

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:

Skyson Capital Inc. – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

BEFORE:

Members:

Alex McKenzie, Presiding Officer

Joshua Gogo, Member

Nayef Mahgoub, Member

Staff:

Anita Hawkins, Clerk

BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

[1] A hearing was convened on August 23, 2021 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	71028950
Civic Address	1640-21 MacDonald Drive Fort McMurray, AB
Owner	Skyson Capital Inc.
File Number	ARB 21-004

[2] The subject property is a residential condominium unit located at 21 MacDonald Drive, in the Lower Townsite of Fort McMurray, which has 3 bedrooms and 1.5 bathrooms.

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 to be addressed.

ISSUES

Issue identified on the complaint form	Assessment Amount	Requested Value
An Assessment Amount	\$84,390.00	\$26,000.00

MERIT MATTERS

Position of the Complainant

- [7] The Complainant submitted that the tax value for the 2021 tax year is based on a property's market value as of July 1, 2020 and it's physical condition as of December 31, 2020, the tax value of the subject property, as determined by the Respondent, is not correct.
- [8] The Complainant suggested a revised formula to determine the assessed value, using the actual purchase price of the unit minus the value of the corresponding parking spot. The calculation of the adjusted property value is outlined in the table on Page 3 of the Complainant's Submission (Exhibit C-2).
- [9] The Complainant submitted that although a direct comparison approach may be suitable in some circumstances, it should not be a substituted for actual sale prices where the price at which each property was sold is readily available and when the sale took place within one year of the July 1 valuation date.
- [10] The Complainant stated that the purchase of the property was an arm's-length purchase.
- [11] The Complainant showed that he purchased the property on March 1, 2021 for \$26,000 and that he had purchased several properties in this condominium complex with purchase dates ranging from June 30, 2020 to March 1, 2021 and that these sales should be used to determine the value of the subject property.
- [12] The Complainant spoke to a table listing five (5) third-party sales of condominium units within the complexes located at 21 MacDonald Drive and 11721 MacDonald Drive, with purchase dates ranging from June 5, 2020 and October 26, 2020 and with purchase price ranging from \$35,000 to 75,000. (Exhibit C-2).

[13] The Complainant spoke to events which have had negative impacts on property sales since 2020 such as COVID-19 and increase in insurance costs, noting that the sales comparisons submitted by the Respondent occurred in 2019 and do not take into account the negative events which have occurred since then.

[14] The Complainant referenced the letter dated July 2, 2020 from River Park Glen, showing a 313% increase in insurance premiums for the MacDonald Drive complex (Exhibit C-2).

[15] The Complainant did not agree that using the statistical approach with only three (3) comparable properties is enough to do a comparison analysis.

[16] Upon questioning from the Respondent and the Board, the Complainant confirmed that the insurance increase referenced in Exhibit C-2 was effective as of July 1, 2020.

[17] Upon questioning from the Board, the Complainant confirmed that the properties on 21 MacDonald Drive, 11721 MacDonald Drive and 111 Charles Avenue are of differing characteristics to each other and are not comparable in nature.

[18] The Complainant also confirmed there was no Land Titles Office Transfer documents submitted as evidence relative to the sales comparisons included in the Complainant's Submission (Exhibit C-2).

[19] The Complainant is requesting that the Board reduce the assessment of the subject property from \$84,390.00 to \$26,000.00.

Position of the Respondent

[20] The Respondent presented that condominium properties are valued using the Direct Sales Comparison Approach. This approach has been determined to be the most appropriate method for the valuation of residential properties, as this approach mirrors the actions of buyers and sellers in the marketplace (Exhibit R-1).

[21] The Respondent introduced the subject property providing an aerial view of the condominium complex. (Exhibit R-1)

[22] The Respondent noted that unit 1640-21 MacDonald Drive is classified as Condominium Row Housing Units and has 3 bedrooms and 1.5 bathrooms. For valuation purposes this unit is considered to be in average condition with average quality of finishes compared to other similarly aged condominium complexes within the municipality (Exhibit R-1).

