



Tribunals Ontario

Assessment
Review Board

Tribunaux décisionnels Ontario

Commission de révision de
l'évaluation foncière

ISSUE DATE: February 11, 2021

FILE NO.: WR 168393

Assessed Person(s): Gioacchino Nunno and Deborah Jane Douglas-Nunno
Appellant(s): Jack Nunno
Respondent(s): Municipal Property Assessment Corporation Region 07
Respondent(s): Township of Havelock-Belmont-Methuen
Property Location(s): 313 FR 87 Methuen
Municipality(ies): Township of Havelock-Belmont-Methuen
Roll Number(s): 1531-010-007-53400-0000
Appeal Number(s): 3262089, 3293054, 3348830 and 3434069
Taxation Year(s): 2017, 2018, 2019 and 2020
Hearing Event No.: 738692
Legislative Authority: Section 40 of the *Assessment Act*, R.S.O. 1990, c. A.31

APPEARANCES:

Parties

Representative

Jack Nunno

Robert Baranowski

Municipal Property
Assessment Corporation

Jacqui Irwin

Township of Havelock-
Belmont- Methuen

No one appeared

HEARD:
ADJUDICATOR(S):

January 21, 2021 by telephone conference call
Dan Weagant, Member

DECISION

OVERVIEW

[1] The subject property is a waterfront lot, improved with a seasonal dwelling with frontage on Jack Lake. Access to the property is by a seasonally maintained road known as Fire Route 87. For the 2017 taxation year, The Municipal Property Assessment Corporation ("MPAC") returned a current value assessment ("CVA") of \$600,000.

[2] Jack Nunno (the "Appellant") believed the assessment returned was too high and filed an appeal. The Appellant believes that the correct current value is \$450,000.

Issues for the Hearing

[3] At issue in this proceeding is:

1. the current value of the subject property; and
2. whether a reduction in the current value determined should be reduced for it to represent equitable assessment when reference is made to the assessments of similar properties in the vicinity.

Result

[4] The Assessment Review Board (the "Board") finds that the current value of the subject property is \$556,000.

[5] The Board also finds there is no evidence to support that a reduction in the current value determined is necessary for it to reflect equitable assessment when reference is made to the assessments of similar properties in the vicinity.

ANALYSIS

Issue 1 – What is the correct current value of the subject property for the years under appeal?

[6] MPAC compared the subject property to six properties that have frontage on Jack Lake. Each of the six proposed comparable properties includes improvements as defined by MPAC, ranging from single family dwellings to boat houses and garages. These are all typical uses expected on a seasonal recreational property on an in-land lake.

[7] The properties selected by MPAC for comparison are from six years to 55 years older than the subject property. They all sold between June 2015 and December 2016 and have living areas ranging from 881 square feet to 1,646 square feet. Lot areas reflected in the six proposed comparable properties range from 0.88 acres to 1.52 acres.

[8] MPAC's valuation report indicates the approach taken to determine time adjustment factors ("TAF's"). TAFs are used to adjust actual sale values so they can be compared to the subject property and other properties that sold as though the sales all occurred on or very near to the valuation day.

[9] Sale prices of the six proposed comparable properties range from \$482,500 to \$623,000. When these sale prices are adjusted for time, the MPAC time adjusted sale ("TAS") values range from \$473,597 to \$632,165.

[10] MPAC submitted that these six properties and their time adjusted sale prices provide a range of value in the marketplace that the subject property would reasonably fall within. MPAC's valuation report did not make specific valuation adjustments to account for differences between the proposed comparable properties and the subject property. Rather, it created a range of value based on qualitative comparison, whereby

the size, condition and character of the properties and their improvements are compared to the subject property to determine its value.

[11] MPAC submitted that when the attributes of the subject property are compared to its proposed comparable properties, the TAS values provide a reasonable range of value that represents the current value for the subject property.

[12] MPAC views the subject property to be superior in value to all of its proposed comparable properties except its proposed comparable property #6. Proposed comparable #6 had a TAS price of \$612,000 (rounded). Based on the qualitative comparison between these two properties, MPAC determined a value for the subject property of \$600,000, noting that the subject property includes a dwelling that is larger than all of the properties in evidence.

