

**Calgary**



# 2025 Property Assessment Office Market Trends



Updated: January 31, 2025

## Executive Summary

I'm pleased to present the 2025 Market Trends Report series from Assessment & Tax. These reports provide property owners with key insights into Calgary's real estate market conditions from July 1, 2023, to July 1, 2024.

This year's findings highlight the strength and resilience of both residential and non-residential sectors. A surge in migration, driven by Calgary's affordability compared to other major markets, has fueled sustained demand across the city. Single residential property values continue to rise due to population growth, while condominiums have seen strong performance as buyers increasingly opt for cost-effective housing. Multi-residential rental properties remain highly sought after, reflecting higher rents and low vacancy rates. For 2025, typical residential assessment changes include single residential properties up 14%, condominiums 22%, and multi-residential properties 10%.

The non-residential sectors also show resilience and growth. Retail properties benefit from new business activity and quick occupancy of vacant spaces, despite broader market challenges. Downtown office values are rebounding, driven by demand for high-quality spaces and the Downtown Development Incentive Program, which has spurred office conversions and sales activity. The industrial sector remains Calgary's strongest, with tight availability of large-format distribution spaces continuing to push values higher. For 2025, the typical non-residential assessment change is 3%, with industrial properties up 5%, offices up 2% and retail increasing by 2%. Overall, Calgary's real estate market reflects sustained growth, adaptability, and resilience, showcasing the city's capacity to attract investment and meet evolving demands in both residential and non-residential markets.

I encourage property owners to explore the Market Trends Reports and supplementary resources at [calgary.ca/assessment](https://calgary.ca/assessment) for a comprehensive understanding of these changes. Our team is available to assist at 403.268.2888.

Sincerely,



**Eddie Lee**

Director/City Assessor  
Assessment & Tax



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Sales information for office properties is available on Assessment Search ([calgary.ca/assessmentsearch](http://calgary.ca/assessmentsearch)).

For office condominium sales please use this comprehensive list. ([office-condo-sales.pdf](#))



# Introduction

## What Is Property Assessment?

Property Assessment is the determination of a value for a property for taxation purposes. As required by provincial legislation, the 2025 property assessment reflects the market value of property on July 1, 2024 and the physical condition and characteristics of property as of December 31, 2024.

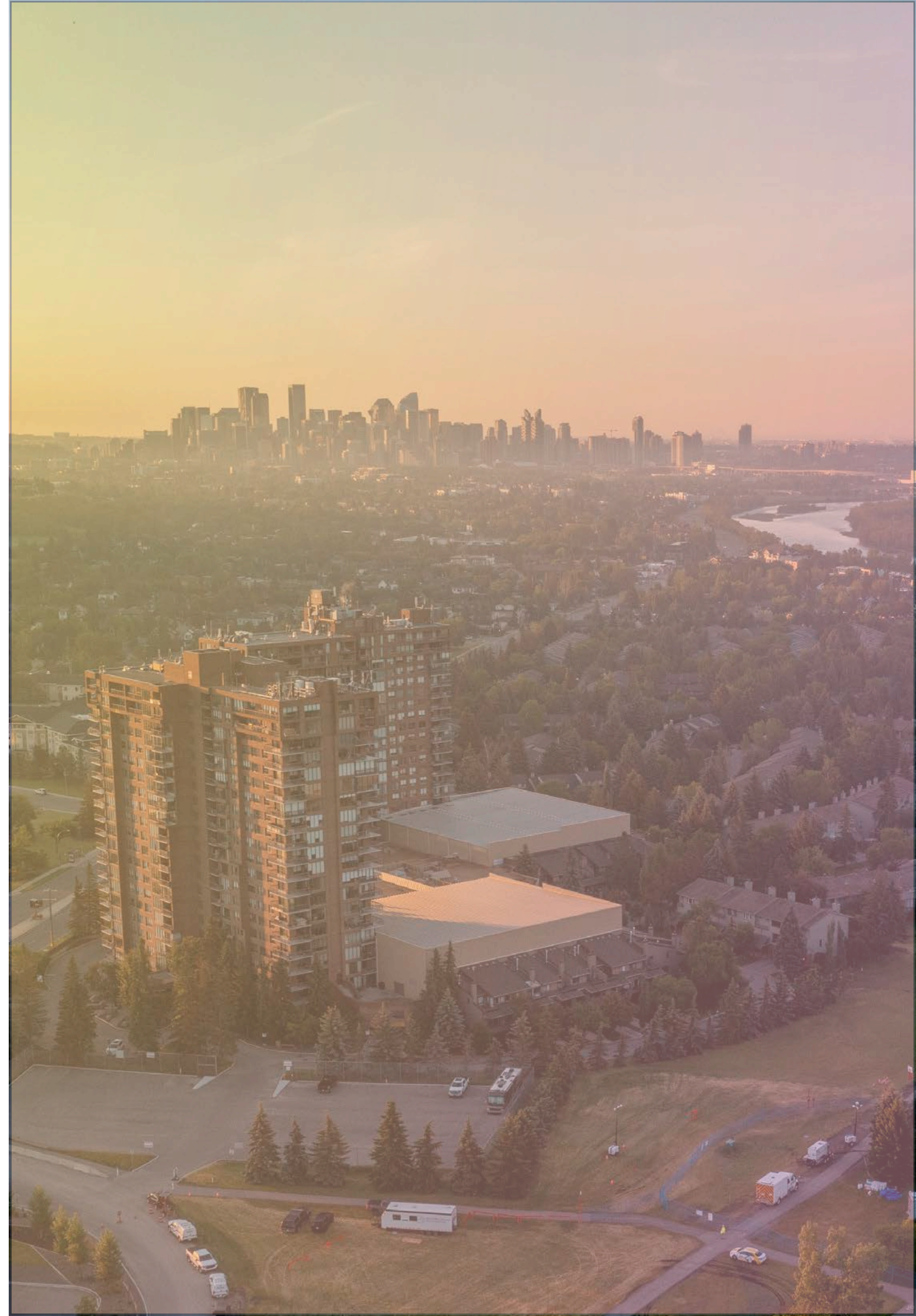
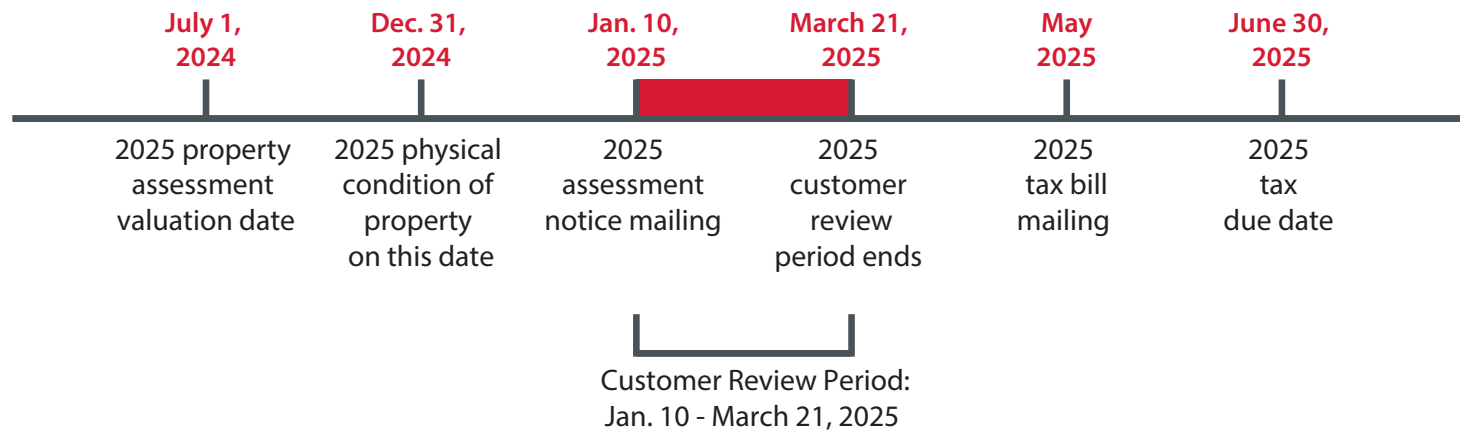
## How We Assess Properties

The City annually assesses properties under a market value standard using mass appraisal techniques. Depending on the type of property, we use one of three approaches to determine market value:

- **sales comparison:** comparing to sales of similar properties.
- **income:** capitalize the income being generated by the property.
- **cost:** land value and the depreciated replacement cost of the improvement.

Most residential properties are assessed using the sales comparison approach. For non-residential properties, we may use any one of the three approaches. Some property types, such as farm land, are subject to standards other than market value.

