



CENTRAL ALBERTA REGIONAL
**Assessment
Review Board**

Complaint ID 0262 2076
Roll No. 30002921815

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: August 28, 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: 30002921815
MUNICIPAL ADDRESS: 6130 67 Street
ASSESSMENT AMOUNT: \$8,517,400

The complaint was heard by the Composite Assessment Review Board on the 28th 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 \$7,919,800.

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 retail strip shopping centre located on 67 Street east of Taylor Drive. It is improved with 23,080 square feet of retail space, including a stand-alone bank, a stand-alone restaurant and six retail – CRU spaces. Located on 2.59 acres of land, calculating a site coverage ratio of 20%. The assessment is created using the income approach to value.

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, 0262 2073, 0262 2072, 0262 2087, and 0262 2075 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 explained that the vacant retail – CRU spaces were being marketed for a significant amount of time by a premier brokerage house at \$18 per square foot. There was no interest in the spaces until early 2024. However, the spaces ended up achieving market rents with a weighted average of \$17.37 per square foot:
- a. Unit 210 July 1, 2024, \$16 per square foot (222 days on the market),
 - b. Unit 250 September 1, 2024, \$18 per square foot (1,251 days on the market),
 - c. Unit 260 November 1, 2024, \$18 per square foot (238 days on the market), and
 - d. Unit 270 July 1, 2023, \$29 per square foot.
- Median \$18, mean \$20.25, and weighted mean \$21.16 per square foot.
- [9] The Complainant presented rental rates from other properties in the immediate area to demonstrate that the market rent for the space at \$18 per square foot is well supported:
- a. 130 100 Kent Street November 8, 2024, \$15 per square foot (266 days on the market),
 - b. 2 6889 50 Avenue November 1, 2024, \$15 per square foot,

- c. 110 100 Kent Street August 23, 2024, \$17 per square foot (79 days on the market),
 - d. 6 6782 50 Avenue June 20, 2024, \$17 per square foot (24 days on the market),
 - e. 4 6715 50 Avenue May 3, 2024, \$18 per square foot (114 days on the market),
 - f. 180 6800 Taylor Drive February 20, 2024, \$18 per square foot (243 days on the market),
 - g. 8 88 Howarth Street December 10, 2023, \$19 per square foot (361 days on the market), and
 - h. 4 6791 50 Avenue July 5, 2023, \$20 per square foot (309 days on the market).
- Median \$18, mean \$18.33, and weighted mean \$18.88 per square foot.

- [10] The Complainant argued that it is difficult to suggest that the market value of these retail – CRU units is \$25 per square foot. Explaining that part of the reason for the challenges of the property are the difficulties for access, with no access from eastbound 67th Street, and the property is not located at a controlled intersection.
- [11] The Complainant asserted that the evidence demonstrates that in addition to the subject being assessed in excess of market value (greater than the rent it is capable of being achieved) it is also in excess of typical market value from comparable properties. Arguing that the assessment can neither be considered fair (reflective of market value) nor equitable (similar level of market value for comparable property – those achieving similar rents).
- a. The comparable properties are achieving similar market rents (\$18 per square foot) and are assessed for Less (\$18.50 per square foot) than the subject property at \$25 per square foot, making the subject inequitable.
 - b. Some comparable properties are achieving higher market rents (\$20 per square foot) and are assessed for less (\$18.50 per square foot), making the treatment of the subject property again inequitable.
- [12] The Complainant provided details on the collection loss at the subject property, as well as the collection loss challenges at other properties within the municipality.
- [13] Carried forward from CARARB 0262 2075, the Complainant reviewed their collection loss issue, to demonstrate that the subject property for 2075, as well as similar properties on the east side of 30th Avenue, have experienced high turnover, and collection loss issues since construction – at rates exceeding those observed in other properties.
- [14] The Complainant included a recent CARB decision, 2021 ABCGYARB 2163529, regarding the application and calculation of collection loss.
- [15] The Complainant referred to a recent excerpt from a disclosure document pertaining to a different property, wherein the Respondent stated, “Collection loss is not a separate input in the City of Red Deer’s methodology. The City applies 2% non-recoverable allowance to cover the typical non-recoverables at a property.” (Dated September 16, 2024, for 6130 67 Street).
- [16] The Complainant provided definitions, for Vacancy and Collection Loss Rate and Non-Recoverable Allowance, from the City of Calgary – Assessment Business Unit publication ‘2024 Property Assessment Retail Market Trends’, from the Appraisal Institute of Canada, from the International Association of Assessing Officers, and from the Sauder School of Business – Real Estate Division.

