

**CALGARY  
ASSESSMENT REVIEW BOARD  
DECISION WITH REASONS**

In the matter of the complaint against the Property assessment as provided by the *Municipal Government Act*, Chapter M-26.1, Section 460(4).

**between:**

**Altus Group Ltd, *COMPLAINANT***

**and**

***The City Of Calgary, RESPONDENT***

**before:**

**J. Noonan, *PRESIDING OFFICER***

**A. Wong, *MEMBER***

**C. McEwen, *MEMBER***

This is a complaint to the Calgary Assessment Review Board in respect of Property assessment prepared by the Assessor of The City of Calgary and entered in the 2010 Assessment Roll as follows:

|                          |                      |
|--------------------------|----------------------|
| <b>ROLL NUMBER:</b>      | <b>111102505</b>     |
| <b>LOCATION ADDRESS:</b> | <b>555 69 Ave SW</b> |
| <b>HEARING NUMBER:</b>   | <b>58920</b>         |
| <b>ASSESSMENT:</b>       | <b>\$34,980,000.</b> |

This complaint was heard on the 17th day of August, 2010 at the office of the Assessment Review Board located at the 4<sup>th</sup> Floor, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 3.

Appeared on behalf of the Complainant:

- D. Chabot, Sr. Tax Consultant, Altus Group

Appeared on behalf of the Respondent:

- R. Fegan, Assessor, *The City of Calgary*

**Property Description:**

The subject is located at 555 69 Ave SW, Calgary. It is a 78,064 sq.ft. lowrise Class A suburban office in the Macleod Trail corridor. The assessed value is \$34,980,000 after deduction of related exempt accounts.

**Issues:**

From a list of grounds identified on the complaint form, the Composite Assessment Review Board (CARB) heard evidence and argument on the following:

1. Has the market value of the subject been established by its sale in May 2007, some 25 months prior to valuation date?
2. Alternately, if the answer to Issue 1 is no, should the vacancy allowance be increased to 9.5?

**Board's Findings in Respect of Each Matter or Issue:**

1. Subject Sale

The subject property was purchased by a REIT May 30, 2007 for \$31,500,000. The CARB heard that no time adjustment has been applied to suburban office sales since July 1, 2007. The Complainant pointed out that if one accepts the City's assessment of \$38,077,000 prior to deduction of exempt related accounts, the subject has appreciated in value some \$6.5 million since its sale. There was no suggestion that the sale was not a valid arms-length transaction, and the Board concluded the best evidence of market value was indeed the sale of the subject. The CARB is not suggesting that the assessment branch has done anything wrong in applying mass appraisal methods as required by the *Municipal Government Act* and the regulations. Rather, the Board is deferring to the wisdom of the market in establishing a site specific value for the subject.

Last year's ARB reduced the assessment to the sale price, \$31,500,000, but for some reason did not apply a deduction for the related exempt sub-accounts. This Board finds that the deduction should be applied

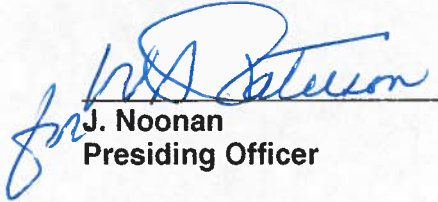
Having found in the Complainant's favour in resolving Issue 1, the Board did not have to

address Issue 2, as an adjustment to the vacancy rate would yield a value in excess of the sale.

**Board Decisions on the Issues:**

The Board reduces the taxable portion of the assessment to \$28,940,000.

DATED AT THE CITY OF CALGARY THIS 15 DAY OF September 2010.

  
J. Noonan  
Presiding Officer

JN/sd

*An appeal may be made to the Court of Queen's Bench on a question of law or jurisdiction with respect to a decision of an assessment review board.*

*Any of the following may appeal the decision of an assessment review board:*

- (a) the complainant;*
- (b) an assessed person, other than the complainant, who is affected by the decision;*
- (c) the municipality, if the decision being appealed relates to property that is within the boundaries of that municipality;*
- (d) the assessor for a municipality referred to in clause (c).*

*An application for leave to appeal must be filed with the Court of Queen's Bench within 30 days after the persons notified of the hearing receive the decision, and notice of the application for leave to appeal must be given to*

- (a) the assessment review board, and*
- (b) any other persons as the judge directs.*