

The word "Calgary" in white text on a red background.

2023 Pre-Roll Consultation Period Office Update

We are committed to property assessment transparency

Pre-Roll Consultation Period

Review

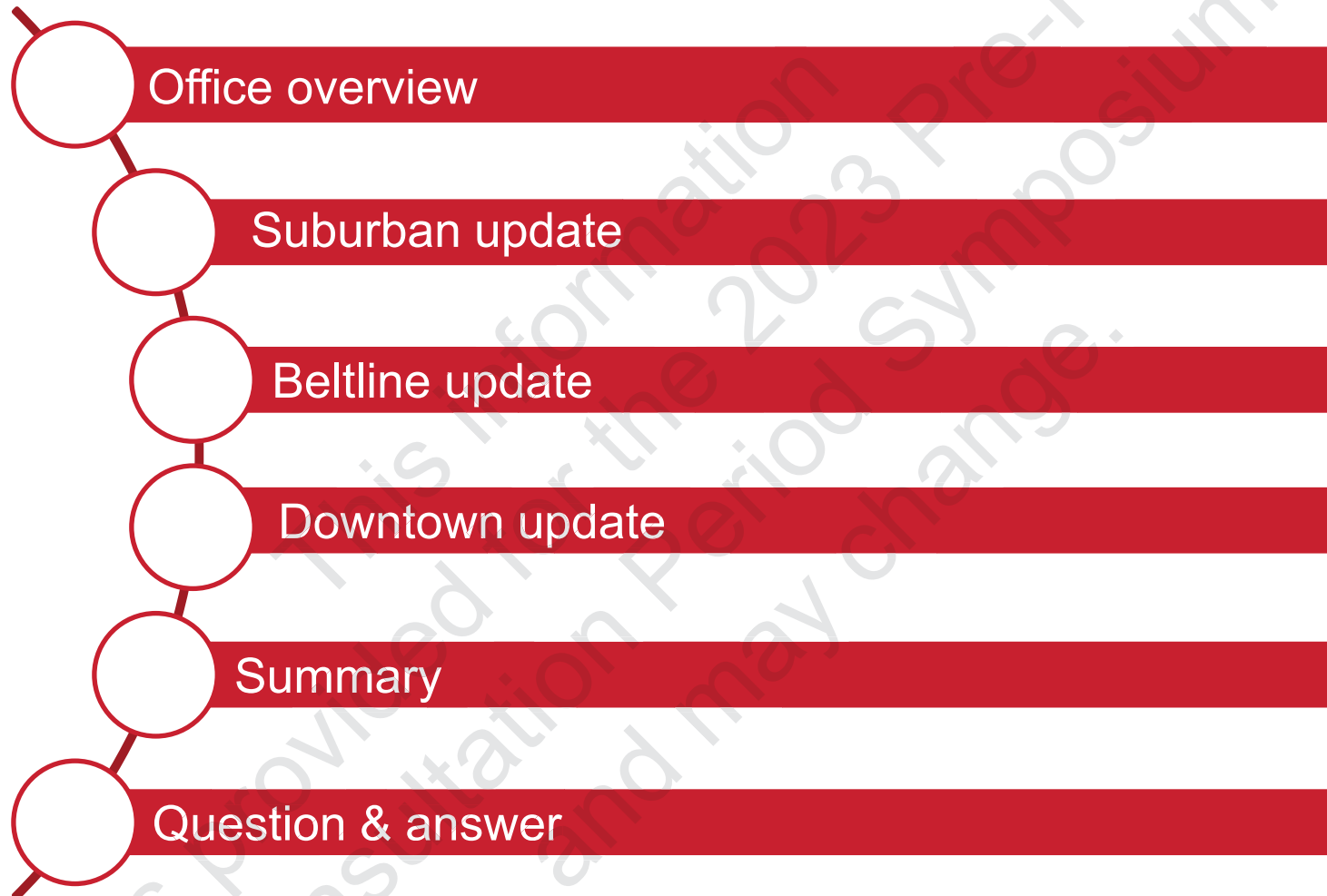
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October 3 to November 4, 2022



Agenda



Overview

- Overall, the Office market is seeing a stable trend, its contribution to the Assessment Roll remains flat.
- Sales and growth activity has slowed in the Downtown and Beltline market but continues in the suburban markets.



Office sector trends: Office



Office valuation: Income approach

**Net
operating
income**

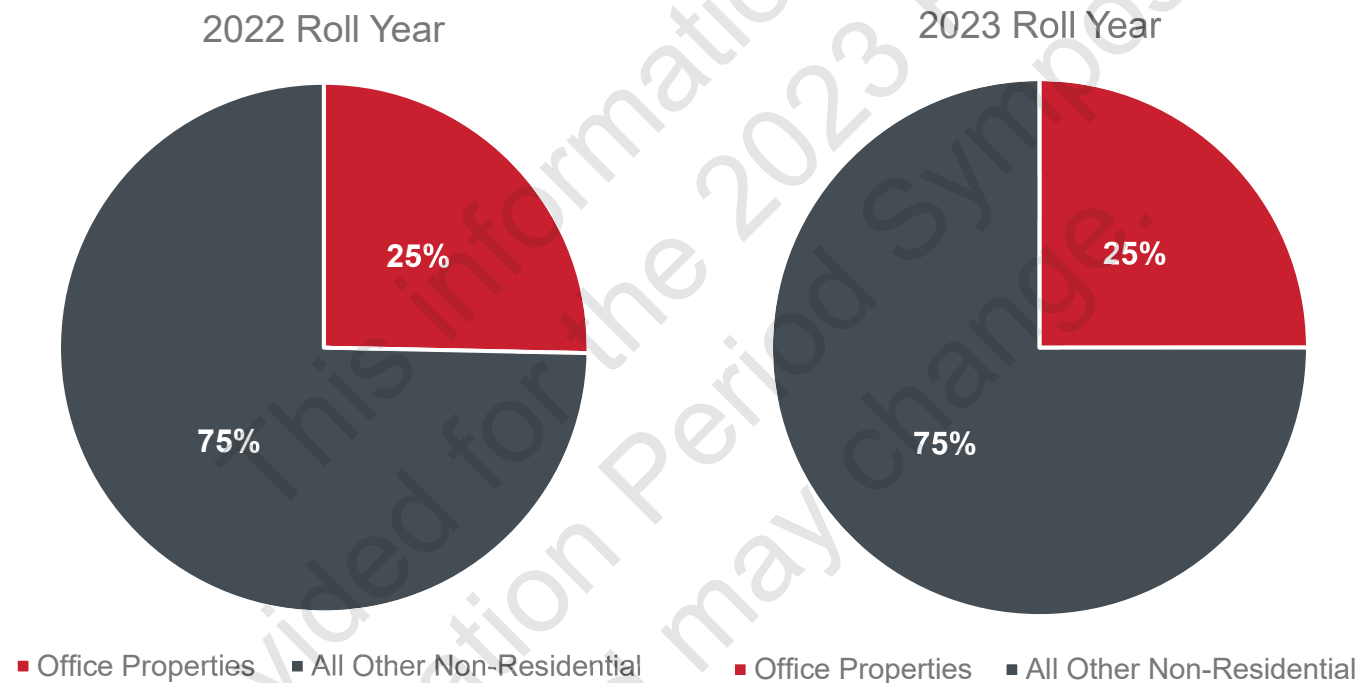


**Capitalization
rate**



**Assessed
value**

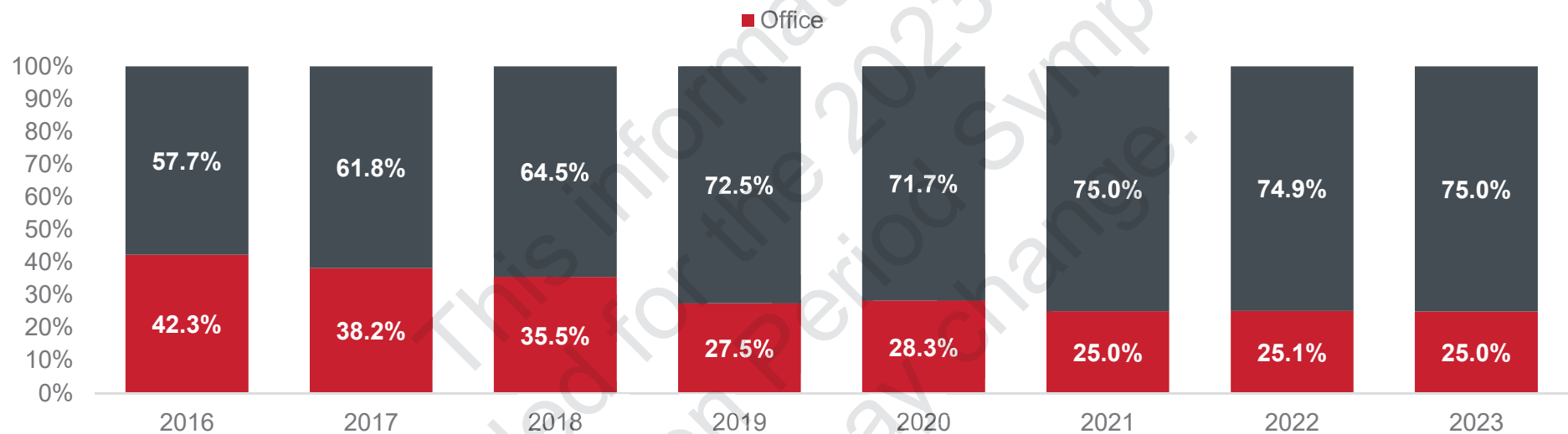
Office contribution to the Assessment Roll (taxable)



