

**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:**

MNP LLP – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

**BEFORE:**

Members:

Alex McKenzie, Presiding Officer

Nayef Mahgoub, Member

Keith Haxton, Member

Staff:

Darlene Soucy, Clerk

**BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

[1] A hearing was convened on November 3, 2020 in the Regional Municipality of Wood Buffalo in the Province of Alberta to consider a complaint about the assessment of the following property:

<b>Assessment Roll Number</b>	50521590
<b>Civic Address</b>	368 Sandpiper Road
<b>Owner</b>	Boundary Investments Ltd.
<b>File Number</b>	ARB 20-010

[2] The subject property is a two-story single detached home with five bedrooms and three and a half bathrooms located in the Eagle Ridge neighbourhood.

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**PROCEDURAL MATTERS**

The LARB derives its authority to make decision under Part 11 of the *Municipal Government Act*, R.S.A. 2000, c. M-26. The parties confirmed that they had no objections to the composition of the Board.

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

**PRELIMINARY MATTERS**

[4] There were no preliminary matters raised by either party

**ISSUES**

<b>Issue identified on the complaint form</b>	<b>Assessment Amount</b>	<b>Requested Value</b>
An Assessment Amount	732,510	586,000

**MERIT MATTERS**

***Position of the Complainant***

[5] The Complainant indicated that since filing the complaint, and following the collection of additional data, the requested assessment has been revised from \$586,000 to \$645,000.

[6] The Complainant introduced the subject property providing maps of the surrounding area and a photo of the single detached dwelling. (Exhibit C1).

[7] The Complaint offered as evidence, recent market sales data of six single family dwellings near the subject property within the last two years as provided by the Land Titles indicating a median value of \$645,000. The Complainant acknowledged that three of the comparables were sales that occurred prior to the valuation date of July 1, 2020, and three were sales that occurred post facto and were only included to illustrate market trends following the valuation date. (Exhibit C1).

[8] The Complainant submitted that the comparable sales were located within one to two blocks of the subject property and were the only comparable sales that occurred within a year and a half of the valuation date.

[9] The Complainant argued that attributes that are included in a sales price and are not affixed to the property, such as stereo equipment, home theatre systems etc., should be deducted from the sales price and the market value adjusted accordingly.

[10] Upon questioning from the Board, the complainant confirmed that, other than the sale price registered to the title of his comparables, he did not have any additional information regarding the age, quality, or condition of his comparables

[11] The Complainant requested the Board reduce the assessment of the subject property from \$732,510 to \$645,000

***Position of the Respondent***

[12] The Respondent spoke to property assessment valuation, the mass methodology, the multiple regression analysis and the single-family residential assessment process in Alberta noting that the subject property was valued using the direct sales approach. (Exhibit R2)

[13] The Respondent presented illustrations of the subject property as well as pictometry imagery of the Eagle Ridge Neighbourhood. It was noted that the subject property is a 2409 sq ft. two-story single detached dwelling located in the Eagle Ridge Neighbourhood. The dwelling was built in 2008 and has one-bedroom suite in the fully developed basement, and a 593 sq ft. attached garage. An MLS listing from a 2016 title change further indicates that the subject property has five bedrooms and three and a half bathrooms, backs onto a greenspace and is of good condition and average quality when compared to other subject properties within the Regional Municipality of Wood Buffalo. (Exhibit R1)

[14] The Respondent spoke to a table consisting of five comparable and valid sales of two-story dwellings which was further supported by MLS listings. Each comparable was noted as having similar attributes to the subject property including a double attached garage, gas fireplace, finished basement and backed onto a greenbelt. Adjustments were required to two variables, central air conditioning and lot size, to adjust the comparables to the same condition as the subject property . A time adjustment was also applied on the comparables to adjust the sale prices to the valuation date of July 1, 2019. With the above noted adjustments, the sale price ranged from \$721,611 to \$777,277.

[15] The Respondent submitted that the fifth comparable had an adjustable sale price of market value of \$740,000 and was the most similar to the subject property as it had the least adjustments and was comparable in size; therefore, the market value of the subject property should also be similar to that of the fifth comparable, with a market value of

\$732,510 as of July 1, 2019.

[16] The Respondent spoke to the six comparables presented by the Complainant and noted that only three of the comparables submitted could be used for valuation purposes as the other three were post facto sales. The Respondent further argued, that two of the three remaining comparables were bi-levels at 1449 and 1540 square feet and cannot be compared with the subject property as they are completely different structures.

