



Board Order 2025-005

IN THE MATTER OF A COMPLAINT filed with the Regional Municipality of Wood Buffalo Composite Assessment Review Board (CARB) pursuant to Part 11 of the *Municipal Government Act* being chapter M-26 of the revised statutes of Alberta 2000.

BETWEEN:

United Rentals of Canada Inc., as represented by Ryan ULC – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

BEFORE:

Members:

J. Jones, Presiding Officer, Land and Property Rights Tribunal Member

A. McKenzie, Assessment Review Board Member

S. Yasin Mughal, Assessment Review Board Member

Staff:

A. Hawkins, Clerk

BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT

[1] A hearing was convened on October 1, 2025, in the RMWB, in the Province of Alberta to consider a complaint about the assessment of the following property:

Assessment Roll Number	50527800
Assessment Amount	\$8,243,810
Civic Address	140 Taiganova Crescent Fort McMurray, AB
Owner	United Rentals of Canada Inc.
File Number	ARB 25-035

[2] The subject property is assessed as an industrial warehouse located in the Eco-Industrial Park neighbourhood. The subject has an effective year built of 2010, a total building area of 26,398 square feet (sf) of which 2,399 sf is mezzanine space, a parcel size

of 5.39 acres (235,199 sf) and a site coverage of 10%. Utilizing the income approach to valuation, typical market income and expense rates were applied to derive a net operating income of \$600,424, which was capitalized at 8.5% to derive a value of \$7,063,814. A site coverage adjustment was then added at a value of \$1,180,000 to determine the total assessed value at \$8,243,810 (rounded).

PROCEDURAL MATTERS

The CARB derives its authority to make decision under Part 11 of the *Municipal Government Act*, R.S.A. 2000, c. M-26.

[3] The parties confirmed that they had no objections to the composition of the Board, and the Board confirmed it had no bias in relation to this property.

[4] The hearing was conducted via video conference.

ISSUES

[5] Is the assessment of the subject property equitable and reflective of market value when considering an assessed site coverage adjustment of \$1,180,000?

MERIT MATTERS

Position of the Complainant

[6] In support of a request to remove the site coverage adjustment of \$1,180,000 from the subject's assessment the Complainant argued that the entirety of the subject site was required to conduct the equipment rental business of the occupant.

[7] Definitions from *The Appraisal of Real Estate Third Canadian Edition* for excess land and surplus land were provided. In both definitions the land is not needed to support the existing improvement, but excess land could be sold separately while surplus land could not.

[8] The Complainant noted that the assessment terminology had changed from previous years when the assessment made an excess land adjustment. A CARB decision from 2022 (*Board Order 2022-009*) concerning the subject property was provided, in which the excess land value was removed from the assessment as it was determined that the excess land in question could not be subdivided and sold separately

[9] The Complainant also referenced an aerial image of the subject site and advised that there were easements at the north and east property lines for a walking trail and drainage ditch, which impacted the use of the site in those areas.

[10] In summary, the Complainant requested that the assessed site coverage adjustment be removed, which would reduce the subject's assessment to \$7,063,814.

Position of the Respondent

[11] The Respondent outlined the mass appraisal methodology employed by the RMWB in which properties are stratified into comparable groups, common characteristics are identified, and a valuation model is created for each group.

[12] For the subject's property type, the income approach to valuation is utilized which relies on obtaining typical market data through an annual request for information process in which property owners report income and expense data.

[13] Legislation requires market value assessments to be based on the fee simple estate of a property as of the valuation date of July 1, 2024, and a condition date of December 31, 2024, which requires the application of typical market income and expense values.

[14] The Respondent noted that the income approach to valuation does not adequately capture the value of a property when the site coverage is unusually below the typical site coverage of comparable properties.

[15] A site coverage analysis was provided that included nineteen comparable warehouse properties located in the subject's neighbourhood with a median site coverage of 23%. These properties ranged in main floor area from 10,400 to 58,504 sf, in lot size from 43,561 to 261,571 sf and in site coverage from 13 to 45%.

[16] For the 2024 assessment, an 18% threshold was established to implement an adjustment for underutilized land which could be used to expand the existing improvements on a site. This threshold was applied equitably to all sites similar to the subject that had been assessed with the income approach to valuation.

[17] An example of why the site coverage adjustment is required in conjunction with an income valuation to capture the true property value was provided with a warehouse sale with a site coverage of 13%. Without a site coverage adjustment an assessment-to-sale (ASR) ratio of 77% is derived, whereas with a site coverage adjustment the ASR becomes 90% and better represents the actual market value of the property. The Respondent also

demonstrated options for expansion of the improvements on the subject site via aerial images.

