

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:

Michelle Amiot-Jenkins and Darcy F. Jenkins – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

BEFORE:

Members:

Alex McKenzie, Presiding Officer

Kulwin Arora, Member

Staff:

Darlene Soucy, Clerk

BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

[1] A hearing was convened on Saturday, June 25, 2022, 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	60906750
Civic Address	12 Paradise Road
Owners	Michelle Amiot-Jenkins and Darcy F. Jenkins
File Number	ARB 22-001

[2] The subject property is a manufactured home located at 12 Paradise Road, in the Ptarmigan Court Mobile Home Park located in the Waterways neighbourhood of Fort McMurray.

PROCEDURAL MATTERS

[3] The Local Assessment Review Board derives its authority to make decisions 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.

ISSUES

Issue identified on the complaint form	Assessment Amount	Requested Value
An Assessment Amount	\$285,260	\$360,000

MERIT MATTERS

Position of the Complainant

[7] The Complainant questioned the reason for the reduced assessed value of the subject property, noting that the subject property was not impacted by the 2020 flood event as opposed to other properties in the Waterways neighbourhood, and requested that the assessed value be increased from \$285,260 to \$360,000.

[8] The Complainant presented as evidence, an Appraisal Report dated August 27, 2021, showing a market value of \$370,000 and the Report including comparisons of similar properties located at 113 Jackpine Way, 125 Greenwich Lane and 737 Beacon Hill Drive (Exhibit C-1).

[9] The Complainant submitted as evidence an email from Kate Arnold, Real Estate Agent, which provided an opinion that the subject property would sell for approximately \$400,000 and included MLS listings for properties located at 165 Beardsley Crescent, 133 Jackpine Way, 169 Beardsley Crescent, 785 Beacon Hill Drive and 204 Grenfell Crescent (Exhibit C-2).

[10] The Complainant also submitted as evidence, the Assessment Summary for comparable properties located at 7203 Railway Avenue, 7108 Bulyea Avenue, and 7410 Bulyea Avenue, which had increased assessed values from 2021 to 2022, and noted that these properties were subject to extensive flooding during the 2020 flood event. (Exhibit C-2).

[11] The Complainant presented that the subject property was above average quality with finishes such as drywall, quality vinyl plank flooring throughout and upgraded plumbing in the manufactured home and noting that the garage has 11-foot walls with in-floor heating.

[12] The Complainant did not agree with the land value of the subject property being compared to that of the Mobile Park located on McCormick Drive in Waterways, which was not rebuilt after the fire and is currently vacant land. (Exhibit C-3).

[13] The Complainant presented as evidence an MLS Listing of \$420,000 for 7412 Bulyea Avenue as a comparable property. (Exhibit C-3).

[14] The Complainant submitted photographs of the subject property showing that their property was not affected by the flood event from April 2020. (Exhibit C-3).

[15] Upon questioning from the Respondent, the Complainant confirmed that they are aware of the different land districting for the comparable properties located on Bulyea Avenue (Residential- R1) in comparison to the subject property (Mobile Home Residential - RMH).

[16] The Respondent presented that the Assessment Department cannot compare land value for properties with different district designations.

[17] Upon questioning from the Board, the Complainant confirmed attempts to reach the Assessment Department by phone, but no connection was made to discuss possible revision to the assessed value until today.

[18] The Complainant confirmed there was no physical inspection of the interior of the subject property done by the Assessment Department and questioned the process of assessing a property without conducting a physical inspection.

[19] The Complainant is requesting that the Board increase the assessment of the subject property from \$285,260 to \$360,000.

Position of the Respondent

[20] The Respondent presented that when a property type is unique and rarely sold on the open market, Direct Comparison Approach or Income Approach cannot be relied on to determine current value; therefore, all homes in the Ptarmigan Court Mobile Home Park, including the subject property, have been assessed using the Cost Approach. The Cost Approach is used to estimate the property's current value by using a 3-step process:

1. calculating the cost of replacing buildings and structures upon the land;
 2. applying a deduction for depreciation due to age, functional or other conditions that could impact the value of the property; and
 3. adding the value of the land, resulting in the overall valuation for the property.
- (Exhibit R-1)

[21] The subject property consists of a three-bedroom, one- and three-quarter bath, 1,274 ft² mobile home and a 728 ft² detached garage, located on a 6,027 ft² lot. The mobile, built in 2017, is a single section manufactured home of average quality that meets and occasionally exceeds minimum building requirements and the detached garage, which was built in 2020, is representative of an average quality garage. (Exhibit R-1)

[22] The Respondent presented as evidence a replacement cost summary report detailing the depreciated replacement cost value of the mobile home and the garage, calculated based on the relevant formula from the Alberta Residential Cost Manual (Exhibit R-1).

[23] The Respondent submitted that assessments within the Ptarmigan Court Mobile Home Park were determined using the Cost Approach due to a lack of arms-length sales of similarly districted land in the neighbourhood, adding that the most recent unmotivated sales within Ptarmigan Court Mobile Home Park occurred pre-flood - April 2020. The property was assessed prior to the flood using the Direct Comparison Approach, however as a result of the flood and restrictions placed on the property, it was changed to Cost Approach

[24] The Respondent submitted as evidence a listing of time adjusted land sales for 19 Primrose Lane and 14 Parkview Drive within Ptarmigan Mobile Home Park, dated March 7, 2019, and November 18, 2019, respectively, with a median price of \$12.00 per square foot. The median price was reduced by a 40% Flood Adjustment factor to reduce the land value rate to \$7.00 per square foot. (Exhibit R-1)

[25] The Respondent offered that with respect to land value, the only fair and equitable approach is to compare the land value in the Ptarmigan Court Mobile Home Park to the land value in the Mobile Home Park at 9304 McCormick Drive in Waterways, as this land is the only other Mobile Home Park subject to restrictions due to topography issues. The Respondent further confirmed that the property at 9304 McCormick Drive is districted Direct Control (DC).

