
RECORD OF DECISION

CITY OF PRINCE ALBERT – BOARD OF REVISION

Appeal No.: 2023-37
Roll No.: 300002400.0001
Hearing Date: June 8, 2023, at 1:00 p.m.
Location: 2nd Floor, Main Boardroom, City Hall
1084 Central Avenue, Prince Albert, SK

Appellant Norsask Plumbing & Heating Ltd.

Respondent City of Prince Albert

Board of Revision Jackie Packet, Chair
Ralph Boychuk, Member
Cherise Arnesen, Member

Stacey Slater, Recording Secretary

Representation

Appellant David Bach, Norsask Plumbing & Heating Ltd.

Respondent Vanessa Vaughan, City Assessor
Darcy Lees, Assessment Appraiser I

Property Appealed

Civic Address 1, 211 20th Street West
Prince Albert, Saskatchewan
Legal Description Condo Plan 102059951 Ext. 0
Assessed Value \$450,100
Tax Class Condominium – Improved (80% of value)
Taxable Assessment \$360,100

Role of the Board of Revision

[1] The Board of Revision (Board) is an Appeal board that rules on the assessment valuations for both land and buildings that are under Appeal. The basic principle to be applied by the Board in all cases is set out in *The Cities Act*, which states the dominant and controlling factor in the assessment of property is equity. The Board's priority is to ensure that all parties to an Appeal receive a fair hearing and that the rules of natural justice come into play.

[2] The Board may also hear Appeals pertaining to the tax classification of property or the tax status of property (exempt or taxable). This does not mean the Board can hear issues relating to the taxes owed on property.

[3] Upon hearing an Appeal the Board is empowered to:

- (a) confirm the assessment; or,
- (b) change the assessment and direct a revision of the assessment roll by:
 - a. increasing or decreasing the assessment,
 - b. changing the liability to taxation or the classification of the subject; or,
 - c. changing both the assessment and the liability to taxation and the classification of the subject.

Legislation

[4] Property assessments in Saskatchewan are governed by *The Cities Act*, *The Cities Act Regulations* and/or by board order of the Saskatchewan Assessment Management Agency (SAMA).

[5] The dominant and controlling factor in assessment is equity. (*The Cities Act*, 165(3))

[6] Equity is achieved by applying the market valuation standard. (*The Cities Act*, 165(5))

[7] The market valuation standard is achieved when the assessed value of property:

- (a) is prepared using mass appraisal,
- (b) is an estimate of the market value of the estate in fee simple in the property,
- (c) reflects typical market conditions for similar properties; and,
- (d) meets quality assurance standards established by order of the agency.
(*The Cities Act*, 163(f.1))

[8] Mass appraisal means preparing assessments for a group of properties as of the base date using standard appraisal methods, employing common data, and allowing for statistical testing. (*The Cities Act*, 163(f.3))

Preliminary Matters

[9] With respect to the Board's internal process, this hearing will be recorded for use of the Board only in rendering its decision.

[10] The Appellant requested that Appeal 2023-37 be considered a lead Appeal and all evidence and testimony from both parties for this Appeal be carried forward and applied to Appeals 2023-38, 2023-39, and 2023-40. The Respondent agreed.

[11] In light of there being a lead Appeal, the Board will render a decision on the lead Appeal 2023-37 and apply that decision to Appeals 2023-38, 2023-39 and 2023-40.

[12] The Assessor brought to the Board's attention that the City Assessor's office did not receive any written material from the Appellant at least 20 days prior to the hearing date as required by section 200(1)(b) of *The Cities Act*.

[13] The Appellant requested that additional documents be considered at the hearing. These documents were submitted after the 14-day extension to perfect the Notice of Appeal.

[14] The Board recessed the hearing at 1:20 p.m. and resumed at 1:28 p.m.

[15] The Board and Respondent had no objections to the additional information; however, the Respondent requested an opportunity to review the documents. The Board agreed.

[16] The Board recessed the hearing at 1:30 p.m. and resumed at 1:33 p.m.

