

Calgary



Office Update

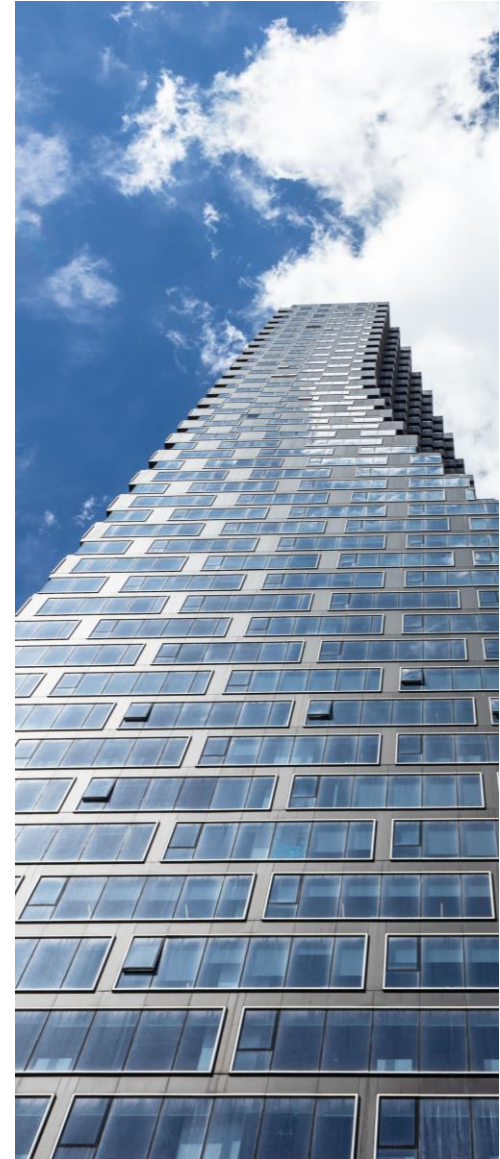
PRE-ROLL CONSULTATION PERIOD

Oct. 1 – Nov. 15, 2024

Information provided is preliminary information and is subject to change

Agenda

- Market Overview
- Assessment Request for Information
- Sales
- Developments
- Valuation Overview
- Key Takeaways
- Make the Most of Pre-Roll
- Q&A



