Complaint ID 0262 2245
Roll No. 30003010131

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: August 17, 2026

PRESIDING OFFICER: J. Dawson
BOARD MEMBER: A. Tarnoczi
BOARD MEMBER: S. King

BETWEEN:

Seibel Construction Limited
(as represented by MNP LLP)

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:	30003010131
MUNICIPAL ADDRESS:	6702 Golden West Avenue, Red Deer, Alberta
ASSESSMENT AMOUNT:	$19,422,500

The complaint was heard by the Composite Assessment Review Board on the 17th day of August 2026, 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: G. Sharples, MNP LLP

Appeared on behalf of the Respondent: S. Gill, Senior Assessor, City of Red Deer
A. Minhas, Senior Assessor, City of Red Deer

DECISION: The assessed value of the subject property is Changed to $19,210,700.

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 center known as Golden West Plaza, located in the northwest sector of the municipality. The subject property features approximately 39,955 square feet retail development including a gas bar, convenience store, restaurants, automotive services, and other Commercial Retail Unit (CRU) spaces. Construction commenced in 2015 with the most recent building completed in 2019. The subject property is situated on 8.18 acres of commercial (C4 zoned) land with exposure to 67 Street and Johnstone Drive.

PRELIMINARY MATTERS

[3] The Presiding Officer confirmed that no Board Member raised any conflicts of interest with regard to matters before them.

[4] Neither party raised any objection to the panel hearing the complaint.

[5] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaints.

IDENTIFIED ISSUES

1. **Rental rate for CRU space**
2. **Rental rate for Automotive Sales and Service space**
3. **Operating cost allowance for vacant space**

POSITION OF THE PARTIES

Position of the Complainant

[6] The Complainant presented the subject property with current assessment calculations, map, aerial and street level photographs.

[7] The Complainant provided a chart of the 15 leased spaces; showing the lease start and end dates, the area, and the rental values. The first building was completed construction in 2015, with leases beginning in 2015 with terms in 10-to-15-year range. More recent activity indicates 5-year terms at lower rental rates. Additionally, though post facto, two of the tenants have vacated their spaces before the end of their term.

[8] The Complainant graphed the fifteen entries showing a trend line from 2015 to 2025 going down, a second graph was completed showing just the CRU tenancies (10 spaces) with an extrapolated end point at $24.08 per square foot. A third graph was produced removing 2020-2023 as "anomalous" and the newer lower leases, with the trend line now shows a linear result of $27.89 per square foot – the basis for the $28.00 per square foot request for the CRU space.

[9] The Complainant canvassed MLS listings of comparable quality spaces and shared a sub-lease space for 3020 22nd Street. The asking lease rate was $28.00 per square foot that was argued to be the same quality as the subject property.

[10] Regarding the auto sales and service space, the Complainant showed rent roll information from 2024 indicating vacant and 2026 indicating a new lease at $20 per square foot for 3 years and $21 per square foot for 2 additional years. Because it is the most recent indicator of value the Complainant is asking for an assessed rate of $20 per square foot for this space.

[11] The operating costs issue was introduced by the Complainant with a chart of actual operating costs charged to the fifteen tenants at the subject property. The range was between $12.54 and $20.13 per square foot. The average is $17.21 per square foot, and the median is $17.83 per square foot. The asking operating costs of the comparable introduced earlier from 3020 22 St was provided at $15.94 per square foot. These two indicators resulted in a request of $17 per square foot for assessed operating costs.

[12] Making the three corrections, the Complainant argued, changed the assessment value to $17,729,200.

[13] In rebuttal, the Complainant challenged the Respondent's inclusion of a lease dated March 31st, 2026, at the subject property as it is more than eight months post facto, is for a specialized medical use, and should be given zero weight.

[14] Regarding the use of the sublease from 3020 22 St, the Complainant argued that it was used as corroborating evidence and not as the basis of its request.

[15] The Complainant indicated the Respondent's inclusion of lease information for the auto sales and service space at $30-32 per square foot, signed in 2019 for ten years, reflects the market at that time, with the tenant being unable to satisfy the term of the lease and a new tenant located for $20 per square foot after the space being vacant for over a year. The $20 per square foot shows the downward correction of achievable rental rate for this space category.

[16] The Complainant argued the Respondent's rental rate evidence for automotive sales and service space is dated (2020 and 2021) but also corroborates the downward trend it has identified.

[17] In closing, the Complainant explained that the Respondent's report of actual leasing activity averaging $35.36 per square foot reflects the market at the time the leases were signed – primarily 2015 through 2020, and do not support the current achievable market rates.

[18] The Complainant requested a change to the assessment value to $17,729,200.

