



CENTRAL ALBERTA REGIONAL
**Assessment
Review Board**

Complaint ID 0262 1586
Roll No. 30001410150

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: JUNE 21, 2022

PRESIDING OFFICER: M. OBERG
BOARD MEMBER: R. BROWN
BOARD MEMBER: D. WIELINGA

BETWEEN:

1182683 ALBERTA LTD.
as represented by Altus Group Limited

Complainant

-and-

The City of Red Deer

Respondent

This decision pertains to a complaint submitted to the Central Alberta Regional Assessment Review Board in respect of a property assessment prepared by an Assessor of The City of Red Deer as follows:

ROLL NUMBER: 30001410150
MUNICIPAL ADDRESS: 1864 49 Avenue
ASSESSMENT AMOUNT: \$2,853,600

The complaint was heard by the Central Alberta Regional Assessment Review Board on the 21st day of June, 2022, via video conference.

Appeared on behalf of the Complainant: Brent Foden, Altus Group Limited

Appeared on behalf of the Respondent: Tyler Johnson, City of Red Deer

DECISION: The assessed value of the subject property is confirmed.

JURISDICTION

- [1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 455 of the *Municipal Government Act*, c M-26 [“MGA”].

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property (“subject”) is a car wash located on 1.00 acres of land. The building was assessed at \$1,346,863 on July 1, 2021 using the Cost Approach to value. The land was assessed at \$1,506,700 on July 1, 2021 using the Direct Comparison Approach to value. The value of the building is not contested.
- [3] There was no change to the subject on the Condition Date of December 31, 2021.
- [4] The subject is located in the Westerner Park subdivision, which is in the southeast quadrant of the City of Red Deer (“City”). It has C4 zoning, which is used for commercial properties having exposure to a major arterial roadway. The subject has exposure to Gaetz Avenue, which is one of the most heavily travelled roadways in the City.

PRELIMINARY MATTERS

Surrebuttal Document

- [5] The Respondent requested that a surrebuttal document, which was sent via email from the Assessor to the Board Clerk and the Complainant the morning of the hearing, be allowed to be entered into the record as evidence.
- [6] The Complainant stated that this should not be allowed, because it would not be in line with the *Matters Relating to Assessment Complaints Regulation* (“MRAC”) or with the principals of procedural fairness. The Complainant argued that during surrebuttal there should be no new evidence or argument presented.
- [7] The Board decided that it would not admit the surrebuttal document into the record as evidence because there was not adequate time to review the document. Verbal surrebuttal would be allowed, provided that no new evidence or argument was presented.
- [8] MRAC s.9 (c) supports the decision of the Board regarding the permitting of a surrebuttal document to be presented:

“the complainant must, at least 7 days before the hearing date, disclose to the respondent and the composite assessment review board the documentary evidence, a summary of the testimonial evidence, including a signed witness report for each witness, and any written argument that the complainant intends to present at the hearing in rebuttal to the disclosure made under clause (b) in sufficient detail to allow the respondent to respond to or rebut the evidence at the hearing.” (emphasis added)

- [9] *Section 9 of MRAC provides specific disclosure timelines for the Complainant’s disclosure document, the Respondent’s disclosure document, and the Complainant’s rebuttal document. It*

does not, however, provide a timeline for a surrebuttal document. The Board interprets this absence to mean that a surrebuttal document was not intended, otherwise a disclosure timeline would have been provided. MRAC indicates that a surrebuttal presentation should be verbal only.

Missing Document

- [10] It was discovered that the C.4 document, being a rebuttal document which focuses on the Commercial Land Evidence, was provided from the Complainant to the Respondent and the Board in accordance with the timelines provided in MRAC. C.4 was updated at the onset of the hearing and was accordingly entered into the record as evidence.
- [11] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaint.

ISSUES

- [12] Is the assessment of the subject fair and equitable when sales of similar properties are considered?
- [13] Is the assessment of the subject fair and equitable when assessments of similar properties are considered?