[13] By contrast, the Appellant preferred comparison to his two favored comparable properties. These two properties were sold in 2013 and 2014 for \$445,000 and \$632,000 respectively, with corresponding, TAS values of \$479,675 and \$653,027. The Appellant believes these two properties are better comparable properties and therefore better indicators of value than MPAC's six properties because the variations in characteristics of his two properties are much fewer than MPAC's selected properties.

[14] The Appellant's first comparable property has a similar sized lot, with a narrower frontage on Jack Lake when compared to the subject property. It has a seasonal dwelling of 1,479 square feet and was built in 1991.

[15] The Appellant's second comparable has a similar lot frontage when compared to the subject property but has an overall lot size of approximately twice the size of the subject property. This second comparable has a 1,008 square foot seasonal dwelling that was built in 1986.

[16] The Appellant concluded that, since it can be demonstrated that his two comparable properties are more accurately compared to the subject property than those of MPAC, they should be considered by the Board as the best indicators of the value of the subject property in evidence.

Findings on Issue 2

[17] The Board has widely held that the sale of the subject property is the best evidence of its current value, if that sale is relatively close to the valuation day applicable to the years under appeal. No such sale took place on the subject property. In that situation, the Board has also held that the next best indicators of the current value of a property are the sale values (time-adjusted if necessary) of other properties that are comparable to the property under appeal. The Board has a total of eight properties advanced by the parties as being comparable to the subject property.

[18] The Board must first determine which of the comparable properties are most reflective of property values at or near the valuation day of January 1, 2016. All the sales in evidence occurred within 27 months of the valuation day. Among the eight properties, six have dwellings that measure below 1,217 square feet, or 64% of the living area at the subject property. Living area is a normal means of comparison because it is one of the bases by which property values are determined in the marketplace. Owing to the disparity in living area between these six comparable properties and the subject property, the Board disregards those six properties in making its decision.

[19] The remaining two properties in the sample available are 303 FR 87 and 105 FR 88. 303 FR 87 has a larger lot than the subject property, a wider waterfront and 1,646 square feet of living area, with similar amenities. 303 FR 87 has an effective year built of 1984 (23 years older than the subject property). The TAS value of 303 FR 88 is \$632,165. The Board finds that on a qualitative comparison of the characteristics after of subject property and 303 FR 87, the value of the subject property is lower than that of

303 FR 87. The largest difference in value is attributable to the 65% wider lake frontage of the comparable property.

[20] The property at 105 FR 88 has a smaller lot area and smaller lake frontage than the subject property. They are both one-storey dwellings with similar attributes. 105 FR 88 has approximately 400 square feet less living area than the subject property. The Board finds that on a qualitative comparison of the characteristics of the subject property and 105 FR 88, the value of the subject property is higher than that of 105 FR 88. The largest difference in value is attributable to the 40% narrower lake frontage of the comparable property.

[21] With one comparable property below the indicated value of the subject property, and one comparable property above the indicated value of the comparable property, the TAS values of the two comparable properties provide a range of value for the subject property. The range indicated is from \$480,000 (rounded) and \$632,000 (rounded). The mid-point between these two values is \$556,000. The Board finds that this represents the correct current value of the subject property based on the best evidence available at the hearing.

Issue 3 – Does the current value determined require a reduction for it to represent equitable assessment when reference is made to the assessments of similar properties in the vicinity?

[22] Neither Party advanced a position on the question of equitable assessment as it pertains to the current value determined when reference is made to the assessments of similar properties in the vicinity. The Board notes that MPAC did produce an equity analysis report in the normal course of disclosure as required by the Schedule of Events. That report found that no adjustment to the current value determined was necessary for it to represent equitable assessment.

Findings on Issue 3

[23] The Board finds that there is no evidence to support a reduction in the current value determined, when reference is made to the assessments of similar properties in the vicinity.

CONCLUSION

[24] The Board finds that the current value of the subject property is \$556,000.

[25] The Board also finds that there is no evidence to support a reduction in the current value determined, when reference is made to the assessments of similar properties in the vicinity.

ORDER

[26] The Board orders that the assessment of 313 FR 87 in the Township of Havelock-Belmont-Methuen, be reduced from \$600,000 to \$556,000 in the Residential property class for the 2017, 2018, 2019 and 2020 taxation years.

"Dan Weagant"

DAN WEAGANT
MEMBER