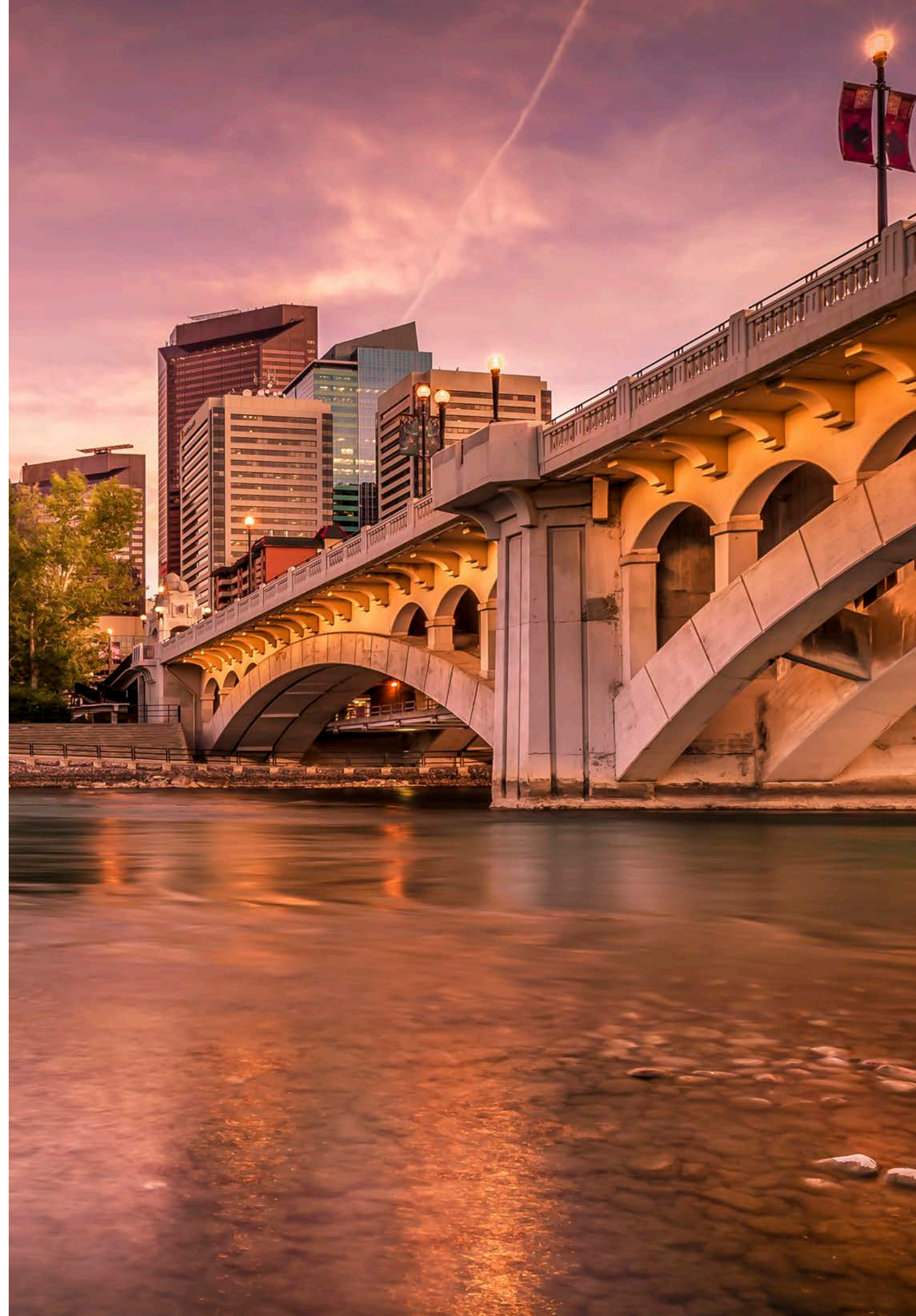
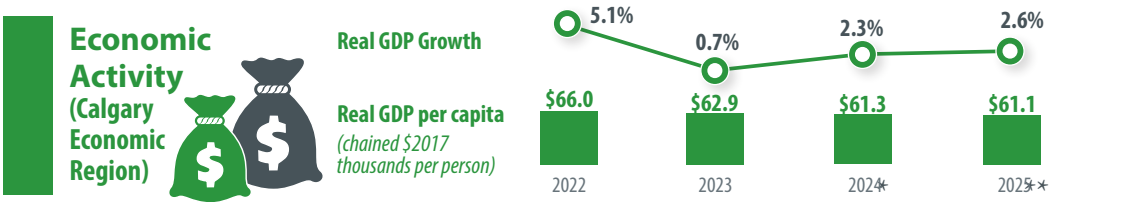
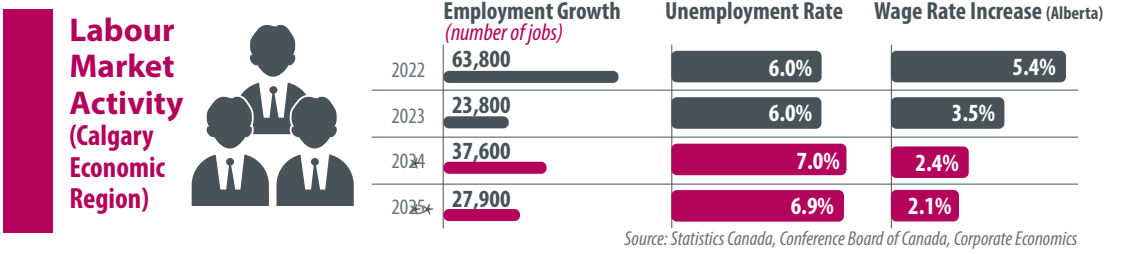
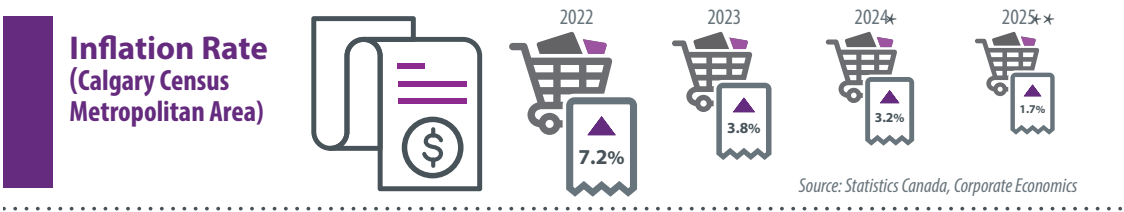
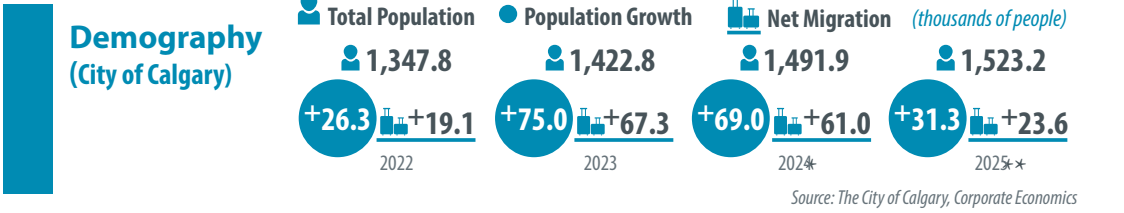
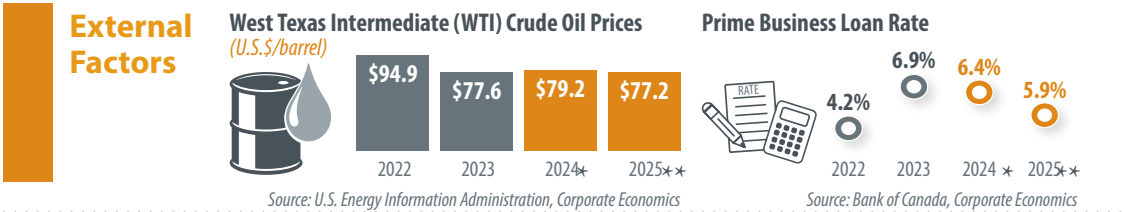
### 2025 Property Assessment and Tax Timeline



# Calgary Region Economic Trends

Calgary economy has remained resilient in the face of tight monetary policy initiated by the Bank of Canada to curtail the elevated inflation environment experienced in 2023 and 2024. The economy is expected to see real GDP growth increase by 2.3 per cent in 2024, supported by public and private investments in infrastructure and real estate, robust consumer expenditures and exports. Though, regional consumer price inflation remains above the national rate of inflation and above 3.0 per cent, the apparent end of restrained monetary policy cycle in H2 2024 is a welcome relief to consumers and business confidence. The Calgary economy in 2024, is expected to outperform Alberta and Canada. The expected lower crude oil price path and the evolving environmental regulatory emissions restrictions in Canada should continue to pose significant production and investment challenges to the oil and gas industry in Alberta.

Strong influx of net migration into the region saw population grow in 2023 (by 5.6 per cent) and in 2024 (by 4.9 per cent). The subsequent lack of initial housing stock availability has driven shelter cost inflation, a culprit to the sustained consumer price inflation of 3.2 per cent experienced in the region in 2024. However, the strong influx of net migration into the region in 2024 saw labour force growth outpace employment absorption causing unemployment rate to rise to 7.0 per cent in 2024. This influx of people to Calgary supported not just increased household consumption but slower industry aggregate wage pace growth as more people were generally available to work. The persistent, strong population growth and weak labour productivity growth has aided a lower standard of living (represented/measured using the real GDP per capita) in the Calgary region in 2024.



## General Office Market Overview

In the past year office property values experienced modest fluctuations and increases. While the overall market remained stable, there were minor variations and some increases in market value within pockets of the city. High-quality downtown offices (AA) have seen improvements throughout the valuation year. AA office buildings continue to be more affordable than in the past, and tenants can more easily move to higher-quality spaces. This has resulted in demand shifting from lower-quality office space (B/C class) to superior buildings. Office tenants are increasingly looking for centrally located buildings with improved amenities. This shifting demand, known as the flight to quality, has resulted in higher rental rates and lower vacancies in top-tier buildings. B and C buildings have seen increased demand as property owners are re-investing in their properties to attract tenants or purchasing for conversion purposes.

Historically, the main drivers of new office activity in the Beltline were energy and engineering sectors. Over the past year renewals, relocations and new leases has been spurred by such tenants as law firms, construction companies and financial management organizations. With the relocation of TransAlta (located in the Beltline) to Keynote complete, the release of approximately 120,000 square feet of net office space back on the market did not transpire as previously anticipated. Now commonly referred to as Beltline Block, the former TransAlta headquarters is planned to be partly demolished and become a residential development site by One Properties.

