



CENTRAL ALBERTA REGIONAL
**Assessment
Review Board**

Complaint ID 0194 2117
Roll No. 040007805

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: October 23, 2025

PRESIDING OFFICER: J. Dawson
BOARD MEMBER: S. Dushanek
BOARD MEMBER: C. Neitz

BETWEEN:

Arch Alberta Acquisition Corp. (as represented by Ryan ULC)

Complainant

-and-

Wild Rose Assessment Services Inc
For the City of Lacombe

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 Lacombe as follows:

ROLL NUMBER: 040007805
MUNICIPAL ADDRESS: 5010 53 Street, Lacombe, Alberta
ASSESSMENT AMOUNT: \$4,298,000

The complaint was heard by the Composite Assessment Review Board on the 23rd day of October 2025, via video conferencing.

The Board derives its authority from the Municipal Government Act, R.S.A 2000, Chapter M-26 (the MGA) and related legislation as set out in Appendix "B".

Appeared on behalf of the Complainant: E. Marshall, Ryan ULC

Appeared on behalf of the Respondent: K. Waters, Wild Rose Assessment Services

DECISION: The assessed value of the subject property is changed to \$3,432,000.

JURISDICTION

- [1] The Central Alberta Regional Assessment Review Board [“the Board”] has been established in accordance with section 455 of the *Municipal Government Act*, RSA 2000, c M-26 [“MGA”].

PROPERTY DESCRIPTION AND BACKGROUND

- [2] The subject property is a national drugstore categorized as a quality 10, Commercial – Box/Grocery Dominant space. It is situated in the downtown on a 34,766 square foot lot with commercial land use designation. It has one improved structure containing 10,852 square feet of assessable area. It is assessed on the income approach to value at \$396 per square foot.

PRELIMINARY MATTERS

- [3] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.
- [4] Neither party raised any objection to the panel hearing the complaint.
- [5] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints.

POSITION OF THE PARTIES**Position of the Complainant**

- [6] The Complainant presented the subject property with the assessment summary report, direct capitalization calculation, maps, and aerial and street level photographs.
- [7] The Complainant argued that the subject property is assessed too high when looking at the comparable market data. Stating that the assessment for the subject property has jumped from \$3,089,000 in 2024 to \$4,298,000 in 2025, an increase of over 39%. It is noted that the subject property is occupied by a national drugstore chain and this tenant has been located at this location since 2011 under a long-term lease. This substantial increase is unwarranted considering the lease details for the property has remained relatively unchanged since 2011. Further, this increase is inconsistent with the market data available as few retail sales have transacted in the municipality and the available leases do not support the assessed market rent.
- [8] The Complainant stated that it reviewed market leases in the vicinity of the subject property that had a gross leasable area (GLA) within 5000 square feet of the subject property and signed within ten years of the valuation date. The comparable properties provided demonstrate a median rate per square foot of \$11 while the Subject is assessed with a rate of \$36.
- [9] The comparable properties are built between 1979 and 2002 while the subject property is built in 2011 and requires an upward adjustment to the rental rate for the newer build.
- [10] The Complainant explained that highest rental rate achieved in the data set is \$28 per square foot for a similarly sized retail property. The lease was signed in November 2019, within 5 years of the

valuation date. Meanwhile, the restaurant lease at 5830 Highway 28A supports a rate of \$20 and is the most recent signed lease in the data set. It is noted that we could not identify any property of similar size where the lease was executed between 2024 and 2025 and that would support a substantial increase to the assessment of the property.

- [11] The Complainant recognized that the subject property lease was signed in 2011 and is not reflective of current market conditions. However, even when added to the analysis the median is unchanged. A single market lease is insufficient on its own to establish a reliable mass appraisal model.
- [12] The appropriate revised current value for the property is \$ \$3,432,000 (rounded) based on a rate per square foot of \$28.
- [13] In rebuttal, the Complainant stated that the only market lease evidence presented in this matter has been provided by the Complainant. The Respondent has not provided any independent market data to support the assessed lease rate, relying solely on the actual lease. In addition, no supporting evidence has been provided to explain the substantial increase in assessment from \$3,089,000 in 2024 to \$4,298,000 in 2025, despite the same lease having been in effect since 2011.
- [14] The Complainant acknowledged that none of the comparable properties provided are identical to the subject property; however, equity is achieved through mass appraisal and typical market conditions for similar properties. The Complainant argued that the Respondent did not provide comparable properties to validate the assessed amount and that the methodology should be consistently applied.
- [15] Accordingly, the Complainant argued that the appropriate 2025 assessment for the subject property is \$3,432,000 (rounded) which takes into account both the actual lease data as well as other retail lease data within close proximity to the subject property.