POSITION(S) OF THE PARTIES

Position of the Complainant

- [14] The Complainant stated that the value of the subject building, which was assessed using the Cost Approach to value at \$1,346,863, is not contested. The position of the Complainant regarding the value of the subject land, which was assessed using the Direct Comparison Approach to value at \$1,506,700, is that the land is assessed at a value higher than market value. The Complainant requests a reduction from the current assessment of \$1,506,700 (\$1,506,700 per acre) to \$1,000,000 (\$1,000,000 per acre). This would result in a total assessment of \$2,346,863.
- [15] The Complainant's disclosure document C.1 (185 pages total) includes a two-page document titled "ARB Grounds for Complaint". This document includes a "preliminary requested assessment" of \$1,600,000, which is not the same assessment value that was requested at the hearing. Also, there are issues itemized that were not addressed in the remainder of the Complainant's disclosure document C.1, or in C.2, C.3, C.4, or C.5. These issues include: a "decline in market value" of the subject caused by the COVID 19 pandemic; an "aggregate assessment" of the subject which does not reflect market value, and should be no more than an aggregate of \$700,000 per acre; and that the adjustments applied to the subject are incorrect and inequitable due to topography, rights-of-way influences, inability to sub-divide, etc. Near the top of the first page is the following statement:

"This Complaint is filed based on information contained in the Assessment Notice as well as preliminary observations and information from other sources. Therefore, the requested assessment is preliminary in nature and is subject to change as more information becomes available to the Complainant."

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- [16] In support of a reduction in the assessment of the subject, the Complainant presented the sales of five properties in the City, and current sales listings for two additional properties. All the properties have C4 zoning.
- i. Sale #1 3310 50 Ave – This property has an assessment of \$16,490,000 (2021 \$16,500,000), a sale price of \$16,150,000 (Oct 9, 2020), a land size of 10.33 acres, and is located in the Gaetz South area. The sale price per acre is \$1,563,408. An operating hotel is onsite with the following improvements: a convention centre, bar, lounge, restaurant and liquor store.
 - ii. Sale #2 7414 50 Ave – This property has an assessment of \$7,152,100 (2021 \$3,933,100), a sale price of \$1,000,000 (Feb 1, 2021), a land size of 3.5 acres, and is located in the Gaetz North area. The sale price per acre is \$285,714. The sale included a building which has since been demolished.
 - iii. Sale #3 4960 81 Street – This property has an assessment of \$2,968,300 (2021 unknown), a sale price of \$2,300,000 (Oct 26, 2021), a land size of 1.85 acres, and is located in the Gaetz North area. The sale price per acre is \$1,243,243. A vacant building, assessed on the income approach to value, is onsite.
 - iv. Sale #4 7899 50 Ave – This property has an assessment of \$1,795,400 (2021 \$1,681,400), a sale price of \$1,850,000 (Oct 15, 2020), a land size of 1.75 acres, and is located in the Gaetz North area. The sale price per acre is \$1,057,143. A building with a lease tenant is onsite.
 - v. Sale #5 6845 66 Street – This property has an assessment of \$5,853,000 (2021 unknown), a sale price of \$1,500,000 (Oct 31, 2020), a land size of 1.5 acres, and is located in the 67 West area. The sale price per acre is \$1,000,000. This property is vacant.
 - vi. Listing #1 7905 50 Ave – This property has an assessment of \$1,414,500 (2021 unknown), a listing price of \$1,400,000, a land size of 1.25 acres, and is located in the Gaetz North area. The listing price per acre is \$1,120,000.
 - vii. Listing #2 1123763;1;6 – This property has an assessment of \$1,414,500 (2021 unknown), a listing price of \$2,155,500, a land size of 4.79 acres, and is located in the Queens/West Red Deer area. The listing price per acre is \$450,000.
- [17] The Complainant stated that the best indicator of value is Sale #5 at 6845 66 Street, which has a sale price per acre of \$1,000,000.
- [18] The Complainant stated that over the past couple of years there have been few new sales with which to justify adjustments to assessments in the City. They further stated that despite this, assessments have been increasing annually, and this new increase is not justified.
- [19] In support of a reduction in the assessment of the subject, the Complainant presented the assessments of seven properties in the City. All these properties have C4 zoning.

