



CENTRAL ALBERTA REGIONAL  
**Assessment  
Review Board**

Complaint ID 0262 2079  
Roll No. 30003110630

COMPOSITE ASSESSMENT REVIEW BOARD DECISION  
HEARING DATE: SEPTEMBER 2, 2025

PRESIDING OFFICER: B. HISEY  
BOARD MEMBER: K. SHANNON  
BOARD MEMBER: A. TARNOCZI

BETWEEN:

2622530 ALBERTA LTD.  
(as represented by Avison Young Valuation & Advisory Service)

Complainant

-and-

REVENUE 7 ASSESSMENT SERVICES  
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: 30003110630  
MUNICIPAL ADDRESS: 8022 Edgar Industrial CR  
ASSESSMENT AMOUNT: \$5,901,000

The complaint was heard by the Composite Assessment Review Board on the 2<sup>nd</sup> day of September 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: Avison Young – Christopher Hartley

Appeared on behalf of the Respondent: City of Red Deer – Amy Minhas & Tyler Johnson

**DECISION:** The assessed value of the subject property is confirmed at \$5,901,000.

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**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 37,413 square foot (inclusive of mezzanine) single-tenanted industrial warehouse property, constructed in 2004 and located in the Edgar Industrial Park at the NW end of Red Deer. The gross building area is 37,312 square feet (sf) and the land area is 7.76 acres.
- [3] The assessment has been calculated using the Income Approach to value with a potential gross income of \$416,388, a net operating income of \$371,836 and a capitalization rate of 7.00%.

**PRELIMINARY MATTERS**

- [4] The Presiding Officer confirmed that no Board Member raised any conflicts of interest regarding matters before them. Neither party raised any objection to composition of the Board.
- [5] No additional preliminary or procedural matters were raised by any party. Both parties indicated that they were prepared to proceed with the complaint.

**ISSUE**

- [6] Does the post facto sale of the subject represent the best estimate of market value?

**COMPLAINANT'S POSITION**

- [7] The best indicator of market value in the valuation process, is the sale of the subject property itself, which transacted for \$4,350,000 on October 1, 2024, between arms-length parties in a timeframe that spans the current valuation date of July 1, 2024.
- [8] The Purchase and Sale Agreement was executed in April of 2024, with the transaction being recorded by CoStar, a third-party real estate information provider in August 2024.
- [9] The Complainant suggested that this market transaction of the subject property forms the best indicator of market value available and provides the most reasonable value for assessment purposes.
- [10] Comparing the current assessed value of \$5,901,000 to the purchase price of \$4,350,000 yields an assessment to sale ratio (ASR) of 1.35 which is well outside the legislated and generally accepted confidence interval of .95 – 1.05.
- [11] Several citations from previous court decisions confirming that the sale price of a property serves as the best indicator of value were provided:

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- I. *697604 Alberta Ltd. v. Calgary (City of)*, 2005 ABQB 512, found the MGB failed to rely on the evidence of value provided by the recent sale of the property. Justice Acton states: “In my view, the foregoing errors demonstrate a failure on the part of the MGB to reasonably apprehend and apply the evidence before it to the principles of valuation set out in the applicable legislation. In particular, the MGB unreasonably refused to consider evidence of a recent sale that fell squarely within the statutory definition of market value.”
- II. *Mountain View (County) v. Alberta (Municipal Government Board)* 2000 ABQB 594, at paras. 21 and 22: “the applicant argues that the MGB erred in misinterpreting the applicable legislation and valuation standards and by ignoring relevant considerations and taking into account irrelevant considerations. Most notably, the Applicant takes issue with the MGB’s finding that the July 18, 2000, sale price did not represent market value under typical market circumstances, arguing that there was nothing unique or abnormal about the transaction. The Applicant asserts that where, as in this case, a recent sale squarely reflects market value as the term is defined in the Act, then there is no need to engage in any further analysis. If there is a conflict between the actual market value and the factors set out in section 12 of the Regulation, then the market value as defined by the Act should govern.”
- [12] Additionally, five Composite Assessment Review Board (CARB) decisions supporting the notion that the sale price of the subject represents the best evidence of market value, were provided to the Board.
- [13] The Complainant requested a revised assessment of \$4,350,000, based on the sale price of the subject.

