 3 bedrooms, 2 and half bathroom semi-detached residence with an undeveloped basement and approximately 572 sq ft detached garage. This building is considered of excellent condition and average quality as compared to other similar structures within the Regional Municipality of Wood Buffalo (Exhibit R-1).

[22] The Respondent offered that once the size of the semi-detached garage was verified, the assessed value would be adjusted accordingly.

[23] The Respondent presented that Parsons Creek is a fairly new subdivision where single family homes and duplexes are most popular. The Respondent indicated that the builders have been trying to clean up their inventory since the market has been slow years ago due to the economy down term.

[24] The Respondent provided a table of three comparable property sales which occurred in February 2019. The three properties listed are approximately 1.4 kilometers away in the same Parsons Creek neighbourhood as the subject property but are 5 years older. Time adjustment was applied to adjust the sale prices to July 1, 2019 on all three comparable sales. Other variables were applied to these comparables to adjust to the same condition as the subject property. (Exhibit R-1).

[25] The Respondent offered that the Complainant provided four comparable sales which are in the same block as the subject property and were from the same vendor.

[26] The Respondent offered that the vendor had sold all the new built properties in Fort McMurray as they indicated on their website (Addendum A of Exhibit R-1).

[27] The Respondent presented that as the four comparable property sales provided by the Complainant were from one vendor and at that time the vendor was unduly motivated to clean up their inventory of houses for sale; therefore, the sales could not indicate the fair and equitable market value

[28] The Respondent offered that the \$420,000 assessment requested by the Complainant would not be reflective of the value of a newly constructed semi-detached residential structure of this size, condition and quality in the Parsons Creek neighbourhood as demonstrated in the Respondent's comparison chart.

[29] The Respondent reiterated that the Complainant's submission did not include any sales that reflected the fair and equitable market value of the subject property. It was noted that the comparable sales provided by the Municipality indicate that the assessment for the subject property is well within a reasonable prediction of value and is fair and equitable as the assessment was developed based on actual sales of similar properties that occurred prior to the legislated valuation date of July 1, 2019.

[30] The Respondent requested that the Board confirm the assessed value for the subject property at \$512,710 as proven by the comparable sales data provided.

DECISION

[31] It is the Decision of the LARB to revise the assessment from \$512,710 to \$420,000.

REASON FOR DECISION

[32] In coming to its conclusion, the Board has reviewed carefully the provisions of the *Municipal Government Act* ("MGA"), the *Matters Relating to Assessment Complaints Regulation* ("MRAC") and the *Matters Relating to Assessment and Taxation Regulation* ("MRAT").

[33] The Board accepted the Complainant's Land Titles document for the subject property as a valid sales data as it does include the value of \$420,000 and the sale was concluded prior to the July 1, 2019 valuation date.

[34] The Board accepted as evidence the Complainant's submission of Alberta Registries documents related to the values for Lot 58, Block 2, Lot 1224731 and Lot 59, Block 2, Plan 1224731 as valid comparable, fair and equitable sales which were sold before the valuation date of July 1, 2019.

[35] The Board did not accept as valid sales, the Alberta Registries documents submitted for Lot 57, Block 2, Plan 1224731, or Lot 61, Block 2, Plan 1224731 as the sales dates were after the valuation date of July 1, 2019.

[36] The Board was swayed in favour of those Complainant's comparable sales that were accepted due to their immediate proximity to the subject property and having sales closest to July 1, 2019. The Board was further swayed by the evidence that his comparables more accurately reflected the age, quality and condition of the subject property.

[37] The Board did not receive evidence from the Respondent to disprove the validity of the sales data submitted by the Complainant.

[38] The Board did accept the comparable sales evidence provided by the Respondent but gave less weight to this evidence. The Board noted that in comparison to the Complainant's comparables, the Respondent's comparables were further away, of a different age, had an earlier sale date than the subject property, and that adjustments were needed in order to equate them to the subject property. The Board was not convinced that these comparables were a better representation of the value of the subject property as the Board felt that no such considerations were needed with the comparables provided by the Complainant.

[39] The Board did not accept, based on the evidence provided by the Respondent of a screen shot of the seller's website noting that all properties were sold, that the seller was unduly motivated with respect to the sales transaction for the subject property and the adjacent properties.

[40] The Board did not receive sufficient evidence to conclude that the sale of the subject property, nor the accepted comparable sales provided by the Complainant were not fair and equitable transactions nor that these sales did not occur on the open market by a willing seller to a willing buyer.

[41] For these reasons the Board finds in favour of the Complainant.

[42] It is so ordered.

DISSENTING OPINION

[43] There was no dissenting opinion.

[44] The decision of the Local Assessment Review Boards is final and binding on all parties. This decision may be judicially reviewed by the Court of Queen's Bench pursuant to Section 470(1) of the *Municipal Government Act, RSA 2000, c M-26*.

Dated at the Regional Municipality of Wood Buffalo in the Province of Alberta, this
20th day of October 2020

FOIP ACT s.17(1)

Alex McKenzie, Presiding Officer

APPENDIX A

DOCUMENTS RECEIVED AND CONSIDERED BY THE LARB

Exhibit Number	Description
C-1	Complainant's submission (14 pages)
R-1	RMWB Assessment Disclosure (20 pages)
R-2	RMWB Law & Legislation Brief (58 pages)

APPENDIX B

REPRESENTATIONS

Person Appearing	Capacity
Hugh Christopher Serroul	Complainant
Qing Dong	Assessor, Regional Municipality of Wood Buffalo
Barry Campbell	Supervisor, Regional Municipality of Wood Buffalo