

**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, Section 460(4).

between:

Altus Group Ltd., COMPLAINANT

and

The City Of Calgary, RESPONDENT

before:

J. Gilmour, PRESIDING OFFICER

J. Rankin, MEMBER

J. Pratt, MEMBER

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

ROLL NUMBER:	116027806
LOCATION ADDRESS:	3916 – 70 AVENUE SE, CALGARY, AB
HEARING NUMBER:	55954
ASSESSMENT:	\$5,320,000

This complaint was heard on 27th day of September, 2010 at the office of the Assessment Review Board located at Floor Number 4, 1212 – 31 Avenue NE, Calgary, Alberta, Boardroom 9.

Appeared on behalf of the Complainant:

- *J. Smiley* (Altus Group Ltd.)

Appeared on behalf of the Respondent:

- *I. Baigent* (Assessor. City of Calgary)

Property Description:

This is a warehouse built in 1980 and located in the Foothills area of the City of Calgary. The building has a rentable area of 56,544 sq. ft, with site coverage of 31% on a site area of 3.59 acres. The office finish is 27%. Based on the assessment value, this equates to \$94 per sq. ft.

Issues:

What is the market value of the subject property?

Complainant's Requested Value:

The Complainant is seeking a revised assessment of \$4,850,000, which equates to \$85 per sq. ft.

Board's Decision in Respect to the Issue:

The Complainant argued that the best comparable of the subject property was its sale in December 2008 for \$5,000,000 at \$78 per sq. ft, approximately 6 months from the valuation date.

The Complainant also referred in evidence to a letter sent by the City to Altus Group, dated February 25, 2010, which included in attachment 4 a model consisting of approximately 156 sales, which included the time-adjusted sale price of the subject property at \$4,851,863. This resulted in a 6% reduction of the sale price in 2008.

The Respondent argued that the subject sale in 2008 was subject to a short term sale lease-back until April 2009 between the vendor and purchaser, and therefore such a condition resulted in a non-arms length transaction between the parties.

The Respondent presented seven sales of warehouses in the South East of Calgary with time-adjusted / sq. ft. figures ranging from \$96 per sq. ft. to \$142 per sq. ft. On the basis of their results, the Respondent argued that the \$94 per sq. ft. for the current assessment was fair and reasonable.

The Respondent also included 7 equity comparables in the Foothills area which indicated that the assessed value for the subject property was equitable when compared to these properties.

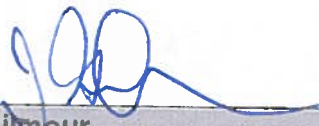
Findings:

With respect to the issue in hand, the Board considered that the best evidence to determine the market value of the subject property was the sale of the property in December 2008 for \$5,000,000. The Board is of the opinion that the matter of whether the transaction was arms length or not, as argued by the Respondent, becomes a non-issue since the subject property was included in the sales comparables relied on by the City in 2009. At that time the adjusted sale price calculated by the Respondent was \$4,851,863.

Board's Decision:

The assessment of the Complainant is reduced to \$4,850,000.

DATED AT THE CITY OF CALGARY THIS 14 DAY OF OCTOBER 2010.


J. Gilmour
Presiding Officer

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.*