



Local Assessment Review Board Hearing

Roll: 1829250010

Legal Description: Plan 1014136 Block 1 Lot 4

Appellant: Delbert Edey

Presented By: Michael Brennan

Table of Contents

Assessment Issues.....	3
Legislation and Assessment Background	3
Description of the Subject Property	5
Assessment Recommendation.....	8
Sales (Fairness) Comparables.....	9
Summary	11
Appendix A: Legislation.....	12
Appendix B: Sales Comparable Pictures	14

Assessment Issues

The appellant has brought forward the following issues which will be discussed in this report.

As a result of flooding issues, Mr. Edey is requesting the assessed value to be \$219,340.

Legislation and Assessment Background

Assessed values are prepared on an annual basis. To establish values, the Assessment Department is legislated to use up to 36 months worth of sales information. In this case 36 months (3 years) of data was used. The hard date cut offs of the legislation leads to information being used one year and not the next. When older information is no longer a part of the process and new information is introduced, it can result in larger assessment changes than the real estate market indicates year over year.

The Assessment Department is required by legislation to consider areas in use and apply the relevant valuation standards of market value for residential and agricultural use value for farm properties. The Assessment Department must assess 3 acres of land at market value if it is being used for residential purposes. The balance of the property is assessed at farmland rates. The Assessment Department compares this property to other acreages of a similar size to establish the assessed value of the market area and home(s).

Assessments in the province of Alberta have an effective valuation date of July 1 of the assessment year. The physical condition of the property is based on December 31, of the assessment year. Assessments must be prepared using mass appraisal and be representative of market value. An assessment is deemed to be reasonable when it falls within five percent of market value indicators. This is established in the Matters Relating to Assessment and Taxation Regulation.

The Alberta Queens Bench in “**Calgary (City) v Alberta (Municipal Government Board), 2010, ABQB 719**”, paragraph 161, outlines the burden of proof that must be followed.

The ultimate burden of proof or onus rests on the Appellant, at an assessment appeal, to convince the MGB their arguments, facts and evidence are more credible than that of the Respondent. However, if the Applicant leads sufficient evidence at the outset to establish a prima facie case, the evidentiary onus shifts to the Respondent. In order to establish a prima facie case, the Appellant must convince the MGB panel that there is merit to the appeal.

The Appellant must establish that it is more probable than not that the assessed value is incorrect or inequitable. Once the evidentiary onus shift occurs, then the validity of the assessment is in question. In order to rebut the Appellants prima facie case, and in order to raise a legitimate inference that the assessment is correct, the Respondent must lead evidence to counter the Appellant’s evidence. At the end of the hearing, the MGB considers all the evidence presented and determines which party has established their case on a preponderance of evidence. In theory this means the party with the strongest case should succeed.