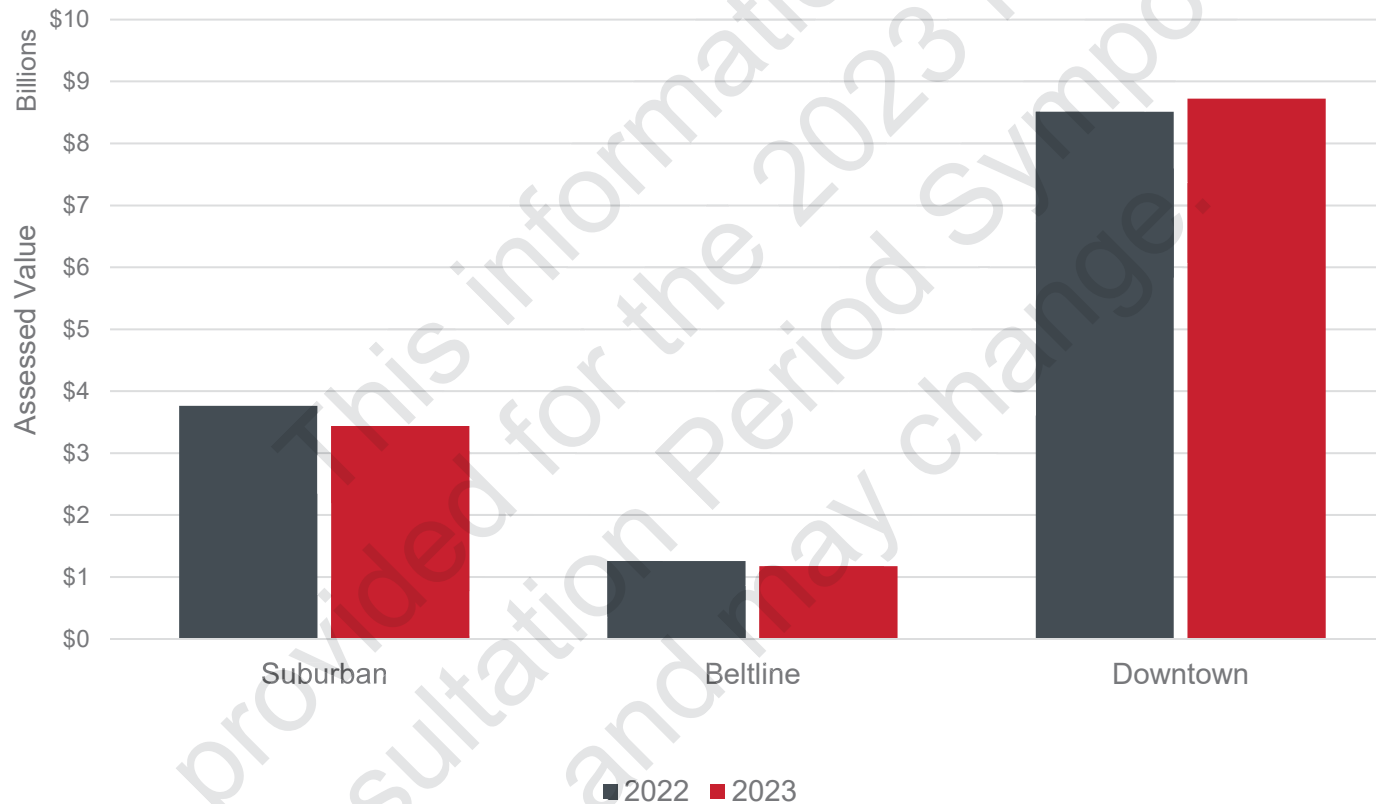


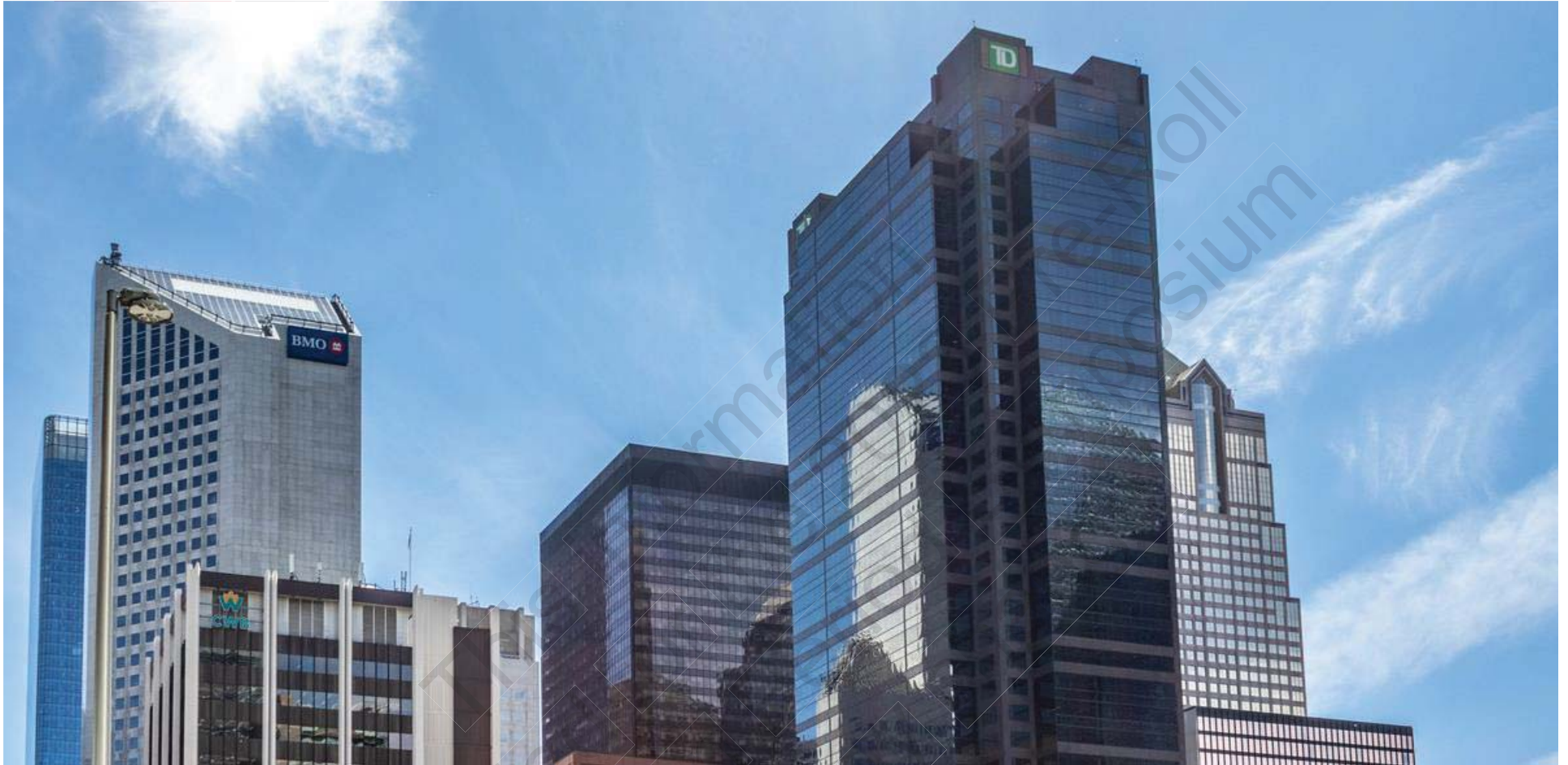
Office contribution to the Assessment Roll (taxable)

