



Board Order 2025-007

**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:**

Mike Myshak Management Ltd., as represented by Deloitte LLP – Complainant

- and -

Regional Municipality of Wood Buffalo (RMWB) – Respondent

**BEFORE:**

Members:

D. Roberts, Presiding Officer

A. McKenzie, Member

S. Schaffer, Member

Staff:

A. Hawkins, Clerk

**BACKGROUND AND DESCRIPTION OF PROPERTY UNDER COMPLAINT**

[1] A hearing was convened on November 5, 2025, in the Regional Municipality of Wood Buffalo in the Province of Alberta to consider a complaint about the assessment of the following property:

<b>Assessment Roll Number</b>	30603600
<b>Civic Address</b>	238 MacAlpine Crescent Fort McMurray, AB
<b>Owner</b>	Mike Myshak Management Ltd.
<b>File Number</b>	ARB 25-032

[2] The subject property is in the southwestern portion of Industrial South (MacKenzie Industrial Park) and is zoned B1 – Business Industrial. The area supports a mix of industrial uses. The property is comprised of a 50,592 square feet (sf) lot (1.16 acres) and includes a structure categorized as a warehouse, with a total main floor area of 7,040sf and a

mezzanine level of 2,000sf. The property is assessed on the income approach, with the following parameters:

Warehouse (main floor)	\$26.50/sf
Warehouse (mezzanine)	\$17.49/sf
Vacancy rate	12.00%
Structural allowance	5.00%
Recoverable expenses	\$13.00/sf
Net Operating Income (NOI)	\$171,105
Capitalization rate	8.50%
Total Assessment (truncated)	\$2,1013,000

**PROCEDURAL MATTERS**

The CARB derives its authority to make decisions 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.

[4] The Board confirmed it had no bias in relation to the matters.

**ISSUES**

Issue identified on the complaint form	Assessment Amount	Requested Value
An Assessment Amount	\$2,013,000	\$1,715,000

[5] Is the typical lease rate for the main floor and mezzanine, currently \$26.50/sf and \$17.49/sf respectively, correct, or should they be \$25.00/sf and \$16.25/sf, respectively?

[6] Is the capitalization rate (cap rate) of 8.50% correct, or should it be 10.15%?

[7] At the hearing, the Complainant requested a revised assessment of \$1,578,361, truncated to \$1,579,000. In the alternative the Complainant requested a revised assessment of \$1,830,898, rounded to \$1,831,000.

**MERIT MATTERS**

***Position of the Complainant***

***Lease Rate***

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[8] The Complainant filed a 3-page Complaint Form which was entered as Complainant Exhibit C-1. A 32-page disclosure document was entered as Complainant Exhibit C-2 and an 11-page rebuttal document was entered as Complainant Exhibit C-3.

[9] The Complainant stated that the Respondent is obligated to use mass appraisal to conduct its assessments; however, the CARB is not obligated to do so.

[10] The Complainant provided an analysis of 11 main floor warehouse leases from properties built after 1990, which ranged in size from 1,574sf to 10,070sf. The analysis included leases from February 2019 to April 2025. The leases were from the same subdivision as the subject and ranged from \$19.00/sf to \$27.00/sf. The average was 24.50/sf, and the median was \$25.00/sf. The subject is 7,040sf main level and is assessed at \$26.50/sf. The Complainant provided data supporting the lease rates from Co-Star.

[11] The Complainant also stated that the mezzanine level is calculated as 65% of the lease rate of the main floor. In questioning it confirmed that the correct calculation was 66% of the main floor rate. The mezzanine of the subject is 2,000/sf and is assessed at \$17.49/sf.

[12] In rebuttal, the Complainant confirmed that five (5) of its leases were for condominium building, which the Respondent submitted are assessed differently than fee simple property. As well, the Complainant confirmed that five (5) leases had no lease expiry date and could be monthly leases. It did not address that four (4) sales were outside the typical three (3) year time frame used by the Respondent.

[13] The Complainant provided a further analysis using the Respondent's data from nine (9) properties and 21 leases. That analysis was further reduced to seven (7) properties ranging between 4,000sf to 12,000sf. That analysis determined an average of \$25.36/sf and a median of \$24.00/sf, which supports the requested \$25.00/sf.

[14] The Complainant also created a graph of the seven (7) properties showing lease rates as a function of age, which supported a rate of \$26.63/sf.

[15] If the Board considered the \$25.00/sf main floor lease rate, the mezzanine level at 66% would be \$16.25sf.

[16] The Complainant provided information from the International Association of Assessing Officers ("IAAO") that using the median is the generally preferred measure of central tendency.

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***Capitalization Rate***

[17] The Complainant provided three (3) sales which it stated are comparable to the subject property. The Complainant acknowledged there were not many sales to evaluate the proposed cap rate.

[18] The properties ranged from 14,996sf to 132,270sf. The cap rates were determined by The Network and were based on actual revenue to sale price of the property. The cap rates were between 10.15% to 10.5%. The median and the best comparable was Index 2 which had a cap rate of 10.15%.

[19] The Complainant also provided numerous links to third party articles concerning the floods and fires in Fort McMurray. The Complainant stated that because of the flood/fire occurrences, investors are seeking a higher cap rate which is their rate of return.

[20] The Complainant also stated that the sales used by the Respondent to determine a cap rate all had much larger mezzanine space; therefore, the Net Operating Income (NOI) would be different than sales with smaller mezzanine levels.

[21] The Complainant also stated that even if you used the Respondent's sales, the Respondent has used the average (8.50%) rather than the median (8.64%). This goes against the generally preferred measure of central tendency. If you considered the median of 8.645, and rounded up to the closest 1/4%, the cap rate would be 8.75%.