Market Overview

Downtown

Conversion Influencing the Market for Office Space, Flight to Quality Continues

Beltline

Improved office values, Retail Performance Improves with MR activity

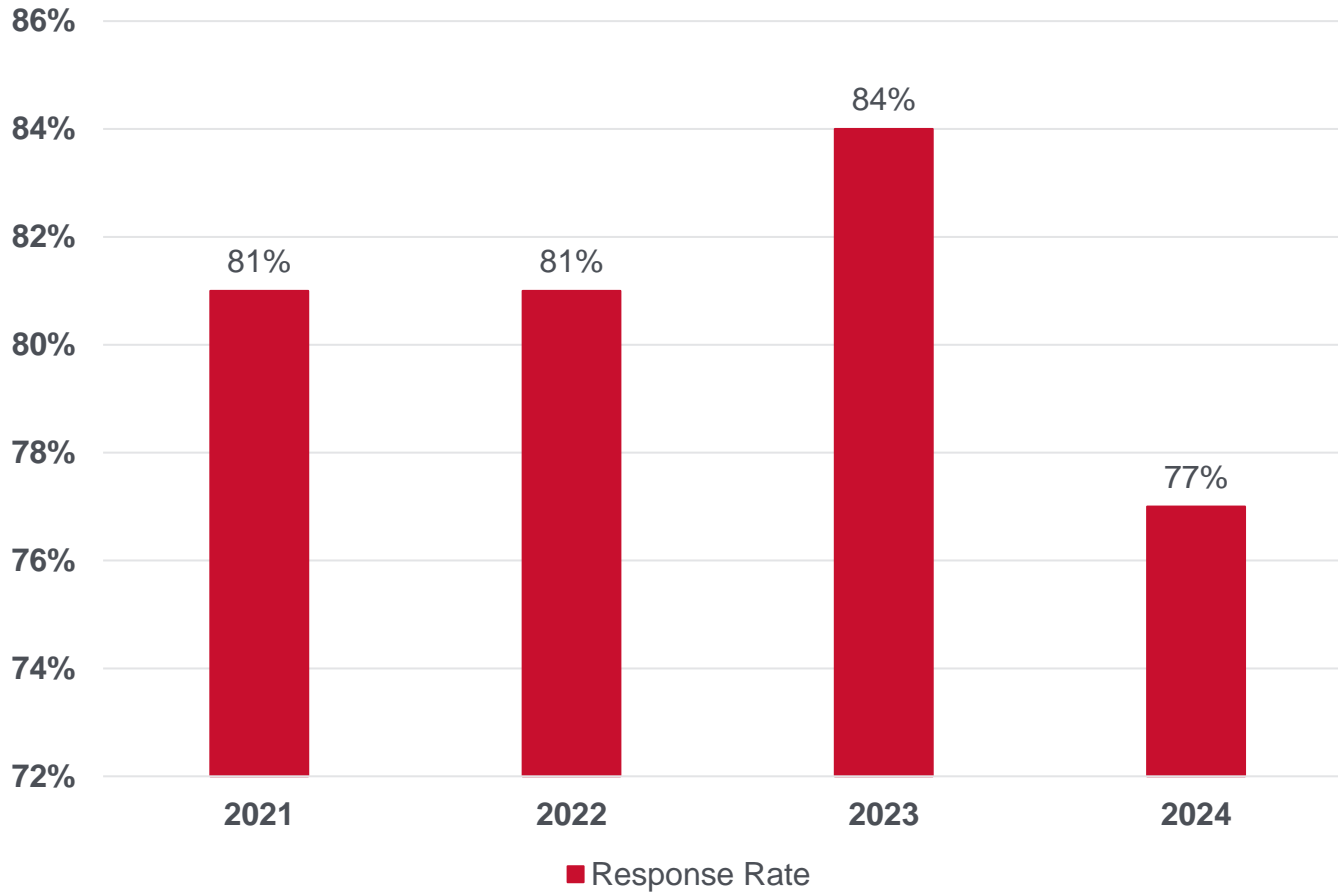
Suburban

Stable Market Conditions with a slight increase Year over Year