#### **RESPONDENT’S POSITION**

- [14] The post facto sale of the subject should not be relied upon as the primary indicator of market value for assessment purposes, because it lacks exposure to the open market and may not meet the standards of a typical market transaction under mass appraisal principles.
- [15] The Respondent argued the sale of the subject was unreliable for the following reasons:
- I. The transaction closed after the legislated valuation date of July 1, 2024, on October 1, 2024, and post-facto sales are generally afforded limited weight under assessment law unless strongly supported by market context.
- II. The purchase agreement provided was not dated and could not be verified, casting doubt on whether material terms were settled before the valuation date.
- III. The purchaser was the tenant in place at the valuation date, potentially creating a special-purchaser scenario that reflects investment value rather than open-market value. Additionally, a corporate relationship flowchart was provided to illustrate overlapping directorships. This further supports the position that the purchaser was not a disinterested third party, and that the sale conditions may not reflect an open and competitive market environment.

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- IV. There is no evidence the property was exposed to the open market prior to the sale. The only available brochure dates back to 2020, suggesting that the sale lacked sufficient marketing or competitive bidding to establish market value.
- [16] The subject has been assessed using the Income Approach to value. This method has been found to be the typical valuation standard for income-producing properties. Which are generally purchased as an investment on the assumption that the higher the income capability of the property, the higher the value.
- [17] To support the assessment the Respondent provided a summary of six comparable industrial sales, similar to the subject in terms of location, use, and general utility. The sales provided a price per sf ranging from \$108 to \$203 and indicated a median value of \$149 per sf for the group. This supports the assessed \$117 per sf for the subject.
- [18] A lease rate analysis of eight comparable single-tenant industrial properties from the same district, indicate a \$12.00/sf rate is both conservative and well-supported by the current market data.
- [19] The Respondent argued that the Complainant's evidence being a single post-facto sale with limited transparency, with no broader market analysis to request a reduction to the assessment of the subject as of the July 1, 2024, valuation date should be deemed insufficient. Furthermore, the ASR interpretation for that transaction as being outside the confidence interval only applies to a mass appraisal model performance, not individual properties.
- [20] In summary, the Respondent confirmed the mass appraisal model used by the municipality is built upon multiple verified arms-length sales, ensuring fairness and equity across similar properties. A single transaction potentially conditioned by internal negotiations between landlord and tenant, with no market exposé, should not override mass appraisal methodology.

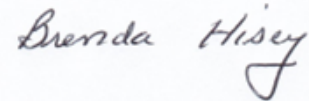
#### **BOARD FINDINGS and DECISION**

- [21] The Board finds that the sale of the subject should not be relied upon as the primary indicator of market value for assessment purposes in this instance. Market value is defined by the *Municipal Government Act*, RSA 2000, c M-26 (MGA) as the following: "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". Here, the transaction lacks evidence of exposure to the open market and does not meet the standard of a typical market transaction under the MGA definition.
- [22] The Board acknowledges that a sale between tenant and owner requires further analysis and evidence to ensure no internal influence has affected the transaction. Sales involving sitting tenants often reflect motivations not typical of the open market, such as lease obligations, familiarity with the asset, or negotiated concessions. As such, the sale may reflect investment value rather than market value.
- [23] The Board was also provided with evidence that there was an overlap of Directors (Robert James) between the buyer and seller for the October 1, 2024, sale of the subject. This indicates a non arms-length sale.
- [24] The post facto nature of the sale did not require a Board decision as the transaction lacked evidence of open market exposure.

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- [25] Although the broader market evidence of six comparable sales and lease analysis provided by the Respondent appears to support the assessment, the Boards decision did not pivot on this information.
- [26] The Board finds the assessment for the subject had been calculated using mass appraisal standards and there was insufficient evidence provided to support a reduction.

### **DECISION SUMMARY**

- [27] The Board finds that the original assessed value is confirmed at \$5,901,000.
- [28] Dated at the Central Alberta Regional Assessment Review Board, in the city of Red Deer, in the Province of Alberta this 12th 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.



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B. HISEY  
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](http://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	12 pages
C.1	Complainant Submission	101 pages
R.1	Respondent Submission	173 pages
R.2	Respondent Submission – Law 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.

**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).

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- (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, instead may file a written presentation with the clerk.