



CENTRAL ALBERTA REGIONAL
**Assessment
Review Board**

Complaint ID 0262 2072
Roll No. 30000431645

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: August 27, 2025

PRESIDING OFFICER: J. Dawson
BOARD MEMBER: K. Shannon
BOARD MEMBER: D. Wielinga

BETWEEN:

942252 Alberta Ltd. (as represented by Northern Property Tax Advisors)

Complainant

-and-

Assessment Unit
For 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: 30000431645
MUNICIPAL ADDRESS: 2119 50 Avenue
ASSESSMENT AMOUNT: \$8,186,700

The complaint was heard by the Composite Assessment Review Board on the 27th day of August 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: A. Izard, Northern Property Tax Advisors

Appeared on behalf of the Respondent: S. Gill, City of Red Deer
T. Johnson, City of Red Deer

DECISION: The assessed value of the subject property is Changed to \$5,677,200.

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 shopping centre – strip with three retail – Commercial Retail Units (CRU) with a quality 7, a quality 4 convenience store, and warehouse mezzanine at quality 4, located along a service road facing Gaetz Avenue, south of 19th Street. The 29,688 square foot footprint was constructed in 1983 with some updates and additions. There is no basement. The assessment is prepared using the income approach.

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] Both parties requested that all previously disclosed information, arguments, questions and answers be brought forward from hearings of complaint IDs 0262 2074 and 0262 2073 involving the same parties and panel.
- [6] 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**

- [7] The Complainant reviewed the hearing notice, agent authorization, grounds for complaint, assessment summary, assessment notice, and aerial, exterior, and interior photographs.
- [8] The Complainant argued that the retail – CRU space 6,000 to 10,000 square feet, based on recent leasing across the street, supports a rate of at \$15.25 per square foot. Two lease summaries were provided:
- a. The first space is identified as unit 3 5250 22 Street comprised of 6137 square feet was leased as of January 2023 at 15.59 per square foot.
 - b. The second lease is at 13 5250 22 Street with 6953 square feet and a lease of \$15.00 per square foot starting in December of 2023.

The median and mean are \$15.30 per square foot, and the weighted mean is \$15.28 per square foot.

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- [9] The Complainant explained that there is recent leasing at \$10.50 per square foot for retail – CRU space 10,000 to 20,000 square feet.
- a. A report from pillarmine.com shows a sub-lease for 19,687 square feet at \$10.50 per square foot signed on September 14, 2023, for an unreported term, located at 6751 Gaetz Avenue.
- [10] The Complaint expressed a vacancy inequity along Gaetz where properties with similar vacancy rates as the subject property, 19% versus 23% are assessed at 15% while the subject is assessed at 10%.
- a. Pointing to an income summary of the subject property showing an actual vacancy of 19% while it is assessed at 10% vacancy.
 - b. Adding the property at 2410 50 Avenue shows an actual vacancy of 23% and an assessed vacancy of 15%.
- [11] The Complainant provided extensive argument that referenced decisions (approximately 30) that speak to Fairness and Equity, Onus of Proof, Disclosure, and interpretation of sections from the MGA, MRAC and MRAT.
- [12] In particular, the Complainant stressed that decisions demonstrate that the Onus test is based on the balance of probabilities where the taxpayer is not required to prove what the correct assessment should be, citing:
- a. **1544560 Alberta Ltd v. Edmonton (City)**, (2015 ABQB 520)
 - b. **Concord Pacific Alberta Properties Inc. v. Calgary (City)**, (2017 ABQB 138)
 - c. **Ross v. City of Edmonton (City)**. (2016 ABQB 730)
 - d. **Penny Lane Shopping Centre Ltd. v. Calgary (City of)**, (2017 ABQB Action 1501-09116 Transcript)
 - e. **Costco Wholesale Canada Ltd. v. City of Medicine Hat**, (2022 ABQB 129)
- [13] The Complainant also addressed Fairness and Equity as a concern, related to the applied rate for storage space relative to similar and competing properties within the municipality. Reference was made to the following decisions, explaining that the taxpayer has two distinct rights: First, a right to an assessment which is not in excess of which can be regarded as equitable; and secondly, a right not to be assessed in excess of market value:
- a. **Strathcona (County) v. Alberta Assessment Appeal Board**, (1995 ABCA 165)
 - b. **Lougheed Tomasson Inc. v. Calgary (City of)**, (2000 ABCA 81)
 - c. **Mountain View County v. Alberta (Municipal Government Board)**, (2000 ABQB 594)
 - d. **1544560 Alberta Ltd v. Edmonton (City)**, (2015 ABQB 520)

e. ***Domain Apartments v. The City of Calgary, (2024 ABCGYARB 2184491)***

[14] The Complainant concluded with its request of \$5,105,700.