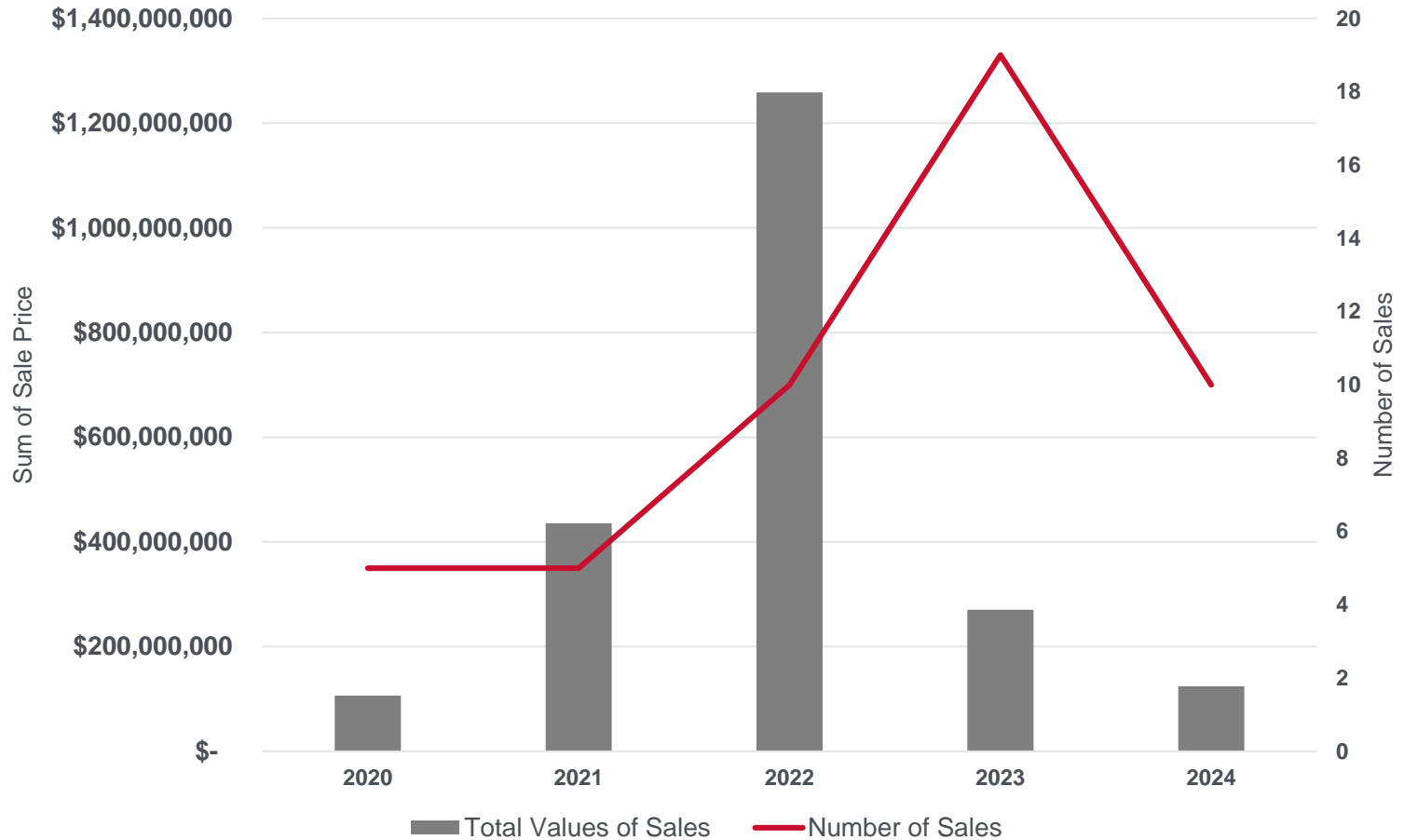
Assessment Request for Information (ARFI)

Office ARFI Response Rate





Sales Activity – Downtown & Beltline





Notable Sale

Encor Place

645 7 Avenue SW

Sale Price: \$21,500,000

Sale Price Per SF: \$59 PSF

Registered Sale Date: May 2024

Purchaser: Soltron West GP INC.