[26] The Respondent presented that the Complainant's reasons for appeal are based on listings and sales of mobile homes properties which have been valued using the Direct Comparison Approach as opposed to the Cost Approach, noting that the Direct Comparison Approach determines the value of a property based on similar properties being bought and sold on an open market rather than using replacement cost values.

[27] The Respondent presented that it would be unfair to compare the subject property to land in other neighbourhoods as other mobile home parks within Fort McMurray are not subject to the same restrictions as the Ptarmigan Court Mobile Home Park.

[28] The Respondent noted that the appraisal submitted as evidence by the Complainant relies on using the Direct Comparison Approach and adjusted each of the comparable properties within a range of 21% to 27%, indicating that adjustments of more than 25% would suggest the comparisons are not reliable.

[29] The Respondent offered that the increase in assessments from 2021 to 2022 for the comparables in Waterways that were provided by the Complainant resulted from remediation work on damage sustained during the 2020 flood event for 7108 Bulyea Avenue and 7203 Railway Avenue; while 7410 Railway Avenue received no flood damage but was subject to the average assessed value increase for residential properties in Fort McMurray (Exhibit R-1).

[30] The Respondent offered as evidence that the most recent comparables provided by the Complainant are either sales listings or post-facto sales, which are not relevant for the 2022 assessment. The post-facto sales will be used to determine 2023 assessments of mobiles that are valued using the Direct Comparison Approach, but unless the unique situation of Ptarmigan Court Mobile Home Park changes, the mobile homes located within the Park will continue to be valued using the Cost approach. (Exhibit R-1 and R-2).

[31] Upon further questioning from the Board, the Respondent was unable to provide any additional information regarding the restrictions on the subject property or how the 40% Flood Adjustment factor was determined.

[32] The Respondent requested that the Board confirm the assessed value for the subject property at \$285,260.

DECISION

[33] It is the Decision of the LARB to revise the land value from \$42,196 to \$72,336, which revises the overall assessment from \$285,260 to \$315,400.

REASON FOR DECISION

[34] 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”).

[35] The Board accepted the Respondent’s evidence, the listing of time adjusted land sales for Ptarmigan Court Mobile Home Park; however, the Board did not accept the Respondent’s Flood Adjustment of 40% to the median land sales price per square foot to determine the land value of the subject property as there was no evidence provided to support the basis of the Flood Adjustment percentage or what the restrictions are for the Ptarmigan Court properties; therefore, the land value rate is revised from \$7.00 per square foot to \$12.00 per square foot.

[36] The Board accepted that, based on evidence provided by the Respondent, the cost approach to value the properties located within the Ptarmigan Court Mobile Home Park was valid due to the unique characteristics and location of the Park and the lack of comparable sales data for similarly districted properties. The Board did not hear any evidence to suggest that any other approach to valuation was more appropriate.

[37] The Board did not accept as evidence, any of the MLS listings provided by the Complainant to prove that a direct approach to valuing the property was more valid than the cost approach as there were no land title documents submitted to support any sales of comparables properties with the same land districting or the listings were for post-facto sales (after July 1, 2021).

[38] The Board did not receive sufficient evidence from the Complainant to support the opinion of the real estate agent that the market value of the subject property was \$400,000.

[39] The Board did not accept as evidence, the Assessment Summaries submitted by the Complainant, nor the Respondent's submission of 9304 McCormick Drive, as comparables. No evidence was submitted that these were comparable properties within the same land districting. The Board agrees with the Respondent that properties with different land district designations are not comparable.

[40] The Board accepted the Respondent's replacement cost summary report for the depreciated replacement cost value of the mobile home and garage of \$243,066 as per the Alberta 2001 Residential Cost Manual.

[41] The Board agreed with the Respondent that the reasons for the increase in the assessment of other homes in Waterways noted as comparables in the Complainants Disclosure was due to factors such as construction and remediation work.

[42] The Board suggests that the Respondent's department work with the Municipality's Pulse Line to ensure that future assessment inquiries called into the Pulse Line are better directed to the Assessment Department to avoid communication issues in the future.

[43] It is so ordered.

DISSENTING OPINION

[44] There was no dissenting opinion.

[45] 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

15 day of July 2022.

FOIP s.17(1)

Alex McKenzie, Presiding Officer

APPENDIX A

DOCUMENTS RECEIVED AND CONSIDERED BY THE LARB

Exhibit Number	Description
C-1	ARB 22-001 Complaint Form (26 pages)
C-2	ARB 22-001 Complainant Disclosure (33 pages)
C-3	ARB 22-001 Complainant Rebuttal (6 pages)
R-1	ARB 22-001 Respondent Disclosure (14 pages)
R-2	ARB 22-001 RMWB Law Brief (58 pages)

APPENDIX B

REPRESENTATIONS

Person Appearing	Capacity
Michelle Amiot-Jenkins	Complainant
Darcy F. Jenkins	Complainant
Dharma Gross	Assessor, Regional Municipality of Wood Buffalo
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