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- i. Assessment #1 Unit 1000, 5001 19 St E – The total assessment and land assessment of this property are the same, being \$2,292,600. With the land size being 1.77 acres, the land value per acre is \$1,295,254. There is an operating hotel on site, however the assessment was evaluated as land only.
 - ii. Assessment #2 1840 49 Ave – The total assessment and land assessment of this property are the same, being \$2,141,100. With the land size being 1.5 acres, the land value per acre is \$1,427,400.
 - iii. Assessment #3 7905 50 Ave – The total assessment and land assessment of this property are the same, being \$1,414,500. With the land size being 1.25 acres, the land value per acre is \$1,131,600.
 - iv. Assessment #4 1864 49 Ave – The total assessment of this property is \$2,853,600, and the land assessment is \$1,506,700. With the land size being 1 acre, the land value per acre is \$1,506,700.
 - v. Assessment #5 3113 49 Ave – The total assessment and land assessment of this property are the same, being \$950,400. With the land size being .81 acres, the land value per acre is \$1,173,333.
 - vi. Assessment #6 3321 50 Ave – The total assessment and land assessment of this property are the same, being \$427,500. With the land size being .25 acres, the land value per acre is \$1,708,274.
 - vii. Assessment #7 3325 50 Ave - The total assessment and land assessment of this property are the same, being \$427,500. With the land size being .25 acres, the land value per acre is \$1,708,274.
- [20] The average land value per acre is \$1,421,548 and the median per acre is \$1,427,400. With the land value of the subject being \$1,506,700 per acre, the Complainant stated that the assessment of the subject is too high and that a reduction is warranted. They particularly pointed out that Assessment #1, having a functioning hotel on site, is valued as land only. Despite this, the value per acre at \$1,295,254 is still significantly lower than the subject. The Complainant argued that this is not equitable.
- [21] During questioning the Complainant stated that during the COVID-19 pandemic, car washes were not affected as much as hotel properties. Typically, hotels are assessed using three years of income (Income Approach to value), however, lately there have been hotel properties assessed as land only. That said, the majority are still assessed based on income.

Position of the Respondent

- [22] The Respondent began their presentation with a description of the subject, particularly the land value influence adjustments that have been made: 40% upward adjustment because of exposure to Gaetz Avenue; and a 10% downward adjustment because of access constraints to Gaetz

Avenue. In addition, a 10% downward diminishing return adjustment (economies of scale) was made because the subject is a larger parcel in the City.

- [23] The Respondent reviewed the principles of property valuation methodology, particularly that for a unique property such as a car wash, assessments are evaluated using a combination of the Cost approach (for the building) and the Direct Comparison approach (for the land). They stated that the assessed value of the building is not contested. They concluded by stating that market value is the amount that would be paid for a property on the open market by a willing buyer to a willing seller.
- [24] The Respondent provided a critique of the Complainant's sales and listings comparables. Their greatest criticism was that the majority of the comparables provided are located in areas of the City which have lower sales values than where the subject is located. This argument is supported by the location base rates that are applied in the calculation of C4 land. They show that properties located in the Gaetz South and Westerner areas have significantly higher base rates than properties located in the 67 West and Gaetz North areas. Specifically, the base rates are as follows for C4 land: 67 West 920,000, Gaetz North 820,000, Gaetz South 1,220,000, and Westerner 1,220,000. They also stated that the Complainant's comparables themselves are very low, and are under assessed.
- [25] Along with this overall critique, the Respondent provided the following:
- i. Sale #1 3310 50 Ave – This property is the site of the Cambridge Hotel, which is assessed using the income approach to value. It is not appropriate to take the total assessment of a property and divide it by the number of acres to calculate what the assessment per acre is. This ignores the value of the improvements.
 - ii. Sale #2 7414 50 Ave – The City found that this sale was not reliable due to a number of issues: the required cleanup of contaminants on site; the withholding of information regarding the cleanup, including the costs thereof; and the Request for Information (RFI), which indicated a large cost for the cleanup, but without estimated costs. As well, given that the price per acre of the sale, being less than 1/3 of other similar properties, makes Sale #2 an outlier and not reliable for valuing other properties.
 - iii. Sale #3 4960 81 Street – Similar to Sale #1, this property is the site of a vacant furniture store, which is assessed using the income approach to value.
 - iv. Sale #4 7899 50 Ave – Similar to Sale #1, this property is the site of a rental outlet facility, which has a tenant whose lease does not expire till December 2024, and which is assessed using the income approach to value.
 - v. Sale #5 6845 66 Street – Proper adjustments would have to be made before this property could be considered to be similar to the subject. Particularly, the lower valued area (67 West area) compared with the subject (Westerner Park area) would have to be adjusted. As well, Sale #5 has

