



CENTRAL ALBERTA REGIONAL
**Assessment
Review Board**

Complaint ID 0262 2087
Roll No. 30002910040

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

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

BETWEEN:

JEB2 Properties Inc. (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: 30002910040
MUNICIPAL ADDRESS: 6842 50 Avenue
ASSESSMENT AMOUNT: \$4,431,900

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 \$3,779,100.

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 nine retail – Commercial Retail Units (CRU) with a quality 7, located along a service road between 68th and 71st Street, facing Gaetz Avenue, on the north end of the municipality. The 16,037 square foot footprint was constructed in 1997 with some minor updates. 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, 0262 2073, and 0262 2072 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 included an analysis of the rent roll of the subject property demonstrating that there are three vacant spaces, and that the data shows a median of \$21.50 per square foot and a mean is of \$21.92 per square foot, both similar to the \$21.50 per square foot assessment. The weighted mean is \$17.95 per square foot. Recent leasing demonstrates a median of \$18.50, a mean of \$18.50 and a weighted mean of \$18.84 per square foot.
- [9] The Complainant explained that the retail – CRU spaces at the subject property are over assessed at \$21.50 per square foot, and that based on recent leasing in the immediate area, supports a rate of \$18.00 per square foot. Two lease analyses were provided:
- a. The first analysis identified fifteen leases since September 2021 to November 2024, excluding the subject property, all in the north end of the municipality with spaces ranging from 1018 to 3542 square feet showing a median of \$18, a mean of \$18.72 and a weighted mean of \$19.15 per square foot.

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- b. The second analysis identified seventeen leases since September 2021 to November 2024, including the subject property, all in the north end of the municipality with spaces ranging from 1018 to 3542 square feet showing a median of \$18, a mean of \$18.69 and a weighted mean of \$19.05 per square foot.
- [10] The Complainant argued that the typical assessed rental rate of \$21.50 per square foot is not what is reflected in the marketplace for the subject property, as per the analyses mentioned above. The market rent for retail – CRU space similar to the subject property, built in the early 2000's and located along Taylor Drive, north 50th (Gaetz) Avenue, or 67th Street, is \$18 per square foot.
- [11] The Complainant surmised that the municipality is comparing the subject property to properties that are ultimately not comparable, due to location (south Red Deer), or they contain better site access, which is further demonstrated by the market leases within the subject property renewing at \$18 per square foot.
- [12] The Complainant raised an issue regarding chronic vacancy, explaining that the subject property had a 37.71% vacancy in 2024, with a two-year average of 33.35% and a three-year average of 36.67%.
- [13] The Complainant argued that municipalities have applied a 20% vacancy rate for properties demonstrating a chronic vacancy between 30 and 40% for three years or longer, requesting the same treatment here.
- [14] 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.
- [15] 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)
- [16] 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, explain that the taxpayer has two distinct rights: First, a right to an assessment which is not in excess of what 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)

[17] The Complainant concluded with a requested assessment value of \$2,988,300, or in the alternative market value of \$3,670,300 or equitable value of \$3,803,700.

Position of the Respondent

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

[19] The Respondent explained that the Complainant's evidence raises the issue of chronic vacancy and requesting that the vacancy at the subject property be raised from the current 10% to 20%. The Respondent does not apply a separate allowance for chronic vacancy. Instead, vacancy allowances are determined based on market typical vacancy across similar properties and applied consistently and equitably within each stratification.

[20] The Respondent alleged that the Complainant's methodology is based on a chronic vacancy methodology used by the City of Edmonton, which has a different market context, including differing retail inventory, vacancy absorption rates, and leasing dynamics. Applying Edmonton's methodology to a Red Deer property is inappropriate and inconsistent with mass appraisal principles.

[21] The Respondent included a vacancy chart described at all quality 7 strip centres 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%.

[22] The Respondent provided a graph showing the vacancy rate for the subject property along side the assessed vacancy to demonstrate that, while in this year and the last six years the actual vacancy is higher than assessed. In the previous thirteen years, the subject property had a zero percent vacancy during twelve of those years while enjoying the benefit of a 3-8% vacancy allowance.

[23] The Respondent also pointed out that, while the subject property is reporting a 37.7% vacancy for 2024, the subject property is 100% occupied as of July 1, 2025.

[24] The Respondent included three excerpts from 6715 50 Avenue, 6889 50 Avenue, and 6791 50 Avenue indicating that the comparable properties asserted in the Complainant's analyses were from these three properties and are quality 5 properties and not comparable to the subject property that is a quality 7 property.

[25] The Respondent indicated that the Complainant's evidence raises the issue of whether the current rental rate of \$21.50 per square foot applied to the retail – CRU spaces at the subject property should be reduced to \$18 per square foot based on market leasing. It is The Respondent's position

that the \$21.50 per square foot rate applied to the subject property is calculated using market rents of properties similar to the subject and including the subject property.

