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## RECORD OF DECISION

### CITY OF PRINCE ALBERT, BOARD OF REVISION

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**APPEAL NO.:** 2021-53  
**ROLL NO.:** 120-003-000  
**Hearing Date:** May 27, 2021, at 1:30 p.m.  
**Location:** Council Chamber  
City Hall, City of Prince Albert

**Appellant** Wesley R. Borsheim and Tim A. Thompson

**Respondent** City of Prince Albert

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

Terri Mercier, Secretary

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#### Representation

**Appellant** Tim Thompson, Property Owner

**Respondent** Vanessa Vaughan (City Assessor)  
Brandi Kowalski (Observer, Assessment Department)

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#### Property Appealed

**Civic Address** 816 12<sup>th</sup> Street West  
Prince Albert, Saskatchewan

**Legal Description** Lot: 26 Block: 13 Plan: 101412728

**Assessed Value** \$1,671,100

**Tax Class** Multi-Residential-Improved (80% of value)

**Taxable Assessment** \$1,336,900

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## 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.

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## 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 was recorded for use of the Board only in rendering its decision.

[10] The Respondent requested that the information outlined in Appendix P in the City's submission be declared confidential, as it pertains to the 2018 Income and Expense Form completed and provided by the Appellant in accordance with Section 171(3) of *The Cities Act*. There were no objections by the Appellant; therefore, the Board orders Appendix P as confidential information in relation to this appeal.

## **Exhibits**

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

- a) Exhibit A-1 — Notice of appeal
- b) Exhibit A-2 — Appellant's 20 day written submission
- c) Exhibit R-1 — Respondent's 10 day written submission

## **Appeal**

[12] Pursuant to *The Cities Act*, section 197(1), an appeal has been filed against the property valuation of the subject property.

[13] The Appellant's ground states:

Proposed City of Prince Albert Assessment Valuation is too high and is not reflective of the current property value and does not represent a fair market value of the property located at 816 12<sup>th</sup> Street West, Prince Albert.

## **Appellant**

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

- Data collected from the Effective Gross Income Method (EGIM) used by the City of Prince Albert in mass appraisals does not take into consideration location of multi-tenant buildings. Neighbourhoods with negative environments and a low number of historical sales in multi-tenant spaces are not equitably represented in the EGIM model of evaluation.

- The City of Prince Albert is lacking in data to effectively and efficiently use the EGIM method as its primary weighting to establish proper property evaluations. If there were enough data, City assessors could stratify Prince Albert by region making assessments more equitable per region.
- 2020 assessment value on subject property was \$1,034,500 with a taxable assessment of \$827,600. There is a sixty-one-point five percent (61.5%) increase in assessment values for 2021. The current assessed value of the subject property is \$1,671,100 with a taxable assessment of \$1,336,900.
- Documentation was provided of a possible sale for the subject property from June of 2019. The list price of the property at that time was \$1,290,000 and agreed upon price was \$900,000; the deal did not close.
- Documentation of a market assessment done by an agent from Royal LePage in January of 2021 indicates that the subject property's estimated selling price to be \$1,191,500. This value is more in line with the value of tax assessment from 2020.
- In previous assessment years, values were adjusted to accommodate buildings in low-income, negative image areas, but now assessors are "hand-cuffed" by the EGIM method of assessment and little or no region-by-region rental rates or representative sales data.

### **Respondent**

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

- Guidelines for use of the EGIM method of assessment were carefully examined and followed.
- In assessment year 2017 a thirty-five percent (35%) adjustment was applied to the sale comparison value of the subject property, greatly lowering the assessed value. This should not have been allowed as no other multi-tenant property received this adjustment. *The Cities Act* clearly states that any such adjustments like this would have to be applied to all multi-tenant properties to ensure equity is maintained.
- Without the 35% adjustment the subject property would have experience an assessed value increase of five percent (5%) which would have been close to the 4.59% increase multi-tenant properties experienced in this tax year.

- *The Cities Act* does not permit the use of single property sales or single property market value assessments to determine assessment values on properties.
- Documentation was provided of rental rates, per suite type, from all regions of the city, historical sales, per suite type, from all regions of the city, and assessment values using comparison sales. This last documentation showed that the subject property would have been assessed higher than current assessment.

### **Board Analysis**

[16] The Appellant has not proven an error by the assessors in fact, in law, or in application of established guidelines outlined in EGIN of *The Cities Act*.

[17] Assessors followed *The Cities Act* guidelines in determining the assessment value of the appeal property.

**Decision**

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

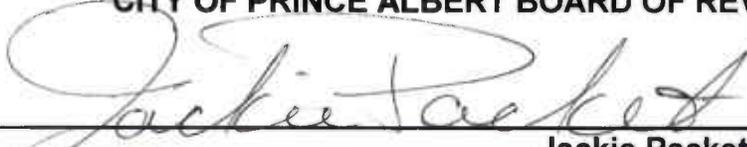
[19] The total assessed value will remain at \$1,671,000.

[20] The taxable assessment will remain at \$1,336,900.

[21] The filing fee shall be retained.

DATED AT PRINCE ALBERT, SASKATCHEWAN THIS 22 DAY OF June,  
2021.

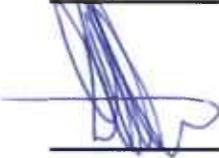
**CITY OF PRINCE ALBERT BOARD OF REVISION**

  
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Jackie Packet, Chair

I concur:

  
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Ralph Boychuk, Member

I concur:

  
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Dan Christakos, Member