



CENTRAL ALBERTA REGIONAL
**Assessment
Review Board**

Complaint ID 0262 2073
Roll No. 30000931311

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: August 26, 2025

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

BETWEEN:

Peacock Developments 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: 30000931311
MUNICIPAL ADDRESS: 3321 50 Avenue
ASSESSMENT AMOUNT: \$2,334,900

The complaint was heard by the Composite Assessment Review Board on the 26th 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 \$2,297,400.

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 a retail – Commercial Retail Unit (CRU) with a drive-through at quality 10, and four additional retail – CRU at quality 11, located along a service road facing Gaetz Avenue, south of 35th Street. The 6,022 square foot footprint was constructed in 2022. 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 hearing of complaint ID 0262 2074 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 began by presenting the rent roll showing five spaces with leases beginning September 1, October 1, and December 1 of 2022 with 5- and 10-year terms. The single drive-through space showed a lease of \$35.00 per square foot with the retail – CRU spaces showing rental values between \$27.50 and \$32.50 per square foot. The median value is \$28.50 per square foot, forming the basis of their request.
- [9] The Complainant reviewed eight leases with a drive-through (one is the subject property) to illustrate that typical market rent median is \$33.14.
- [10] 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.
- [11] During questions and summation, the Complainant dismissed the equity comparable property presented by the Respondent because it was at a controlled intersection and had better exposure.

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- [12] The Complainant concluded with a request for \$2,108,800 based on \$35.00 per square foot for retail – CRU with drive-through and \$28.50 per square foot for the retail – CRU spaces.

Position of the Respondent

- [13] The Respondent presented the subject property with the assessment summary, the income calculation, a map, aerial photographs, and exterior photographs.
- [14] The Respondent also submitted an extensive 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 few of them during the hearing.
- [15] The Respondent explained that the first issue is relates to the retail – CRU rental rate. The Complainant is requesting \$28.50 per square foot based on subject property leases.
- [16] The Respondent's position on market rental rate is, that all quality 11 retail strips have been assessed with \$30 per square foot based on a comprehensive analysis of market leasing of similar properties within the municipality including the leases from the subject property.
- [17] The Respondent provided a market analysis of fifteen recently signed leases for comparable retail – CRU quality 11 spaces which it argued supported the application of the \$30 per square foot rental rate.
- [18] The Respondent argued that it has implemented a consistent and legislatively compliant methodology for property assessments. All retail – CRU spaces have been assessed using market-derived rental rates and all comparable properties have been assessed equitably.
- [19] The second issue is in regard to the rental rate for the retail – CRU with drive-through. The Respondent's position is that the rental rate of \$37 per square foot applied to the end-cap drive-through unit is derived using rental rates being achieved at other similar end-cap units and is reflective of what a typical drive-through end-cap unit would achieve in the market.
- [20] The Respondent provided comments on the leases included in the Complainant's analysis:
1. The first lease reported at 3020 22nd Street is a predetermined step-up lease which came into effect on October 1, 2023, but set with a previous lease agreement, so it should be excluded.
 2. The third lease reported at 3020 22nd Street is a land pad lease and not for the building. It should be excluded. And,
 3. The remaining leases are not retail – CRU spaces with a drive-through, and therefore not similar to the subject property.
- [21] The Respondent included its own analysis of quality 10 retail – CRU with drive-throughs, which included the subject property and four additional leases. At the hearing, the Respondent corrected the lease start dates of all five lease.
- [22] The Respondent reviewed the quality differences between quality 7, quality 10 and quality 11.

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- [23] The Respondent provided an equity example of a nearby quality 11 strip centre to demonstrate that both have been assessed at similar value: \$407.76 per square foot for the comparable property and \$408.66 per square foot for the subject property.
- [24] The Respondent compared the calculated value of the subject property using actual leases to show a value of \$2,716,700 versus the assessed value of only \$2,334,938.
- [25] The Respondent showed a consideration value of \$3,697,790 for a land transfer that occurred in November of 2024.
- [26] In Addendums, the Respondent included:
- A. Subject property title information,
 - B. Transfer document of subject property,
 - C. Equity comparable properties with photographs and addresses,
 - D. Rental rate support retail – CRU with drive-through quality 10,
 - E. Rental rate support retail – CRU quality 11,
 - F. Information regarding 800 3020 22 Street,
 - G. ***GSL Chevrolet Cadillac Ltd. v Calgary (City)***, (2013 ABQB 318),
 - H. ***Altus Group Limited v Red Deer (City)***, (2024 CARARB 0262 1834), and
 - I. ***Supreme Capital Inc. v Edmonton (City)***, (2024 ABECARB 1700)
- [27] The Respondent argued that the evidence in its brief demonstrated the fairness of the assessed value and asked that the Board confirm the assessment as being fair and equitable.