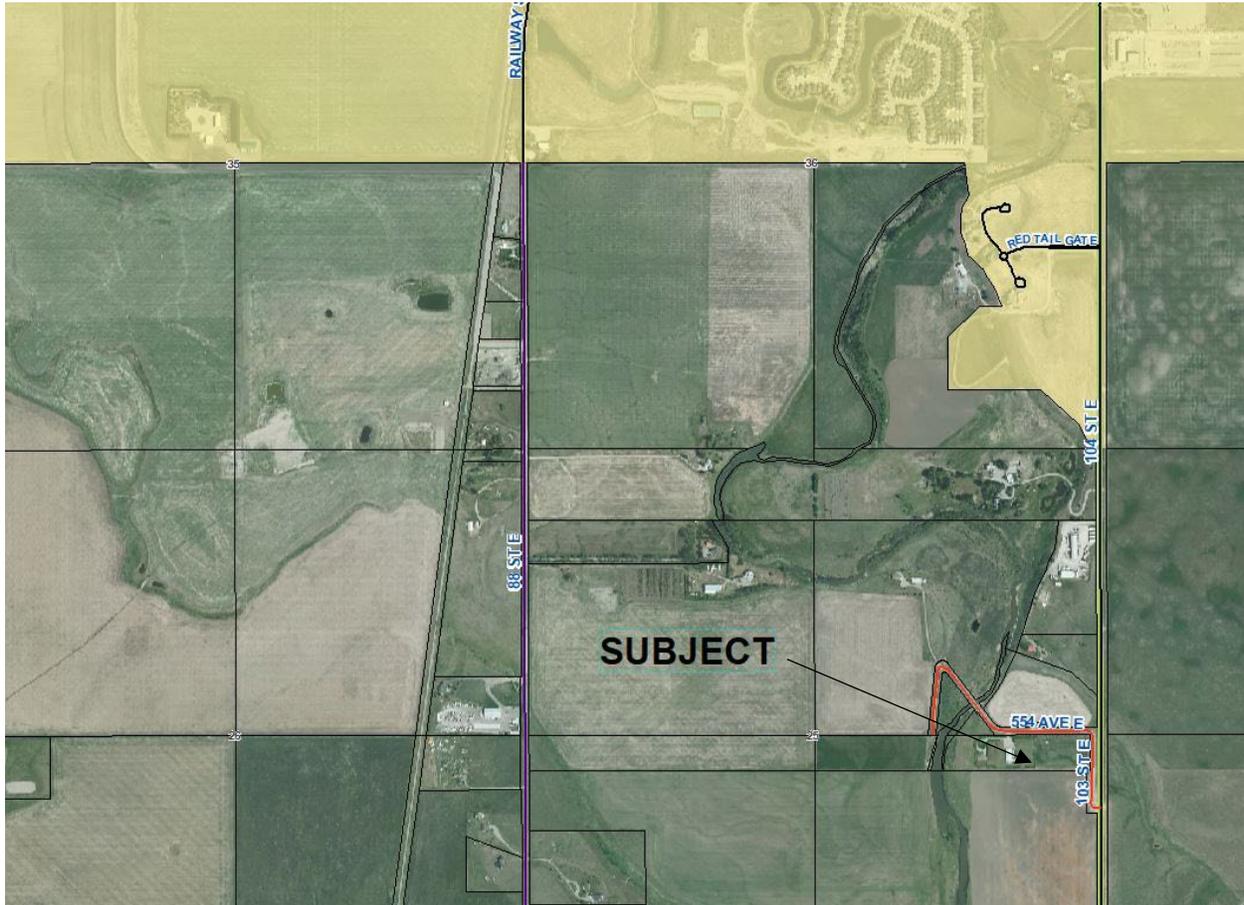
As outlined in Matters Relating to Assessment Complaints (MRAC) both parties must present evidence in sufficient detail to allow the other party to respond to, or rebut, the presented evidence. This is also a requirement of any rebuttal evidence submitted by the complainant. MRAC details this in Section 5, clause 2, sub (c) states the complainant must disclose to the respondent and the review board all evidence they intend to disclose at the hearing in rebuttal. "(b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing." This section affords the respondent the opportunity to address any or all rebuttal information presented by the complainant at the hearing.

Additional and expanded legislation can be found in Appendix A: Legislation.

Description of the Subject Property

Below is a picture of the mapped location of the parcel. The lightly shaded portion of the map in yellow shows the town of High River boundary. The black arrow shows the subject property.

MAP 1



The subject property is located south of High River on the west side of 104th Street directly off of 554th Ave and borders the little bow river to the east. The property is a 10 acre parcel assessed at a 3 acre market site with the remaining 7 acres valued at regulated rates. There are trees and bushes surrounding the residence and is a relatively flat site with a partial mountain view. The property contains a residence, attached garage and a shop.



RESIDENCE
Built in 2002
2,275 square feet
One Storey Slab on Grade
Bungalow

Photo 1



ATTACHED GARAGE
Built in 2002
551 square feet
Concrete base floor
Hot water heat

Photo 2



SHOP
Built in 2001
6,000 square feet
1/3 Shop portion
2/3 Farm implement Building

Photo 3

Assessment Recommendation

The assessed value on the property at the time of complaint was \$599,080.

	Land	Impr.	Other	Assessment
TOTAL TAXABLE	\$219,340	\$379,740	\$0	\$599,080

Upon inspection of the property on August 24, 2023, property characteristics were reviewed resulting in a revised recommended value of \$573,360.

	Land	Impr.	Other	Assessment
TOTAL TAXABLE	\$193,320	\$380,040	\$0	\$573,360

The revision in the **land** is because of the removal of a creek influence, this resulted in a -\$20,013 reduction to the value.

The revision in the Shop **improvement** included an addition of two mezzanines, hotwater heat and a change of the use to 66% farm and 33% residential. The assessment ended up being very close to what it was before. Confirmed by inspection.

Sales (Fairness) Comparables

Assessments are representations of market value, which is determined by using sales of similar properties, that have been marketed and sold with no undue pressure between a willing buyer and a willing seller.

The following table contains sales of similar properties that are believed to represent market transactions.