**Summary**

[22] The Complainant stated that if the main floor lease rate was \$25.00/sf, the mezzanine was \$16.25/sf, and the cap rate was 8.75%, the calculated assessment would be \$1,830,898.

***Position of the Respondent******Lease Rate***

[23] The Respondent confirmed the assessment was prepared using the mass appraisal technique.

[24] The Respondent provided a chart analyzing nine (9) properties with 21 leases. The leases were all main floor and were between 1,565sf and 23,200sf, ranging between \$21.00/sf to \$36.21/sf. The Respondent used leases from the Eco Industrial Park and MacKenzie Industrial Park. It submits the two are similar and are the largest industrial

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parks in Fort McMurray.

[25] The analysis concluded an average lease rate of \$27.08/sf and a median of \$27.00/sf which support the assessed rate of \$26.50/sf.

[26] The Respondent confirmed the mezzanine level typical lease rate was based on 66% of the main floor rate, calculating an assessed lease rate for the mezzanine of \$17.49/sf.

[27] The Respondent also critiqued the Complainant's analysis and noted:

- The Complainant used five (5) condominium leases in its analysis. They are assessed separately from fee simple property. The MGA s.290.1(1)(2) and s. 290.2 speak to assessing condominiums differently.
- The analysis included five (5) leases with no expiry dates. These may be month to month leases but there was no way to verify this.
- The analysis included four (4) leases dating from 2019 and 2020 which exceed the three (3) year typical period for analyzing data.

### ***Capitalization Rate***

[28] The Respondent provided three (3) sales comparisons, all from the MacKenzie Industrial Park and all between April 2021 to January 2024.

[29] The Respondent noted that it is incorrect to consider actual rental rates to derive the typical NOI. The Respondent uses typical inputs, and this creates the NOI and determines the cap rate. In this case they used the typical data from the 2025 Tax Year (2024 Assessment Year) to create the cap rates.

[30] Based on the three (3) sales, the average cap rate was calculated as 8.50% and the median was 8.64%. The Respondent chose to use the average cap rate of 8.50%.

[31] The Complainant also noted that within the Complainant Exhibit C-1, page 9, the photo provided is the subject and a neighboring property, identifying both as the subject. This is incorrect.

### **DECISION**

[32] It is the Decision of the CARB to amend the typical lease rate for the main floor to \$25.50/sf, the mezzanine floor to \$16.83/sf, and the cap rate to 8.75%. The effect of these changes is to calculate an assessed value of \$1,875,612, truncated to \$1,876,000.

**REASON FOR DECISION*****Lease Rate***

[33] The CARB determined that all the Complainant's comparable leases were inferior to the Respondent. There were leases of condominiums, which are assessed differently than fee simple leases. There were leases with no expiry dates and no commentary as to whether they might be month-to-month lease. There were also leases of a smaller size which are not comparable.

[34] The CARB found the Respondent provided leases from nine (9) properties which included 21 leases. The Respondent used leases from the Eco Industrial Park which the CARB finds not to be comparable. The leases did bracket the subject; however, the lease amounts and size of the leased properties was too wide. The CARB determined that a better subset of the leases would be leases between 3,000sf and 11,000sf (subject is 7,040sf), which brackets the subject by 4,000 sf on either side of the analysis, and is better suited than the Complainant's proposed 4,000sf to 12,000/sf. The median method rather than the average method is recommended by the IAAO. The revised analysis would be:

Index	Return Date	Year of Construction	Area	Eff Date	Exp Date	Net Rent/sf \$
3	27-Jun-24	1986	9,000	1-May-21	31-May-26	22.00
	20-Jun-24	1998	3,000	1-Jul-21	30-Jun-26	27.50
4	20-Jun-24	1998	3,000	1-Aug-22	31-Jul-25	30.00
	20-Jun-24	2000	3,916	1-Aug-22	31-Jul-25	28.00
	20-Jun-24	2000	3,916	1-Oct-22	1-Oct-25	27.00
5	20-Jun-24	2006	8,150	1-Oct-21	20-Sep-31	24.00
6	3-Jun-24	1976	4,010	1-Nov-22	31-Oct-27	24.00
7	9-Aug-24	2006	4,560	15-Oct-21	14-Sep-26	24.00
					Avg.	25.81
					Median	25.50

***Capitalization Rate***

[35] The CARB provided no weight to the Complainant's cap rate sales analysis. The properties cap rate was calculated based on actual lease rates and expenses versus typical rents which the Respondent used and is more common in municipalities calculations of cap rate.

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[37] The CARB accepted the Respondent's sales, however, does not accept the average rate and instead used the median rate of 8.64% rounded up to 8.75%. This method is recommended by the IAAO.

### **Conclusion**

[38] In coming to its conclusion, the Board has carefully 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").

[39] It is so ordered.

### **DISSENTING OPINION**

[40] There was no dissenting opinion.

[41] 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 19th day of November 2025.

Access to Information  
Act s 20(1)

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D. Roberts, Presiding Officer

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**APPENDIX A**

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**DOCUMENTS RECEIVED AND CONSIDERED BY THE CARB**

<b>Exhibit Number</b>	<b>Description</b>
C-1 (3 pages)	Complaint & agent authorization forms
C-2 (32 pages)	ARB 25-032 Complainant Disclosure
C-3 (11 pages)	ARB 25-032 Complainant rebuttal
R-1 (81 pages)	ARB 25-032 RMWB Non-Residential Disclosure
R-2 (58 pages)	ARB 25-032 2025 RMWB Law Brief

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**APPENDIX B**

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**REPRESENTATIONS**

<b>Person Appearing</b>	<b>Capacity</b>
K. Goertzen	Agent, Deloitte LLP
S. Ahensan	Assessor, RMWB
C. Wu	Observer, RMWB

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**APPENDIX C**

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**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.