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- [17] The Complainant presented paragraphs 32 through 34 of a decision from the Board (2024 CARAB 0262 1885):
- [32] The Board finds that the evidence provided by the Complainant from several reliable assessment textbooks and training materials clearly identifies that collection loss is a consideration in the formation of a vacancy rate.
 - [33] The Board finds that the Respondent admitted that it does not collect information on collection loss information, and it is not considered in the formation of their vacancy rate.
 - [34] The Board finds that the Respondent has failed to collect information on collection loss, and therefore failed to account for it in the vacancy rate...
- [18] The Complainant explained the process of collection loss being applied as a part of the vacancy allowance. Collectively, they are referred to as vacancy and collection loss allowances. Arguing that the Respondent does not collect information on this, does not request that information from owners for loss in income attributed to tax clauses, early termination, delinquency, bankruptcy, or other matters which impact the income analysis of properties. In short, the Respondent does not address this issue in any way shape or form. The Complainant provided a detailed account of the hundreds of thousands in collection loss from multiple tenancies. These details of collection loss impact on the value of the property that must be considered.
- [19] The Complainant presented how it adjusted for collection loss via an adjustment to the physical vacancy calculation. Resulting in a conservative estimate of collection loss at the subject property between 4.59% and 6%, based on the calculations provided.
- [20] 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.
- [21] The Complainant included disclosure on equity:
- a. 6715 50 Avenue: the Complainant argued that it achieves the same rent as the subject property (\$18 per square foot), yet it is assessed for \$18.50 per square foot, while the subject is assessed at \$25 per square foot.
 - b. 6889 50 Avenue: the Complainant explained that it achieves a rent of \$15 per square foot, less than the subject property, yet it is assessed for \$18.50 per square foot, while the subject is assessed at \$25 per square foot.
 - c. 6791 50 Avenue: the Complainant presented that this space achieves a higher rent (\$20 per square foot) than the subject property (\$18 per square foot), yet it is assessed for less at \$18.50 per square foot, while the subject is assessed at \$25 per square foot.
 - d. 6842 50 Avenue: the Complainant articulated that it achieves slightly higher rent than the subject property (\$18 per square foot), yet it is assessed for \$21.50 per square foot, while the subject is assessed at \$25 per square foot.
 - e. 6858 50 Avenue; This space achieves a higher rent (\$21.50 per square foot) than the subject (\$18 per square foot) yet is assessed for less at \$21.50 per square foot, while the subject is assessed at \$25 per square foot.
- [22] The Complainant argued that the subject property is neither fair nor equitable, as the market rent of the above examples is similar as the subject property but are assessed more favourably.

Position of the Respondent

- [23] The Respondent presented the subject property with the assessment summary, the income calculation, a map, aerial photographs, and exterior photographs.
- [24] The Respondent explained that the Complainant's evidence raises the issue of whether the rental rate of \$25 per square foot applied to the subject property's retail – CRU spaces should be reduced to \$18 per square foot. The Respondent's position is that the rental rate of \$25 per square foot is applied to the subject property using market analysis of all quality 10 retail strip properties' retail – CRU spaces, which includes the subject property and the properties in the immediate vicinity of the subject property.
- [25] The Respondent alleged that the leases presented by the Complainant are *post facto* – occurring after July 1, 2024, while others are from inferior properties.
- [26] The Respondent included a recreation of the Complainant's lease rate analysis of retail strip mall spaces, showing that quality 3, 4, 5, 7 and 10 leases were used.
- [27] The Respondent presented a chart describing the differences between quality 7, 10 and 11 retail strip centres.
- [28] The Respondent indicated that many of the Complainant's comparable properties are from properties that are from lower quality retail strip centers. Explaining that equity requires similar properties to be assessed in a similar manner.
- [29] The Respondent provided a quality 10 three-year retail strip mall lease analysis with 41 records (two are *post facto*). The Median is \$26, the average is \$25.74, with a market applied rate of \$25 per square foot.
- [30] The Respondent included an analysis of quality 10 retail strip malls, three which are adjacent to or close neighbours. The eleven records are dated from March 25, 2021, to March 6, 2024, with two *post facto* records not used in the analysis. The results indicate a median of \$27, an average of \$25.75, and an assessed rate of \$25.
- [31] The Respondent created a subject property analysis for quality 10 retail strip mall with six records:
- Unit 210 for 1869 square feet signed March 6, 2024, at \$16.00 per square foot.
 - Unit 220 for 1912 square feet signed February 1, 2020, at \$21.75 per square foot.
 - Unit 230 for 3719 square feet signed April 1, 2021, at \$27.00 per square foot.
 - Unit 250 for 1868 square feet signed July 25, 2024, at \$18.00 per square foot.
 - Unit 260 for 2220 square feet signed July 12, 2024, at \$18.00 per square foot. And,
 - Unit 270 for 2864 square feet signed July 1, 2023, at \$29.00 per square foot (not included in study because it is medical use).
- The median is \$24.38, the average is \$23.94, and the applied market rate is \$25 per square foot.
- [32] The Respondent included an equity comparable from next door at 6085 67A Street showing an assessed rate of \$25 per square foot.