[17] The Appellant agreed that the additional documents would only be to support discussion on square footage and market value.

Exhibits

[18] The following material was filed with the Secretary of the Board of Revision:

- a) Exhibit A-1 – Notice of Appeal received February 8, 2023
- b) Exhibit A-2 – Appellant's Response to Perfect Notice of Appeal received March 9, 2023
- c) Exhibit B-1 – Acknowledgement and Notice to Perfect Letter dated February 22, 2023
- d) Exhibit B-2 – Response to Appellant's Request for Information dated February 23, 2023
- e) Exhibit B-3 – Acknowledgement E-mail dated March 14, 2023
- f) Exhibit B-4 – Notice of Hearing Letter dated March 27, 2023
- g) Exhibit R-1 – Respondent's 10 day written submission received May 29, 2023

The following submissions were approved at the Hearing:

h) Exhibit A-3 – Appellant's additional documents dated March 8, 2023

Appeal

[19] Pursuant to *The Cities Act*, section 197(1), an Appeal has been filed against the property valuation of the subject property. The property is a single-family condominium.

[20] The Appellant's ground states: The factors used to determine fair market value are incorrect.

Appellant

[21] In the Appellant's written submission and testimony to the Board, the Appellant states:

- The model used by the assessor weighs too heavily on square footage when it should rely on number of bedrooms, number of bathrooms, and other features, rather than strictly on size.
- The location of the subject property should be taken into consideration as it is on a corner lot on the busiest street in Saskatchewan. Despite being on the West Hill, it borders West Flat and East Hill, both undesirable neighbourhoods.
- The quality calculations are inflated as the subject property is ten years old and has always been used as a rental property. The wear and tear on cabinets, appliances, and flooring should be taken into consideration as most have been damaged and require replacement.
- The square footage used by the assessor is incorrect. Units 1 and 4 have a square footage of 2096 plus a 308 sq. ft. den with a six-foot ceiling. Units 2 and 3 are 2256 sq. ft. with a 308 sq. ft. six ft. high bonus room. These rooms of six-foot heights should not have a smaller factor applied to them. It is also not fair to count space that does not have a floor i.e. stair wells.
- Basement finishes have been calculated as 0 because there is no finished basement in the subject property. A townhouse condominium with an unfinished basement is also calculated as 0. Because the subject property cannot have a basement, a negative factor should be added rather than a 0 factor.
- A certified appraiser confirms that the assessor values the property 50% higher than the fair market value. The property will not sell because buyers will not purchase property with such high taxes.

[22] Questions asked of the Appellant's submission and the subsequent responses:

- The City Assessor inquired about the sale evidence provided by certified appraiser. The response was that the appraiser applied most recent comparable sales and was confident that his sale projection range for 2023 was correct. The Appellant is aware that 2023 assessments use sales inclusively from 2015-2018.
- The City Assessor inquired about square footage measurements. The response alluded to the fact that realtors use a residential measurement system, and the city does not. In essence it is the difference between measuring interior wall to wall and exterior corner to corner. The Appellant emphasized that his stated measurements replicated the format for measurements used by the Assessor.
- A Board member inquired if there was evidence of the street being the busiest in Saskatchewan and the Appellant acknowledged that it was information provided by a realtor.
- A Board member asked if the Appellant had evidence that all townhouses in Prince Albert had basements and he responded, "No".

Assessor

[23] In the Assessor's written submission and testimony to the Board, the Assessor states:

- The property's assessment was determined using the Sales Comparison Approach to Value. 264 sales from the years 2015-2018 were used to form the condominium model for Prince Albert. The improved sale time adjustment analysis indicated an overall decrease of 5.58% in the time frame of 2015-2018.
- A Multiple Regression Model was developed resulting in a Multiple Regression Analysis (MRA). Appendix B presented all aspects of the MRA.
- Square footage is a main determining factor in sale price as determined through the condominium model. A size adjustment factor of 0.852 was applied to the subject property resulting in a decrease in the assessment valuation. This is a downward adjustment resulting in a decrease in the assessment valuation.
- As the subject property is in the West Hill neighbourhood, it had an adjustment factor of 0.967 applied. There were 74 sales in the "West Hill" grouping; Appendix B indicate high quality statistics. (a median ASR (assessment to sales ratio) of 1.0127, COD (coefficient of dispersion) of 8.705, PRD (price-related differential) of 1.0154 and a 95% confidence interval surrounding the median brackets 1.000.)