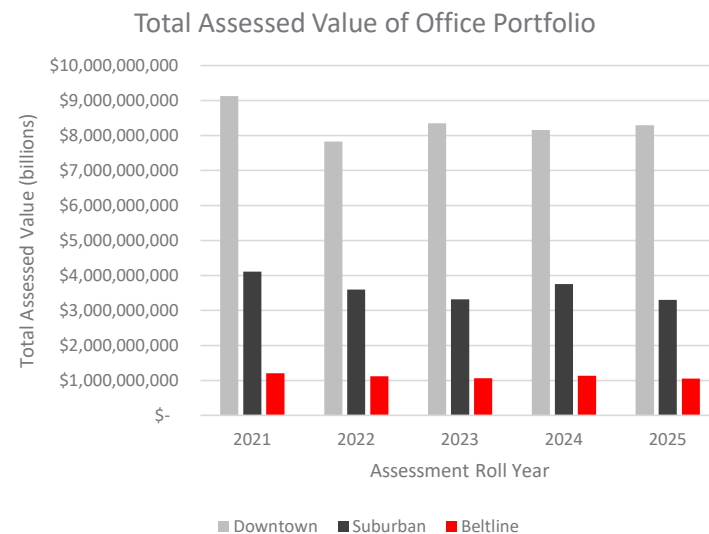
Calgary's suburban office market has experienced growth and activity. Some quadrants have experienced positive absorption which reflects increased demand, while decreasing vacancy rates indicate a healthier market. Office condo values and small office prices in suburban areas are rising as smaller businesses increasingly opt to buy rather than lease. This shift is driven by rising rental rates and long-term leasing uncertainties.

Despite ongoing challenges in Calgary's office market, there is reason for cautious optimism. The city's technology sector is expanding, with major companies and start-ups establishing a presence in downtown Calgary. Additionally, the City of Calgary is successfully implementing its Downtown Calgary Development Incentive Program, which aims to convert vacant office space into residential and alternative uses.

In summary, the office sector continues to face a few challenges, such as the persistence of remote and hybrid work arrangements and continued mergers and acquisitions in the energy sector continuing to reduce occupancy. However, Calgary is experiencing continued growth, fueled by a massive influx of new residents. The City's Downtown Development Incentive Program was approved for new funding in late 2024 and is anticipated to continue absorbing vacant office spaces. While AA buildings have begun to recover in terms of vacancy and rental rates, other lower quality building classes continue to struggle. The overall office taxable base has remained stable, driven mainly by increased values in downtown offices, particularly in the top-tier buildings.

### Office Inventory Updates

The last several years saw a slowdown in new supply to the Calgary office market inventory. Several developments have stalled, and some portions of office buildings have been repurposed. We are continuing to see increased permit activity as office building owners improve tenant spaces, building amenities and common areas. A notable development in 2024 has been the repurposing of suburban office spaces into private and charter grade schools. A small number of these spaces have undergone this transition, reflecting a broader trend of adapting commercial real estate to meet changing community needs. The conversion of office spaces into educational facilities highlights the flexibility and evolving nature of suburban real estate.



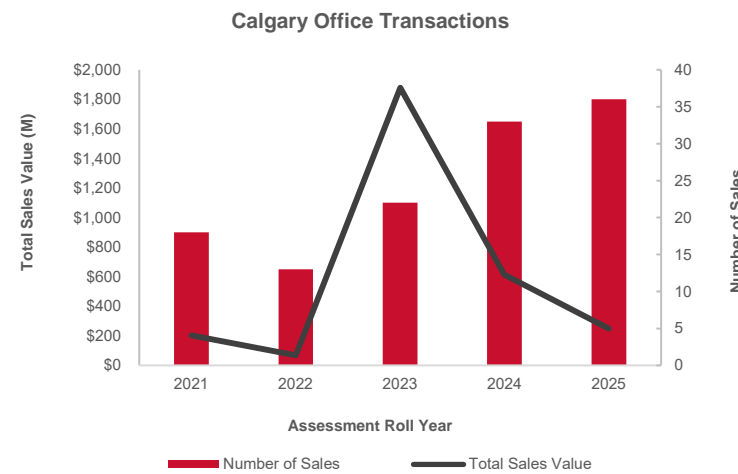
# General Office Market Overview

## Sales Activity

For the period between July 1, 2023, and July 1, 2024, there has been a significant increase in the number of sales of Downtown and Beltline properties, especially the sale of B and C properties. One of the reasons for the increase in sales is investors buying properties for residential conversion. In addition, office values are at historic lows, and investors are purchasing for long term upside potential they see in these properties. The impact of these sales is seen in increased valuations for the B and C properties in Downtown and Beltline. Suburban office has seen a number of sales however the majority of sales fall into the small office category, properties under 20,000 square feet. Small office properties are more affordable and offer owners greater control, lower long-term costs, and potential equity growth, boosting demand and prices, especially in well-located suburban areas.

### Notable Transactions

Building Name	Size (SF)	Sale Date	Sale Price
Western Canadian Place	1,120,932	4-Mar-22	\$474,972,365
Wheatsheaf Building	125,302	15-Feb-23	\$8,500,000
Kensington Legion	31,379	5-May-23	\$7,510,000
Dominion Place	135,440	13-Jun-23	\$8,900,000
Dominion Centre	98,456	5-Jan-24	\$8,365,000
520 Fifth	194,403	16-Jan-24	\$17,500,000
Canada Place	200,425	16-Jan-24	\$19,000,000
Mccall Court	102,466	16-Jan-24	\$14,500,000
1000 8th Avenue	41,930	14-Mar-24	\$4,400,000
Vintage on 9th	46,976	2-May-24	\$5,900,000
640 Fifth	252,978	9-May-24	\$13,913,790
Encor Place	362,673	29-May-24	\$21,500,000
Quarry Park Professional Centre	83,524	29-May-24	\$12,971,100



## Rental Rates

Year-over-year changes in rental rates vary based on the market and building quality. In the Downtown market, office rental rates continue to experience downward pressure, apart from top-tier buildings, which are seeing increasing rental rates. In Calgary’s suburban office market, there is a notable increase in demand and rental rates, particularly for ready-to-occupy spaces. This trend is driven by businesses seeking immediate occupancy without the delays and costs associated with new construction. As a result, landlords and property owners are experiencing higher returns on move-in-ready properties. In the Beltline market, there was an uptick in newly signed leases in the 10,000+ square foot range, with relocations and new leases in the 5-10,000 square foot range remaining strong and signing for longer terms. Discussions with property owners and tenants has suggested that location stability and the desire for longer term leases has been further exacerbated by rising construction costs. Rental rates remained relatively stable, increasing slightly in all categories except for top-tier (AA) buildings, which remained the same.

Notable leasing transactions	Size(sf)
South Bow Corp	86,855
Sinopec Canada	85,500
Benevity	78,890
Peyto Exploration	50,500
GeoLOGIC Systems	48,400