only a minor exposure of 20% compared with the subject's adjustments at 30%. With these adjustments taken into account, Sale #5 would be a good comparable.

- vi. Listing #1 7905 50 Ave – This property had buildings on site, but they were removed, leaving a bare lot. Evidence shows that this listing has been in place for 2-3 years. It is assessed as vacant commercial, having an assessed value of \$1,414,500 (\$1,131,600 per acre).
- vii. Listing #2 1123763;1;6 – This property is owned by the City, and because of the different motivations of a municipality as opposed to a private owner, the Respondent considers this property to be an unreliable indicator of value for other properties.

[26] In support of the assessment, the Respondent presented eight market comparables and three listings. These properties all have C4 zoning.

- i. Sale #1 6845 66 Street – This property has an assessed land value of \$1,490,400, a sale price of \$1,500,000 (Jun 14, 2021), a land size of 1.5 acres, and is located in the 67 West area. The sale price per acre was \$1,000,000. The influence adjustments for this property are +20% (subject +30%), the diminishing return adjustment is -20% (subject -10%), and the assessment to sales ratio ("ASR") is 99.36%. This sale was also used as a comparable by the Complainant.
- ii. Sale #2 6843 66 Street – This property has an assessed land value of \$1,490,400, a sale price of \$1,500,000 (Nov 6, 2020), a land size of 1.5 acres, and is located in the 67 West area. The sale price per acre was \$1,000,000. The influence adjustments for this property are +20% (subject +30%), the diminishing return adjustment is -20% (subject -10%), and the ASR is 99.36%.
- iii. Sale #3 6790 50 Ave – This property has an assessed land value of \$987,280, a sale price of \$985,000 (Apr 30, 2021), a land size of 0.9 acres, and is located in the Gaetz North area. The sale price per acre was \$1,094,444. The influence adjustments for this property are +40% (subject +30%), the diminishing return adjustment is -10% (subject -10%), and the ASR is 100.23%. This property was sold with a 6,300 sq/ft building, which was subsequently demolished before the Condition Date (December 31, 2021), down to the cement pad and steel structure, and then rebuilt.
- iv. Sale #4 1840 49 Ave – This property has an assessed land value of \$2,141,100, a sale price of \$2,700,000 (Jun 13, 2018), a land size of 1.5 acres, and is located in the Westerner area. The sale price per acre was \$1,800,000. The influence adjustments for this property are +30% (subject +30), the diminishing return adjustment is -20% (subject -10%), and the ASR is 79.30.
- v. Sale #5 3113 49 Ave – This property has an assessed land value of \$950,380, a sale price of \$946,980 (Mar 2, 2020), a land size of 0.81 acres, and is located in the Gaetz South area. The sale price per acre was \$1,169,111. The influence adjustments for this property are 0% (subject +30%), the diminishing return adjustment is -10% (subject -10%), and the ASR is 100.36%.
- vi. Sale #6 2810 50 Ave – This property has an assessed land value of \$7,503,366, a sale price of \$7,800,000 (Mar 8, 2021), a land size of 5.83 acres, and is located in the Gaetz South area. The

sale price per acre was \$1,337,907. The influence adjustments for this property are +30% (subject +30%), the diminishing return adjustment is -30% (subject -10%), and the ASR is 96.20%.