Percentage of Non-Residential Taxable Value
Office vs Other Non-Residential



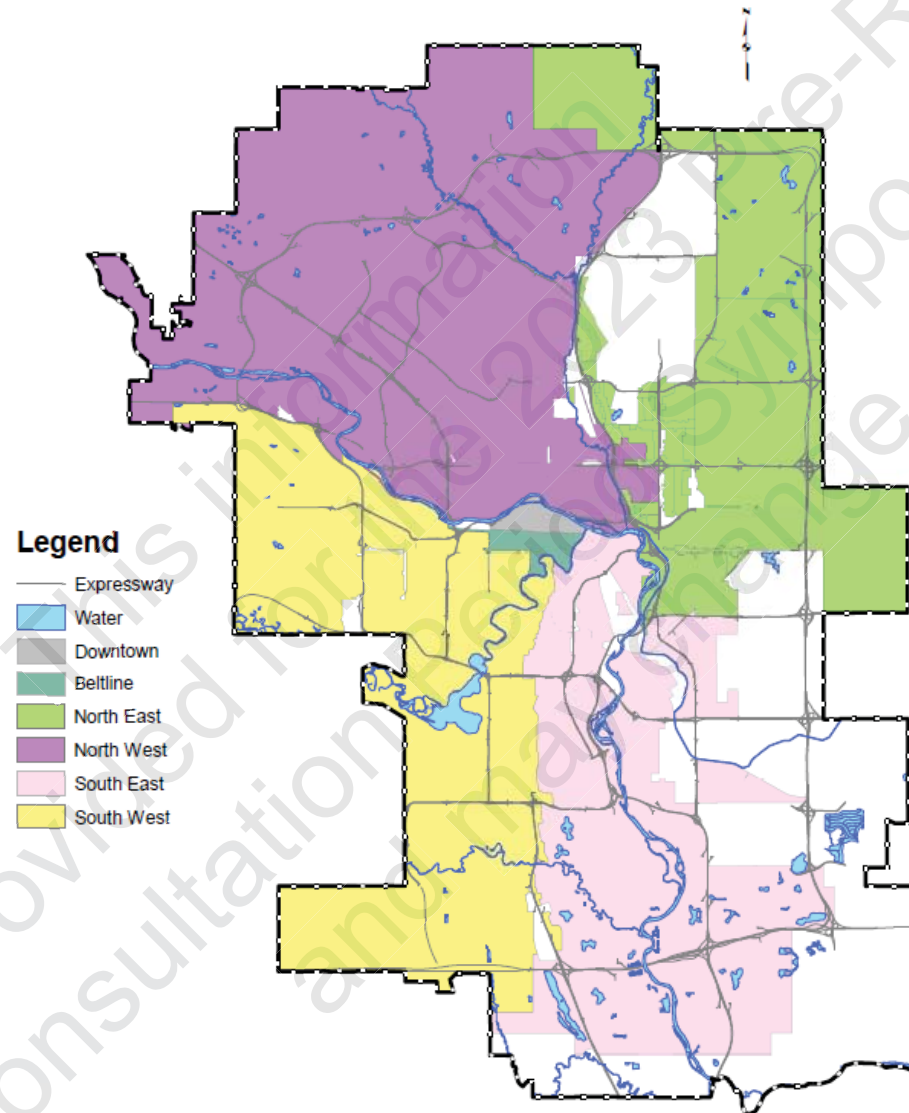
2023 Office inventory overview (taxable)