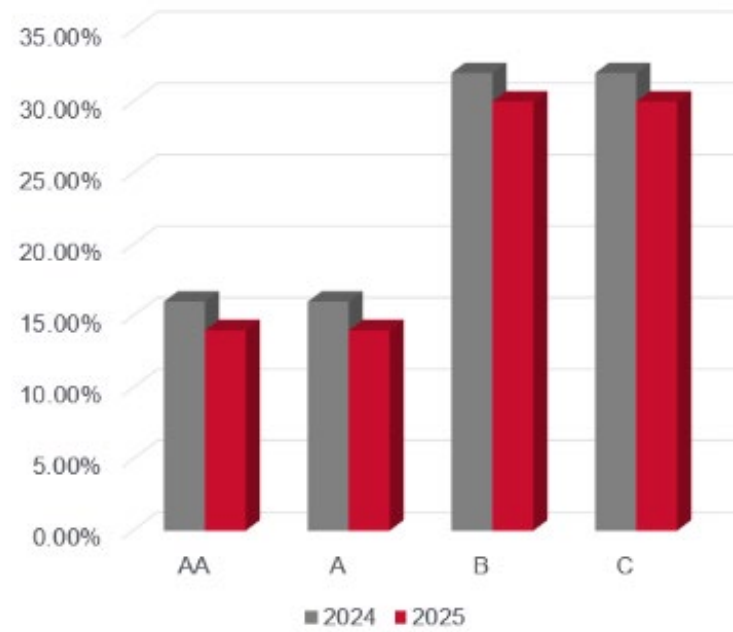
# General Office Market Overview

## Vacancy

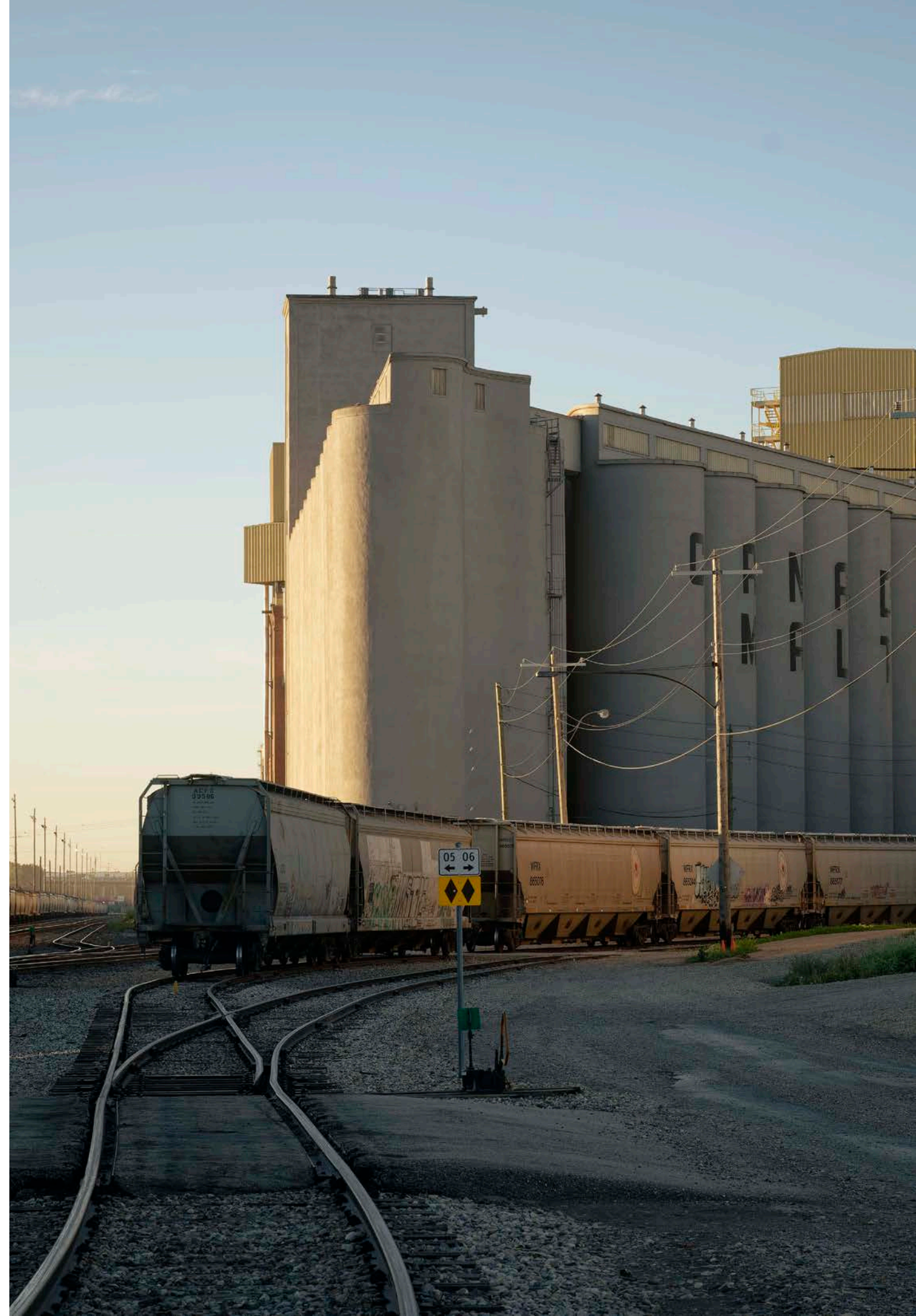
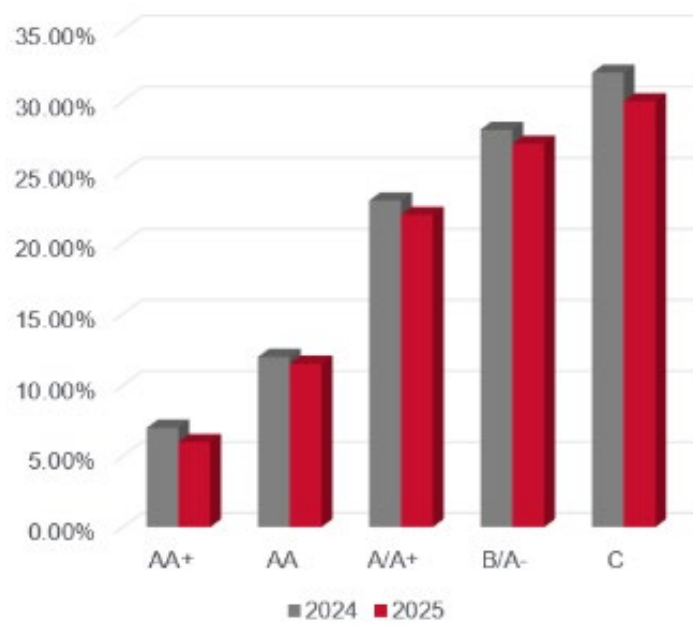
Calgary has a high number of offices per capita relative to other major Canadian cities. Economic turbulence over the years caused by a downturn in the energy sector and the COVID-19 pandemic has resulted in high vacancies in the office sector. Over the past year, the overall downtown office vacancy has stabilized as the conversion from office to residential space continues. Vacancies for high-quality office spaces (AA) are trending downward because of the flight to quality, where office tenants are seeking higher-quality office space. Vacancies continue to compress in the Beltline due to a mix of factors including removal of subleases, relocations and building conversions to residential development. Overall, suburban office vacancy has remained relatively stable year-over-year.

To support the redevelopment or removal of underused office space, The City continues to offer incentives through its Downtown Calgary Development Incentive Program. The program aims to reduce Calgary's high downtown vacant office space. An update on the strategy will be provided later in this report. The below tables provide a breakdown of changes in the Downtown and Beltline vacancy year-over-year. Top-tier buildings (AA/A) and lower-quality buildings are experiencing slight declines in vacancy.

### Beltline Office Vacancy



### DT1 Office Vacancy

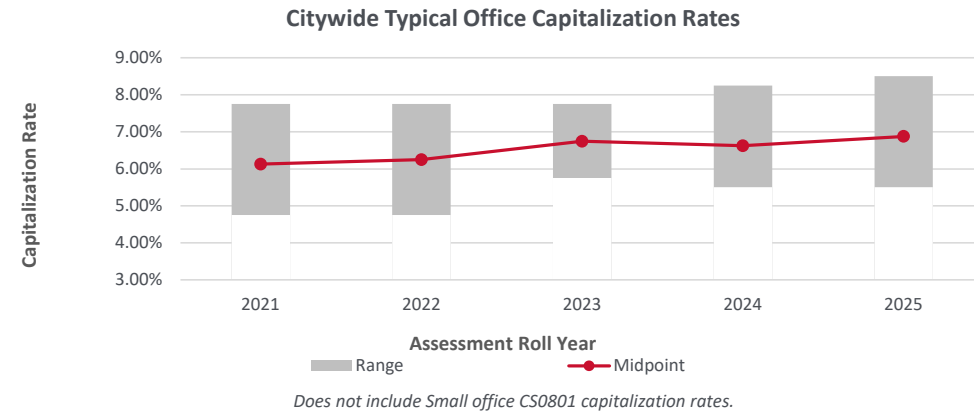




## General Office Market Overview

### Capitalization Rates

Downtown capitalization rates have generally increased year-over-year in all quality classes as indicated by recent sales in the office market. Meanwhile, capitalization rates for Suburban and Beltline offices have stayed the same or increased slightly for some quality classes.



### Downtown Calgary Development Incentive Program

Established in 2021, The City introduced Calgary's Greater Downtown Plan to revitalize downtown Calgary by proactively addressing prolonged economic challenges. According to the strategy, the downtown is the face and the place of Calgary's future. The success of the city relies on downtown being a place where people want to live and be and where businesses want to set up shop, now and for decades to come. As part of the plan, The City introduced four programs to reduce unused office space and support the development of vibrant downtown neighborhoods. The programs are outlined below:



**Revised Downtown Calgary Development Incentive Program**

Supports redevelopment of underused office space into residential units, hotels, and performing arts centers while bringing in a greater mix of amenities and services.



**Downtown Post-Secondary Institution Incentive Program**

Provides incentives for office space conversions to post-secondary institutions to establish a greater presence downtown.



**Downtown Office Demolition Incentive Program**

Supports the demolition of end-of-life office buildings that are unsuitable for office conversions.



**Plus 15 Fund Offset Program**

Provides up to \$1 million in incentives to offset Plus 15 Fund contributions for residential projects.

As part of the plan, The City has allocated \$200 million to promote the shift from "vacancy to vibrancy". The budget allocates \$45 million towards financial incentives for office conversion/replacement/new residential development and \$5 million is funded towards financial incentives to offset +15 fund contributions for residential development.



## General Office Market Overview

The Downtown Calgary Development Incentive Program includes buildings in the Downtown Core, Downtown West, Eau Claire, Chinatown, East Village, and the Beltline. Since inception of the program in 2021, over 1,100,000 square feet of office building space has been planned for conversion. The table below contains the planned conversion projects to date. Most of the conversion projects are currently under construction with two projects completed so far

Building Name (Media)	Total Building Area to be Converted (SF)
The Cornerstone*	104,000
Element Hotel	163,000
Palliser One	200,000
Teck Place	71,163
The Loft	49,000
Eau Claire Place I	75,000
Eau Claire Place II	139,000
Taylor Building	86,000
Petro Fina	168,000
Dominion Centre	92,764
Place 800	205,000
Neoma*	83,837