- vii. Sale #7 3115 50 Ave – This property has an assessed land value of \$4,256,580, a sale price of \$6,944,520 (Mar 2, 2020), a land size of 2.72 acres, and is located in the Gaetz South area. The sale price per acre was \$2,553,132. The influence adjustments for this property are +50% (subject +30%), the diminishing return adjustment is -20% (subject -10%), and the ASR is 61.29%.
 - viii. Sale #8 2404 50 Ave – This property has an assessed land value of \$1,115,324, a sale price of \$1,300,000 (Aug 5, 2020), a land size of 0.67 acres, and is located in the Gaetz South area. The sale price per acre was \$1,940,299. The influence adjustments for this property are +40% (subject +30%), the diminishing return adjustment is -10% (subject -10%), and the ASR is 85.79%. This property previously had an animal clinic on site, which was subsequently torn down before the condition date, and replaced with another building.
 - ix. Listing #1 7860 50 Ave – This property has an assessed land value of \$1,761,032, a listing price of \$1,900,000 (expired), a land size of 1.73 acres, and is located in the Gaetz North area. The listing price per acre was \$1,098,266. The influence adjustments for this property are +40% (subject +30%), the diminishing return adjustment is -20% (subject -10%), and the ASR is 92.69%.
 - x. Listing #2 7905 50 Ave – This property has an assessed land value of \$1,414,500, a listing price of \$1,400,000 (active), a land size of 1.25 acres, and is located in the Gaetz North area. The listing price per acre is \$1,592,754. The influence adjustments for this property are +50% (subject +30%), the diminishing return adjustment is -20% (subject -20%), and the ASR is 101.04%.
 - xi. Listing #3 7171 50 Ave – This property has an assessed land value of \$825,330, a listing price of \$1,099,000 (active), a land size of 0.69 acres, and is located in the Gaetz North area. The listing price per acre is \$1,592,754. The influence adjustments for this property are +50% (subject +30%), the diminishing return adjustment is -10% (subject -10%), and the ASR is 75.10%.
- [27] With the above assessment comparables, the Respondent also provided assessment information on another car wash in the City. This comparable is located at 6104 67A Street, located in the 67 West area. The building was assessed using the Cost Approach to value, with a value of \$616,300. The land was assessed using the Direct Comparison approach to value, with a value of \$949,400. The property is .90 acres, giving it an assessment per acre of \$1,054,889. This property has an influence adjustment of +20% (subject +30%) and a diminishing return adjustment of -10% (subject -10%). The total assessment of this comparable is \$1,565,700.

- [28] Sales listing information from 2021 for this car wash property was also provided. It shows that the list price was \$2,300,000.

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- [29] During questioning the Respondent stated that the car wash comparable has been on the market for 270 days. It is not expected that the actual sale price will be higher than the list price.
- [30] During questioning the Respondent was asked if a new assessment model is being utilized. Their response was that there is not an overall change to the model, but there is more standardization now, making better use of adjustment factors.
- [31] During questioning the Respondent was asked how the various adjustment percentages were arrived at. They stated that adjustments for corner lots and restricted access were old rates. Exposure adjustments are derived from sales data.
- [32] During questioning the Respondent was asked how C4 and C5 zoning affect development. They explained that C4 zoning is intended for commercial properties primarily along Gaetz Avenue. C5 zoning only affects the east side of the City and is primarily for apartments with amenities to support them.

