
RECORD OF DECISION

CITY OF PRINCE ALBERT – BOARD OF REVISION

Appeal No.: 2022-10
Roll No.: 300-002-400.0003
Hearing Date: April 27, 2022, at 9:00 a.m. (Adjourned)
May 4, 2022, at 3:00 p.m.
Location: 2nd Floor, Main Boardroom, City Hall
1084 Central Avenue, Prince Albert, SK

Appellant Norsask Plumbing and Heating Ltd.

Respondent City of Prince Albert

Board of Revision Jackie Packet, Chair
Ralph Boychuk, Member
Dan Christakos, Member

Terri Mercier, Secretary

Representation

Appellant David Bach on behalf of Norsask Plumbing and Heating Ltd.

Respondent Vanessa Vaughan (City Assessor)
Darcy Lees (Observer, Assessment Department)
Heather Greier (Observer, Assessment Department)
Thomas McIntosh (Observer, Assessment Department)

Property Appealed

Civic Address 3, 211 – 20th Street West
Prince Albert, Saskatchewan

Legal Description Unit 3, Condo Plan No. 102059951, Extension 0

Assessed Value \$422,800

Tax Class Condominium-Improved (80% of value)

Taxable Assessment \$338,200

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 an adjournment for two (2) weeks to properly submit his rebuttal to all parties, as he did not get adequate time.

[11] The Assessment Department inspected the property on March 22, 2022, and subsequently forwarded an email to David Bach to identify assessment errors that will be applied to the 2023 assessment valuation. Mr. Bach advised that he did not receive this email and it was determined that the information was sent to the incorrect email address.

[12] The Respondent forwarded their 10-day submission to the Secretary and to the Appellant on April 14, 2022. It was not until April 20, 2022, that the Respondent discovered that the email address was incorrect, and that the Appellant did not receive the submission before the deadline date of April 19, 2022. The Respondent forwarded by email, information regarding the inspection results and the 10-day submission.

[13] The Board recessed for 30 minutes.

[14] Following the recess, the Board advised that they would be agreeable to moving the hearing date to either May 3 or 4, as that would allow adequate time for the Appellant to submit a rebuttal and prepare for the hearing.

[15] It was also communicated that the rebuttal submission was required to be submitted at least five (5) days prior to the hearing, which was determined to be April 27, 2022, at the end of the day.

[16] The Board confirms that the rebuttal submission was provided by email from the Appellant to the Secretary and the Assessor on April 27, 2022.

[17] The Board agreed to adjourn the hearing until May 4th at 3 p.m. in City Hall.

[18] Upon continuation of the appeal at 3 p.m. on May 4, 2022, the Appellant requested that appeal 2022-08 be considered a lead appeal and all evidence and testimony from both parties for this appeal be carried forward and applied to appeals 2022-09, 2022-10, and 2022-11. The Respondent agreed.

[19] The Board ruled appeal 2022-08 to be the lead appeal and all evidence and testimony from the Agent and Respondent will be carried forward and applied to appeals 2022-09, 2022-10 and 2022-11.

[20] In light of there being a lead appeal, the Board will render a decision on the lead appeal 2022-08 and apply that decision to appeals 2022-09, 2022-10 and 2022-11

Exhibits

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

- a) Exhibit A-1 – Notice of Appeal received February 9, 2022
- b) Exhibit A-2 - Letter received February 28, 2022, remitting additional \$90 appeal fees as required for Appeal Nos. 09, 10 and 11
- c) Exhibit A-3 – Appellant’s 5 day written rebuttal received April 27, 2022
- d) Exhibit B-1 – Acknowledgement and Amendment Letter dated February 15, 2022, requesting additional required appeal fees for Appeal Nos. 09, 10 and 11
- e) Exhibit B-2 – Notice of Hearing Letter dated March 18, 2022
- f) Exhibit R-1 – Respondent’s 10 day written submission received April 14, 2022

Appeal

[22] Pursuant to *The Cities Act*, section 197(1), an appeal has been filed against the property valuation of the subject property. This property is a 2,412 square foot, two-story condominium located on the West Hill of Prince Albert.