\*Completed



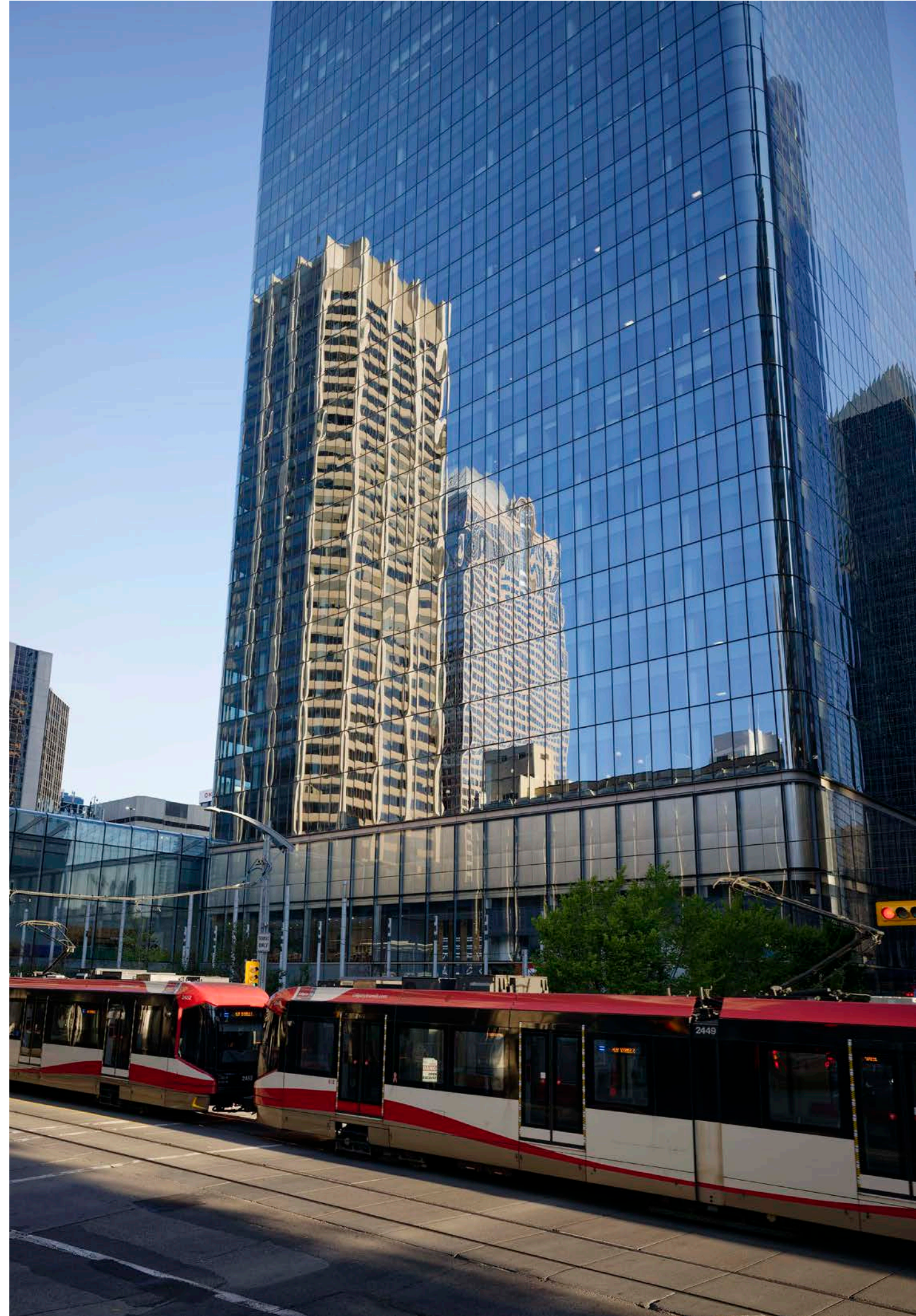
- 1 **The Cornerstone** 909 5 Avenue S.W. Peoplefirst Developments
- 2 **Element Hotel** 833 4 Avenue S.W. PBA Group of Companies
- 3 **Palliser One** 125 9 Avenue S.E. Aspen Properties
- 4 **Teck Place** 205 9 Avenue S.E. Cidex Group of Companies
- 5 **The Loft** 744 4 Avenue S.W. Institutional Mortgage Capital
- 6 **Eau Claire Place I** 525 3 Avenue S.W. Cidex Group of Companies
- 7 **Eau Claire Place II** 521 3 Avenue S.W. Pacific Reach Properties Development
- 8 **Taylor Building** 805 8 Avenue S.W. Cressey Development Group
- 9 **Petro Fina Building** 736 8 Avenue S.W. Peoplefirst Developments
- 10 **Dominion Centre** 665 8 Avenue S.W. Alston Properties/Slate Asset Management
- 11 **Place 800** 800 6 Avenue S.W. Peoplefirst Developments

Source: <https://www.calgary.ca/development/downtown-incentive.html>

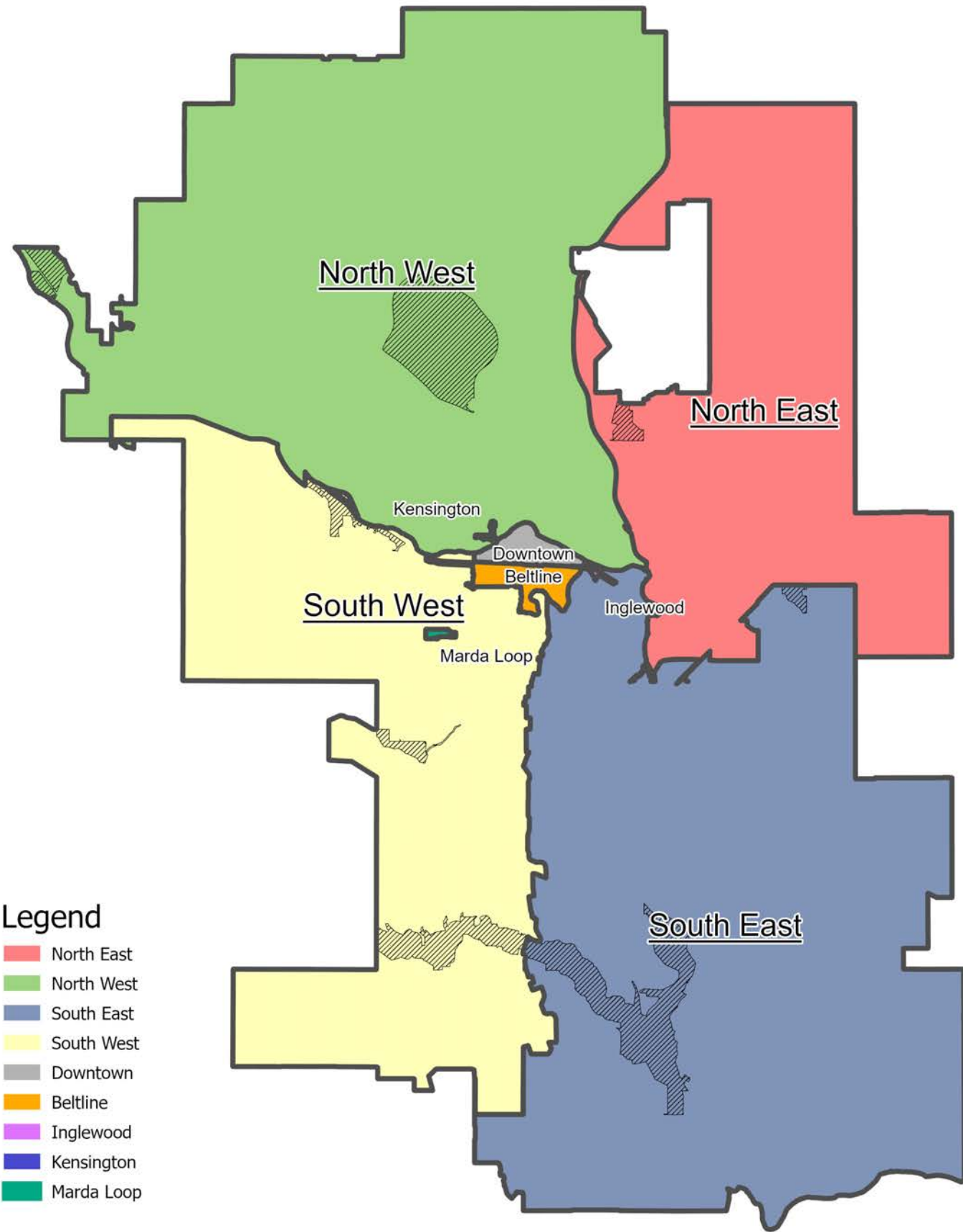
## Downtown Calgary Redevelopment Program

Conversion uses include residential units, student housing, senior housing, post-secondary institutions, and the amenities needed to promote vibrant neighbourhoods. The reduction in downtown office vacancies is expected to support property values. In addition, the program will create additional residential space at a time when the need for housing is on the rise. While the program initially addressed the conversion of office space to residential, the program allows for future conversion to other alternative uses. Completed residential projects include the Cornerstone, offering 112 suites of market and non-market rental rates, and Neoma offering 82 units of affordable homes. The program was re-opened for additional properties until October 31, 2024, with an estimated timeline for decisions in Q1 of 2025.