- Referenced data from a certified appraiser have little to no bearing as the market data occurred after the revaluation date of January 1, 2019, and “comparison” properties are not directly comparable.
- As the Property is located along a main arterial roadway, 2nd Avenue West, the Assessor applied an 11% decrease, as indicated in the progressive factor of 86%
- An overall factor adjustment of 0.769 (downward adjustment) was applied to the subject property based on the style of build as it is different compared to other condominiums.
- The calculation of the square footage was completed on March 2, 2022, and they are correct. The images of the building plans provided by the Appellant are for the basement units, which are not owned by the Appellant and are not under Appeal.
- The Property was built in 2010, which makes the Property 9 years old as of the base date of January 1, 2019, not 10 years old as stated by the Appellant. There were 119 sales in the depreciation grouping applied to this property. Appendix B supports an accurate adjustment for depreciation.
- The Property has a condominium style applied as “Special” which results in a factor adjustment of 0.939 – downwardly adjusting the assessment valuation by 6.1%.
- The Subject property is strictly a two-story, (no basement). Through the MRA modelling finished basements have a different rate per square foot applied and it is never assumed that all condominium sales have a basement. The Property does not have a basement, and therefore has no value applied for one.
- The BOR Decision for 2022-08, 2022-09, 2022-10, and 2022-11 regarding the same Property under this Appeal found no error in the condominium model, no errors in the factors applied, and should be upheld.

[24] Questions asked of the Assessor’s submission and the subsequent responses:

- The Board asked for confirmation that the Assessor applied adjustment factors to the Property and yes adjustments were applied because of location, building type, and square footage as measured in 2022.

Final Questions, Comments, and Rebuttals

[25] The Appellant pointed out that it is difficult to sell rental property when tax assessments remain so high in the City, but his assessment would be lower if the proper square footage had been calculated.

[26] The City response was that all the Property was measured last year, procedures for tax assessment are followed by their department and mathematically all assessments are equitable and fair across the City.

Board Analysis

[27] After careful deliberation and reviewing *The Cities Act* and other referenced material, the Board considered:

- Of the 1627 property sales in the revaluation years (2015, 2016, 2017, 2018) 264 were condominiums, providing the City with a reliable mass appraisal model for condominiums in Prince Albert.
- The City applied adjustment factors to the subject property when considering location, square footage, and the unique style of the build.
- One of the four units (Unit 1) is adjacent to 2nd Avenue and the other three units are not.
- Referenced materials assures the Board that the subject property is classified correctly as a condominium and not a town house. Each unit has a separate title of ownership, and each operates according to the “parameters” of a condominium classification. The “special” classification for this type of condominium was noted.
- Appraiser assessments do not provide evidence of errors made in the assessment of the subject property.
- The Assessment office completed square footage measurements in March of 2022 and applied all corrections for this assessment year, 2023.

Decision

[28] The Board dismisses the appeal on all grounds.

[29] The total assessed value will remain at \$450,100.

[30] The taxable assessment will remain at \$360,100.

[31] The filing fee shall be retained.

DATED AT PRINCE ALBERT, SASKATCHEWAN THIS 5TH DAY OF JULY 2023.

CITY OF PRINCE ALBERT BOARD OF REVISION



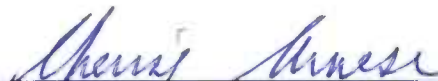
Jackie Packet, Chair

I concur:



Ralph Boychuk, Member

I concur:



Cherise Arnesen, Member