[18] It was noted by the Respondent that an input error had made the site coverage adjustment using a 13.62% threshold instead of 18% and that the site coverage adjustment should have been \$2,037,424, however no increase to the subject's assessment was requested.

[19] The \$20/sf land rate applied to the site coverage adjustment was supported by a May 2024 sale of a 53,713-sf vacant business industrial site at \$27.93/sf. Due to the subject site being improved and not vacant land, the adjustment rate was brought down to \$20/sf.

[20] The Respondent also provided an alternative cost approach valuation for the subject property which derived a value of \$9,430,780. This approach values the site improvements at replacement cost and adds the land at a market value determined by a direct sales comparison approach to valuation. Without a site coverage adjustment, the income valuation is 75% of the cost valuation, but with the adjustment the variance becomes 87%.

[21] Upon questioning from the Board, the Respondent acknowledged that the easements on the subject site did impact the use of the site in those areas but was unable to provide any indication of what the sizes were.

[22] In summary, the Respondent requested that the subject's assessment be confirmed at \$8,243,810.

Complainant's Rebuttal

[23] The Complainant critiqued the sale utilized by the Respondent to support a site coverage adjustment, noting that the building had specialized equipment that would put it in the category of a special purpose building. The income approach undervalues the building as it is being assessed as a regular warehouse. A sales brochure was provided to illustrate the building features.

DECISION

[24] **The decision of the CARB is to reduce the assessment of the subject property from \$8,243,810 to \$7,063,814.**

REASONS FOR THE DECISION

[25] The Board found that the Respondent's application of a site coverage adjustment to the subject property was warranted. As demonstrated by the Respondent, the site coverage of the subject site was lower than typical, which left a portion of the site that could be utilized for future expansion of the site improvements for the current owner and would therefore also increase the value of the subject site to potential buyers. The potential for expansion was demonstrated via aerial images.

[26] The income approach to valuation does not capture this increase in value, which necessitates the application of an adjustment which was done via a site coverage adjustment. This was demonstrated by the Respondent with an ASR analysis, which the Board found to be supportive of the adjustment to properly assess the total property value.

[27] The excess land definition referenced by the Complainant had the potential to be sold separately, which the Board found in the case of the subject property was not likely to occur. The surplus land definition, however, references land that is not needed for the existing improvement and may or may not contribute value to the improved parcel.

[28] The Respondent has applied a site coverage adjustment equitably to all properties similar to the subject that were assessed utilizing the income approach to valuation.

[29] The Board noted that the Respondent had applied both the site coverage adjustment of 18% (less than 23% typical) and the land rate of \$20/sf (less than the \$27.93/sf of the comparable sale) in a conservative manner.

[30] The missing component in the Respondent's application of a site coverage adjustment was not addressing the amount of land area on the subject site that was unable to be developed due to easements on the north and east property lines. Aerial images provided to the Board illustrated that the land area involved in these easements was significant and should have been addressed in the site coverage adjustment.

[31] Without any actual sizes to work with, the Board relied on the aerial images provided and determined that the easement area would offset much of the site coverage adjustment area. As a result, the Board determined that the site coverage adjustment should be removed from the assessment in its entirety.

[32] The Board found the subject's revised assessed value to be equitable and reflective of market value as of the July 1, 2024 valuation date.

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[33] In coming to its conclusion, the Board has reviewed the provisions of the *Municipal Government Act* (“MGA”), the *Matters Relating to Assessment Complaints Regulation* (“MRAC”) and the *Matters Relating to Assessment and Taxation Regulation* (“MRAT”).

[34] The decision of the Composite Assessment Review Boards is final and binding on all parties. 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*.

Dated at the Regional Municipality of Wood Buffalo, in the Province of Alberta, this 24th day of October, 2025

Access to
Information Act s
20(1)

J. Jones, Presiding Officer

APPENDIX A**DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB**

Exhibit Number	Description
C-1 (5 pages)	Complaint & agent authorization forms
C-2 (24 pages)	Complainant's brief
C-3 (17 pages)	Complainant's rebuttal
R-1 (39 pages)	Respondent's brief
R-2 (58 pages)	Respondent's law & legislation brief

APPENDIX B**REPRESENTATIONS**

Person Appearing	Capacity
Complainant	Chris Down- Ryan ULC
Respondent	Samson Ahensan- Assessor, Regional Municipality of Wood Buffalo

APPENDIX C**LEGISLATION**

Municipal Government Act, RSA 2000, c M-26

s 1(1)(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;

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.

s 467(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.