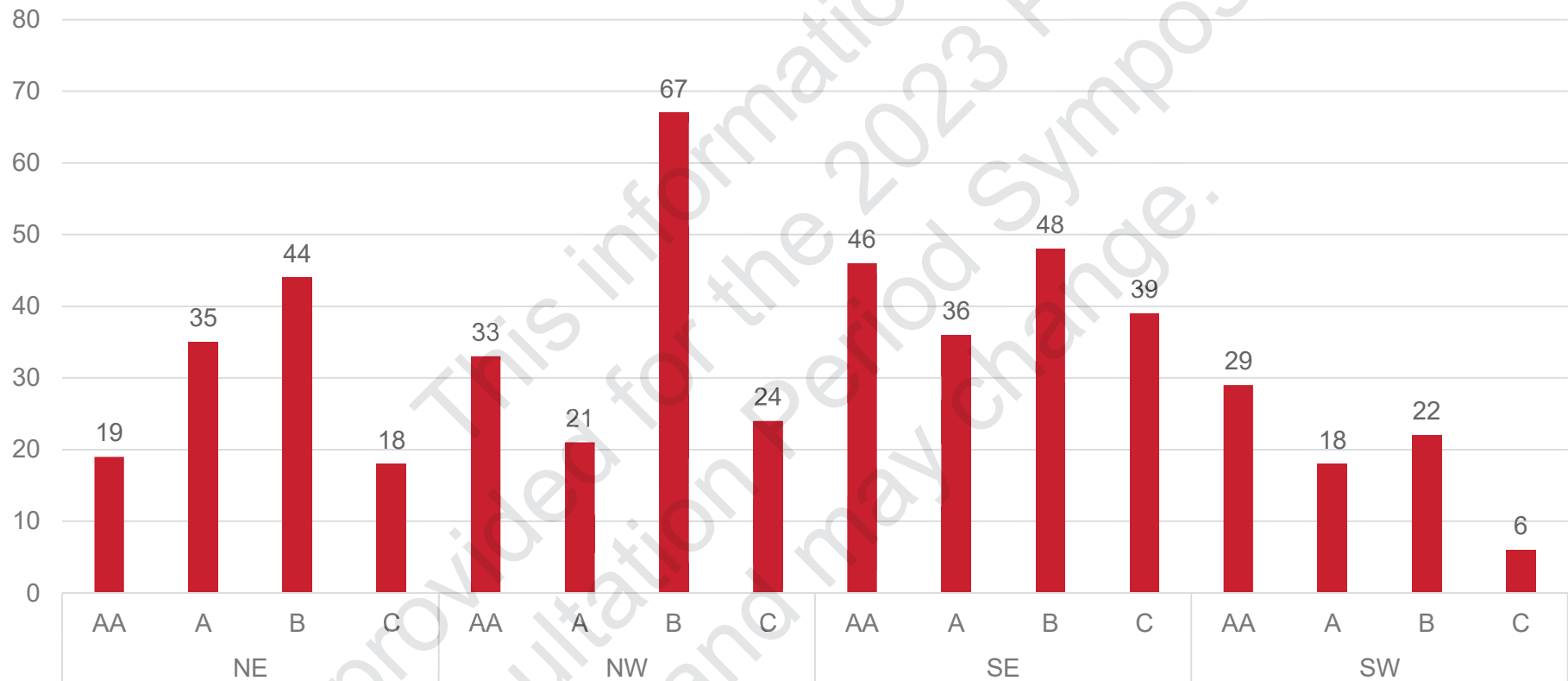
Office Sector Trends: Suburban Office

Suburban Office market areas



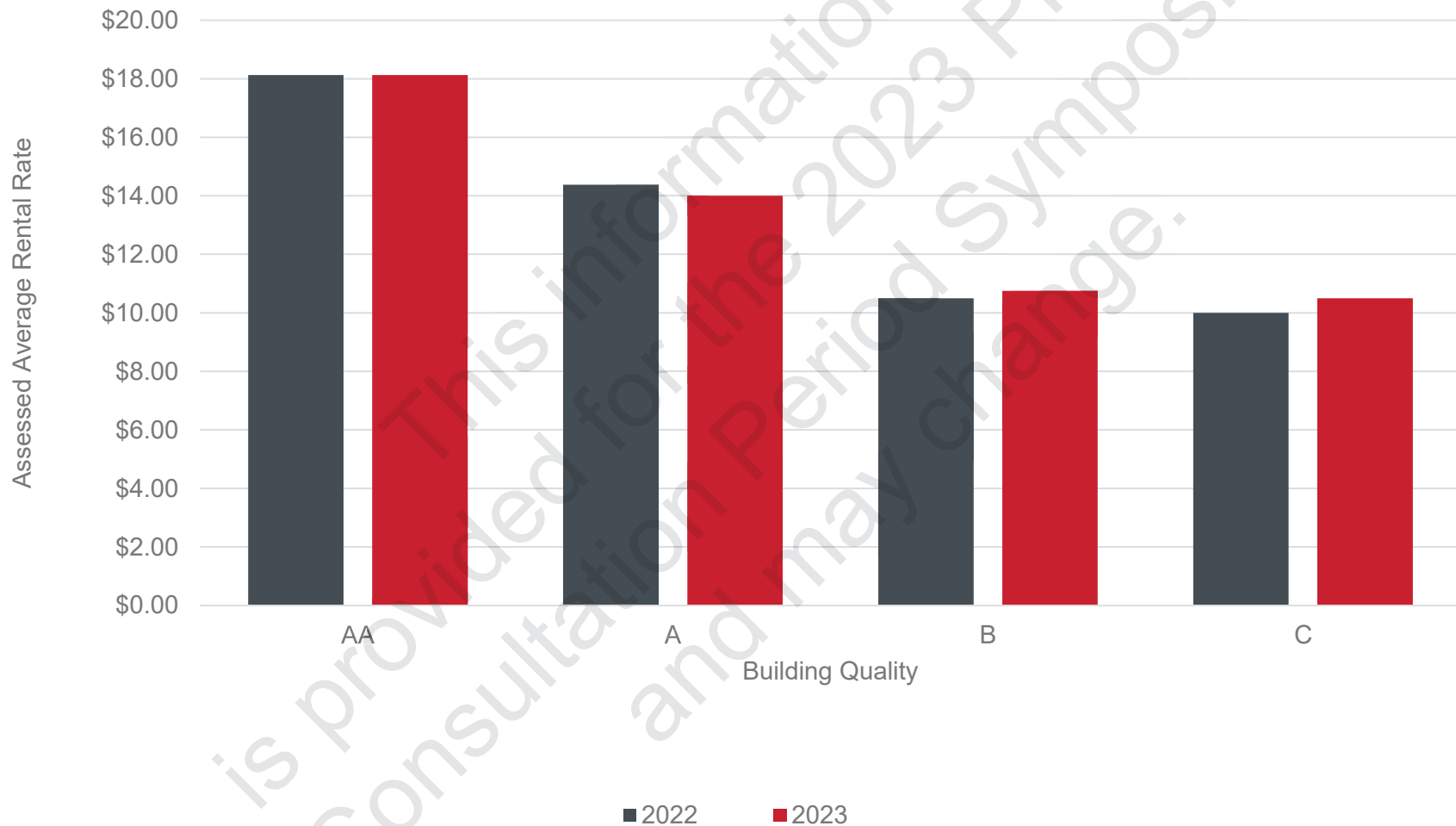


2023 Suburban inventory by class and quadrant



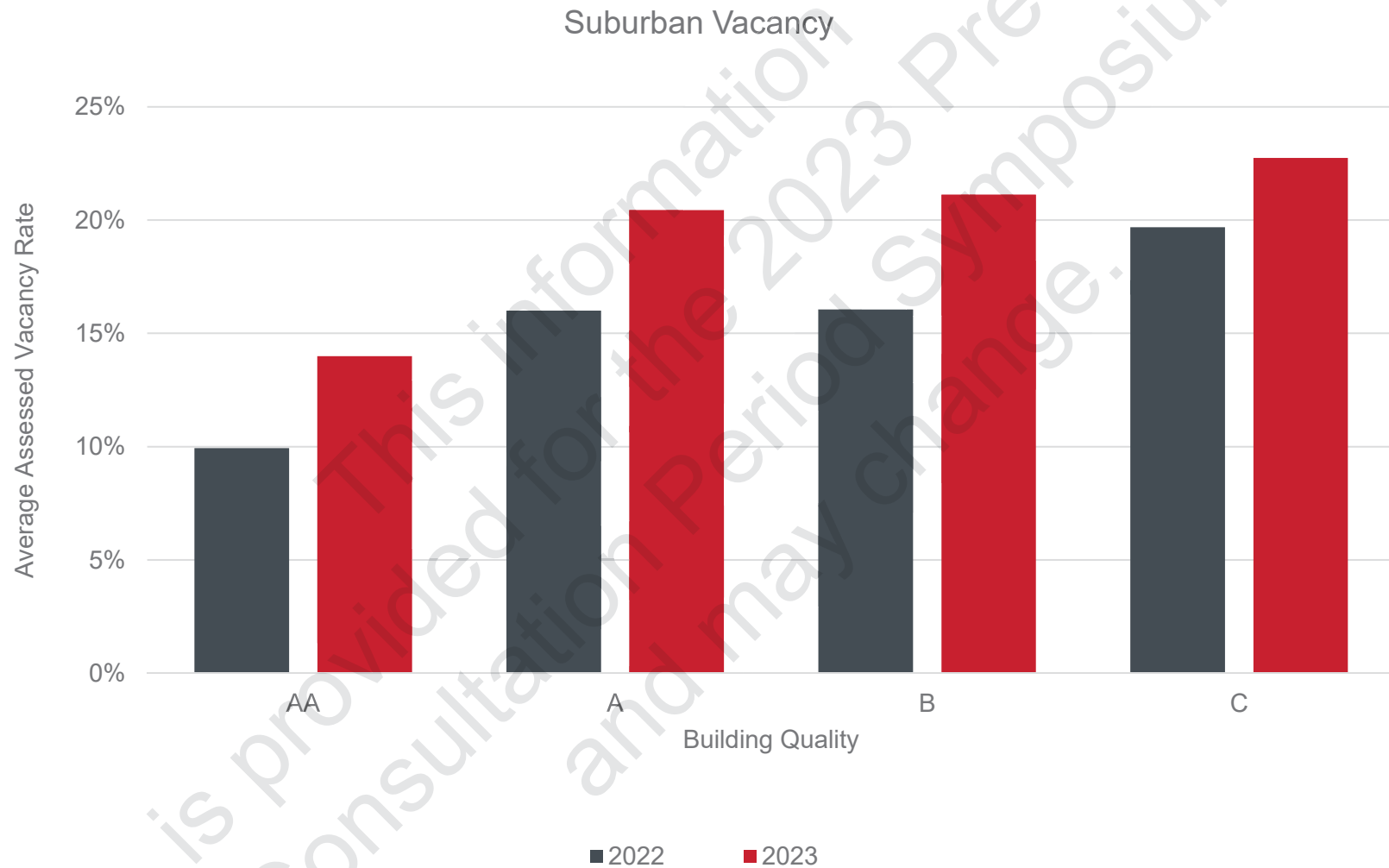


2023 Suburban Office Rental Rate Trends



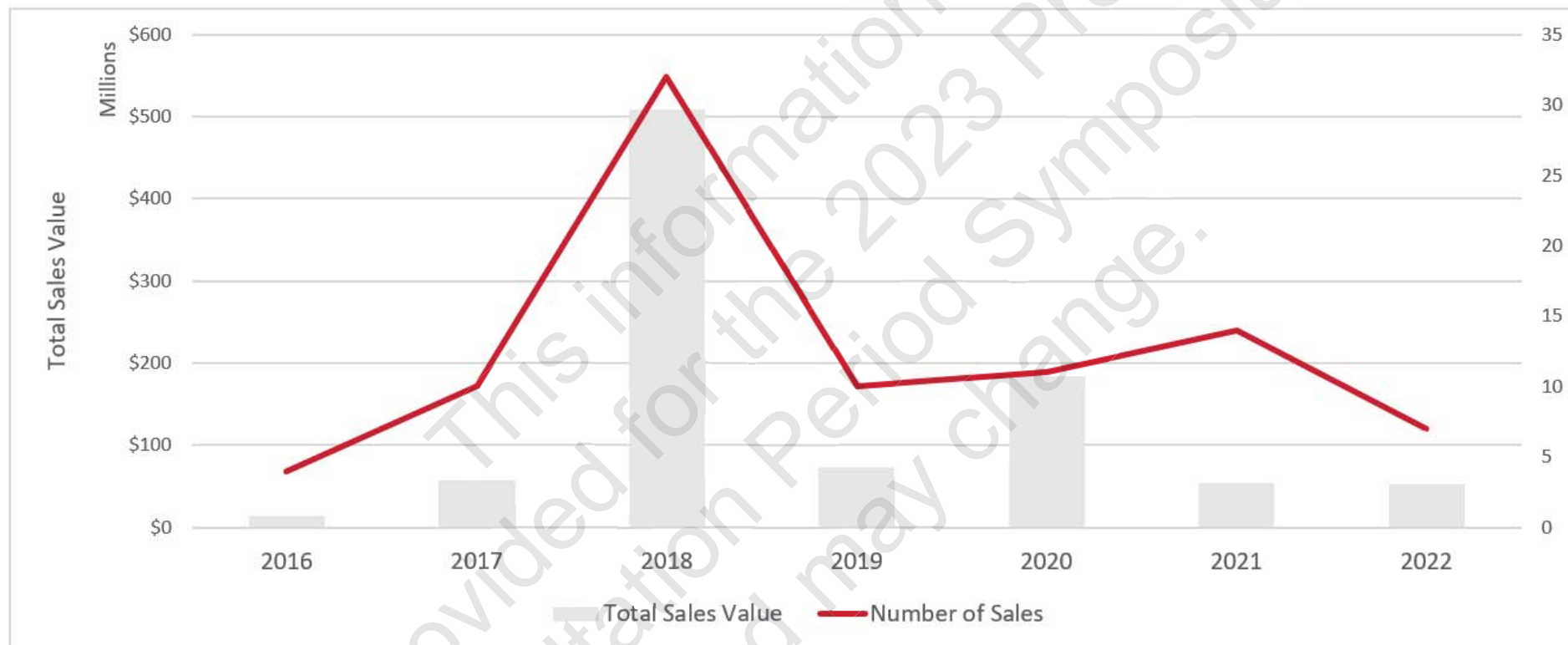


2023 Suburban Office Vacancy Rate Trends





