

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:

Ishwarpal Singh Grewal – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

BEFORE:

Sean Schaffer, Presiding Officer

Nayef Mahgoub, Member

Alex McKenzie, Member

Staff:

Anita Hawkins, Clerk

BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

[1] A hearing was convened on September 9, 2023, in the Regional Municipality of Wood Buffalo (“RMBW”) in the Province of Alberta to consider a complaint about the assessment of the following property:

Assessment Roll Number	51005030
Civic Address	368 Dixon Road Fort McMurray, AB
Owner	Ishwarpal Singh Grewal
File Number	ARB 23-003

[2] The subject property is a 2-storey house located at 368 Dixon Road, in the Heritage Point 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 Board notes that no-one appeared on behalf of the Complainant. In accordance with Section 463 of the Municipal Government Act, the hearing proceeded as the Complainant was given sufficient notice of the hearing and no request for postponement was received. In accordance with Section 19(1) of the Matters Relating to Assessment Complaints Regulation, the Complainant's written evidence was presented to, and considered by, the Board.

[5] The parties present at the hearing confirmed that they had no objections to the composition of the Board.

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

PRELIMINARY MATTERS

[7] There was no preliminary matter raised.

ISSUES

Issue identified on the complaint form	Assessment Amount	Requested Value
An Assessment Amount	\$667,120	\$600,000

MERIT MATTERS

Position of the Complainant

[8] No-one appeared in-person for the Complainant. The Complainant provided two written submissions which were considered by the Board. The Complainant provided a one-page complaint form (Exhibit C-1) and a nine-page written submission (Exhibit C-2). The Complainant did not submit a rebuttal to the Respondent's evidence.

[9] On the appeal form, the Complainant identifies that their 2022 assessment has increased to \$667,120 from \$627,680 in 2021. The Complainant identifies that they have not made any upgrades to the property since 2021 and that property values have been decreasing in the RMWB. The Complainant notes their neighbour at 356 Dixon Road was unsuccessful in selling their home for \$674,000 in September 2022.

[10] The Complainant requests an assessment value of \$600,000.

[11] In his written evidence, the Complainant notes that the neighbour's property at 356 Dixon Road was listed for sale for \$759,900 on February 17, 2022. On March 31, 2022, the price of the property was reduced to \$741,000 and was taken off the market unsold on May 19, 2022. The property was re-listed on September 16, 2022, for \$674,900 and taken off the market on October 19, 2022.

[12] The Complainant also identified that 360 Dixon Road had an assessed value of \$647,220 and a similar square footage as their property.

[13] The Complainant notes that 356 Dixon Road and 360 Dixon Road both have legal basement suites while the subject property has an undeveloped basement.

[14] The Complainant requests a lower assessment value for the subject property noting that 356 Dixon was unable to sell their property, and that 360 Dixon Road has a lower assessment value than the subject property even though it has a basement suite.

Position of the Respondent

[15] The Respondent provided a 34-page assessment disclosure package (Exhibit R-1) and a 58-page law & legislative brief (Exhibit R-2).

[16] The Respondent identified that the subject property is located in the Heritage Point neighbourhood in Fort McMurray. The subject property has a two-story single-family detached house built in 2018 that is approximately 1,742 square feet and has a 483 square feet attached garage. The home has 3 bedrooms, 2.5 bathrooms, and an unfinished basement. The subject property lot size is 4,755 square feet and backs onto the greenbelt.

[17] The Respondent identified that the subject property was assessed using direct sales approach to determine market value as defined by the *Municipal Government Act*. This assessment approach estimates the value of the subject property as it existed on December 31, 2022, as if it had been sold in that condition on July 1, 2022 on the open

market under typical market conditions between a willing buyer and a willing seller.

[18] The Respondent identified that the RMWB uses time adjustments using a additive regression method in compliance with the Provincial Quality Standards required under the *Matters Relating to Assessment Complaints Regulation*. The time adjustments are used to account for market fluctuations between the sell date of properties and the valuation date required under law.

[19] During questioning from the Board, the Respondent noted the time adjustment is derived from looking at 12,500 sales over a 5-year period. The sales are used to determine how much a property sold before July 1, 2022, would be expected to go for if it had sold on July 1, 2022. The Respondent confirmed that the time adjustment data was suggesting house prices in Fort McMurray were increasing.

[20] The Respondent identified four comparable properties to defend the assessed value of the subject property. The comparable properties were:

- a) 396 Dixon Road
 - i) This property is across the street from the subject property. It is 1,712 square feet and on a 4,250 square feet lot. The property was built in 2014, is on the greenbelt, has a finished basement suite, and an attached garage. It sold for \$645,000 on August 16, 2021. Its time-adjusted sale price was \$660,996 or \$386.10 per square foot.
- b) 101 Furber Street
 - i) This property is across the street from the subject property. It is 1,864 square feet and on a 4,557 square feet lot. The property was built in 2021, is not on the greenbelt, has a finished basement suite, and a detached garage. It sold for \$654,000 on February 17, 2022. Its time-adjusted sale price was \$660,932 or \$354.58 per square foot.
- c) 121 Dehoog Crescent
 - i) This property is north of the subject property. It is 1,821 square feet and on a 4,892 square feet lot. The property was built in 2014, is not on the greenbelt, has a finished basement suite, and an attached garage. It sold for \$661,500 on October 4, 2021. Its time-adjusted sale price was \$674,796 or \$370.56 per square foot.