Position of the Respondent

[15] The Respondent presented the subject property with the assessment summary, the income calculation, a map, aerial photographs, and exterior photographs.

[16] The Respondent included a vacancy chart that described at all quality 7 strip centres as having an applied 10% vacancy allowance. The chart represented 21 rolls and 350,849 square feet with 25,655 square feet for a calculated vacancy of 7.2%.

[17] The Respondent provided a graph comparing the subject property's actual vacancy rates to the assessed vacancy. The graph illustrates that although the current year's actual vacancy is higher than the assessed rate, in the previous nine years the subject property consistently had a zero percent vacancy while still receiving a 7-15% vacancy allowance.

[18] The Respondent also pointed out that, while the subject property is reporting a 19% vacancy, the financial report shows that the rent is still being paid, and the space is being marketed as a sub-lease.

[19] The Respondent disclosed income summaries for 6842 50 Avenue and 2085 50 Avenue, to demonstrate that other quality 7 retail strip centres are assessed equitably with a 10% vacancy allowance.

[20] The Respondent presented a chart describing the differences between quality 7, 10 and 11 retail strip centres.

[21] The Respondent explained that the Complainant's evidence raises the issue of whether the rental rate of \$21 per square foot applied to the 6944 square foot retail – CRU unit at the subject property should be reduced to \$15.25 per square foot, based on two comparable leases.

[22] The Respondent argued that the \$21 per square foot rate is fully supported by market data based on leases from comparable properties with a similar quality 7 retail strip centre.

[23] The Respondent included a lease rate analysis of retail strip mall spaces with a quality 7 designation with 13 leases (one is *post facto*). The analysis concluded that the median is \$22.45 per square foot, the average is \$22.44 per square foot, meanwhile the assessed rate is \$21.50 per square foot.

[24] In support of the analysis, the Respondent included the subject property Request for Information (RFI) for 2024, showing the subject property space of 6844 square feet being leased at \$24.00 per square foot as of January 1, 2015. The 2025 RFI shows a renewal as of January 1, 2024, at \$25 per square foot.

[25] The Respondent alleged that the Complainant has selectively relied on just two comparable properties, neither of which are from the same asset class as the subject property. Both leases are from different property types that are not directly comparable.

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- [26] The Respondent argued that the Complainant omitted critical information, including the actual rent currently achieved at the subject property is \$25 per square foot, which clearly supports a higher market rate than the requested rental rate of \$15.25 per square foot.
- [27] The Respondent suggested that it has stratified all retail strip assets according to defined criteria and applied market-derived rental rates to each category. Within each stratification, comparable properties have been assessed equitably at a uniform rental rate which has been applied to quality 7 retail – CRU's.
- [28] On the second issue, the Respondent explained that the Complainant's evidence raises the issue of whether the rental rate of \$20 per square foot applied to the 15,264 square foot retail – CRU unit at the subject property should be reduced to \$10.50 per square foot, based on a single comparable lease.
- [29] The Respondent positioned that its rental rate of \$20 per square foot is derived from market analysis of comparable quality 7 retail strip and is appropriate for the subject property.
- [30] The Respondent argued that the one comparable lease from the Complainant is from a lower-quality retail strip located on north Gaetz Avenue and is not representative of the subject property's quality or location and it is a 'sub-lease' which is not considered 'market rent'.
- [31] The Respondent explained that it provided a market rental study of quality 7 retail strip units in support of the application of \$21 per square foot along with a sub-analysis to support the application of \$21 and \$20 for the larger units.
- [32] The Respondent argued that it has implemented a consistent and legislatively compliant methodology for property assessment. Specifically, it has stratified all retail strip assets according to defined criteria and applied market-derived rental rates to each category. Within each stratification, comparable properties have been assessed equitably at a uniform rental rate which has been applied to quality 7 retail – CRU's.
- [33] The Respondent provided an income summary from 2325 50 Avenue to show equitable treatment of a nearby quality 7 retail strip centre.
- [34] The Respondent also submitted a legal brief and additional information that referenced over 130 decisions and authorities. A list too long to include in this brief decision. The Respondent referred to a handful of them during the hearing.
- [35] In Addendums, the Respondent included:
- A. Subject property listing information,
 - B. Rental rate support - addresses,
 - C. 2024 RFI for subject property,
 - D. 2025 RFI for subject property,
 - E. Photograph of subject property versus a comparable at 2410 50 Avenue,

F. Rental rate documents,

G. 2024 CARB decision 0262 1839,

- [36] The Respondent concluded that the evidence in its submission demonstrated the correct, fair and equitable assessment, asking for a confirmation of the \$8,186,700 assessment.