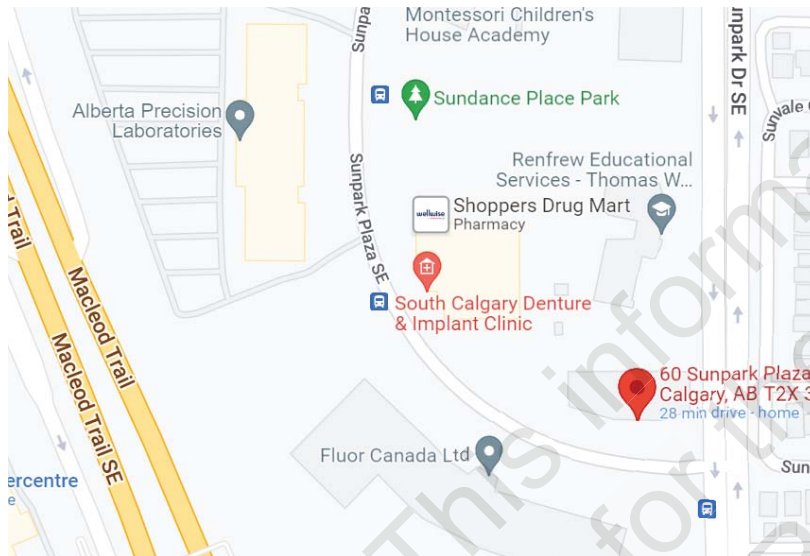
2023 Suburban Office sales activity





Suburban Office notable sale

60 Sunpark Plaza SE



Sale Details

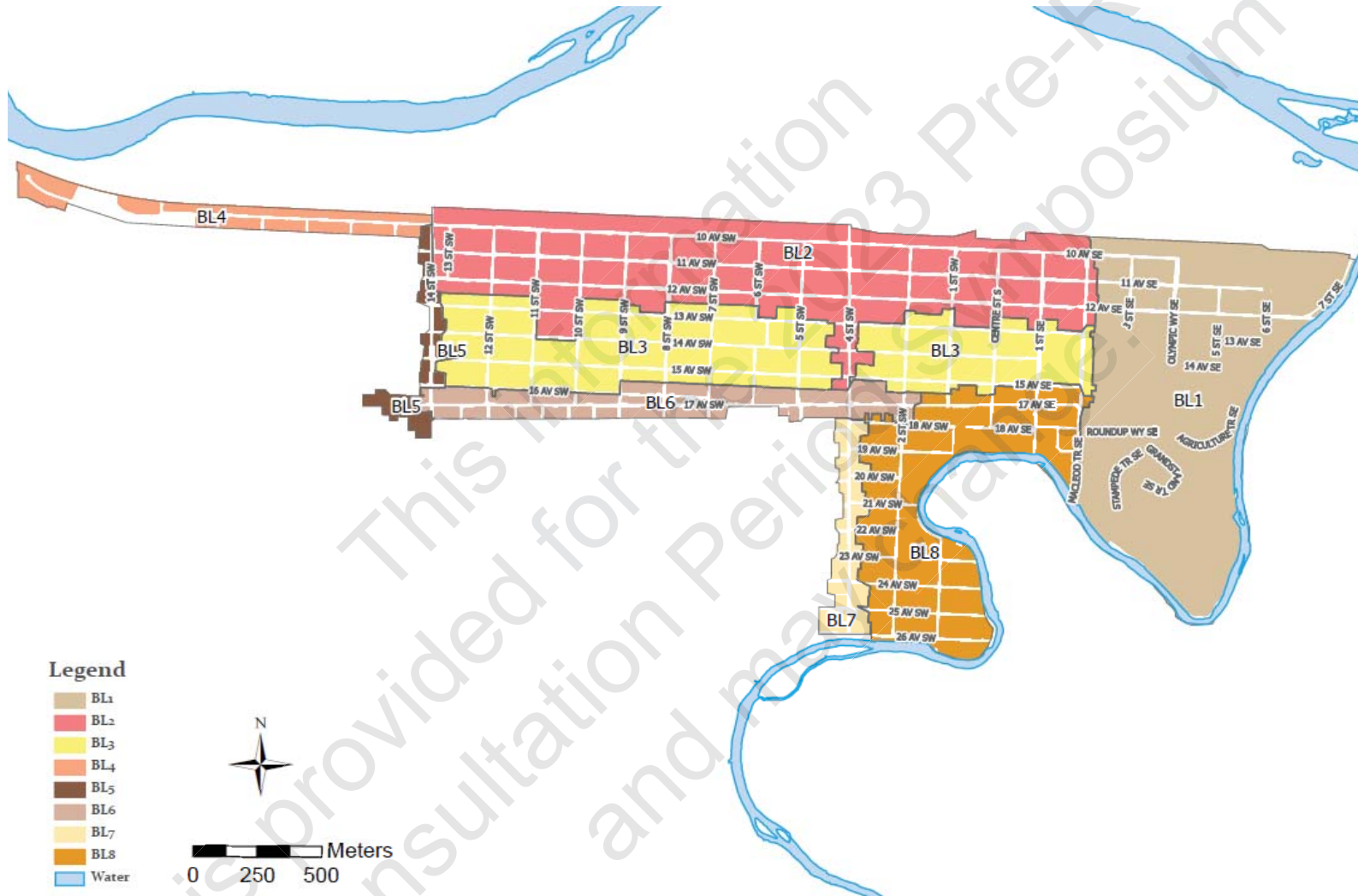
Address	60 SUNPARK Plaza SE
Building Area (SF)	60,024
Parcel Area (SF)	43,595
2023 Preliminary Assessment	\$7,420,000
Sale Price	\$7,500,000
Sale Date	7-Dec-21
\$/SF	\$125
Assessment to Sale Price Ratio	0.99