[17] The Respondent spoke to the final comparable as presented by the Complainant, a 1683 sq ft. two-story structure with a finished basement that does not back onto a greenspace. The Respondent reiterated, that this comparable had a sales date of June 14, 2018 and a sales price of \$535,000 (\$366/sq ft). If you adjust the sale price for the difference in square footage between the subject property at 2409 sq ft and this comparable at 1683 sq ft, the adjusted sale price for this comparable would be \$800,716 which far exceeds the assessment of the comparable and does not support the Complainant's argument.

[18] The Respondent confirmed that due to COVID-19, Assessors are unable to conduct interior inspections; however, an exterior photograph was recently taken of the subject property. The last interior inspection occurred December 2013.

[19] The Respondent confirmed that she was unable to find comparables two years prior to the evaluation date that had similar attributes and were within two blocks of the subject property; however, acknowledged that there were sales without these similar attributes that were closer to the subject property, in which adjustments could have been made, although the adjustments wouldn't be as accurate.

[20] The Respondent concluded that a reduced assessment of \$645,000 would not be reflective of the value of single detached dwellings in the Eagle Ridge Neighbourhood and requested that the Board confirm the assessed value of the subject property at \$732,510 as proven by the comparable sales data.

[21] **DECISION**

[22] It is the Decision of the LARB to confirm the 2020 assessment of the subject property at \$732, 510

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**REASON FOR DECISION**

[23] 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”).

[24] The Board accepted as evidence, the Complainant’s submission of Alberta Registries documents related to the values for Lot 28, Block 29, Lot 0726427, Lot 15, Block 29, Plan 0726427 and Lot 48, Block 22, Plan 0726427 as valid sales which were sold before the valuation date of July 1, 2019;

[25] The Board placed no weight on the post facto sales provided by the Complainant for Lot 13 Block 29 Plan 0726427, Lot 41 Block 22 Plan 0726427 and Lot 40 Block 22 Plan 0726427 as these sales took place after the valuation date of July 1, 2019.

[26] The Board was not persuaded by the Complainant’s argument that attributes that were not affixed to the Respondent’s comparable structures, but were included in the sale, should be adjusted and removed from the sale price of the subject property. This argument is not consistent with the principles of mass appraisal.

[27] The only support for a reduction in assessed value were the sale prices registered to the titles of the comparables provided by the Complainant. Although this might be indicative of market value, it must be considered relative to the *Matters Relating to Assessment and Taxation Regulation (MRAT)*. This mandates that a property must be assessed using mass appraisal, must be an estimate of the value of the fee simple estate in the property, and must reflect typical market conditions for properties similar to the subject property. The Board found that only providing land title sales information did not meet the legislated requirements.

[28] The Respondent provided an outline of the methodology used to assess properties within the Municipality. The Board found that this methodology was consistent with the legislative requirements.

[29] The Board was swayed by the evidence submitted by the Respondent. The Board was convinced that the five comparables provided by the Respondent were similar to the subject property and was swayed by the evidence that these comparables accurately reflected the age, quality and condition of the subject property.

[30] It is so ordered.

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**DISSENTING OPINION**

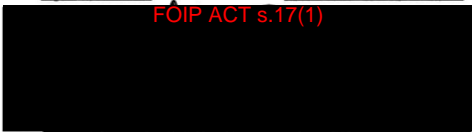
[31] There was no dissenting opinion.

[32] The decision of the Local Assessment Review Boards is final and binding on all parties, subject only to appeal to the Court of Queen's Bench on a question of law or jurisdiction with respect to the decision in accordance to section 470 of the *Municipal Government Act*, R.S.A 2000, c. M-26.

Dated at the Regional Municipality of Wood Buffalo in the Province of Alberta, this

27<sup>th</sup> day of November 2020.

FÓIP ACT s.17(1)

  
Alex McKenzie, Presiding Officer

**APPENDIX A**

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DOCUMENTS RECEIVED AND CONSIDERED BY THE LARB

<b>Exhibit Number</b>	<b>Description</b>
C1	Complainants Disclosure (24 pages)
R1	Respondents Disclosure (20 pages)
R2	Respondent' Disclosure Law Brief (58 pages)

**APPENDIX B**

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REPRESENTATIONS

<b>Person Appearing</b>	<b>Capacity</b>
Walid Melhem	Agent, MNP LLP
Qing Dong	Assessor, Regional Municipality of Wood Buffalo
Barry Campbell	Supervisor, Regional Municipality of Wood Buffalo