Purpose: Office Use/Potential
Redevelopment

Building Size: 362,673 SF

A-



Source: Trivest Leasing

Notable Sale

Canada Place

407 2 Street SW

Sale Price: \$19,000,000

Sale Price Per SF: \$95 PSF

Registered Sale Date: March 2024

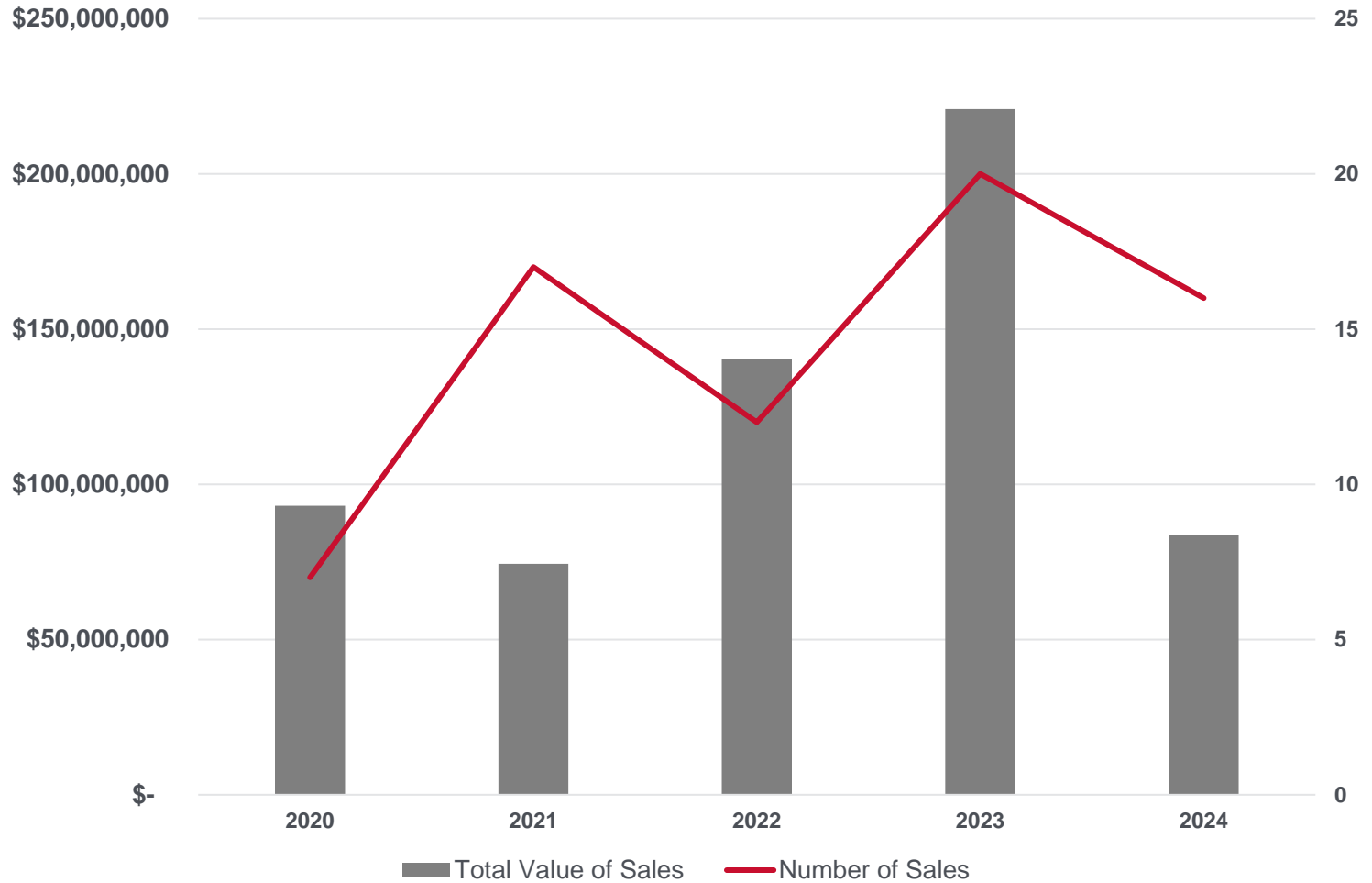
Purchaser: Caloff Properties Ltd.

Purpose: Income Property

Building Size: 200,425 SF



Sales Activity - Suburban





Source: Providence Cardiology

Notable Sale

109 Quarry Park Boulevard SE

Sale Price: \$12,971,100

Registered Sale Date: May 2024

Purchaser: Province of Alberta

Purpose: Charter School

Building Size: 83,524 SF

Downtown Development Incentive Program



Goal: 6 Million SF

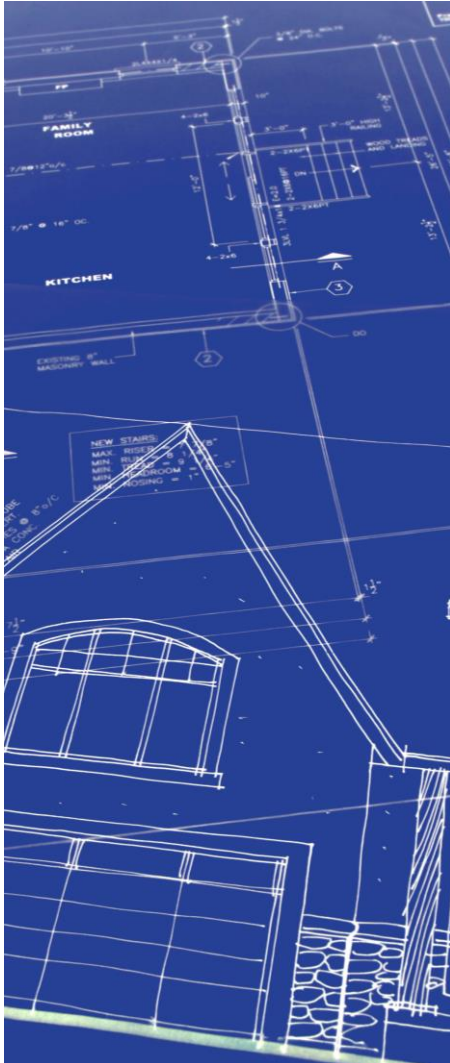
Approved: 1.57 Million SF, 11
Projects, 1,400 Units