[23] The Respondent offered as evidence, market sales data for rowhouse-style condominium units located within the same condominium complex as the subject property that occurred prior to the legislated valuation date of July 1, 2020. The sale price ranged from \$60,000 to \$80,000. (Exhibit R-1).

[24] The Respondent also offered as evidence the corresponding Land Titles Office Transfer documents for the comparable properties (Exhibit R-2).

[25] The Respondent confirmed that in determining the sale date for a property, the Land Titles transfer date is the date used.

[26] In order to establish sales comparisons, the Multiple Regression Analysis is utilized, whereby sales within a 4- year period are analyzed and time adjusted on a monthly basis leading up to the July 1 valuation date.

[27] Upon questioning from the Board, the Respondent indicated that the Comparable Sales data did not include individual characteristics associated to each unit.

[28] The Respondent reiterated that the majority of the sales data presented by the complainant is post facto, therefore cannot be used for this appeal.

[29] The Respondent requested that the Board confirm the assessed value for the subject property at \$84,390.00.

DECISION

[30] It is the Decision of the LARB to confirm the assessment in the amount of \$84,390.00.

REASON FOR DECISION

[31] In coming to its conclusion, the Board has carefully reviewed 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”).

[32] The Board accepted as evidence the Complainant’s submission of the sales data related to 1517-21 MacDonald Drive only. This sale was also used as a comparable by the Respondent, thus convincing the Board that this sales data was the most relevant in confirming the assessed value.

[33] The Board placed little weight on the sales data provided for 705 and 1400 – 11721 MacDonald Drive. The Board was not convinced that these properties were comparable in nature to the subject property.

[34] The Board could not place any weight on the sales data provided by the Complainant for the subject property, or any of the sales of property dated after July 1, 2020. Sales after July 1, 2020 are considered post facto and, as per MRAT, cannot be considered as valid sales data for the assessment period.

[35] The Board was not persuaded by the Complainant's argument that adverse events such as COVID-19 or the increase in insurance premiums would have impacted the sale of properties as of the July 1, 2020 legislated valuation date, nor would it have had any impact on the physical condition as of December 31, 2020.

[36] The Board was not convinced by the Complainant that a valuation of \$26,000 was appropriate.

[37] The Board accepted the Respondent's comparable sales data as comparable properties and the sales of these properties had occurred prior to the legislated valuation date of July 1, 2020.

[38] The Board found that the methodology used by the Respondent to assess residential condominium properties within the Municipality was consistent with the legislative requirements as defined in the MGA and the MRAT regulation.

[39] It is so ordered.

DISSENTING OPINION

[40] There was no dissenting opinion.

[41] 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

15th day of September 2021.

Section 17 (1) FOIP

Alex McKenzie, Presiding Officer

APPENDIX A

DOCUMENTS RECEIVED AND CONSIDERED BY THE LARB

Exhibit Number	Description
C-1	Complaint Form for files ARB 21-001 – 21-016 (166 pages)
C-2	ARB 2021-001 – 016 Complainant Submission (from Skyson Capital Inc. dated July 20, 2021) (271 pages)
R-1	RMWB Submission – 2021 Residential Condominium Assessment Brief – LARB 21-001 – 016 (11 pages)
R-2	RMWB Submission – LARB 21-001 – 016 Title Evidence (18 pages)
R-3	<i>Matters Relating to Assessment and Taxation Regulation, 2018 – AR 203/2017</i> (32 pages)

APPENDIX B

REPRESENTATIONS

Person Appearing	Capacity
Alex Klyguine	Representative for the Complainant
Dawn Robichaud	Assessor, Regional Municipality of Wood Buffalo

APPENDIX C

LEGISLATION

Municipal Government Act, R.S.A. 2000, c. M-26.

Matters Relating to Assessment and Taxation Regulation, 2018 – AR 203/2017

Matters Relating to Assessment Complaints Regulation, 2018 – AR 201/2017,