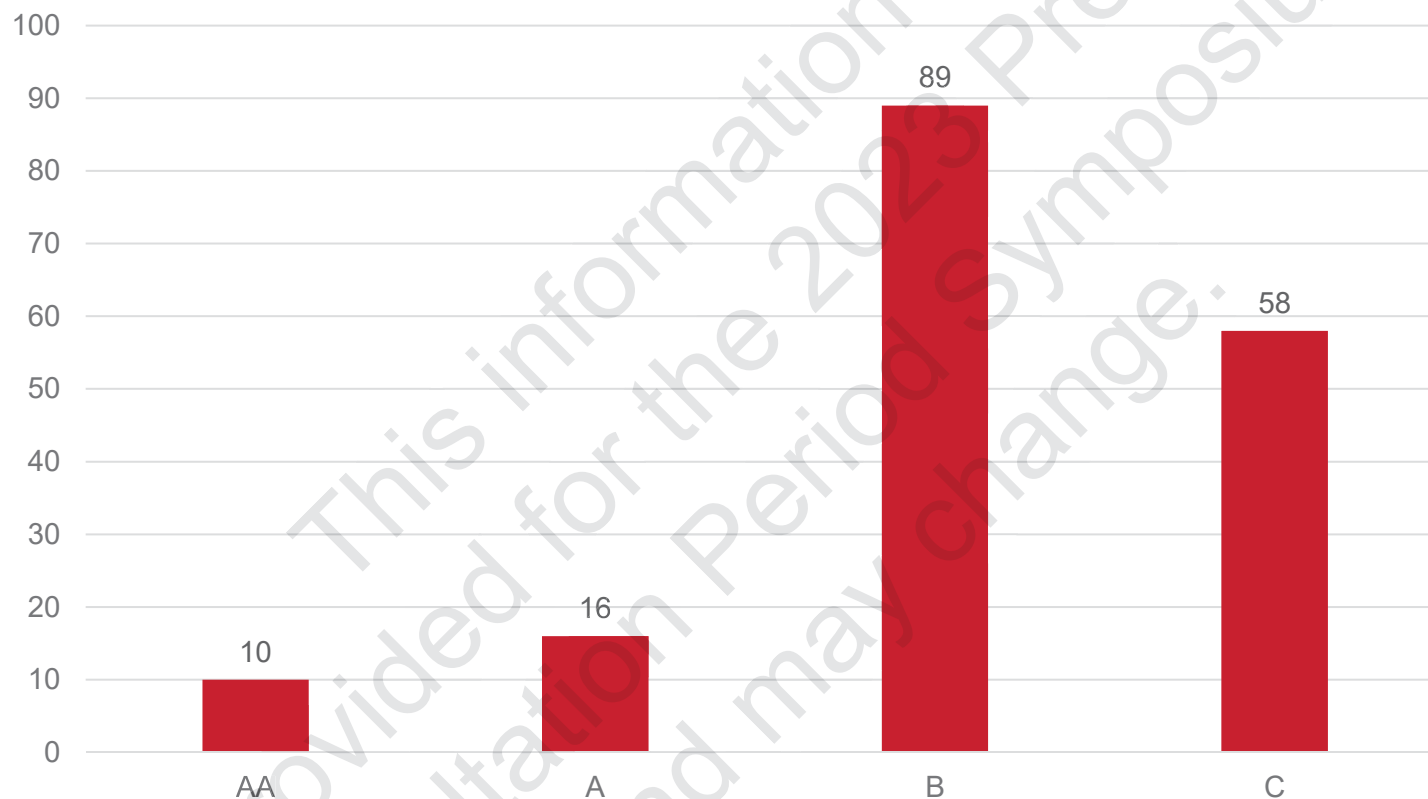


Office sector trends: Beltline

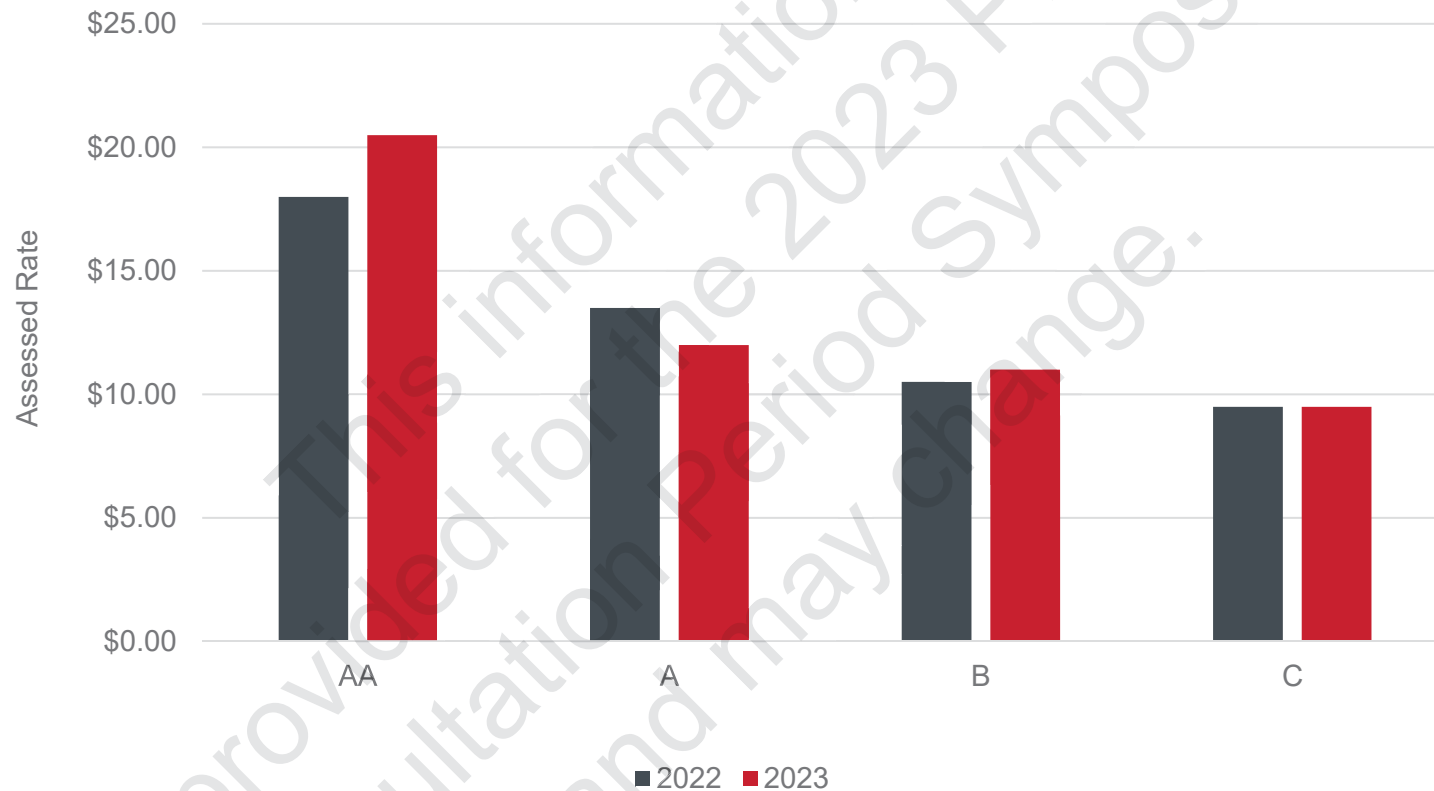
Beltline Office market zones



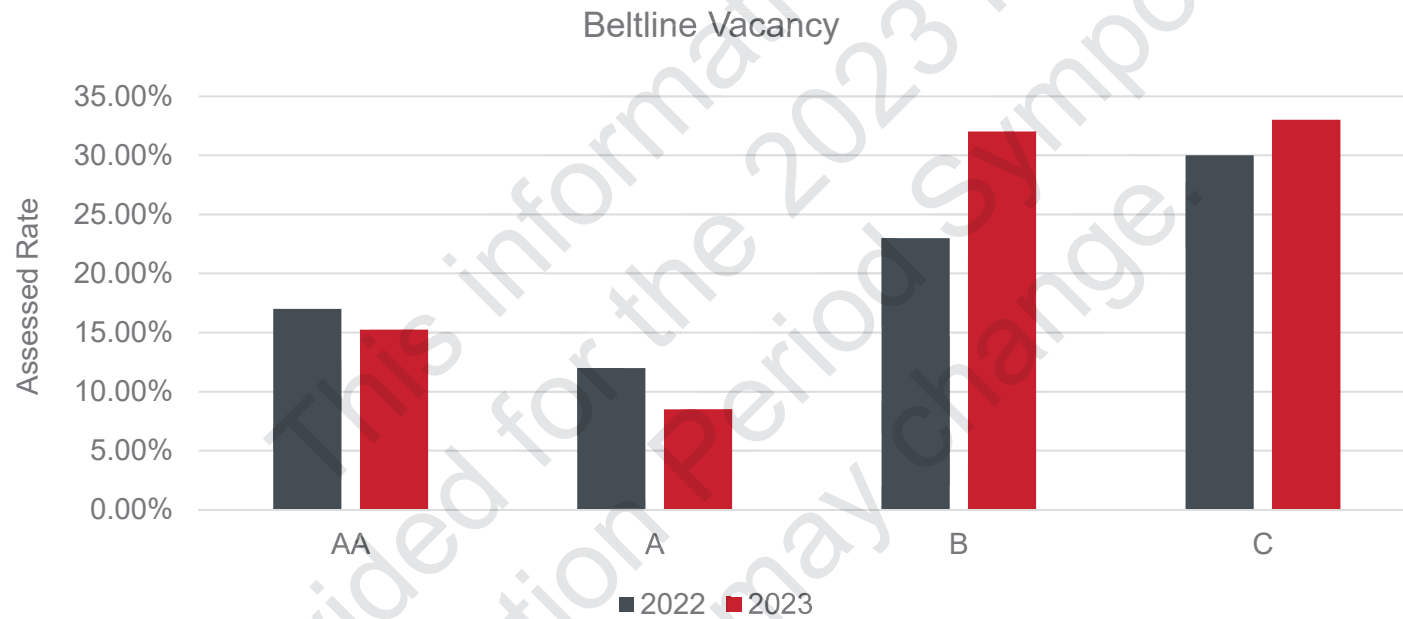
2023 Beltline inventory by class



2023 Beltline Office Rental Rate Trends



2023 Beltline Office Vacancy Rate Trends