BOARD FINDINGS and DECISION

- [37] The Board acknowledges the purpose of assessment is to provide a fair and equitable means to distribute the tax burden to all taxpayers, as described in ***Jonas v. Gilbert, (1881 5 SCR 356)***:

“Unless the legislative authority otherwise ordains, everybody having property or doing business in the country is entitled to assume that taxation shall be fair and equal, and that no one class of individuals, or one species of property, shall be unequally or unduly assessed.”

- [38] It seems too often that both complainants and respondents have evolved to a point that each are minimizing the actual evidentiary information and maximizing their list of prior decisions – over 150 decisions were referenced by both parties during this hearing alone and neither party provided an abundance of income supporting evidence.

- [39] The Board finds that the Complainant has the onus to show that its assessment may have a problem as described here in ***1544560 Alberta Ltd v Edmonton (City), (2015 ABQB 520)***:

“[65] 1. There is an evidentiary onus on the complainant to raise a prima facie case on the market value of the Property. If it does so, the evidentiary burden shifts to the municipality to provide evidence supporting its assessment of market value.

- [40] The Board finds that the Complaint met the onus by establishing its perceived unfairness of their assessment compared to other competing assessments. It is not necessary or important that they are assessed in a different manner. Once onus is met, it is incumbent on the Respondent to provide clear and irrefutable evidence to show that the assessment is correct.

- [41] The Board finds that the Complainant provided sufficient information to cast doubt on the accuracy of the assessment of the subject property. Specifically, the Complainant:

- Provided two leases across the street in direct competition with the subject property to challenge one of the size categories – 6,000 to 10,000 square feet, which required the Respondent to respond with its own leases to demonstrate that the assessment is equitable.
- Submitted one lease on the same major thoroughfare as the subject property to challenge another size category – 10,000 to 20,000 square feet, thereby requiring the Respondent to rebut that information.
- Raised doubt about the correct vacancy rate for the subject property, which required the Respondent to respond with its vacancy information to demonstrate that the assessment is correct.

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- [42] This *prima facie* case requires the Respondent to respond with sufficient evidence to support the assessment.
- [43] The Respondent provided many pages and lengthy explanations of how their assessments are correct, fair and equitable, but the Complainant's analysis is flawed.
- [44] The Board will not repeat the error identified in ***Costco Wholesale Canada Ltd. v City of Medicine Hat, (2022 ABQB 129)*** where the Court stated:

"[73] The failure of the Majority to grapple with the City's evidence regarding how the 4% was developed, amounts to a lack of justification on a critical issue, and is unreasonable. The deference afforded to the City's methodology without justification, when this methodology was in issue, also contributes to the unreasonableness of the Decision"

- [45] The Board finds that the Respondent failed to support its theories and analysis. Regarding the retail – CRU 6,000 to 10,000 square feet issue, the Respondent argued that although the property across the street, -considered to be in direct competition- are newer and appear similar to the subject property, they are assessed differently, and therefore benefit from a higher vacancy allowance, lower rental rate or other inputs in the income approach.
- [46] In addendum F, the Respondent provided some snippets of information; seven small excerpts from rent rolls and assessment request for information responses, that are heavily redacted:
1. The first one shows a rent roll from 3119 49 Avenue with seven leases including:
 - a. a lease identified as units 110 and 120 of 3938 square feet dated November 1, 2023, for a base rent of \$26 per square foot. It might align with lease 1 in the Respondent's table. The Board places some weight on this evidence.
 - b. a lease identified as unit 130 for 1500 square feet dated July 1, 2023, at a base rent of \$18 per square foot. It appears to align with lease 2 in the Respondent's table. The Board places some weight on this evidence.
 - c. A lease identified as unit 140 for 900 square feet dated November 15, 2023, with a base rent of \$21.50 per square foot. It appears to align with lease 3 in the Respondent's table. The Board places some weight on this evidence.All other lease records are outside the range selected within the analysis. Other details are redacted. There is no information from the Respondent to ascertain the comparability; condition, quality, accessibility, etc. The Board places no weight on the remaining lease evidence.
 2. The second record shows a rent roll from with one lease for unit A1 for 1650 square feet at \$21.25 per square foot. All other information is redacted. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. It appears to align with lease 4 in the Respondent's table. The Board places some weight on this evidence.
 3. The third snippet has no address or unit number and contains one lease for 2070 square feet at \$15 per square foot. All other information is redacted. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. It appears to align with lease 8 in the Respondent's table. The Board places some weight on this evidence.