Complainant Rebuttal

- [33] Much of the Complainant's evidence and argument was in regard to the processes used by the City to evaluate properties in order to assess them. Their criticisms included the following:
- i. "...the model ... is not based on reliable sales information, and certainly not based on sufficient data";
 - ii. "the creation of this model this year, has resulted in massive increases to assessments year-over-year, despite what appears to be no additional sales available to the City...";
 - iii. "...listings should not be used in developing an assessment model or in supporting the assessed values ...";
 - iv. "...The City has ignored sales which generally don't fit in the narrow confines of their model ...";
 - v. "Generally speaking, The City has relied upon sales which do not meet the definition of Market Value."; and
 - vi. the absence of data to support the "gut feel" aspect of assessment is concerning.
- [34] The Complainant provided a critique of the Respondent's sales and listings comparables as follows: *"In general, if a building is onsite then it should be assessed, even if the intent is to demolish it in the future."*
- i. Sale #3 6790 50 Ave – The property listing for this sale included a building, and the property should have been assessed accordingly, and not as land only. At least the cement pad and steel frame structure, which were retained, should have been assessed with the land value.

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- ii. Sale #4 1840 49 Ave – This property is included in a sale of four separate properties, including a sale and leaseback with the vendor. As well, this is an older sale, and needs adjustment for time.
 - iii. Sale #5 3113 49 Ave & Sale #7 3115 50 Ave – This is one sale which applied to two legal properties. The ASR on the 50 Ave property is 66%, which is not reflective of a typical market value transaction. There was no marketing done, and the sale value was above market value.
 - iv. Sale #6 2810 50 Ave – This sale was an “off-market” transaction. A sales ARFI (request for information), which would have helped to understand the transaction, was not presented in evidence.
 - v. Sale #8 2404 50 Ave – This property was purchased by the owner of the next door property. The neighbor of a property always has a greater value in use than a buyer on the open market. As well, a land assembly was involved. Further, an operating veterinarian clinic was on site prior to the sale, but the City did not value the improvement and instead used only land value to assess the property.

[35] In conclusion, the Complainant requested the Board to reduce subject property’s total assessment to \$1,000,000, being a land only value. Alternatively, the Complainant requested the Board to reduce the subject property’s land value from \$1,506,700 per acre to \$1,000,000 per acre, resulting in a total assessment of \$2,346,863.

Respondent Surrebuttal

[36] In response to the Complainant’s rebuttal, the Respondent stated the following:

- a. The sale of the property at 2810 50 Ave (Sale #6) was a “city sale”, which was signed and listed, and was under lease to the owner of the neighboring property. However, that person did not purchase the property.
- b. The veterinarian clinic which was at 2404 50 Ave (Sale #8) was demolished at the end of 2021, before the Condition Date of December 31.
- c. We do not know how the marketing was done for Sale #5, however, because of the sophistication of the purchaser, it is not likely that the sale would not be market value.
- d. During questioning the Respondent was asked if the information provided regarding Sale #6 was hearsay evidence. The Respondent stated that technically speaking, the evidence is hearsay, since no written evidence is available for the hearing. However, the Assessor explained that much of the information that is gathered regarding sales is often acquired through telephone calls with the vendor, and that was the case for this sale.
- e. During questioning the Respondent was asked how the City decided on the percentage values of the various adjustment factors. The Respondent stated that they were done through current sales and traffic counts, and that individual sales can conflict with the process. There have not

been many sales to work with lately. Because of a lack of paired sales, most of the work is subjective, using a combination of historic information and “gut”. The Respondent stated that a lot of old records are missing, and that the forming of adjustment factors is a manual process.

- [37] The Respondent argued that the assessment process has passed the Provincial audit, and that this is proof that assessments are carried out properly by the City.
- [38] In conclusion, the Respondent requested the Board to confirm the 2021 assessment of the subject at \$2,853,600.