- United Place / The Lofts
- Eau Claire Place I & II
- Canadian Centre - Hotel
- Dominion Centre
- The Cornerstone (Completed)
- Petro Fina Building/Teck Place/Palliser One
- Hanover Place – not in program

Demolition Incentive Program

Downtown – 4th Ave (5 and 6 Street SW) 50% of demolition costs covered

- Three buildings not suitable for conversion
- 33 – storey
- 340 Purpose-built rental units
- 50 Affordable units
- Retail podium

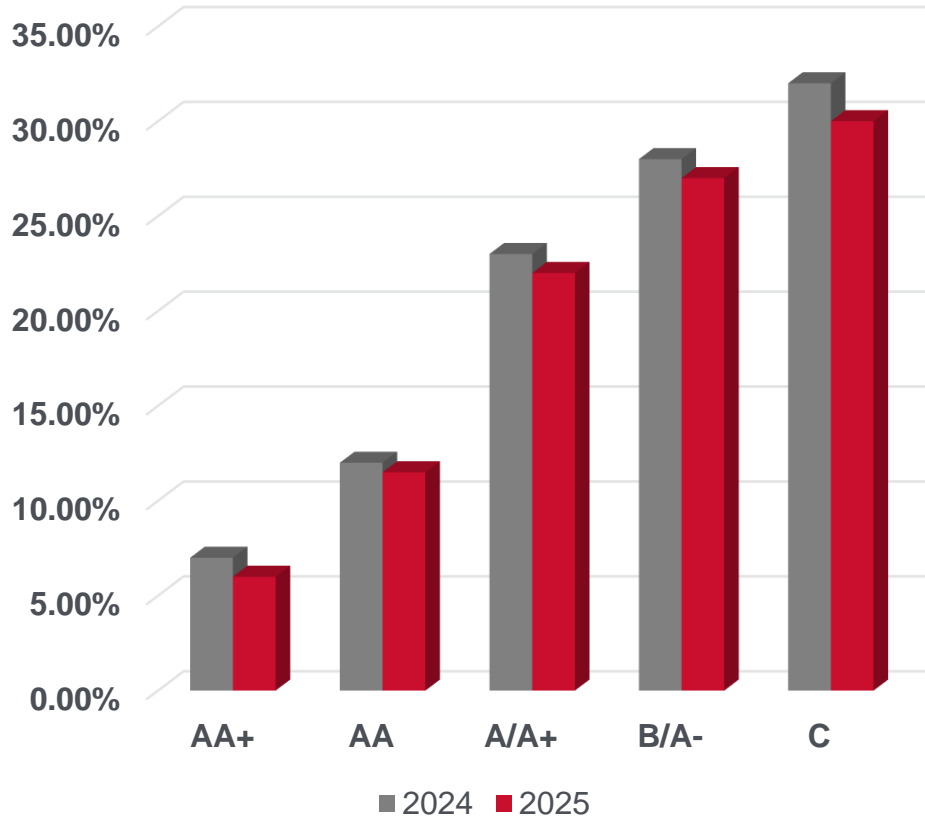


Credit: Google

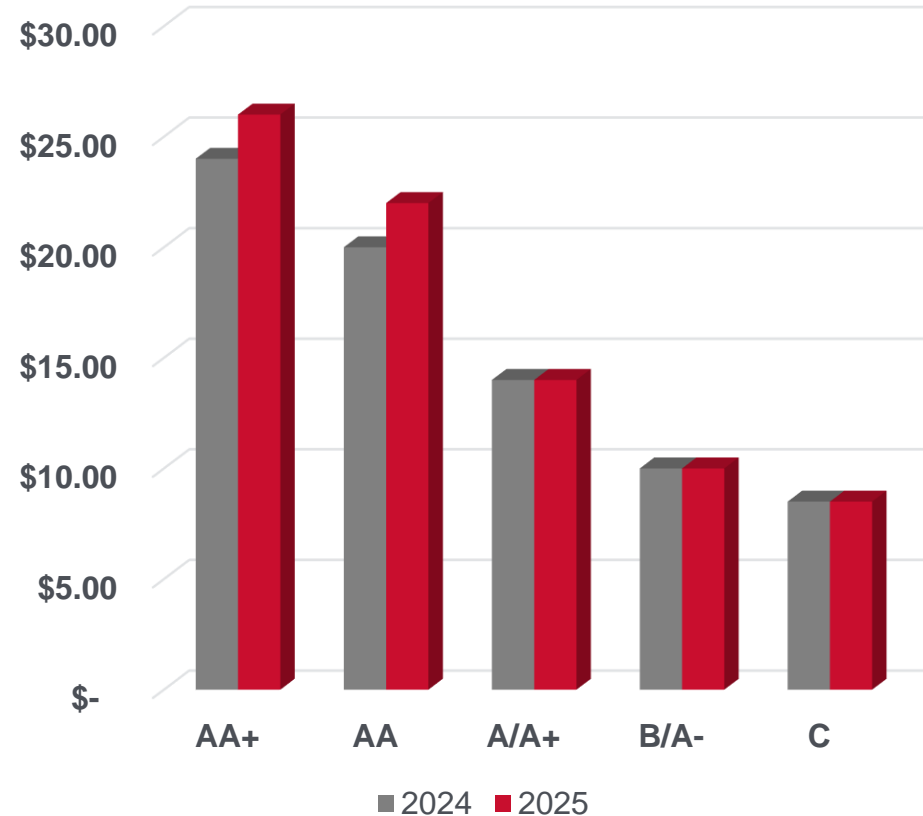


Downtown Office Outlook

DT1 Office Vacancy



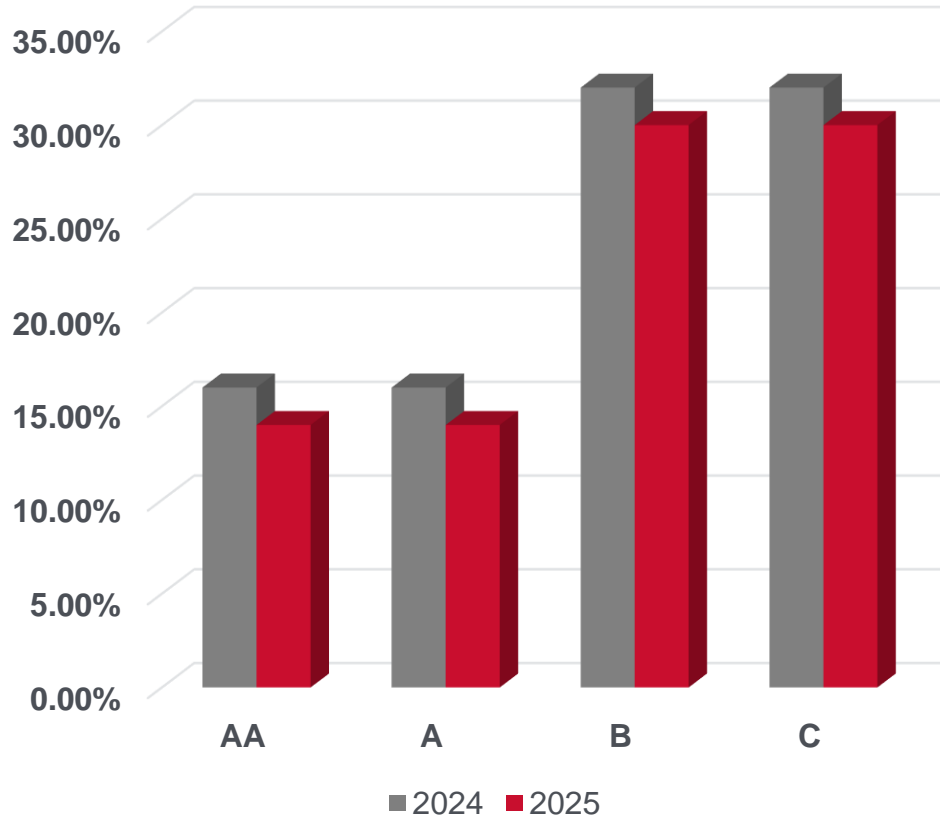
DT1 Office Rent Rates



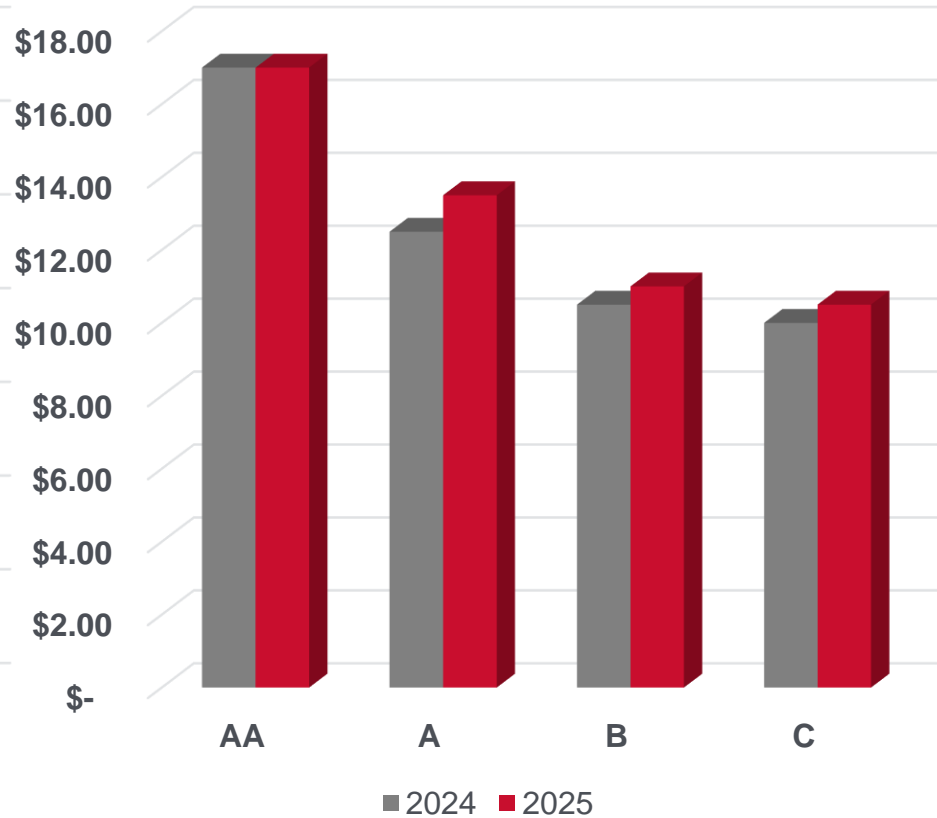


Beltline Office Outlook

Beltline Office Vacancy



Beltline Office Rent Rates





Capitalization Rate

Downtown Office

Class	2024	2025	Change
AA	5.75%	5.75%	➡
A	6.25%	6.00%	⬇
B	6.50%	6.50%	➡
C	7.00%	6.50%	⬇





Capitalization Rate

Beltline Office

Class	2024	2025	Change
AA	7.25%	7.00%	↓
A	7.25%	7.00%	↓
B	7.50%	7.50%	→
C	7.50%	7.50%	→