[23] The Appellant's ground states:

The system used by the City to broadly determine the market value is reliable some of the time but not in all cases. It weights too heavily on the building square footage. It assumes that every property has a basement which adds living space, but the basement square footage is not included when comparing and assessing properties. The City's system does not take into account accurately the location and building finishes. The assessment reflects a significant increase in property values while the evidence is that property values in Prince Albert and Saskatchewan have been dropping with a small uptick in prices for 2021.

Appellant

[24] In the Appellant’s written submission and testimony to the Board, the Appellant states: [24] In the Appellant’s written submission and testimony to the Board, the Appellant states:

- The assessment system used by the City did not determine fair market value on the property under appeal. It weighs too heavily on the square footage of buildings and assumes that every property has a basement which adds living space. Basement square footage is not included when comparing and assessing properties.
- The City did not take accurately into consideration the location and building finishes of the property.

- The assessment of this property reflects a significant increase in property values while property values in Prince Albert, and Saskatchewan, in general have been dropping.
- Schedule A was presented which indicates that a respectable realtor in Prince Albert conducted a market comparison of the subject properties and similar properties and appraised these condominium units between \$269,900 and \$299,900. This range is far less than assessed values of the City.
- The best way to compare property values is to compare location, number of bedrooms, number of bathrooms, garage, finishes, age of property, and square footage. Schedule B provided details on two condominiums for sale in Prince Albert; both are similar to the subject property in square footage when basements are taken into consideration. Both are listed lower than the assessed market value of the subject properties.
- Schedule C contains a chart from Statistical Research Department showing that from 2018-2020 the value of property in Saskatchewan has been declining, not appreciating. The city's assessment shows a 12% increase in property value. This far exceeds what research has shown.
- The four townhouses, not condos, are rental properties. Schedule D is a 2021 income statement from all four town houses. Calculating the taxes on an income approach would lower the value of the subject property. Having taxes of 26% of the rental income is out of range.

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

- City assessor inquired whether the realtor provided sale evidence with his letter of appraisal. The response was that the realtor applied comparable sales from 2020 and was confident that his sale projection range for 2022 was correct. And yes, the appellant was aware that this assessment year was a revaluation year using sales inclusively from 2015-2018.
- A Board member 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.

Assessor

[26] 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; of particular note, the significant variables for the subject property- basement finish, attached garage, depreciation size adjustment, story level, location, condo style, location of condo in building, and air conditioning were noted.
- 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.
- 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.
- As the subject property is in the West Hill neighbourhood, it had an adjustment factor of 0.967 applied.
- Referenced emails from a local realtor have little to no bearing as the market data on the email occurred after the revaluation date of January 1, 2019, and "comparison" properties are not directly comparable.
- An overall factor adjustment of 0.769 (downward adjustment) was applied to the subject property based on the style of build is different compared to other condominiums.
- Referencing information from the Statista Research Department has no bearing on the subject property as we are dealing with properties in Prince Albert and not Saskatchewan in general. The properties in the chart are based solely on single-family dwellings and Prince Albert had enough sales to formulate a MRA model for each, a single-family dwelling, and a condominium.
- Despite the fact there are a total of 8 condominiums in a block and the four subject properties under appeal are rental properties, assessments valuation cannot be calculated using the income approach; this is not a multi-residential property – multi-residential properties do not have individual ownership of units.

- The assessed value of the subject property will be adjusted in 2023 to account for the corrections in square footage and air conditioning type found during the appeal inspection done on March 22, 2022.

[27] Questions asked of the Assessor's submission and the subsequent responses:

- The Board asked for if all four properties had garages, and if all units had separate titles. There are garages with each of the units under appeal. The appellant owns the top four units each having separate titles of ownership. Of note, the four lower units also have separate titles.

Board Analysis

[28] After careful deliberation and reading of 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.
- References 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.
- Relator emails and Statista Research do not provide evidence of errors made in the assessment of the subject property.
- Use of square footage on sale listings may be different as assessors and realtors use different measurement types.
- Any upward adjustments of the assessed values because of correctable errors discovered during inspections will be made in 2023.

Decision

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


[30] The total assessed value will remain at \$422,800.

[31] The taxable assessment will remain at \$338,200.

[32] The filing fee shall be retained.


DATED AT PRINCE ALBERT, SASKATCHEWAN THIS 25 DAY OF MAY, 2022.

CITY OF PRINCE ALBERT BOARD OF REVISION




Jackie Packet, Chair

I concur:



Ralph Boychuk, Member

I concur:



Dan Christakos, Member