BOARD FINDINGS AND DECISION

- [39] The Board carefully considered the evidence and argument of both parties in determining the issues before the Board.
- [40] The Board finds that the issues itemized in the two-page document titled “ARB Grounds for Complaint” are not pertinent to the appeal of the subject’s assessment because they were preliminary. Clearly, the issues and the information regarding the appeal developed and changed over time. Therefore, the Board focused its attention on the remaining pages of the Complainant’s six disclosure documents, and on the arguments and statements made during the hearing.
- [41] Considerable time was spent by the Complainant criticizing the City’s methodology and processes for assessing properties, and by the Respondent defending them. This topic is naturally pertinent to the matter the Board must decide, being the assessed value of the subject. However, the Board finds that it is not knowledgeable or experienced enough, neither does it have the legal mandate required, to change the existing system that is in place. If the City’s assessment methodology and/or processes are flawed, then the Provincial audit system is intended to find these problems and provide remedies.
- [42] The Board put little weight on the property listings provided by both the Complainant and the Respondent. Though property listings can provide additional information on market conditions, this information should be used only as a support to the findings derived from market value sales. The Board is mandated to use comparable sales which reflect market value, being the sale of properties from willing buyers to willing sellers. Property listings only provide one side of a sales transaction ... the value requested by a willing seller.
- [43] The Board considered the five sale comparables provided by the Complainant:
- i. Sale #1 3310 50 Ave – The Complainant has taken a functioning hotel property, which was assessed using the income approach to value, and has divided the land area by the sale price in order to produce a value per acre. For land values, the direct comparison approach to value is used, not the income approach. The Board puts no weight on this comparable.
 - ii. Sale #2 7414 50 Ave – Because of issues regarding this sale, being the required cleanup of contaminants and the low price per acre of the sale in comparison with its assessed value, which indicates that the sale is an outlier in the market, the Board puts no weight on this comparable.

- iii. Sale #3 4960 81 Street – The Transfer Date of this sale took place on October 26, 2021, which makes it post facto in regards to the Valuation Date of July 1, 2021. As with Sale #1, this property has an existing building on site, and has been assessed using the income approach. Simply dividing the sale price by the land area to produce a per acre land value is not appropriate, and the Board puts no weight on this comparable.
- iv. Sale #4 7899 50 Ave – Also similar to Sale #1, this property has an existing building on site, and has been assessed using the income approach. Dividing the sale price by the land area to produce a per acre land value is not appropriate. The Board puts no weight on this comparable.
- v. Sale #5 6845 66 Street – Both parties consider this comparable to be a good indicator of value for the subject, however the Respondent stated that adjustments would first be necessary in order to make it similar to the subject. An upward adjustment would be needed to account for the difference in exposure, and an upward adjustment would also be needed to account for the higher value of the subject due to its location in the Westerner Park area as opposed to the comparable's location in the 67 West area. This geographic adjustment is supported by the different base rates that are used for different locations in the City. With these adjustments, this comparable supports the existing assessment, and the Board puts much weight on this comparable.

[44] The Board considered the eight sale comparables provided by the Respondent:

- i. Sale #1 6845 66 Street – This comparable was also used by the Complainant (Sale #5). With the above adjustments, the Board puts much weight on this comparable.
- ii. Sale #2 6843 66 Street – This comparable is adjacent to Sale #1, and the two comparables are virtually identical. With the same adjustments used for Sale #1, the Board puts much weight on this comparable.
- iii. Sale #3 6790 50 Ave – While it is arguable that the concrete pad and steel structure had value that could have been assessed, the value of these structures is unknown. This comparable is located in the North Gaetz area, which has a lower value than properties in the Westerner Park area. This geographic adjustment is supported by the different base rates that are used for different locations in the city. With this adjustment, this comparable supports the existing assessment. However, because of the unknown value of the concrete and steel, the Board puts little weight on this comparable.
- iv. Sale #4 1840 49 Ave – This was an older sale among the comparables. Also, because this sale had unusual circumstances, including a multi-property sale and a leaseback with the vendor, the Board puts no weight on this comparable.
- v. Sale #5 3113 49 Ave and Sale #7 3115 50 Ave – There were unusual aspects to the multi-parcel sale of these two comparables. There is evidence indicating that the indication of the sale was

not an open market transaction, and the sale price of the 50 Ave property was 163% of its assessed value. For these reasons, the Board puts no weight on these comparables.