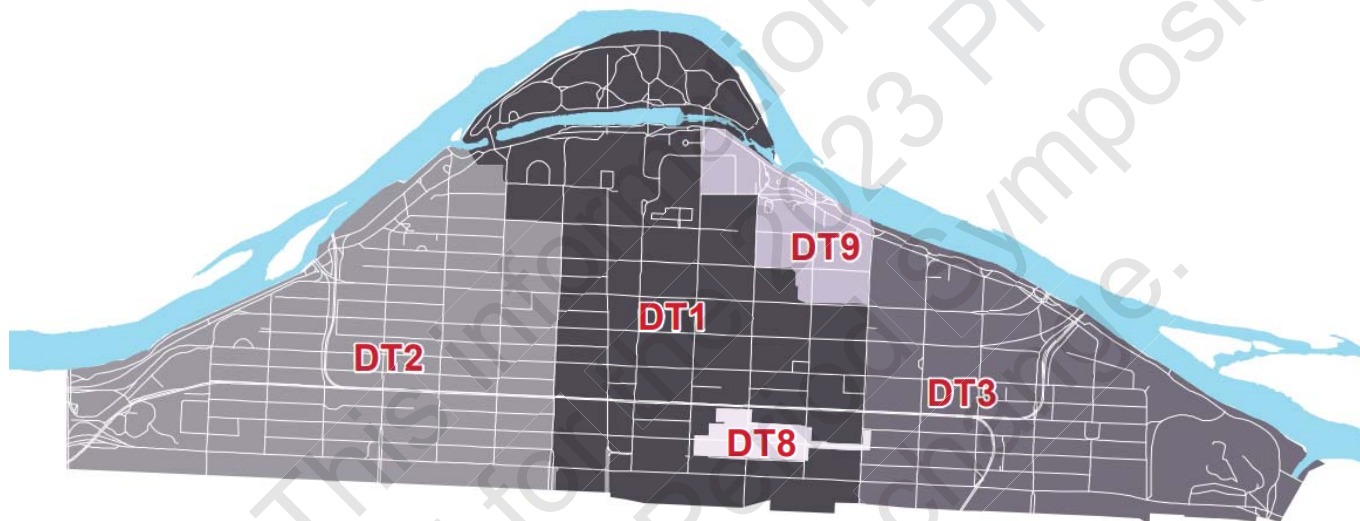




Office Sector Trends: Downtown



Downtown Office market zones

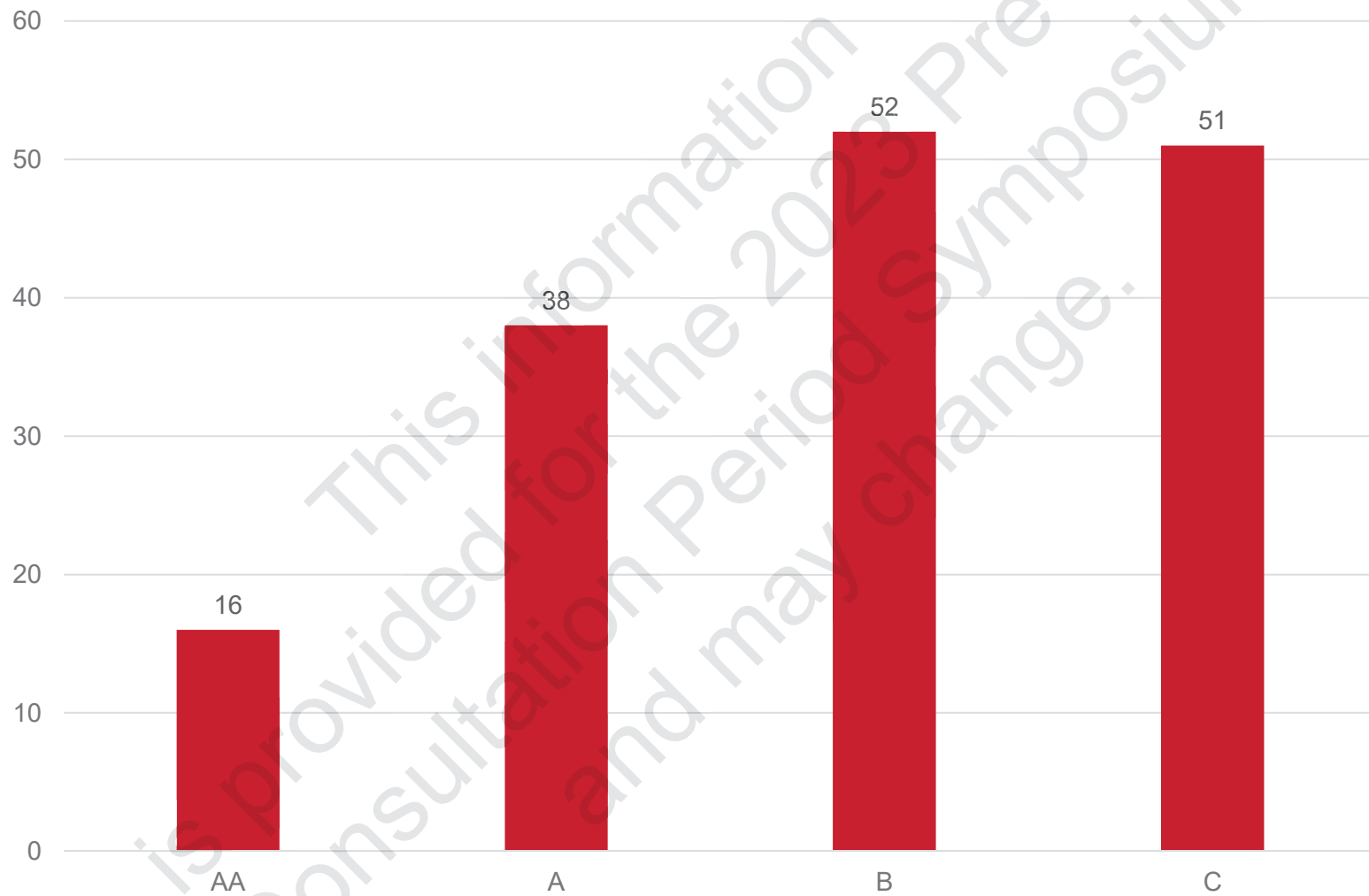


Legend

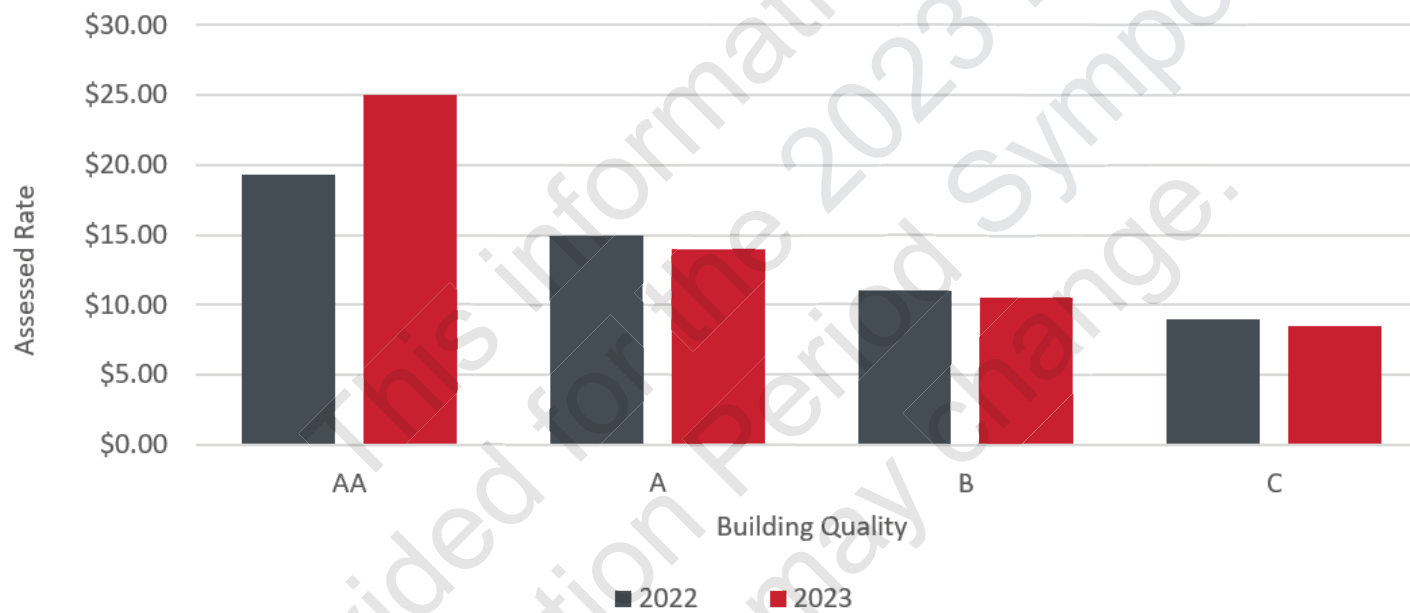




2023 Downtown inventory by class



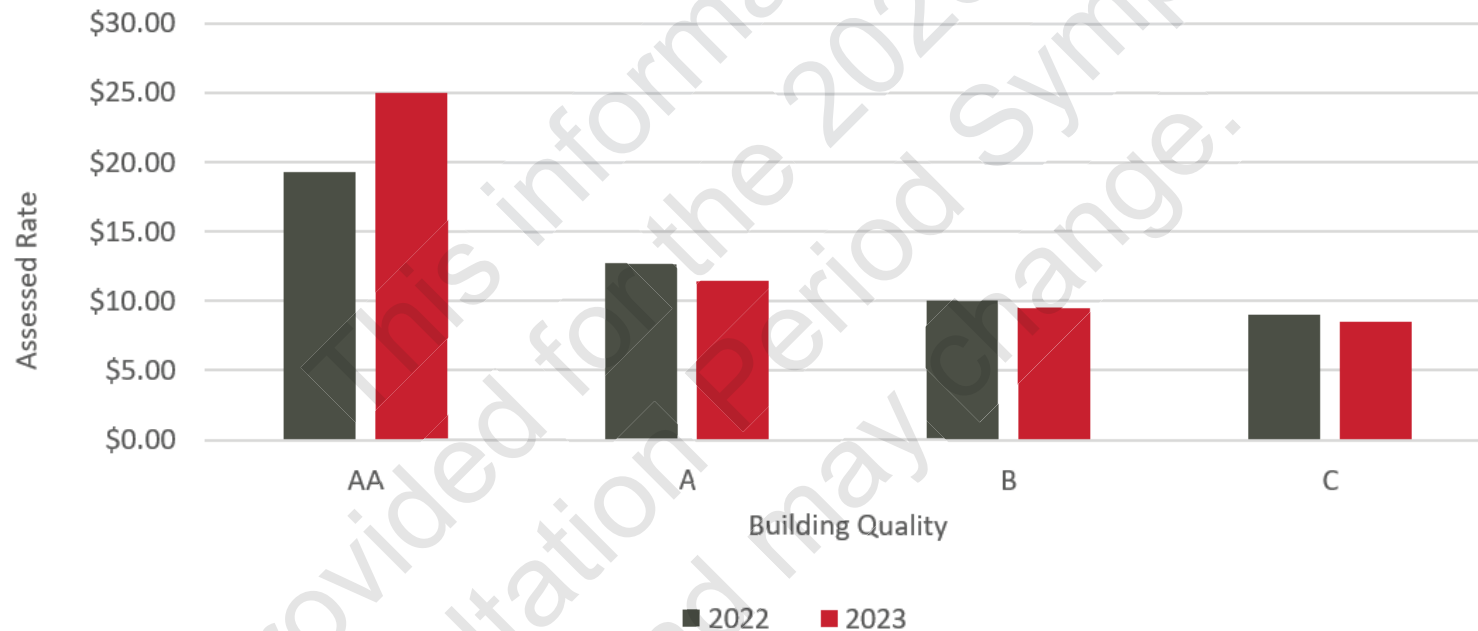
2023 Downtown Core Rental Rate Trends (DT1)