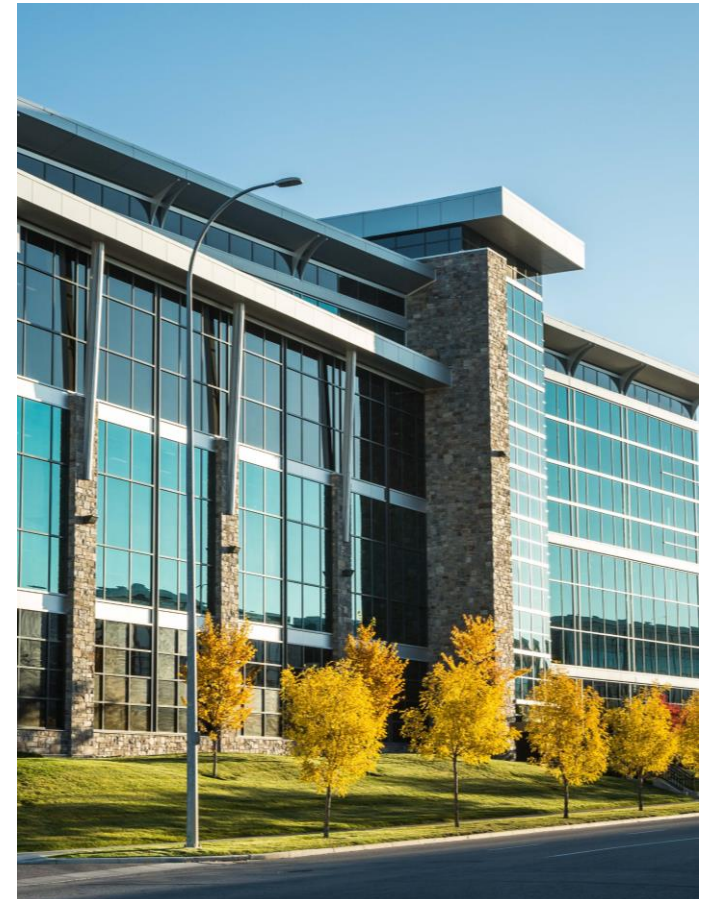




Capitalization Rate

Suburban Office

Class	2024	2025	Change
AA	7.25%	7.25%	➡
A	7.25%	7.25%	➡
B	8.25%	8.50%	⬆
C	8.25%	8.50%	⬆





2025 Inventory Breakdown

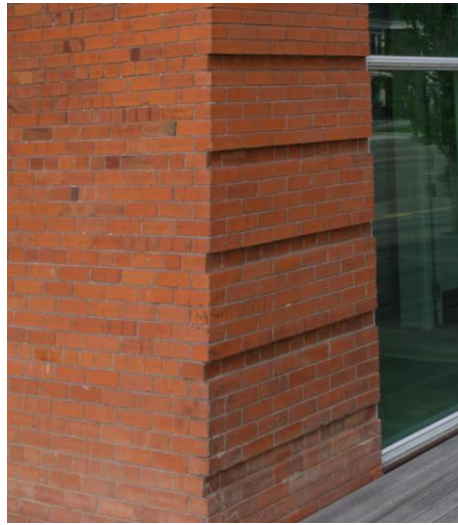
Property Type	Number of Accounts	2024 Total Assessed Value (Billions)	Typical Assessment Shift (YOY)
Downtown Office	152	\$9.46	7%
Beltline Office	171	\$1.19	9%
Suburban Office	506	\$3.74	4%
Citywide Condos	724	\$0.48	11%

Key Takeaways



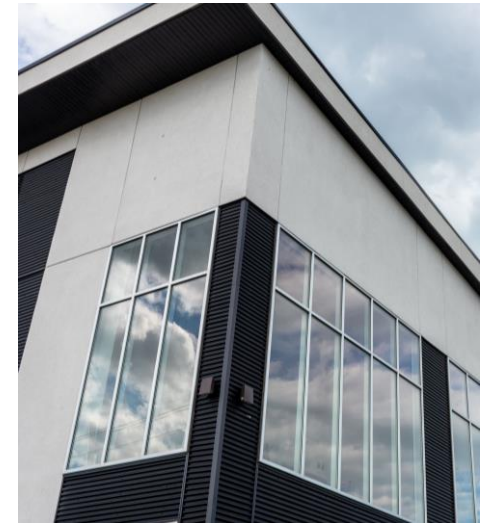
Downtown

A- and B properties are performing similarly to each other



Beltline

Rental rates and vacancy are improving



Suburban

Overall increasing with some increases/ decreases in rental rates and vacancy

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Respond.



Respond to your
ARFI if you
haven't yet.

Review.



Check your
preliminary
value. Get a tax
estimate.

Talk.



Call us at 403-268-
2888. We're
committed to
working with you.