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## RECORD OF DECISION

### CITY OF PRINCE ALBERT – BOARD OF REVISION

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**Appeal No.:** 2022-06  
**Roll No.:** 260-016-490  
**Hearing Date:** May 18, 2022 at 1:00 p.m.  
**Location:** 2<sup>nd</sup> Floor, Main Boardroom, City Hall  
1084 Central Avenue, Prince Albert, SK

**Appellant** Ian J. Harnett  
Christine Harnett

**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** Ian Harnett

**Respondent** Mitchell J. Holash, Q.C. (Legal Representation)  
Vanessa Vaughan (City Assessor)  
Heather Greier (Observer, Assessment Department)  
Thomas McIntosh (Observer, Assessment Department)

#### Property Appealed

**Civic Address** 22 Glass Drive  
Prince Albert, Saskatchewan

**Legal Description** Lot 10, Block 129, Plan No. 101957812

**Assessed Value** \$143,800

**Tax Class** Residential-Vacant (80% of value)

**Taxable Assessment** \$115,000

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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 will be recorded for use of the Board only in rendering its decision.

[10] Mitchell Holash, City Solicitor, advised that he is present as agent/advisor to City assessor and is monitoring correct proceedings.

[11] The Appellant and Respondent agreed that appeal 2022-05 would be considered a lead appeal and all evidence and testimony from both parties for this appeal be carried forward and applied to appeal 2022-06, with the exclusion of the property valuation arguments and evidence, which will differ between each appeal.

[12] The Board ruled appeal 2022-05 to be the lead appeal and all evidence and testimony from the Agent and Respondent will be carried forward and applied to appeal 2022-06.

[13] In light of there being a lead appeal, the Board will render a decision on the lead appeal 2022-05 and apply that decision to appeal 2022-06.

[14] The Respondent requested a typographical correction to be noted from their submission on Page 12, Paragraph 28, Line 4, which should read "assessment for the years 2021 to 2024", and not 2021 to 2014.

## **Exhibits**

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

- a) Exhibit A-1 – Notice of Appeal received February 2, 2022
- b) Exhibit A-2 – Appellant's 20 day written submission received April 26, 2022
- c) Exhibit B-1 – Acknowledgement Letter dated February 9, 2022
- d) Exhibit B-2 – Notice of Hearing Letter dated April 7, 2022
- e) Exhibit R-1 – Respondent's 10 day written submission received May 6, 2022

## **Appeal**

[16] 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 residential vacant lot, 11,325 square feet, located in the Adanac Point neighbourhood.

[17] The Appellant's ground states:

The slumping of the land has de-valued the lot value.

## **Appellant**

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

- When the City did assessments for this year, there was no consideration given to the fact, and public knowledge, that Glass Drive has a major slumping problem which is causing houses to shift and/or large "fault lines" in yards and vacant lot. These problems have resulted in a lessened value for properties.
- Ten years' experience living in this area as we one of the first houses built on Glass Drive. First "fault line" noticed in 2014. The land level variation got so bad that back yard had to be torn up, relevelled, and reseeded to grass. This was done in June of 2021.
- Various electrical problems in the house attributed to power surges, possibly from lines affected by ground shifting. Existing power lines were being pulled away from power boxes because of the shifting earth. In November of 2021, Forbes Brothers, contracted by Sask Power, moved existing power lines from the troubled area to prevent further problems and repairs in months not conducive to repairs.
- To date, no major shifting has happened to the subject property as the fault line/crack runs across the back yard. The vacant lot next to the subject property is completely compromised to the point that it cannot sustain construction.
- A Comparative Market Analysis, by a respected realtor indicates that the subject property would be valued roughly \$250,000 less than assessed value because of the "recent and documented geographical issues on the northern portion of Glass Drive". The realtor letter also states that in his professional opinion the subject property would not pass a home inspection and potential buyers would not qualify for mortgage approval because of the issues. Lastly, the vacant lot is likely unsellable as a building lot.
- Real-estate appraisal, complete with comparisons to three other properties, concluded that marketability of the subject property is slim due to the ground slumping issues and the stigmatism of the area. Emphasized that in the previous three years there have been no house sales or vacant lot sales along Glass Drive.

[19] Questions and Subsequent answers of the Appellant:

- Assessor inquired if any engineers had looked at or reported on the slumping in the Subject back yard. Appellant replied, "No," but he is aware that some engineering inspections have been occurring in the neighbouring lots.