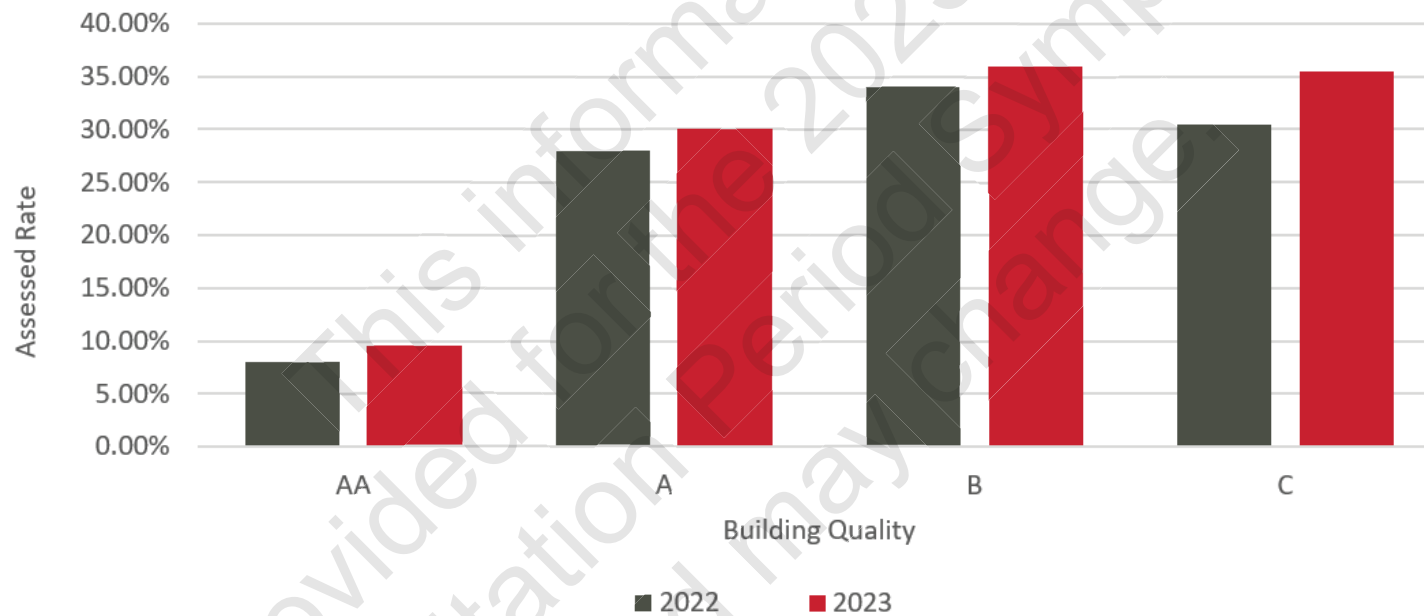
2023 Downtown Core Vacancy Rate Trends (DT1)



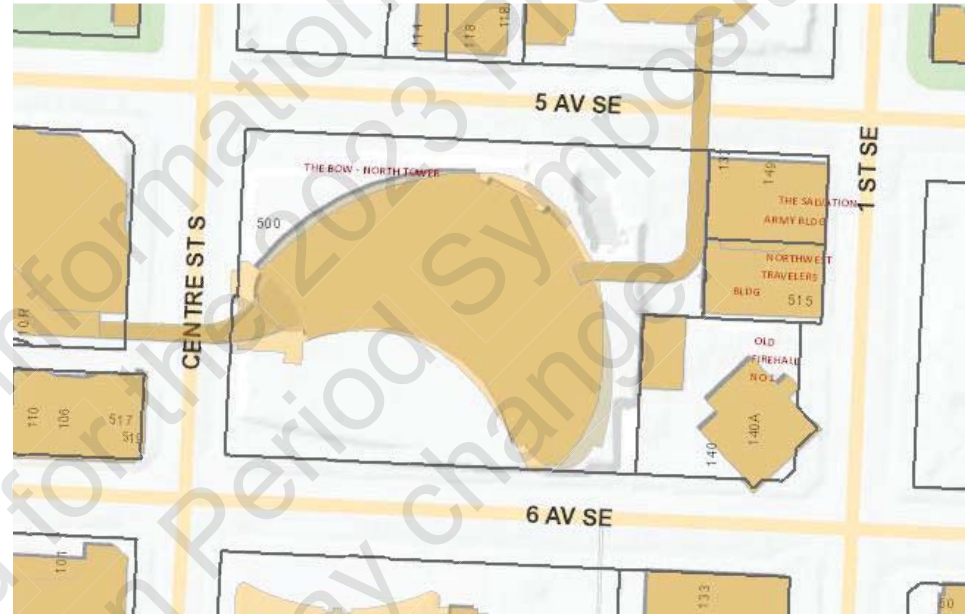
2023 Downtown Non-Core Rental Rate Trends (DT2, 3 & 9)



2023 Downtown Non-Core Vacancy Rate Trends (DT2, 3 & 9)



Downtown Office reported sale: 500 Centre ST S.E.

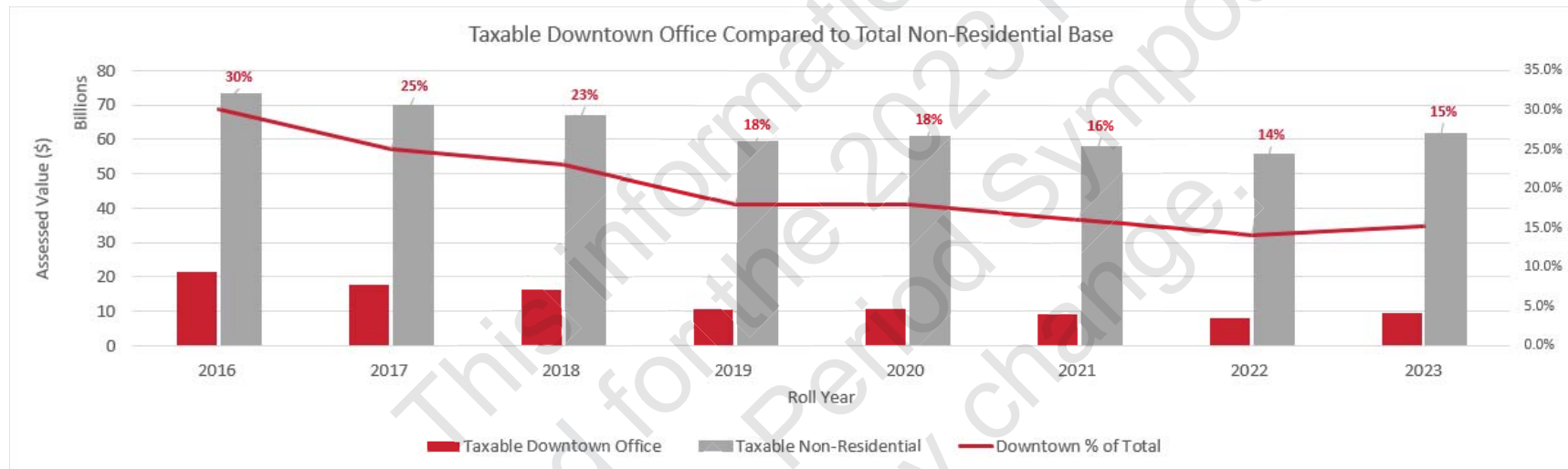


Property and Reported Sale Details

Address	500 Centre St SE	Reported Sale Price	\$1,200,000,000
		<i>Adjustment Required</i>	
Building Area (SF)	1,805,158	\$/SF	\$664.76
Parcel Area (SF)	100,581		



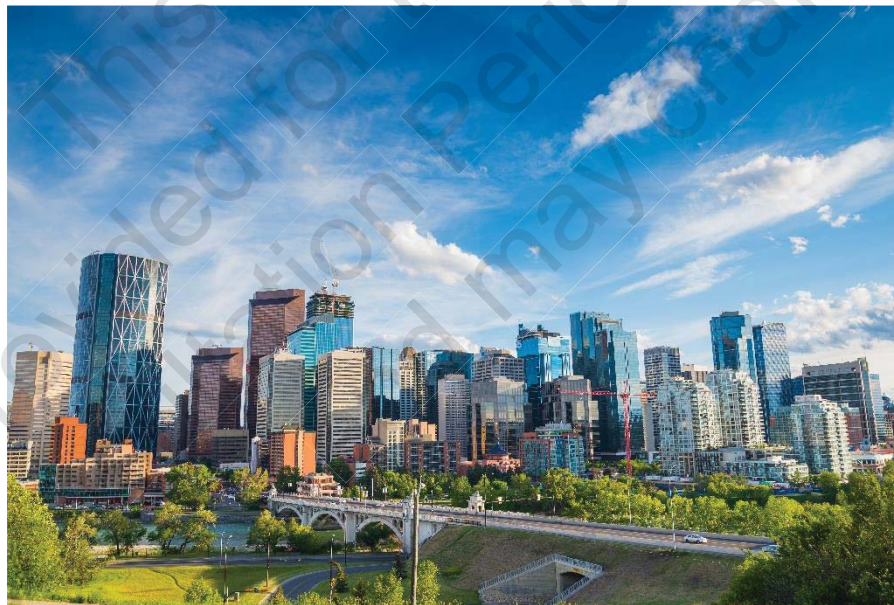
2023 Downtown Office contribution to the Assessment Roll



The future of Downtown and Beltline

Calgary's Greater Downtown Plan

- Lower office vacancy.
- Improve Downtown vibrancy.
- Support the development of thriving neighbourhoods.





Summary

Office

Overall, the Office market is seeing relative stability compared to last year

Rates

Rental Rates are contributing to increase in value with some exceptions being observed, especially in the lower quality buildings.

Sales

Smaller suburban offices continue to transact, while sales activity in the Greater Downtown remains slow.

Future Trends

City incentives will encourage development and conversion projects in the Greater Downtown areas.



Assessment Search

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Preliminary Property Tax Calculator

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Contact us to discuss specific properties



Assessment Request for Information

Send your completed forms to assessmentARFI@calgary.ca



Symposium Videos

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403.268.2888



Calgary



Thank you

For more information visit calgary.ca/assessment

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to discuss specific properties**