Position of the Respondent

- [16] The Respondent described the subject property with the assessment summary report, an executive summary, a direct capitalization calculation, maps, and aerial and street level photographs.
- [17] The Respondent presented information on assessment, leased fee equated to fee simple, scope of research, the assessment and review board processes, legislation, previous decisions, and associated commentary.
- [18] The Respondent included some factual information, including sales of the subject property on January 11, 2018, and a *post facto* sale on December 4, 2024.
- [19] The Respondent discussed the different methods of valuation and explained that the income approach to value represented market value when sufficient leasing data, and sales related to income producing properties is available.
- [20] The Respondent reviewed; the 2018 lease rate alongside the sale to demonstrate a 6.03% capitalization rate, the current assessment with an 8.25% capitalization rate, and the *post facto* sale at a 7.52% capitalization rate.

- [21] The actual operating costs were explained and calculated at \$5.24 with non-recoverable expenses at \$0.95 per square foot. The assessment is based on \$10 per square foot operating costs and a 2.0% value for non-recoverable expenses. While the subject property has no vacancy, a stabilized long-term vacancy of 5.0 % has been applied. A reserve for replacement has been included at 1.0%
- [22] The Respondent provided sales to show how it arrived at an 8.25% capitalization rate looking at two local sales: one in March of 2023 of an office building showing an 8.44% capitalization rate, and a shopping mall in June 2021 at a 3.74% capitalization rate. And a third sale was introduced from Strathmore Alberta of a retail shopping centre showing a capitalization rate of 7.03%,
- [23] The Respondent explained that when all the calculations are done, the actual performance if the subject property is \$398,268, while the net operating income calculated for the assessment is \$354,578, which is then capitalized at 8.25% to arrive at an assessed value of \$4,298,000.
- [24] The Respondent presented more details on the Complainant's lease comparable properties, showing it is not reasonable to rely on these leasing indicators in preparation of the subject's assessment.
- [25] Arguing that the Complainant has not proven the subject property, as a pharmacy, should be stratified with any of the comparable leases. The Complainant has not proven why forced grouping to achieve the number of properties in a stratification they deem fair is reflective of either, let alone both, equity and market value.
- [26] The subject property is assessed with a lease stratification of one as it is a singular property in the city. A forced stratification disregards market value and thereby equity. The requested assessment requires unproven lease stratification and therefore should not be applied.
- [27] The Respondent argued that converting any of the Complainant's comparable properties into a pharmacy would require a significant investment, making them not comparable and further supported their argument that the properties are not within the same stratification.
- [28] The Respondent requested that the assessment be confirmed as correct, fair and equitable.

BOARD FINDINGS and DECISION

- [29] The Board finds that the leases provided by the Complainant reflect the only market lease data in evidence with the exception of the subject property.
- [30] The Board finds that many of the lease examples provided can accommodate the subject property use and therefore offer some comparability. While the subject property lease is part of the sample, the Board preferred the analysis presented by the Complainant.
- [31] The Board acknowledges that the subject property has had two leases in the last seven years, one is deemed to be too old for consideration, while the other is *post facto*.
- [32] Overall, the Board finds the leasing information from the Complainant demonstrates an assessment value of \$3,432,000.

DECISION SUMMARY

[33] The Board finds that the assessment value is changed to \$3,432,000.

[34] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 20th day of November, 2025 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.



Complaint ID 0194-2117

J. Dawson
Presiding Officer

This decision may be judicially reviewed by the Court of King's Bench pursuant to section 470(1) of the Municipal Government Act, RSA 2000, c M-26.