- [26] The Respondent included a lease rate analysis of retail strip mall spaces with a quality 7 designation with 12 leases. The analysis concluded that the median is \$22.25 per square foot, the average is \$22.44 per square foot, meanwhile the assessed rate is \$21.50 per square foot. Adding, that the three-year rental rate study involving 43 leases arrived at a median of \$23 and average of \$22.89 per square foot.
- [27] The Respondent presented a chart describing the differences between quality 7, 10 and 11 retail strip centres.
- [28] The Respondent disclosed income summaries for 7644 50 Avenue, 6858 50 Avenue and 6900 Taylor Drive, to demonstrate that other quality 7 retail strip centres are assessed equitably with a 10% vacancy allowance and a \$21.50 per square foot rental rate.
- [29] The Respondent included three lease rate analyses for the subject property:
 - a. The first one labelled subject property has five leases without step-ups showing a median of \$21.50 per square foot.
 - b. The second table labelled retail strip mall has the same five leases with step-ups showing a median of \$22.90 per square foot.
 - c. And the third chart is labelled subject property rent roll has six leases (two entries labeled as number #5). Two of the same leases from above and four additional leases showing a median of \$21.50 per square foot.
- [30] In Addendums, the Respondent included:
 - a. Request for information from the adjacent property, 6858 50 Avenue, for 2023 and 2024,
 - b. Request for information from the subject property for 2023 and 2024,
 - c. Vacancy support documents for 2085 50 Avenue, 3119 50 Avenue, and 6842 50 Avenue (subject property),
 - d. Rental rate documents for 3119 49 Avenue, and six other properties without addresses,
 - e. 2024 ABCGYARB 2188311 decision,
 - f. 2024 CARB 0262 1884 decision on the subject property,
 - g. 2022 ABCGYARB 2167361 decision,
 - h. 2019 ABECARB 619 decision,
 - i. 2024 CARB 0262 1883 decision,

- [31] The Respondent concluded that the evidence in its submission demonstrated the correct, fair and equitable assessment, asking for a confirmation of the \$4,431,900 assessment.

BOARD FINDINGS and DECISION

- [32] 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.”

- [33] Both parties have relied heavily on past decisions (over 130 cited) yet failed to provide sufficient primary income evidence. 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.*

- [34] The Board finds that the Complaint met the onus by establishing its perceived unfairness of their assessment compared to other competing assessments. Once onus is met, the burden shifts to the Respondent to provide clear and irrefutable evidence to show that the assessment is correct.

- [35] 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 a rental rate analysis showing a lower derived typical market rental rate, which required the Respondent to respond with its own leases to demonstrate that the assessment is fair and equitable.
- Raised doubt the correct vacancy rate for the subject property, in particular regarding a chronic vacancy issue, which required the Respondent to respond with its vacancy information to demonstrate that the assessment is correct.

- [36] This *prima facie* case requires the Respondent to provide sufficient evidence to support the assessment.

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

- [38] 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"

- [39] The Board finds that the Respondent failed to support its theories, and analyses. On the subject property retail – CRU rental rate issue, the Respondent argued that the subject property's own lease analysis shows a rental rate of \$21.50 per square foot is correct but failed to demonstrate equitable treatment to a competing property.
- [40] In addendum D, 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 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 doesn't 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.

- [41] The Board finds support from the Respondent for the subject property analyses in addendum A and B:

- a. The first analysis labelled subject property appears to include only two leases within the subject property; leases 1 and 5 seem to coincide with the request for information. Leases 2, 3, and 4 appear to be from the adjacent property request for information. Therefore, incorrectly labelled as 'subject property'. While the adjacent property is not the subject property, it owned by the Complainant and operates as a single strip mall.
- b. The second table labelled retail strip mall has the same five leases with step-ups showing a median of \$22.90 per square foot. Are all the same leases and should be more clearly labelled as subject property and adjacent property analysis.
- c. And the third chart is labelled subject property rent roll has six leases (two marked as number 5) the two of the same leases from above and four additional leases showing a median of \$21.50 per square foot.

- [42] The Board looked at the quality review in evidence and finds vague information between quality 7, 10 and 11; however, there no information on quality 5 properties, that the Respondent alleges the Complainant is utilizing in their analysis for the subject property.

- [43] Using the photographs, aerial photographs, and maps within evidence, the Board finds that:

- a. 6791 50 Avenue, though being older than the subject property, it appears to have more recognizable national brand retailers, an attribute deemed important in the Respondent's quality analysis. It has better access at a controlled intersection versus mid block with just access to a service road at the subject property, and its most recent lease of 2067 square feet at \$20 per square foot on July 5, 2023, compares to a lease at the subject property of 2297 square feet at \$17 per square foot on September 1, 2023.

The Board finds that this property is comparable to the subject property and is assessed with an inequitable \$18.50 per square foot.

- b. 6889 50 Avenue appears to have one building with great exposure on Gaetz Avenue, while the second structure has good exposure on Phelan Street for one tenant (the lease presented by the Complainant), the other spaces have poor exposure to both Gaetz Avenue and Phelan Street.

The Board finds that this property is not comparable to the subject property. No weight was given to this evidence.

- c. 6715 50 Avenue, is older than the subject property, appears to have one recognizable national brand bank, an attribute deemed important in the Respondent's quality analysis. It has better similar access, and its most recent lease of 1933 square feet at \$18 per square foot on May 3, 2024, compares to a lease at the subject property of 1442 square feet at \$23 per square foot on April 1, 2024.

The Board finds that this property is not comparable to the subject property. No weight was given to this evidence.

- [44] The Board requires clear and decipherable evidence. The board should not need to consult multiple addendums to assemble the Respondent's evidence. Hiding behind the now repealed *Freedom of Information and Protection of Privacy Act* ("FOIP") when it is 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.
- [45] 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.
- [46] The Board finds, that while reliable lease evidence is available for the subject property, The Respondent failed to clearly explain why a competing property, across the street with better access and tenant mix is assessed at \$18.50 per square foot versus the subject property's \$21.50 per square foot.
- [47] The Board finds the evidence from the Respondent regarding vacancy compelling. With this evidence, the Respondent demonstrated that the subject property vacancy rate has been assessed equitably. While it has not suffered longer term vacancy issue and the Complainant's argument did not persuade the Board that there was an error in the vacancy rate.
- [48] The Board makes no change to the vacancy rate of 10%.

DECISION SUMMARY

- [49] The assessed value of the subject property is Changed to \$3,779,100.
- [50] 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 0262-2087
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	344
R.1	Respondent Submissions	90
R.2	Respondent Legal Brief	68
R.3	Chronic Vacancy	131

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.