- d) 132 Dehoog Crescent
 - i) This property is north of the subject property. It is 1,922 square feet and on a 4,827 square feet lot. The property was built in 2020, is not on the greenbelt, has an unfinished basement, and an attached garage. It sold for \$665,000 on October 13, 2021. Its time-adjusted sale price was \$678,367 or \$352.95 per square foot.

[21] During questioning from the Board, the Respondent confirmed the referenced square footage in the evidence package includes the square footage of the house only. The Respondent also noted that the comparables provided in the evidence package were not the only comparables used in determining the assessment.

[22] During questioning from the Board, the Respondent noted that one factor why 101 Furber Street had a lower time adjusted price per square foot, despite being larger and newer than the subject property, was because the subject property is located on the greenbelt and 101 Furber Street isn't. The Respondent noted that being on the greenbelt can have a significant impact on value.

[23] The Respondent argued that the Complainant's concerns with their assessment being higher than the previous year should not be considered, as each assessment year is independent of previous years. The Respondent cites *Ross v. Edmonton (2016 ABQB 730)* for this argument.

[24] The Respondent also argued that the Complainant's comparable of 356 Dixon Road should not be used as it is a listing and fails to meet the legislated definition for market value.

[25] The Respondent argued that the Complainant's concerns about a lack of basement suite on the subject property impacting the value of the property does not align with evidence. To support their position, the Respondent referenced their comparables at 121 Dehoog Crescent (which has a finished basement) which sold for \$674,796 (time-adjusted) and 132 Dehoog Crescent (which has an unfinished basement but was slightly larger and newer than 121 Dehoog) which sold for \$678,367 (time adjusted). Both properties sold in October 2021 and had less than a \$4,000 difference in time adjusted sale prices.

[26] The Respondent noted that the Complainant's comparable for 360 Dixon Road being assessed at \$647,200 fails to account for the subject property having a larger lot size, larger garage, air conditioning, and being three years newer than 360 Dixon Road. The Respondent noted that these factors impact the assessment value and reiterated that a basement suite has a smaller impact on value.

[27] The Respondent cited Section 467(3) of the *Municipal Government Act* noting that an Assessment Review Board must not alter any assessment that is fair and equitable. The Respondent argued that their comparable sales show the subject property was assessed fairly and equitably and asked the Local Assessment Review Board to uphold the assessed value of \$667,120.

[28] During questioning from the Board, the Respondent noted that the complaint did contact him, but the discussion was not included in the disclosure package.

DECISION

[29] It is the Decision of the LARB to confirm the assessment in the amount of \$667,120.

REASON FOR DECISION

[30] The Board places no weight on the Complainant's comparable property at 356 Dixon Road. As this property only has listing data and did not sell, it would not meet the definition of "market value" in the *Municipal Government Act* which states: "Market Value means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer." As the property was not sold, it cannot be used to determine market value as it does not have a willing buyer.

[31] In addition, the second instance of the 356 Dixon Road being put up for sale took place after the assessment date of July 1, 2022, as required by Section 6 of the *Matters Relating to Assessment and Taxation Regulation*.

[32] The Board places little weight to the Complainant's comparable at 360 Dixon Road. While the property is assessed lower than the subject property, the Board accepts the Respondent's evidence that other differences in the property would have made the subject property more valuable than 360 Dixon Road, such as the larger lot size, larger garage, and air conditioning. As described in Section 33 of this decision, the existence of a basement suite at 360 Dixon Road would not be expected to significantly influence the assessment value.

[33] The Board places weight on the Respondent's evidence that finished basement suites do not impact a property's value substantially. The Board notes that the small differences in sale amount between 121 Dehoog Crescent and 132 Dehoog Crescent shows that a finished basement suite has little impact on the sale value of a property, or that other home amenities, such as a slightly larger home or a newer build, are able to influence the sale value much more than a finished basement.

[34] The Board accepts that the time-adjustment values used by the Respondent show that house prices in Fort McMurray have increased between 2021 and 2022.

[35] The Board accepts the verbal evidence provided by the Respondent that a property on the greenbelt can have a significant impact on assessment value. This can be seen in the Respondent's comparable at 396 Dixon Road which is on the greenbelt and has a higher time adjusted sale amount per square foot than all other comparable properties not on the greenbelt.

[36] The Board recognizes that the *Municipal Government Act* states in Section 467(3):

An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- (a) the valuation and other standards set out in the regulations,
- (b) the procedures set out in the regulations, and
- (c) the assessments of similar property or businesses in the same municipality.

Based on the reasons stated above, the Board believes the subject property's assessment was made in a fair and equitable manner and, therefore, cannot be altered.

[37] 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").

[38] It is so ordered.

DISSENTING OPINION

[39] There was no dissenting opinion.

[40] 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 King'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 2nd day of October, 2023.

FOIP s. 17(1)

Sean Schaffer, Presiding Officer

APPENDIX A

DOCUMENTS RECEIVED AND CONSIDERED BY THE LARB

Exhibit Number	Description
C-1	Complaint Form (1 Page)
C-2	Complainant Submission (9 pages)
R-1	RMWB Assessment Disclosure (34 pages)
R-2	RMWB Law & Legislation Brief (58 pages)

APPENDIX B

REPRESENTATIONS

Person Appearing	Capacity
No appearance	Complainant
S. Ahensan	Assessor, Regional Municipality of Wood Buffalo
J. Peyton	Supervisor, Regional Municipality of Wood Buffalo

APPENDIX C

LEGISLATION

Municipal Government Act
Matters Relating to Assessment Complaints Regulation
Matters Relating to Assessment and Taxation Regulation