- vi. Sale #6 2810 50 Ave – Though there is no information available regarding this sale, there is no indication that the sale was not at market value. With an upward adjustment to the diminishing return adjustment, this comparable supports the subject assessment. Because of the lack of sales information, the Board puts little weight on this comparable.
- vii. Sale #8 2404 50 Ave – There were unusual aspects to this sale. The owner of the adjacent property purchased this property. A property is worth more to the next door neighbor than to the buying public in general because of the added benefits of owning adjacent properties (e.g. the ability to combine the properties into a single larger parcel). As well, the sale was part of a land assembly. That being said, even with downward adjustments of the influence adjustments and the diminishing return adjustment, the sale price per acre still supports the subject's assessment. Because of the above unusual aspects of the sale, the Board puts little weight on this comparable.

- [45] The Board puts the most weight on the sales of 6845 66 Street and the adjacent property 6843 66 Street. With the above adjustments, these sales are the best indicators of value for the subject. The comparables which received little weight, as well as the listings in general, also support the assessment when appropriate adjustments are applied.
- [46] The Board considered the seven equity comparables provided by the Complainant. Aside from the hotel property which was assessed as land only, none of the remaining six comparables were presented or discussed by either party at the hearing. Neither is there additional evidence provided in the documents from either party related to these properties (e.g. adjustments to make them similar to the subject). The one pertinent fact that the Board derives from the information provided is the average assessment per acre (\$1,421,548) and the median assessment per acre (\$1,427,400). With the subject assessment per acre being \$1,506,700 (105.5% of the median), the Board is not encouraged to reduce the assessment based on the information provided, and puts little weight on the seven equity comparables.
- [47] The Board also considered the equity comparable provided by the Respondent, being a car wash located at 6104 67A Street. It has an assessed value per acre of \$1,054,889. This comparable is located in the 67 West area, which has a lower value than properties in the Westerner Park area. This argument is supported by the location base rates that are applied in the calculation of C4 land. With the appropriate geographic and influence adjustments being made, this assessment comparable supports the subject assessment at \$1,506,700. The Board puts much weight on this comparable.
- [48] After considering the evidence and argument as presented by both parties, the Board finds that the current assessment of the subject is both fair and equitable.

DECISION SUMMARY

[49] The Board finds that the Respondent values are confirmed.

[50] Dated at the Central Alberta Regional Assessment Review Board, in the City of Red Deer, in the Province of Alberta this 20th day of July, 2022 and signed by the Presiding Officer on behalf of all the panel members, who agree that the content of this document adequately reflects the hearing, deliberations and decision of the Board.



MARK OBERG
Presiding Officer

If you wish to appeal this decision you must follow the procedure found in section 470 of the MGA which requires an application for judicial review to be filed and served not more than 60 days after the date of the decision. Additional information may also be found at www.albertacourts.ab.ca.

APPENDIX

Documents presented at the Hearing and considered by the Board.

NO.	ITEM
1. A.1	Hearing Materials provided by Clerk (52 pages)
2. C.1	Complainant submission (185 pages)
3. C.2	Complainant submission – Rebuttal – Part 1 of 2 (211 pages)
4. C.3	Complainant submission – Rebuttal – Part 2 of 2 (235 pages)
5. C.4	Complainant submission – Rebuttal – Principals of Assessment (33 pages)
6. C.5	Complainant submission – Rebuttal – Commercial Land Evidence Appendix (244 pages)
7. C.6	Complainant submission – Rebuttal (37 pages)
8. R.1	Respondent submission (22 pages)
9. R.2	Respondent submission – Multiple Rolls – Part 1 of 2 (105 pages)
10. R.3	Respondent submission – Multiple Rolls – Part 2 of 2 (59 pages)