Complaint ID 0262 2086
Roll No. 30003010131

COMPOSITE ASSESSMENT REVIEW BOARD DECISION
HEARING DATE: August 11, 2025

PRESIDING OFFICER: J. Dawson
BOARD MEMBER: K. Shannon
BOARD MEMBER: A. Tarnoczi

BETWEEN:

Seibel Construction Ltd. (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 AVE, Red Deer
ASSESSMENT AMOUNT:	$18,291,800

The complaint was heard by the Composite Assessment Review Board on the 11th day of August 2025, via video conference.

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

Appeared on behalf of the Respondent: D. Stebner
J. Miller

DECISION: The assessed value of the subject property requires No Change.

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 City of Red Deer, with 39,955 square feet of retail improvements on 8.18 acres (356,320 square feet) of Commercial C-4 land use designated land.

[3] The assessment is primarily prepared using the income approach to value, with portions assessed using the cost approach and direct sales approach.

PRELIMINARY MATTERS

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

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

[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 presented the subject property with the current assessment summary, map, aerial, and street level photographs.

[8] The Complainant explained that the majority of the assessment is not being challenged; however, the rental rates assigned to the convenience store and the retail commercial rental units (CRU) space need adjustment.

[9] The Complainant provided an equity chart showing four properties with comparable spaces.

[10] The equity comparable chart included one property with convenience store space assessed at $20 per square foot as a quality 2, versus the subject property at $36 per square foot and a quality 5. The Complainant included photographs showing that the space appeared to have been renovated recently, despite the 1988 construction date versus the 2015 year of construction for the subject property.

[11] The Complainant acknowledged that there is a difference in quality; however, the variance is $16 per square foot, and a more appropriate value is $24 (typo of $26) per square foot which represents a 20% variance (or $4) using a similar adjustment used by the Respondent when it adjusted the value of the excess land on the subject property.

[12] Additionally, the equity comparable chart provided two properties with retail CRU space; one built in 2006 and the other in 2007, versus the subject property in 2015. The Complainant argued that these comparable properties had similar location, traffic, and exposure, and they are assessed as quality 10 at $25 per square foot, while the subject property is assigned a quality 11 with $30 per square foot.

[13] The Complainant positioned that the $5 per square foot (20%) was too high for a difference of quality 10 and quality 11, asking for the same value of $25 per square foot.

[14] The Complainant enclosed a sales comparison chart though; it stated that the equity argument is its position for the requested assessment. The three sales showed values of $253.07, $ 359.04, and $330.14 per square foot for sales in 2022 and 2024, comparing these sales to the subject property at $458.80 (requested $399) per square foot.

[15] In rebuttal, the Complainant explained that the recent leasing activity within the subject property retail CRU space is lower than the assessed value at $27 and $26 per square foot despite historical leases higher than the assessed value. Arguing that the $25 per square foot request is a better value for the assessment.

[16] Additionally, the Complainant revealed that the manner in which the Respondent provided information made it very difficult for it to review comparable properties; however, it found one of the convenience store comparable properties to be an outlier and another was a land lease only asserting that its position still is the $24 per square foot is a better indication of value despite the actual lease in place.

[17] The Complainant argued the subject property is over-assessed, and that relevant information has been overlooked to capture a fair market value as of the valuation date, requesting a new assessment value of $15,902,000.

Position of the Respondent

[18] The Respondent presented the subject property details, including assessment notice, aerial, and street level photographs, and valuation methodology.

[19] The Respondent summarized the Complainant's position regarding the retail CRU rental rate of $30 per square foot and, the convenience store rate of $36 per square foot.

[20] The Respondent argued that the Complainant's evidence on these issues is unreliable, claiming the Complainant has failed to provide any market-based evidence to support their proposed rental rates. Instead, relying on generalized arguments with inferior retail assets to establish rental rates for the superior subject property.

[21] The Respondent provided analysis of rents received at the subject property with a side-by-side comparison with assessed rents.

[22] The Respondent included an analysis of how the $30 per square foot rental rate was established by utilizing market rents of similar properties and explained how quality 11 retail strips are determined and stratified.

[23] The Respondent argued that within each stratification, comparable properties have been assessed equitably at a uniform rental rate of $30 per square foot, which has been applied to CRUs. Retail rental rates are influenced by various factors, including location, exposure, egress/ingress, age, quality and condition, space type mix, parking, etc.

[24] The Respondent stated that the assessed rental rate of $36 per square foot applied to the subject property's convenience store unit is based on its analysis. While the Complainant submits that a rental rate of $24 per square foot is more appropriate, referencing one comparable convenience store that has been assessed at a rental rate of $20 per square foot, then applying an adjustment for exposure only, arriving at the requested rate of $24 per square foot.

[25] The Respondent argued that the comparable property used by the Complainant is significantly inferior to the subject property in several key respects, including age, location, access, and unit configuration. Furthermore, the Complainant has applied a locational adjustment to the rental rate to arrive at a request of $24 per square foot, using incorrect metrics in their analysis.

[26] The Respondent provided a market analysis of similar convenience store units in support of the $36 per square foot rental rate applied to quality 5 convenience stores.

[27] The Respondent included the actual rental rate received for the subject convenience store ($47.50 per square foot).