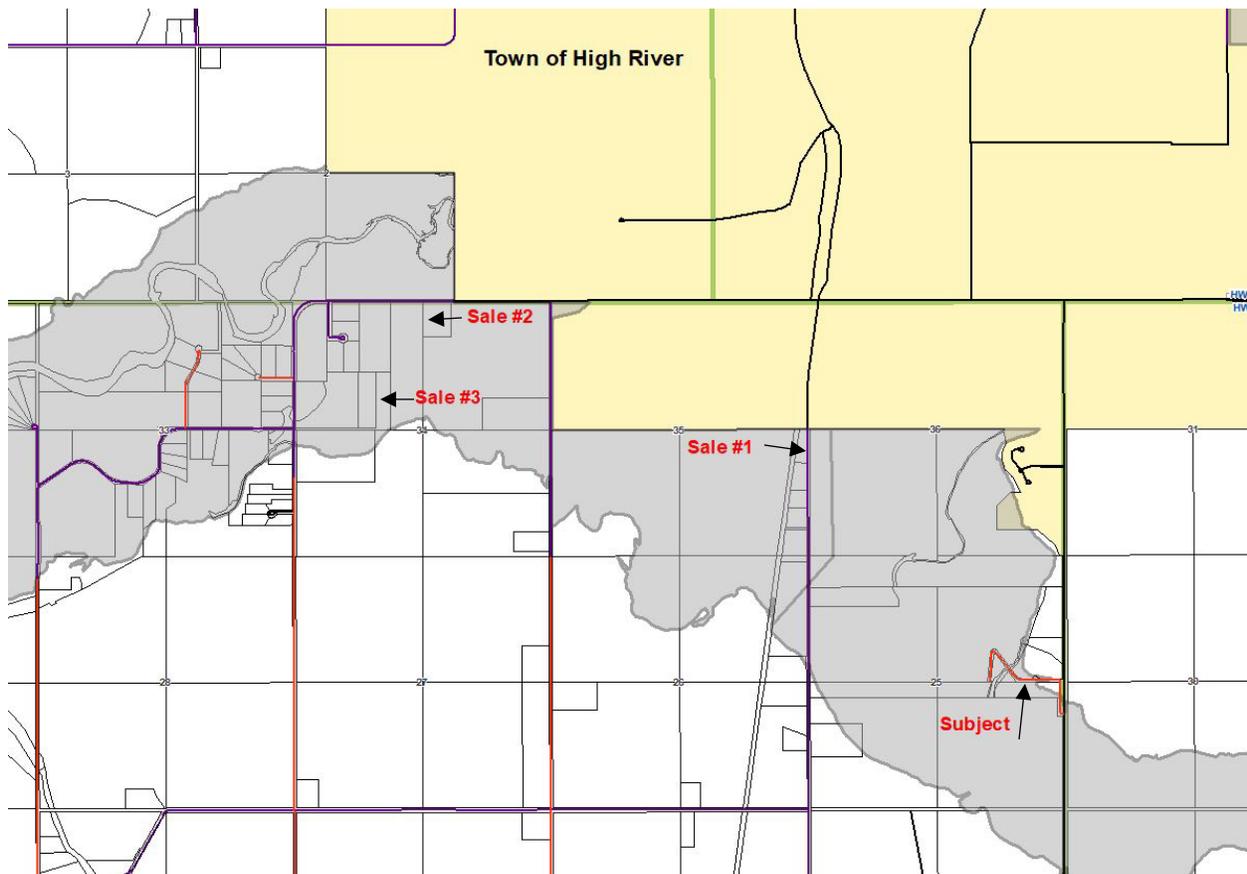
Property	Subject	Sale 1	Sale 2	Sale 3
Address	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Land Size	10.00 Acres	3.26 Acres	10.00 Acres	10.33 Acres
Bldg Size	2,275 sf	1,571 sf	2,519 sf	1,944 sf
Year Built	2002	1997	1992	1994
Effective Age	2007	1999	1992	1996
Basement	No Bsmnt.	L.L. finish	No Bsmnt.	L.L. finish
Outbuildings	Yes	No	Yes	Yes
Sale Date	-	May 06, 2022	January 7, 2022	June 9, 2022
Sale Price	-	\$620,000	\$708,000	\$800,000
Time Adj. Sale Price	-	\$619,300	\$718,200	\$799,500

The location of the comparables can be found on page 10.

Pictures of the three comparables can be found in appendix B.

- A. Sale 1 is located along the border of High River to the North and 88street to the East. It is a 3.26 acre parcel. It has immature trees, a flat full mountain view and a laneway that joins an oiled road. Property improvements include a residence and an attached garage.
- B. Sale 2 is located along 530th Ave East. It has a laneway which joins an oiled road and the property is considered to have lotsmature trees. It borders the South West of High River. Property improvements include a residence, attached garage, detached garage, summer cottage and a shop.
- C. Sale 3 is located south west of High River. It has various shelterbelts on the property which are mature. The property has a shared laneway, full country view and a partial mountain view. Property improvements include a residence, a detached garage and a large shed.

MAP 2



The sales listed are considered comparable as they are properties within flood zones. The grey area on the map above represents a flood zone.

As per legislation, we use the previous three years of sales up to July 1st 2022 which is our valuation date. The sales took place within that timeline. The sales indicate a value range of \$620,000 to \$800,000.