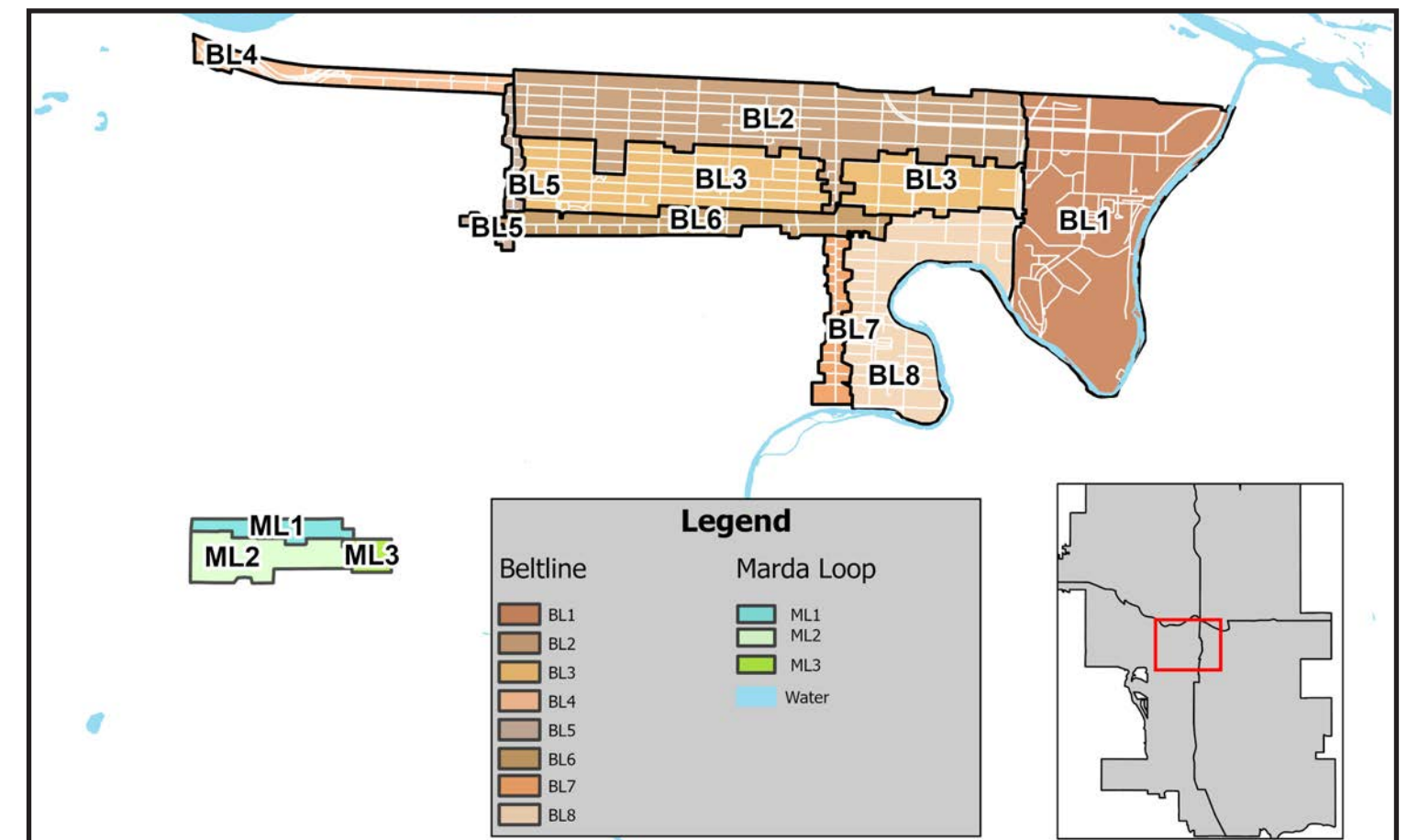
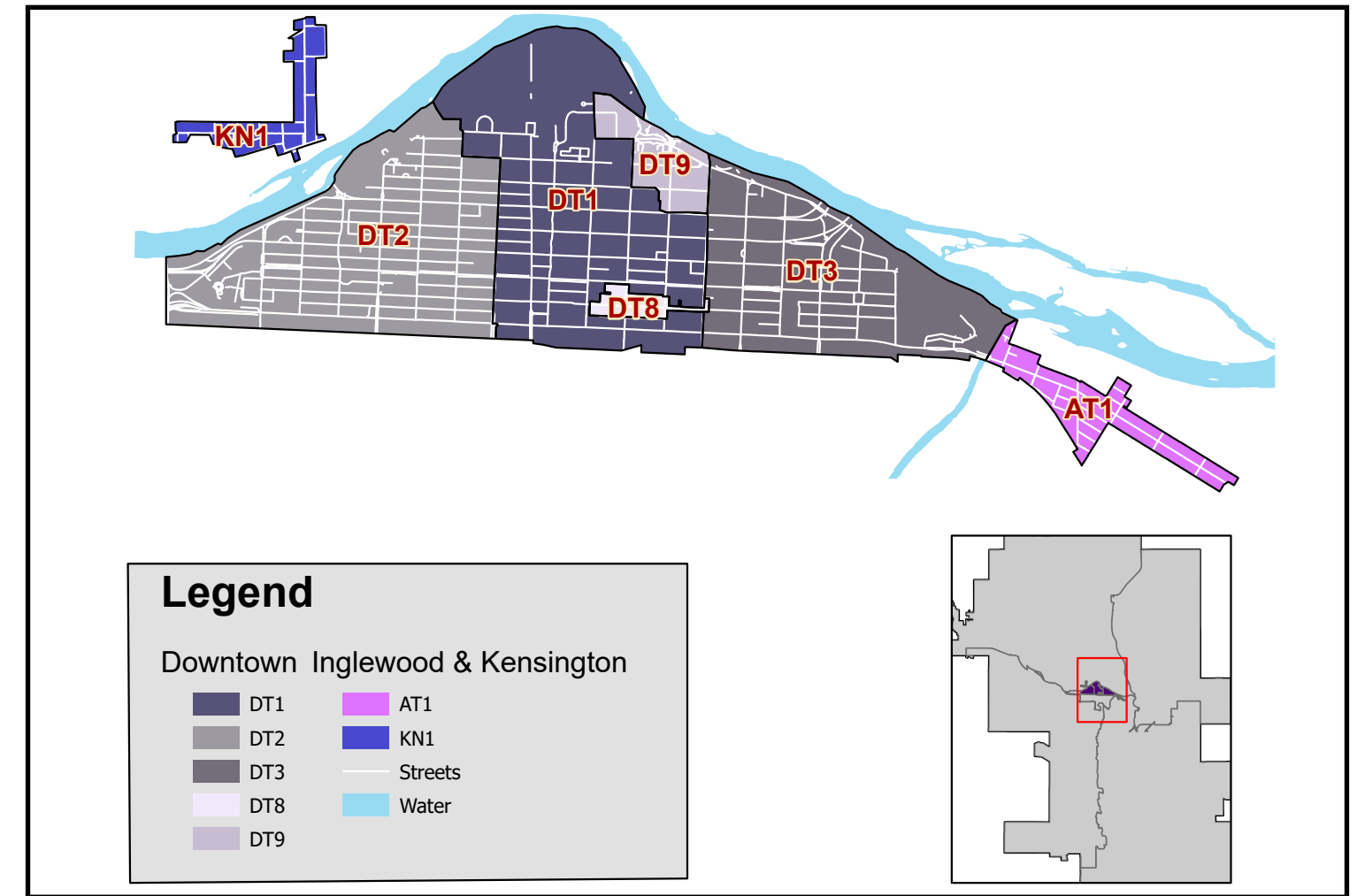
The Downtown Development Incentive Program has acted as a catalyst for building demolition and conversions in the Beltline. Repurposing office buildings for residential use is spreading into the Beltline. The redevelopment in the Beltline is continuing with additional retail and residential developments within the area becoming more vibrant and active. The City has seen ongoing activity and an increase in redevelopment inquiries and applications within the Beltline. In addition, several office buildings have reportedly been purchased for potential residential conversion.



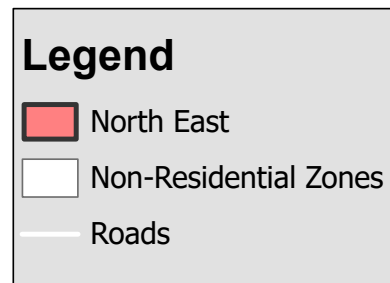
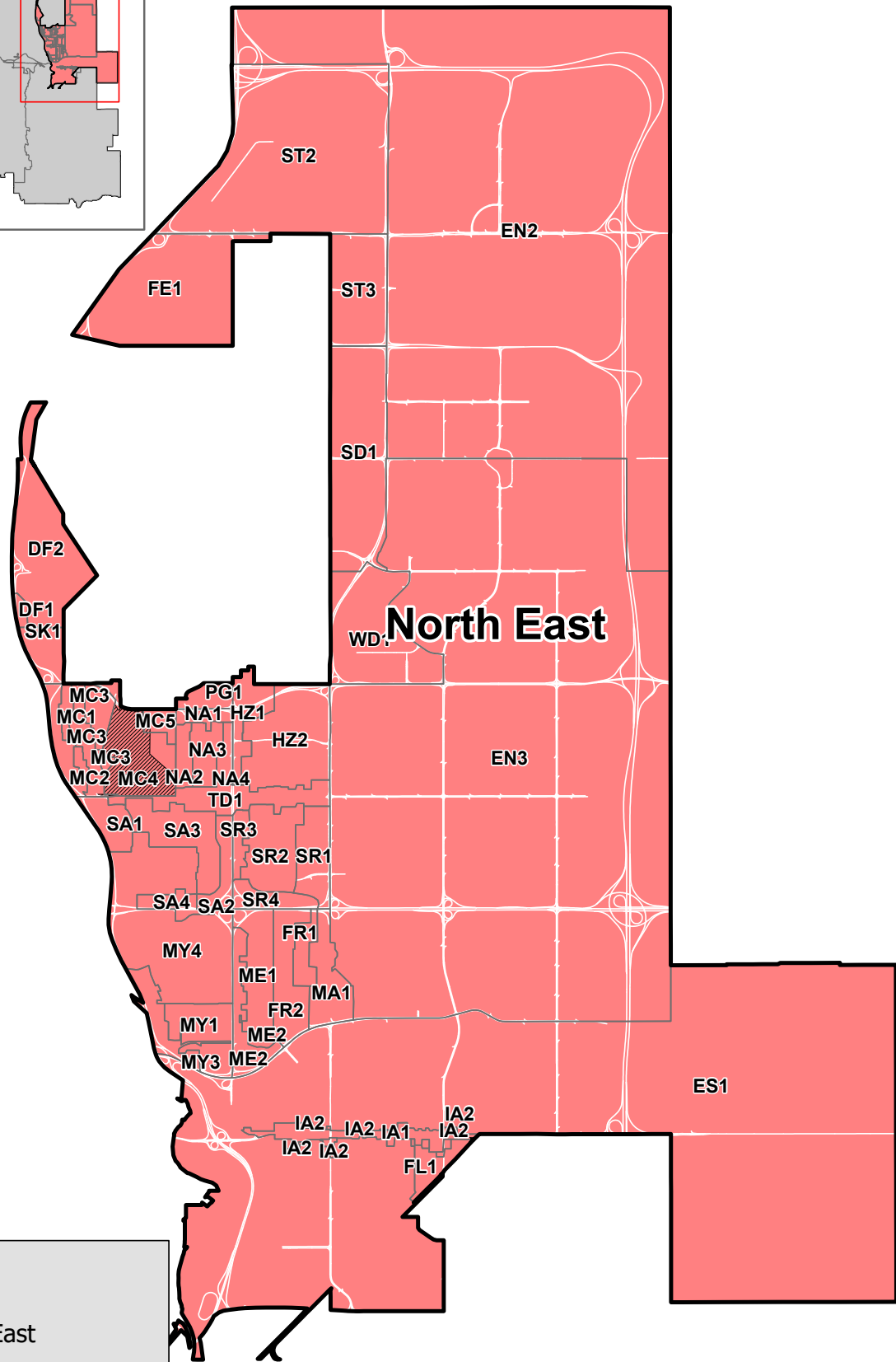
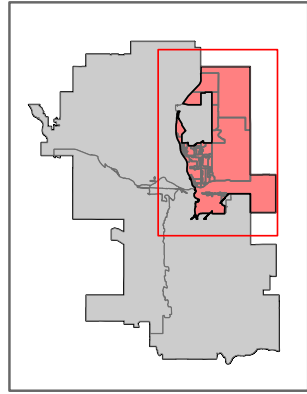
Office Assessment Non-Residential Zones: Citywide



