
RECORD OF DECISION

CITY OF PRINCE ALBERT – BOARD OF REVISION

Appeal No.: 2022-17
Roll No.: 101001420
Hearing Date: May 11, 2022 at 1:00 p.m.
Location: 2nd Floor, Main Boardroom, City Hall
1084 Central Avenue, Prince Albert, SK

Appellant Brian D. Bieber
Irene M. Bieber

Respondent City of Prince Albert

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

Terri Mercier, Secretary
Lucy Phan, Observer, City Clerk's Office

Representation

Appellant Brian Bieber
Zachary Bieber

Respondent Vanessa Vaughan (City Assessor)
Dale Braitenbach (Assessment Appraiser)

Property Appealed

Civic Address 129 16th Street West
Prince Albert, Saskatchewan

Legal Description Lot 52, Block 12, Plan 99PA23055

Assessed Value \$464,800

Tax Class Commercial – Tier 1 – Improved (85% of value)

Taxable Assessment \$395,100

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 Respondent requested that colour copies of Pages 15 to 20 of the Respondent's submission be accepted by the Board in consideration of the hearing. No objections were heard.

Exhibits

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

- a) Exhibit A-1 – Notice of Appeal received February 11, 2022
- b) Exhibit A-2 – Appellant's 5 day written rebuttal received May 5, 2022
- c) Exhibit B-1 – Acknowledgement Letter dated February 25, 2022
- d) Exhibit B-2 – Notice of Hearing Letter dated March 30, 2022
- e) Exhibit R-1 – Respondent's 10 day written submission received April 29, 2022

Appeal

[12] 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 18,164 square foot lot with a one story 6,144 square foot storage warehouse.

[13] The Appellant's ground states:

Not enough Data: We feel that our commercial building has been overvalued. Given the number of sales of comparable properties being so low in the past years, it is difficult to give an accurate appraisal based solely on these sales. Some of these warehouse buildings in the appraisal system are not even comparable in value to our building, using them results in an in accurate appraisal.

Irregular lot: The lot is irregular being a pie shaped piece of land. Half of the lot is almost useable for this reason. This type of lot would not have the same relative value as a square or rectangular lot for example. This needs to be taken into consideration when appraising the land value.

Location: The location of our building needs to be taking more into consideration when appraising our building. The location on 16th street isn't a highly valuable location compared to some areas throughout the city. Our area is almost as if it were an industrial area with a very low level of traffic.

The depreciation: We feel our building has depreciated more than the appraisal has stated.

Appellant

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

(a) Ground 1: Not enough data

- In the appraisal only six sales were used to create a valuation model. These few sales attributes to a high level of variation – the lowest valuations \$157,000 and the highest is \$1,812,400.
- From revaluation year 2017 to this revaluation year 2021, the land value went from \$3.73 to \$6.51 – an increase of 75%
- A standard vacant lot parcel size of 47,045 square feet is unrealistic. This is nearly three times bigger than the subject property and far too large to be the standard.

(b) Irregular Lot

- Our lot is pie-shaped, making a large portion of it almost useless. Rectangular or square lots can be used corner to corner. We have an agreement with Carlton Trail to park vehicles partly on their property otherwise we would not be able to use “pointed” end of our lot.
- There are few irregular lots in the city, and few sales of such because they are impractical for use. The neighbouring lot, which is irregular, did sell, but it was a water business and most likely purchased for the building, its equipment, and the business itself, regardless of lot shape.

(c) Location

- Location is a major reason for property sales. A lease in cornerstone or a 15th street property should have a much higher per square foot compared to ours, which is off the beaten path. North of the river, warehouse properties are given a discount because of their location and gravel access to properties. Our irregular lot and location should be considered for such as well.

(d) Depreciation of Building

- Our building is a block building built in 1969, has some shifting, and few to no renovations. Paint is really the only upkeep that has occurred on the building.
- The life span used in the depreciation formula is 60 years. Our over 40-year building has a depreciation value of 46%, using this model. This is unrealistic.

Assessor

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

- The city values improved commercial properties by the Cost Approach modified by a MAF.
- In valuation years, 2015-2018 there were three vacant land sales, helping to develop a base land rate of \$6.51 and a standard parcel size of 47,045 square feet. A 180% land size multiplier curve is applied to the base land rate for parcels larger than the standard size.
- Concerning the MAF, the City used 59 improved commercial property sales in the valuation years, 2015-2018, and extended the date range back to 2014 so there were sufficient sales of different property types for stratification purposes. With stratification, the City identified warehouse properties by location – Warehouse and North Industrial Warehouse.

(a) Ground 1: Not enough data

- Six sales in the Warehouse district were used to develop the MAF of 1.08; by law, a minimum of two sales is required.
- The Warehouse assessment to sales ratio (ASR) is 1.00 and the overall COD is 11.104%
- An inspection of building in March of 2022, resulted in some changes to physical data.

(b) Ground 2: Irregular Lot

- Pictures show that the lot is being fully utilized.
- No sales evidence supports that irregular lots sell differently, or are difficult to sell, than other shaped lots.
- In the improved sales analysis for the Warehouse MAF grouping a "clone" of the subject property sold.

(c) Ground 3: Location

- Three of the six properties used to develop a MAF are near the subject property, and, like the subject property, are not on main arteries.
- The City could not find a difference in sales of warehouses on main arteries and secondary arteries as there were not enough sales.

(d) Ground 4: Depreciation of Building

- The subject property was inspected on March 31, 2022. Upon inspecting it was determined that the building should change from "Average" quality to "Low Cost" quality. Considering the lack of renovations, types of heating, and years of construction, (1969, 1974 and 1981), the assessed value is lowered by \$97,000.
- Using the 60-year depreciation model of the City, the depreciation applied is 48.1%. Despite the lack of renovations, the building has no structural issues and is still in use.

Final Questions, Comments, and Rebuttals

[16] The Appellant pointed out that the standard parcel size is far too large for equitable comparisons, removal of a few sales would bring base land rate into better proportion, a 60-year depreciation table is not a fair assessment evaluator, the North Industrial Warehouses having a different MAF is not equitable, and the 'clone' property sold because of equipment in the building and the business itself.

[17] The City response was that they are required by law to use all sales when developing stratification groupings. Having six comparable warehouse sales, three near the subject property, assures equitability. Chattels within buildings are taken into consideration when examining improved commercial sales.

Board Analysis

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

- The City followed procedures outlined in *The Cities Act* when developing a base land rate, standard parcel size, and a MAF.
- The subject property was inspected, evaluation changes noted and presented to the Appellant.
- Comparisons outside the revelation years cannot be used.

[19] The Board reviewed the evidence submitted and found insufficient evidence to support changes relating to Grounds 1, 2 and 3.

[20] The Board reviewed the evidence submitted and agreed with the Respondent in relation to change in value based on the inspection that was completed in relation to Ground 4.

Decision

[21] The Board dismisses the appeal on grounds 1, 2, and 3.

[22] The Board grants the appeal on ground 4.

[23] The Board orders the Assessor to lower the assessed value by \$97,000.

[24] The total assessed value will change to change to \$367,800.

[25] The taxable assessment will change to \$312,630.

[26] The filing fee shall be refunded.

DATED AT PRINCE ALBERT, SASKATCHEWAN THIS 29 DAY OF JUNE, 2022.

CITY OF PRINCE ALBERT BOARD OF REVISION



Jackie Packet, Chair

I concur:



Ralph Boychuk, Member

I concur:



Dan Christakos, Member