The lowest indication of market value is indicated by sale 1. The highest indication of market value is offered by sale 3. The best comparable is sale 2. The main difference between sale 2 and the subject is the year built. Overall, this sale reflects very similar characteristics to the subject. The land size, the location in a flood area, the fact that there is no basement and they both have outbuildings are similar.

Summary

The Assessment Department has demonstrated that the assessment on the parcel under complaint is both fair and equitable. All applicable legislative standards have been followed and met which makes the assessment reasonable.

The main issue that the appellant brought forward is the impact of the flood mitigation efforts to the value of his property. The assessment department has provided market value information. The emphasis of the use of mass appraisal for property assessments is based on market value.

The sales comparables demonstrate that properties located within flood areas with residences have a market value. This infers that the assessment is fair amongst similar properties, given the presented sales information.

Although Mr. Edeys property is in a flood zone, the residence is protected. Three recent sales demonstrate that despite their flood-prone location, properties in these areas maintain a market value.

We ask the board to confirm the revised assessed value of \$573,360.

Appendix A: Legislation

s.284(1)(r) “**property**” means

- (i) a parcel of land
- (ii) an improvement, or
- (iii) a parcel of land and the improvements to it

MGA s.284(1)(r)

s.289(2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which the tax is imposed under Part 10 in respect of the property, and
- (b) the valuation and other standards set out in the regulations for that property.

MGA s.289(2)

s.295(1) A person must provide, on request by the assessor, any information necessary for the assessor to prepare an assessment or determine if property is to be assessed.

MGA s.295(1)

s.1(g) “mass appraisal” means the process of preparing assessments for a group of properties using standard methods and common data and allowing for statistical testing

MRAT s.1(g)

s.5 An assessment of property based on market value

- (a) must be prepared using mass appraisal,
- (b) 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 that property

MRAT s.5

s.6 Any assessment prepared in accordance with the Act must be an estimate of the value of the property on July 1 of the assessment year

MRAT s.6

s.9(1) When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value

MRAT s.9

5.9(2) In preparing an assessment for property, the assessor must have regard to the quality standards required by subsection (3) and must follow the procedures set out in the Alberta Assessment Quality Minister's Guidelines. (3) For any stratum of the property type described in the following table, the quality standards set out in the table must be met in the preparation of assessments:

Property Type	Median Assessment Ratio	Coefficient of Dispersion
Property containing 1, 2 or 3 dwelling units	0.950 - 1.050	0 - 15.0
All other property	0.950 - 1.050	0 - 20.0

MRAT 5.9

(4) The assessor must, in accordance with the procedures set out in the Alberta Assessment Quality Minister's Guidelines, declare annually that the requirements for assessments have been met.

MRAT s.14

s.5(1) In this section, "Complainant" includes an assessed person or taxpayer who is affected by a complaint who wishes to be heard at the hearing.

(2) If a complaint is to be heard by a local assessment review board panel, the following rules apply with the respect to the disclosure of evidence:

(a) the complainant must, at least 21 days before the hearing date, (i) disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the complainant intends to present at the hearing in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing, and (ii) provide to the respondent and the local assessment review board an estimate of the amount of time necessary to present the complainant's evidence;

(b) the respondent must, at least 7 days before the hearing date, (i) disclose to the complainant and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the respondent intends to present at the hearing in sufficient detail to allow the complainant to respond to or rebut the evidence at the hearing, and (ii) provide to the complainant and the local assessment review board an estimate of the amount of time necessary to present the respondent's evidence;

(c) the complainant must, at least 3 days before the hearing date, disclose to the respondent and the local assessment review board the documentary evidence, a summary of the testimonial evidence, including any signed witness reports, and any written argument that the complainant intends to present at the hearing in rebuttal to the disclosure made under clause (b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing.

MRAC s.5

Appendix B: Sales Comparable Pictures

SALE 1



ROLL: 1829350050

LEGAL: SE-35-18-29-4

SALE PRICE: \$620,000

2022 ASSESSED VALUE: \$608,760

ADDRESS: [REDACTED]

SALE DATE: May 6, 2022

ADJUSTED SALE PRICE: \$619,300

SALE 2



ROLL: 1829347510

LEGAL: NE-34-18-29 W4

SALE PRICE: \$708,000

2022 ASSESSED VALUE: \$730,930

ADDRESS: [REDACTED]

SALE DATE: January 7, 2022

ADJUSTED SALE PRICE: \$718,200

SALE 3



ROLL: 1829345090

LEGAL: NW-34-18-29-W4

SALE PRICE: \$800,000

2022 ASSESSED VALUE: \$650,040

ADDRESS: [REDACTED]

SALE DATE: June 9, 2022

ADJUSTED SALE PRICE: \$799,500