MGA 470(1) *Where a decision of an assessment review board is the subject of an application for judicial review, the application must be filed with the Court of King's Bench and served not more than 60 days after the date of the decision.*

(2) *Notice of an application for judicial review must be given to*

- (a) the assessment review board that made the decision,*
- (b) the complainant, other than an applicant for the judicial review,*
- (c) an assessed person who is directly affected by the decision, other than the complainant,*
- (d) a municipality, if the decision that is the subject of the judicial review relates to property that is within the boundaries of that municipality, and*
- (e) the Minister.*

Additional information may also be found at www.albertacourts.ab.ca.

APPENDIX "A"DOCUMENTS PRESENTED AT THE HEARING
AND CONSIDERED BY THE BOARD:

<u>EXHIBIT NO.</u>	<u>ITEM</u>	<u>PAGES</u>
A.1	Hearing Materials	9
C.1	Complainant Submissions	13
C.2	Complainant Rebuttal	5
R.1	Respondent Submissions	72

APPENDIX "B"**LEGISLATIVE AUTHORITIES CONSIDERED BY THE BOARD:*****Municipal Government Act, R.S.A. 2000, Chapter M-26 (the MGA)*****Interpretation**

s 1(1)(n) In this Act,

- (n) "market value" means the amount that a property, as defined in section 284(1)(r), might be expected to realize if it is sold on the open market by a willing seller to a willing buyer;

Assessments for property other than designated industrial property

s 289(2) Each assessment must reflect

- (a) the characteristics and physical condition of the property on December 31 of the year prior to the year in which a tax is imposed under Part 10 in respect of the property, and
- (b) the valuation and other standards set out in the regulations for that property.

Joint establishment of assessment review boards

s.455(1) Two or more councils may agree to jointly establish the local assessment review board or the composite assessment review board, or both, to have jurisdiction in their municipalities.

Jurisdiction of assessment review boards

s.460.1(1) A local assessment review board has jurisdiction to hear complaints about any matter referred to in section 460(5) that is shown on

- (a) an assessment notice for
- (i) residential property with 3 or fewer dwelling units, or
- (ii) farm land

s.460.1(2) Subject to section 460(14) and (15), a composite assessment review board has jurisdiction to hear complaints about

- (a) any matter referred to in section 460(5) that is shown on
- (i) an assessment notice for property other than property described in subsection (1)(a)

Decisions of assessment review board

s. 467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

- (1.1)** For greater certainty, the power to make a change under subsection (1) includes the power to increase or decrease an assessed value shown on an assessment roll or tax roll.

- (2) An assessment review board must dismiss a complaint that was not made within the proper time or that does not comply with section 460(9).
- (3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration
 - (a) the valuation and other standards set out in the regulations,
 - (b) the procedures set out in the regulations, and
 - (c) the assessments of similar property or businesses in the same municipality.
- (4) An assessment review board must not alter any assessment of farm land, machinery and equipment or railway property that has been prepared correctly in accordance with the regulations.

Matters Relating to Assessment and Taxation Regulation, 2018 A.R. 2003/2017 (MRAT)

Mass Appraisal

- s. 5 An assessment of property based on market value
- (a) must be prepared using mass appraisal
 - (b) must be an estimate of the value of the fee simple estate in the property, and
 - (c) must reflect typical market conditions for properties similar to that property.

Valuation Date

- s. 6 Any assessment prepared in accordance with the Act must be an estimate of the value of a property on July 1 of the assessment year.

Valuation standard for a parcel of land

- s. 7(1) The valuation standard for a parcel of land is
- (a) market value, or
 - (b) if the parcel is used for farming operations, agricultural use value.

Valuation standard for a parcel and improvements

- s. 9(1) When an assessor is preparing an assessment for a parcel of land and the improvements to it, the valuation standard for the land and improvements is market value unless subsection (2) or (3) applies.

Matters Relating to Assessment Complaints Regulation, AR 201/2017 (MRAC)

Personal Attendance not required

- s. 19(1) Parties to a hearing before a panel of an assessment review board may attend the hearing in person or may, instead of attending in person,