4. The fourth item identified as unit A2 with 3636 square feet at \$24 per square foot. All other information is redacted. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. It might align with lease 5 in the Respondent's table. The Board places some weight on this evidence.
5. The fifth record, is a screen shot identifying unit 180 with 1200 square feet at \$16.50 per square foot. All other information is redacted. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. It appears to align with lease 10 in the Respondent's table. The Board places some weight on this evidence.
6. The sixth snippet has no address and contains one lease for 1800 square feet with a unit number 60 at \$26 per square foot. All other information is redacted. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. It appears to align with lease 9 in the Respondent's table. The Board places some weight on this evidence.
7. The last item is identified as 130 for 2376 square feet at \$32 per square foot. All other information is redacted. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. It appears to align with lease 12 in the Respondent's table. The Board places some weight on this evidence.

There does not appear to be any support for leases 6, 7, and 11 in the Respondent's table. The Board places no weight on this lease evidence.

- [47] The Board finds no lease support from the Respondent in the lease table for any space greater than 3635 square feet, whereas the Complainant provided two leases in newer buildings, with arguably better traffic flow and exposure. The Respondent failed to demonstrate that leased space across the street, is somehow assessed differently than the subject property, therefore the Board accepted the Complainant's evidence and changed the assessed rate for the 6944 space to \$15.25 per square foot.
- [48] On the 15,264 square foot space, the Respondent included a chart with five comparable leases; however, in the addendum F supplied no support for their analysis. On one hand the Respondent says that the sublease space that the Complainant brought is not considered market due to being a sublease, then the Respondent brought forward in their evidence an advertisement for a sublease in the subject property to demonstrate that the lease owner is asking for more than the assessed value.
- [49] In the same vein, the Respondent argued that the lease presented by the Complainant is less desirable due to location and quality; however, the evidence that the Board has is interior pictures of higher quality finish at a location on the same main corridor with very similar access and exposure. While the Respondent said the north location is not as desirable as the south (something the writer would agree based on living in the municipality), but the Respondent in its own analysis in addendum B identified the addresses for its lease comparison charts with locations on south Gaetz, north Gaetz and north Taylor as if they were all the same.
- [50] The Board requires clear and decipherable evidence. The board shouldn't have to look on addendum B for possible addresses, then addendum F through cryptic snippets to try and figure out whatever story the Respondent is trying to tell. Hiding behind the now repealed *Freedom of Information and Protection of Privacy Act* ("FOIP") when its convenient and then totally ignoring it when it pertains to a client of the Complainant's agent is not the conduct one should expect from their municipality. Additionally, FOIP was specifically exempt in section 301.1 of the MGA.

- [51] However, the Board is conscious to the Respondent's requirement for confidentiality in section 301(1). The Board needs to see photographs of comparable property to ascertain the condition, quality and comparability, with maps and aerial photographs showing access and location, not just addresses. The Board needs evidence that shows the comparable property is in fact comparable. The Board cannot just accept words from the Respondent when the Complainant provides actual evidence.
- [52] Additionally, the Board can only rely on the evidence that it has before it. While the Board may be inclined to agree that south Gaetz is more desirable than north Gaetz such a statement must be supported by evidence. For example, the Respondent could have provided community population data and traffic counts showing where consumers live versus where they shop, or evidence demonstrating that south Gaetz has better accessibility to the majority of consumers with direct travel paths.
- [53] The Board finds the only reliable lease evidence for the subject property's 15,264 square foot space is the lease presented by the Complainant at \$10.50 per square foot and sets the assessed rental rate at that value.
- [54] The Board finds the Respondent's evidence regarding vacancy to be compelling. Based on this evidence, the Respondent demonstrated that the subject property has been assessed equitably, has not suffered long term vacancy issues, and that the Complainant's equity argument did not persuade the Board that there was an error in the applied vacancy rate.
- [55] The Board makes no change to the vacancy rate of 10%.

DECISION SUMMARY

- [56] The assessed value of the subject property is Changed to \$5,677,200.
- [57] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 24th day of October, 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 0262-2072

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	53
C.1	Complainant Submissions	197
R.1	Respondent Submissions	70
R.2	Respondent Legal Brief	68

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.

Right to release assessment information**s 301(1)** A municipality may provide information in its possession about assessments if it is satisfied that necessary confidentiality will not be breached.**Relationship to Freedom of Information and Protection of Privacy Act****s 301.1** Sections 299 to 301 prevail despite the Freedom of Information and Protection of Privacy Act.**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.