Position of the Respondent

[19] The Respondent presented the subject property in a similar fashion as the Complainant and identified the three issues before the Board.

[20] The Respondent included information regarding the valuation, market value, and mass appraisal methodologies.

[21] The Respondent challenged the Complainant regarding rents at the subject property declining, explaining that there is only one new lease at the subject property CRU space within the last three years at $28.00 per square foot. Meanwhile, the newest leasing activity at the subject property in March of 2026 (post-facto), shows rental rate of $35 per square foot, contrary to the Complainant's argument of declining of rents at the subject property.

[22] The Respondent replotted the Complainant's graph showing that by including the newest lease at the subject property at $35 per square foot. The linear trend would be $29.90 per square foot, which supports the $30 per square foot assessed rate.

[23] The Respondent stated the evidence from 3020 22 St is not a head lease, but rather a sub-lease, it is for an older property (2002), and it is a different asset type of neighbourhood shopping centre with a large anchor grocery store. Arguing that this evidence is not comparable to the subject property, and if the Board finds it comparable, an actual head lease at 3020 22 St, also available on MLS, leased recently for $30 per square foot.

[24] The Respondent presented its CRU rental rate analysis showing five properties (including the subject property) that shows fourteen leases ranging from $27.50 to $36.43 per square foot, finding a median of $30.50 and an average of $30.99 per square foot in support of the $30.00 per square foot assessment.

[25] The Respondent included information regarding the automotive sales and service space, showing that the original tenant in that space signed a ten-year lease at $30-32 per square foot, and that $20 per square foot is not a typical market rate.

[26] The Respondent disclosed an automotive sales and service rental rate study showing two leases; one in November 2020 for $37.50 per square foot and one in October 2021 for $30.00 per square foot, arguing that this supports the $34.00 per square foot assessment. During questioning, the Respondent indicated that it did not include the subject property lease at $20 per square foot because it considered it an outlier.

[27] The Respondent provided its analysis of operating costs for the same five comparable properties indicates a range of $14.56 and $14.85 per square foot depending on if you look at the average of the average operating costs, or a median of the median operating costs, or an average of the median, or the median of the average operating costs. The argument is the evidence supports the $14.50 per square foot assessed operating costs.

[28] The Respondent argued that relying on the subject property's reported operating costs as the basis for the assessment presents several challenges: First, it does not satisfy the legislative requirements, which require the use of market-typical assumptions rather than property-specific data. Second, subject property specific inputs can exhibit abrupt year-over-year changes, resulting in inconsistency of the assessment. And there is an inherent issue with mixing methodologies and using actual with market typical within the same pro-forma to arrive at the assessment value.

[29] The Respondent presented a chart showing the assessed rent versus the actual rent for the fifteen CRU spaces to demonstrate that in thirteen of the fifteen spaces, the actual rent is higher than assessed rent and actual average is $35.00 per square foot versus the assessed rate of $30 per square foot.

[30] The Respondent also noted that the Complainant has enjoyed a consistently higher vacancy rate assessment versus actual vacancy since 2017.

[31] The Respondent included information of the purchase of the subject property in 2017 for $20,000,000, which at that time had 30,312 square feet of leasable space, and is now 39,955 square feet with additional space under construction. Additional space has been added in 2019, 2020, 2021, and 2023. Meanwhile the assessment is $19,422,500 and is fair and equitable.

BOARD FINDINGS and DECISION

[32] The Board finds that the rental rate evidence advanced by the Complainant is not compelling, that information from the subject property and a sublease from a non-comparable property is insufficient to demonstrate that the assessed CRU rental rate is in error. The five comparable properties from the Respondent, as well as the trending information supports the $30 per square foot assessed CRU rental rate.

[33] The Board finds that the automotive sales and service assessed rental rate of $34 per square foot is not supported by the evidence. The Board finds no reason to ignore the subject property leasing activity. Using the three lease values in evidence indicates a median of $30 per square foot and demonstrates that the space is more like CRU space than specialized automotive sales and service. Both conclusions arrive at the same $30 per square foot rental rate, and the Board makes that change.

[34] The Board finds that the operating costs are assessed in a fair and equitable manner, and that the $14.50 per square foot rate is demonstrated through market evidence.

[35] The Board makes the single change to the automotive sales and service rental rate; calculating a net reduction of $211,800 and arriving at a new assessment value of $19,210,700.

DECISION SUMMARY

[36] The Board finds that the original assessed value is Changed to $19,210,700.

[37] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 2nd day of September, 2026 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:

EXHIBIT NO.	ITEM	PAGES
A.1	Hearing Materials	8
C.1	Complainant Submissions	34
C.2	Complainant Rebuttal	6
R.1	Respondent Submissions	78
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.

(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) applies