- Assessor also inquired about the real-estate assessment and realtor opinions and discovered that all comparable were ones from the previous three years of sales. And, assessed value of Subject property was based on today's market. No value was assessed on vacant lot as it is considered unbuildable.
- Board asked if Appellant has tried to sell their home. Two buyers, with realtors, came through in March of 2022. One buyer withdrew interest once made aware of issues and the other wouldn't qualify for a mortgage because of the issues. One time asking price was around \$649,000, but difficult to get \$500,000 now and if sold would have to be a cash deal.
- Board inquired about the start of the fault line and difficulties because of it. The slump was first noticed in 2014 and has progressively gotten worse. Shorting out of appliances was the first clue of how serious the issue was. Sprinkler lines broke and had to be replaced. Once the yard was difficult to mow properly, it was relandscaped and that work was tampered with once power lines were moved..

### **Assessor**

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

- The City values vacant land properties by the Cost Approach. In the valuation years (2015-2018) there were 86 vacant land residential sales; from these sales five different neighbourhood land rates were determined.
- Eight vacant residential land sales were used in the Subject property neighbourhood, Adanac Point/Lakeview determining a base land rate of \$18.99 per square foot.
- From the eight vacant residential land sales, a standard size parcel of 5,791 square feet and a land size multiplier of 160% was determined. Any vacant parcel of land over the size of 5,791 square feet will have a deduced base rate per square foot applied.
- No market data has been provided to show that the Property has de-valued in value. Any market activity after January 1, 2019, will be reviewed and used in the 2025 revaluation.
- Letters from realtor and real estate appraisal reference comparable after the base dates of 2014-218 and/or reference current market trends and sales. Also, single property appraisal techniques cannot be used in assessments. Mass appraisal techniques are required by law when doing assessments.

- Pictures provided by Appellant do not have accompanying factual data to support that slumping has affected assessment value or ability for vacant lot to be developed.
- Parts of the appeal dealing with green space and condition of green space etc. have no bearing as the green space, “park” areas, are not part of City development, but rather developers’ commitment. Again, there is no factual proof that neglected green spaces are influencing marketability of residences in the neighborhood.

[21] Questions asked of the Assessor and subsequent answers:

- Appellant questioned if any residential sales or vacant lot sales from valuation years were on Glass Drive. Or if any of the residential or vacant lot sales had slumping issues. All five sales used as comparables are on Gurney which is directly south of Glass Drive and none of them have reported slumping issues.
- Board inquired if there were ever special circumstances for reassessment to which the Assessor responded that factual evidence (engineering reports, geo-tech analysis, non-inhabitable houses) has not been provided to support that the assessed value of the Subject home is incorrect. The City is bound by law to follow *The Cities Act* when doing assessments.
- Board asked if the Subject properties were inspected, and the response was yes, once during the winter months and again this spring. During the winter months, land fracture could not be observed, but noticeable on both the Subject property and the vacant lot during the spring inspection.

**Final Comments, Questions, and Rebuttals:**

[22] Appellant stated that he is unaware of what the land was used for prior to development but does know that there is evidence of broken pavement and wonders if that was not the original route of highway 302 East. If so, was the highway rerouted because of slumping issues?

[23] Appellant questioned if the City knew the condition of the land prior to development approval. Was any geo-tech testing done prior to development approval? Will there be further testing of the area?

[24] Appellant explained that they built up the Subject property with the intention of selling in ten or so years and building a “down-size” house on the neighbouring lot. Now they have a house much decreased in value and a vacant lot that cannot be developed because of slumping issues.

[25] Agreement on both sides of the table that the City fulfilled duties when doing assessment, and yes the slumping in Subject neighborhood is on the City radar.

### **Board Analysis**

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

- The City followed the *The Cities Act* guidelines for assessment. The fact that the City had enough sales in the Subject property neighbourhood to form a model for that neighbourhood further supports that the mass appraisal used is as close to accurate as possible.
- The Appellant has legitimate concerns about what is happening in this relatively new development area. However, all evidence presented is opinion rather than factual and comparables are based after the revaluation years.
- Materials provided regarding possible sale price of subject property is based on current sales, not on sales during the revaluation process of 2015-2018.

[27] The Board reviewed the evidence submitted and found insufficient evidence to support a change in the assessed property value.

[28] The Appellant has not proven an error by the assessors in fact, in law or in application of established guidelines.

**Decision**

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

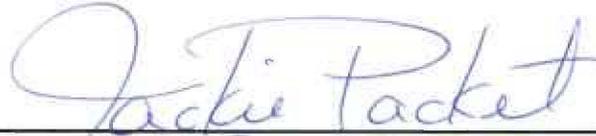
[30] The total assessed value will remain at \$143,800.

[31] The taxable assessment will remain at \$115,000.

[32] The filing fee shall be retained.

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

**CITY OF PRINCE ALBERT BOARD OF REVISION**



\_\_\_\_\_  
Jackie Packet, Chair

I concur:



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Ralph Boychuk, Member

I concur:



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Dan Christakos, Member