- [33] 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.
- [34] In Addendums, the Respondent included:
- A. ARFI example for 2025,
 - B. Rental rate support,
 - C. CARARB Decision 0262 1885,
 - D. CARARB Decision 0262 1834, and
 - E. RFI.
- [35] The Respondent argued that the evidence contained within its disclosure supports the fairness of the assessed value and asked that the Board confirm the assessment as being fair and equitable.

BOARD FINDINGS and DECISION

- [36] 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.”

- [37] The Board observed that both complainants and respondents have increasingly relied on referencing prior decisions rather than providing actual evidentiary information. During this hearing alone, over 150 decisions were referenced, while neither party provided an abundance of income supporting evidence.
- [38] 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.*

- [39] The Board finds that the Complaint met the onus by demonstrating its perceived unfairness of their assessment compared to other competing properties. It is not necessary or important that they are assessed in a different manner. Once the onus is met, it is incumbent on the Respondent to provide clear and irrefutable evidence to show that the assessment is correct.
- [40] 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 lease records and previous lease information to demonstrate that the assessed rental rate may be too high, requiring the Respondent to support their assessed rate.
 - Raised doubt as to whether an additional discount is required for collection loss, thereby requiring the Respondent to rebut that information.

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- Provided comparable assessment information raising the issue of equity, which needs to be addressed by the Respondent.
- [41] This *prima facie* case requires the Respondent to respond with sufficient evidence to support the assessment.
- [42] The Respondent provided extensive written details and lengthy explanations outlining how its assessments are created and are correct, fair and equitable, and how the Complainant's analysis is flawed.
- [43] However, with respect to the retail – CRU rental rate issue, the Board finds that the conflicting information generally supports the Respondent's position based on a quality 10 strip mall.
- [44] The Respondent's analysis of actual rents in place does not fully reflect current market conditions. When dated leases are removed from consideration, the remaining evidence tends to support the Complainant's position, however, the Board does not base its findings solely on-site specific information alone.
- [45] On the collection loss issue, the Board must consider what evidence is present to increase vacancy allowance based on collection loss. The Board finds no compelling evidence was provided to support the change. While the Board agrees with the Complainant that the information should be collected and considered when creating the assessment, the Respondent demonstrated that distinguishing between actual losses and deferred revenue is difficult to calculate in every instance. The Board further finds, the assessed 10% vacancy allowance reasonably compensates for some of these uncertainties.
- [46] The Board accepts and agrees with ***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"*
- [47] In this case, the Board did 'grapple' with the evidence, which preliminary results show a 0.2% collection loss. The Board is conscious to the fact that these are preliminary results for 2025 and not actual results for 2024. Additionally, it may take several years for those filling out the form to notice the distinction in what the Respondent is now asking for. However, the Complainant had not proven the value either because some of what it has marked as loss, is in fact differed revenue.
- [48] The Board finds insufficient evidence to make a change to the vacancy rate.
- [49] On the final issue regarding equity, the Board finds compelling evidence that the subject property, though being marketed, is not achieving the results one would expect for a quality 10 strip mall.
- [50] The Board finds the quality descriptions of the Respondent vague in nature with the only two discernible differences being the year of construction and the expected revenue.

- [51] While the Board is not permitted to change what quality classification is assigned by the Respondent, it finds that the subject property exhibits the traits and financial results of a quality 7 strip mall. Accordingly, the Board adjusts the rental rate of \$25 per square foot for retail – CRU space to \$21.50 per square foot for units under 3000 square feet and revises the operating costs from \$12.50 per square foot to \$10.00 per square foot for the entire property.
- [52] The Boards finds a new assessment value of \$7,919,800.

DECISION SUMMARY

- [53] The assessed value of the subject property is Changed to \$7,919,800.
- [54] 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 0262-2076
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	383
R.1	Respondent Submissions	88
R.2	Respondent Legal Brief	68
R.3	Respondent Collection Loss Brief	15

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.