BOARD FINDINGS and DECISION

- [28] 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.”*
- [29] It seems too often that both complainants and respondents have evolved to a point that each are minimizing the actual evidentiary information that they share 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.
- [30] 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.

[31] 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.

[32] 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 the unredacted assessment request for information of the subject property.
- Submitted eight comparable properties with drive-through spaces showing a median rental rate of \$33.14 per square foot, thereby requiring the Respondent to rebut that information.

[33] This *prima facie* case requires the Respondent to respond with sufficient evidence to support the assessment.

[34] The Respondent provided many pages and lengthy explanations of how their assessments are correct, fair and equitable, and how the Complainant’s analysis is flawed.

[35] 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”

[36] The Board finds that the Respondent failed to support their theories, and analysis in regard to the retail – CRU with drive through space. Its evidence contained so many errors; there is no possibility that an average person could possibly defend themselves. What little rental rate support provided was heavily redacted and so blurry that it could not be interpreted to support the assessment.

[37] The Board finds that the best evidence for the retail – CRU with drive through quality 10 space, is the requested value of \$35.00 per square foot based on the subject property lease that was unredacted and could easily be understood.

[38] On the retail – CRU quality 11 space, the Board finds the combined evidence from the Complainant and the Respondent persuasive. The Complaint had four leases and the Respondent’s had snippets on seven additional leases:

1. The first one showed 1422 square feet with a value of \$27 per square feet signed December 1, 2023. All other details are redacted. It appears to align with lease 3 in the Respondent’s table. There is no information from the Respondent to ascertain the comparability; location,

condition, quality, accessibility, etc. With the significant redactions, the Board placed some weight on the evidence.

2. The second record showed five leases on one record:

- i. 1586 square feet with a value of \$43 per square foot, labeled 110 signed July 2022,
- ii. 1035 square feet with a value of \$31 per square foot, labeled 120 signed August 2023,
- iii. 988 square feet with a value of \$30 per square foot, labelled 130 signed November 2022,
- iv. 1031 square feet with a value of \$30 per square foot, labelled 140 signed July 2022, and
- v. 1641 square feet with a value of \$31 per square foot, labelled 150 signed July 2022.

All other details are redacted. i does not appear to be in the Respondent's table, ii appears to align with lease 6, iii appears to align with lease 8, iv appear to align with lease 12, and v appears to align with lease 13 in the Respondent's table. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. With the significant redactions, the Board placed some weight on the four bottom leases.

3. The third item showed three leases on one record:

- i. 2512 square feet with a value of \$35 per square foot, labeled 110 signed March 2024,
- ii. 2619 square feet with a value of \$36 per square foot, labeled 160 signed April 2024, and
- iii. 2577 square feet with a value of \$34 per square foot, labelled 130/140 signed June 2025.

All other details are redacted. None of leases appear to be in the Respondent's table. Item iii. is *post facto*, and there is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. With the significant redactions, and the inability to find relevance, the Board placed no weight on this evidence.

4. The fourth snippet showed five leases on one record:

- i. 1500 square feet with a value of \$35 per square foot, labeled 4101 signed March 2022,
- ii. 2200 square feet with a value of \$26 per square foot, labeled ???/??? (illegible) signed March 2022,
- iii. 2213 square feet with a value of \$47 per square foot, labelled 5101 signed January 2022,
- iv. 3700 square feet with a value of \$30 per square foot, labelled ???/??? (illegible) signed February 2022, and
- v. 1200 square feet with a value of \$30 per square foot, labelled 4117 signed January 2024.

All other details are redacted. i, iii, iv do not appear to be in the Respondent's table, ii appears to align with lease 14, and v appears to align with lease 1 in the Respondent's table. There is no information from the Respondent to ascertain the comparability; location, condition, quality, accessibility, etc. With the significant redactions, the Board placed some weight on lease ii and v.

5. Four leases appear to align with the Complainant's subject property analysis:

- i. 1022 square feet with a value of \$28.50 per square foot, labeled 120 signed September 2022,
- ii. 1022 square feet with a value of \$27.50 per square foot, labelled 130 signed October 2022,
- iii. 1041 square feet with a value of \$28.50 per square foot, labelled 140 signed December 2022, and
- iv. 1268 square feet with a value of \$32.50 per square foot, labelled 150 signed September 2022.

i appears to align with lease 10, ii appears to align with lease 9, iii appears to align with lease 7, and v appears to align with lease 11 in the Respondent's table. The Board placed the most weight on these leases.

[39] The Board finds no support for leases 2, 4, and 5 and placed no weight on them.

[40] The Board gave regard to the leases it was able to verify and by giving some weight to leases that contained partial but usable information and finds that the assessed rental rate of \$30 per square foot is correct, fair, and equitable.

DECISION SUMMARY

[41] The assessed value of the subject property is Changed to \$2,297,400.

[42] 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.



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	181
R.1	Respondent Submissions	86
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.

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.

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- (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.