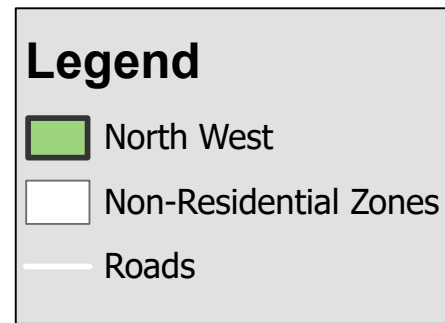
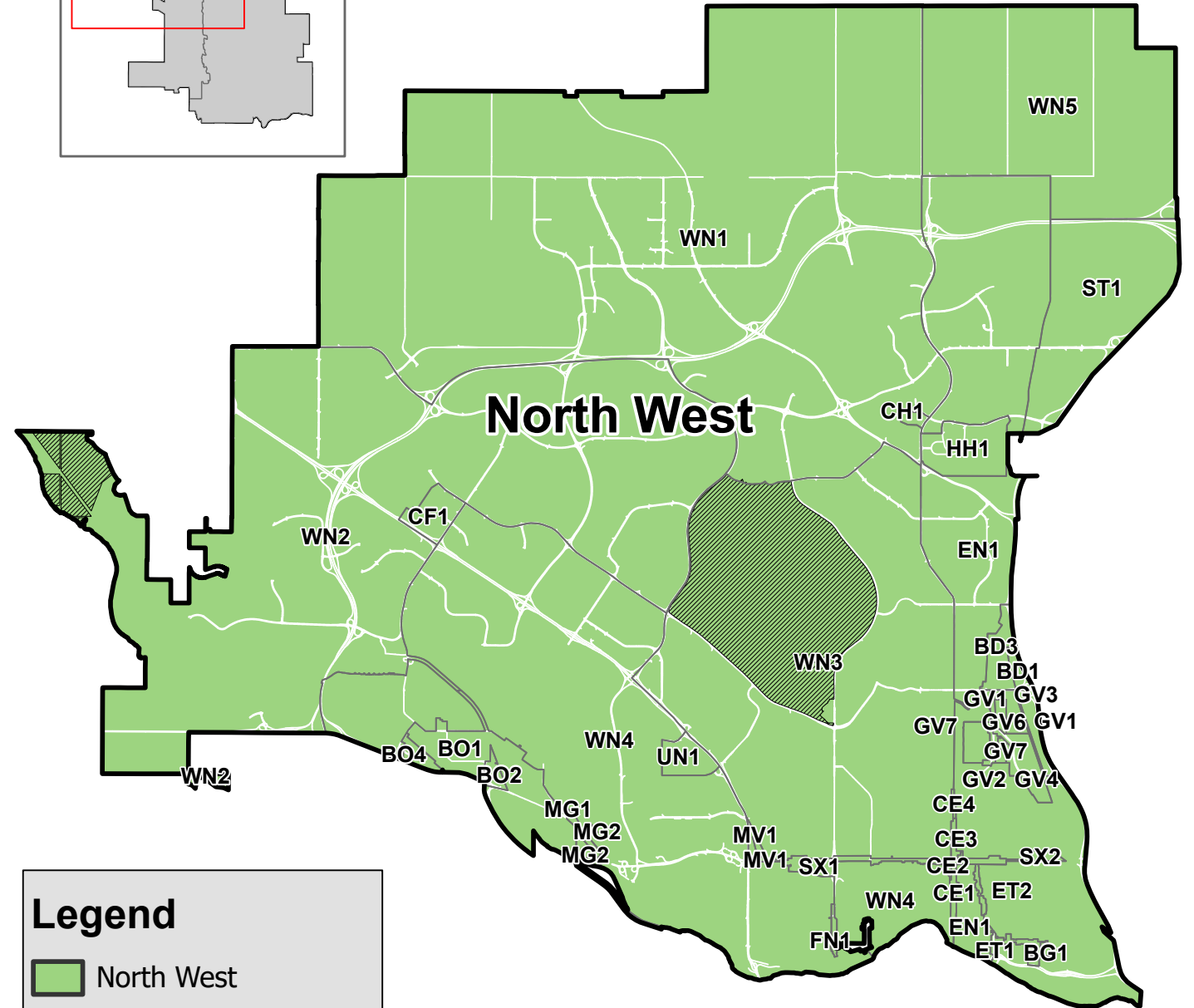
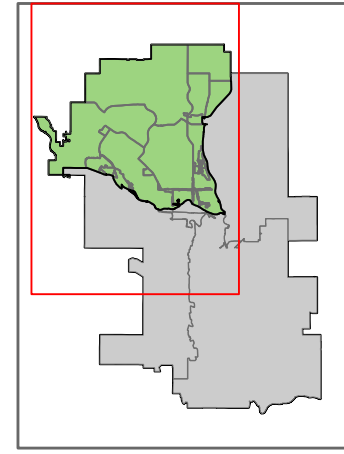
Office Assessment Non-Residential Zones: Downtown and Beltline



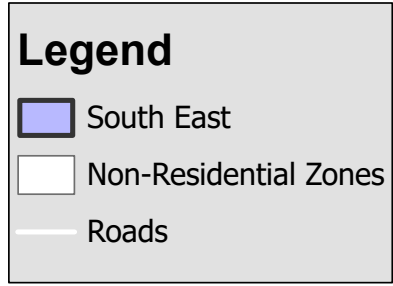
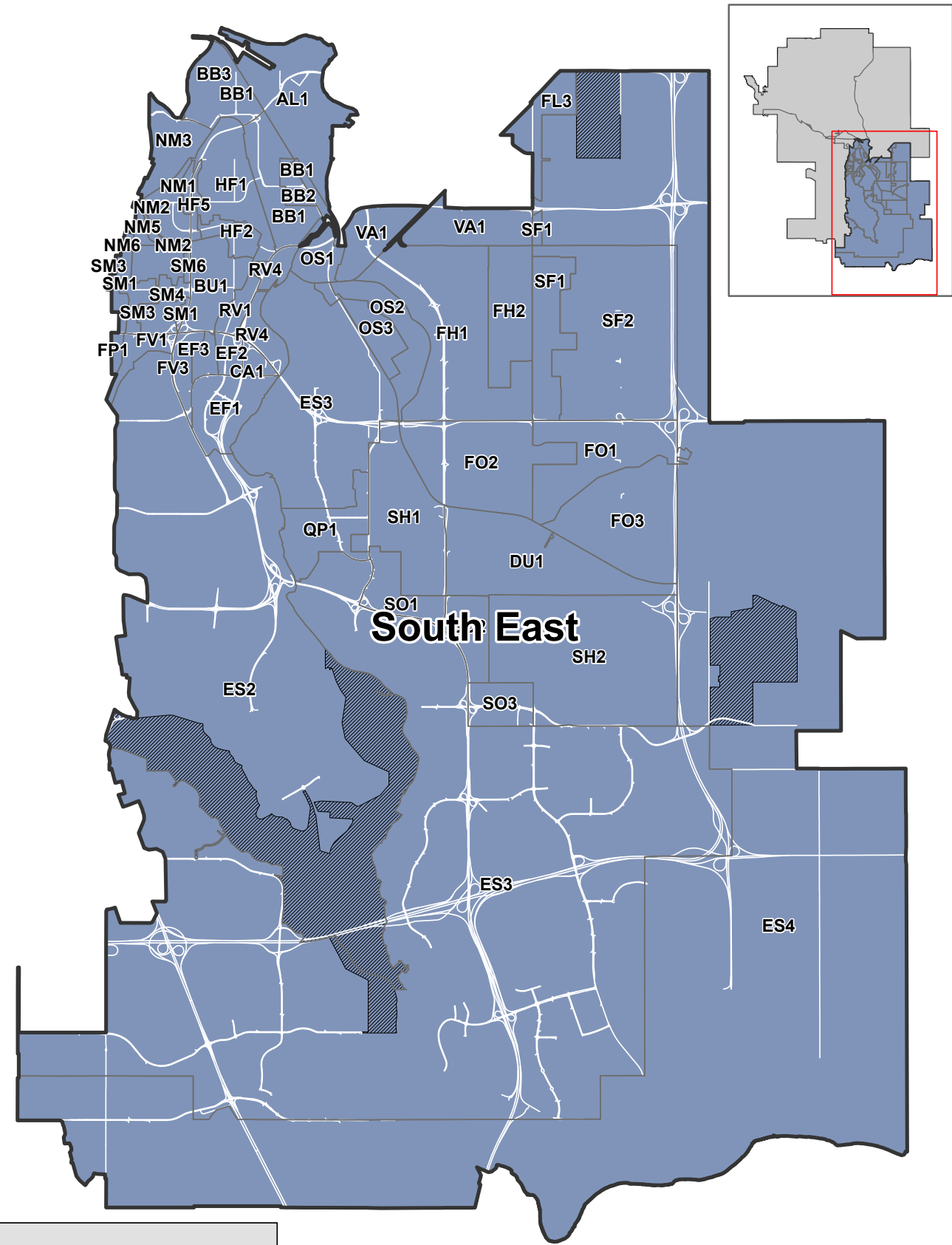
Office Assessment Non-Residential Zones: North East