[28] The Respondent also argued that the Complainant's evidence raises the issue of the value per square foot of the subject property based on sales of retail properties, explaining that the Complainant provided three sales to arrive at a median of $330 per square foot and an average of $314 per square foot in support of their request of an assessment request of $399 per square foot.

[29] The Respondent explained that the sales provided by the Complainant are not comparable to the subject property. They are inferior in terms of income potential, lack gas bars which add value, and have no additional square feet. None of the comparable properties have additional development pads, which also adds value, but add no square footage.

[30] The Respondent alleged that the Complainant's evidence on this issue is unreliable because their request is not based on the median or average per square foot from the sale comparable properties. And, they have provided no adjustments for asset type, location, building area, land area, land use designation, surplus land, year of construction, etc.

[31] The Respondent argued that the subject property sold in November 2017 for $20,000,000, which at that time resulted in a value per square foot of $659.80 on the 30,312 square foot property, which has since grown to 39,955 square feet.

[32] The Respondent provided the Assessment Request for Information (ARFI) data received for the subject property to demonstrate that the actual rental rates received is much higher than assessed in most cases.

[33] The Respondent explained that quality 11 retail strip CRU classification is the highest quality stratification for the general asset type. These spaces are considered to have the highest appeal and desirability due to a variety of definable property characteristics including recent and high-quality construction, built within the last 10 years (or comparable effective age), modern and appealing

design, high exposure/premium retail locations (typically located on established arterial roadways such as Gaetz Avenue or 67 Street) and/or high-profile corner lot locations. This includes optimum placement of the improvements for maximum exposure.

[34] The Respondent presented that, typically, and as a secondary review, these CRU spaces have generally experienced rent performance levels in the high $20 to low $30 per square foot rental rate range, which is consistent with the current Quality 11 retail strip CRU stratification.

[35] The Respondent reviewed the two comparable properties for the retail CRU space; both are quality 10 and almost a decade older at 2006 and 2007. Generally, the achievable retail CRU rents are in the mid $20 range; therefore, they are not comparable.

[36] The Respondent went over the quality classification of quality 5 convenience store space compared to the comparable property provided by the Complainant at a quality 2, making note of recent and high-quality construction built since 2010 (or comparable effective age), modern and appealing design, high exposure/premium retail locations (typically located on arterial roadways and/or high-profile corner lot locations). Typically, these CRU spaces have generally experienced rent performance levels in excess of $30 per square foot for quality 5 convenience store space versus $20 per square foot for the quality 2 stratifications.

[37] The Respondent included a rental rate analysis for quality 5 convenience stores with a range: $32.05 to $80.00 per square foot, and a median of $46.20 per square foot.

[38] The Respondent opined that with well-designed buildings having attracted tenants and there are portions of the subject parcel that remain undeveloped, with future development anticipated. At present, two development permits are in place, supporting the ongoing growth potential of the site.

[39] The Respondent argued that the evidence presented demonstrates that the assessed value is correct, fair, and equitable, requesting the Board confirm the assessment.

BOARD FINDINGS and DECISION

[40] The Board finds that the subject property is not comparable to the properties presented by the Complainant in support of their requested assessment.

[41] Specifically, the Board finds the sale presented for 2810 Bremner Avenue is a post facto transaction that occurred in February 2025, is significantly older with a 1976 construction date (2018 partial renovation), is not located on a major throughfare or major intersection, does not have a gas bar, excess land, or similar location, exposure, land use designation, or tenant mix.

[42] The Board finds the property located at 5111 22 Street is a power center with larger format retail stores and supporting retail CRU spaces. There is no gas bar or excess land.

[43] The Board finds that the property at 179 Leva Avenue is within a different municipality, with a different land use designation, does not have additional pad development, or a gas bar. Meanwhile, the land parcel is significantly larger than the subject property.

[44] The Board finds the convenience store comparable property at 88 Howarth Street shows no resemblance to the subject property in age (built in 1988), is not located on a major intersection, and no evidence to support a modern and appealing design.

[45] The Board finds the comparable property at 6130 67 Street is older (2007), has limited access and exposure in comparison, and historically does not achieve the same rental rates.

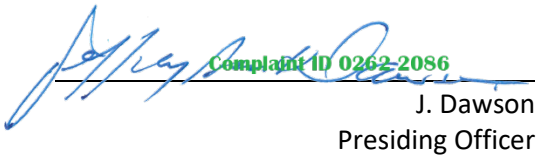
[46] The Board finds that the property at 6730 Taylor Drive is the best comparable property; however, it is older (2006), has limited access in comparison, and historically does not achieve the same rental rates.

[47] The Board finds no compelling evidence of comparable properties to support a request based on equity.

DECISION SUMMARY

[48] The Board finds that the original assessed value of the subject property requires No Change.

[49] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 9th day of September 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:

EXHIBIT NO.	ITEM	PAGES
A.1	Hearing Materials	9 pages
C.1	Complainant Submissions	39 pages
C.2	Complainant Rebuttal	11 pages
R.1	Respondent Submissions	83 pages
R.2	Respondent Legal Brief	68 pages

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) or (3) applies.

***Matters Relating to Assessment Complaints Regulation,* AR 201/2017 (MRAC)**

Personal Attendance not required

s. 19(1) Parties to a hearing before a panel of an assessment review board may attend the hearing in person or may, instead of attending in person,