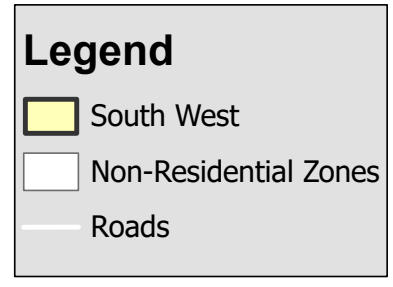
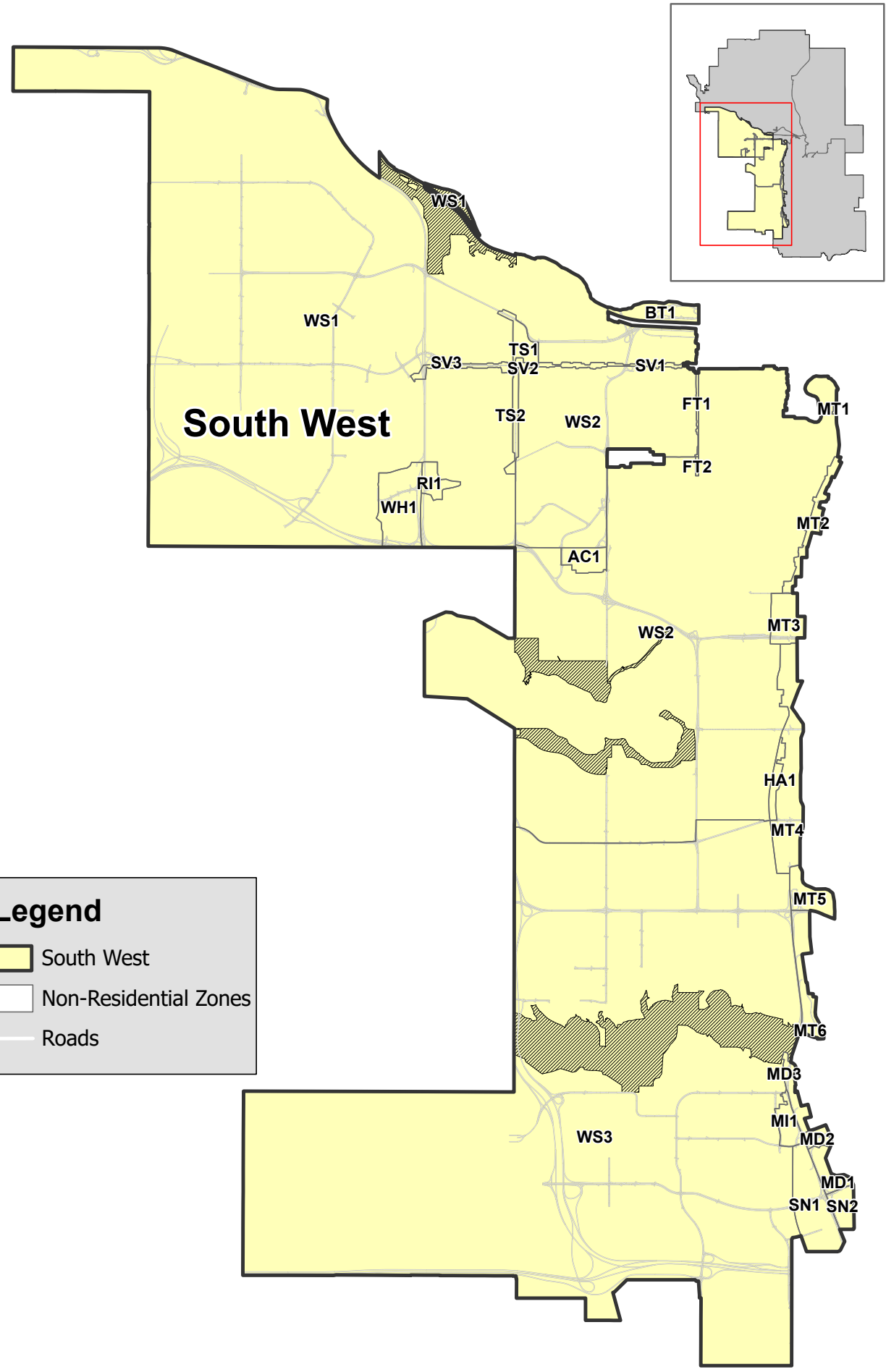
Office Assessment Non-Residential Zones: North West



Office Assessment Non-Residential Zones: South East



Office Assessment Non-Residential Zones: South West



## Appendix A : Office Valuation Methodology (Updated: January 31, 2025)

### Office Valuation Glossary

The following are the different space types that exist within the office inventory:

Space Types	Description
Beltline Office	Property located within the Beltline region which is designed for predominantly office use. The Beltline region is located directly south of the Downtown region and is bordered on the southeast end by the Elbow River, the far west end extends to the intersection of Crowchild Trail and Bow Trail SW. For assessment purposes it contains eight economic zones that are grouped together and labelled BL1-8.
Downtown Office	Property located within the Downtown region which is designed for predominantly office use. The region is bordered on the north by the Bow River, on the west by 14 Street, on the east by 6 Street and on the south by the Canadian Pacific Railway right-of-way. For assessment purposes it contains five economic zones that represent the Core (DT1, 8) and periphery (DT2,3,9).
House Conversion	Residential house which has been converted partially or fully into commercial use. Typically, sales approach is applied. In some cases, land value can exceed the sale value of a property, in this case land value is used to reflect market value.
Office Condominiums	Office condominiums are separately titled units held under a condominium plan that can be sold separately. These can be located within non-residential, residential, or any combination of mixed use property, on any floor and that is suited for use as office space.
Parkade	Parking structure not associated with another property which is designed or intended for exclusive use for parking automotive vehicles.
Small Office	Property located outside of Downtown and Beltline areas which is designed for predominantly office and is less than 20,000 SF.
Suburban Office	Property located outside of the Downtown and Beltline areas which is designed for predominantly office use. It contains four quadrant zones NE, NW, SE & SW as identified on previous map (p. 7).
Professional Centre (Includes Medical/Dental)	This category includes Medical/Dental buildings as well as additional buildings due to the growth of wellness and integrated medical service offerings. Professional Centres integrate healthcare professionals, customer oriented wellness office spaces, and general retail services, delivering a customer oriented experience. These buildings are generally characterized by higher rents, increased tenant allowances, higher operating costs, and high end finishes when compared to traditional office spaces.

## Appendix A : Office Valuation Methodology (Updated: January 31, 2025)

### Office Valuation Glossary

The following are the different space types that exist within the office inventory:

Space Types	Description
Anchor	Large format spaces designed to house major retail anchor tenants in unit larger than 15,000sf.
ATM	Stand alone automated teller machine.
Bank	Retail space that typically contains a vault, increased security measures, and is usually occupied by a licensed financial institution.
Food Court	An area in a shopping centre designed for the purchase and consumption of food.
Kiosk	A small open fronted hut or cubicle located within a shopping centre.
Living	Residential living units in office properties.
Lower	Commercial space that is below main level. These units typically exhibit less utility or desirability than at grade or above grade commercial space because of inferior access and exposure.
Office	Space designed primarily for administrative, managerial or professional work.
Parking	Parking located within the office property which has the potential to generate additional income.
Restaurant	Retail space constructed, designed, and improved for the preparation and distribution of food, and operates as a restaurant or fastfood business. This classification is specific to the Beltline area of Calgary.
Retail	Improved space designed for retail sales which is open to the public. These spaces may vary in desirability based on location within an office building as well as their relative size.
Storage	Space with less tenant improvements designed for storage.
Surface Parking	Parking located on the property without an associated structure which has the potential to generate additional income.
Theatre	Retail space that is built for the purpose of performance and visual entertainment.
Warehouse	Space with less tenant improvements within office property with bay doors and higher than usual ceiling designed for manufacturing/storage.
Data Centre	Property which is designed for predominant use and housing of computer systems, servers and associated components, telecommunications and storage systems.
Food Hall	An area within an office building designed for the purchase and consumption of food. The space typically features multiple food vendors, restaurants, and sometimes shops, all under one roof with common shared corridor space.
Supermarket	Retail space that primarily sells food and household items. Supermarkets are larger in size than grocery stores and typically range from 21,001 to 85,000 square feet.
Grocery Store	Retail space that primarily sells food and household items. Grocery stores are smaller in size than supermarkets ranging from 6,001 to 21,000 square feet.

## Appendix A : Office Valuation Methodology

### Data Collection

Accurate data is the foundation for creating high quality market value assessments. In order to find the most accurate data possible, a variety of sources are relied upon:



#### Assessment Request for Information (ARFI)

Every year, The City distributes a survey to property owners. This survey asks owners to confirm the physical data on record for their property. It also asks them to confirm the accuracy of lease information for their property. Property owners can identify any errors or required changes and then return that information for use in future years assessments.

Highlight

- For more information about the ARFI process, visit [calgary.ca/assessment](http://calgary.ca/assessment)
- Of the 982 ARFIs that were mailed to office property owners in 2024, 763 (77%) were returned.
- Considering office properties only, the return rate is much higher: 92% for Downtown, 82% for Beltline, and 84% for Suburban Offices.

#### Physical Inspections



Property assessment staff conduct site inspections of office property. The purpose of these inspections is generally to confirm the accuracy of our physical data.

#### Permits



Office permit information is reviewed when submitted. This includes new development that is monitored throughout the construction process and changes to existing inventory.

#### Market Information



All land transfers of office property are received directly from the Government of Alberta's Land Titles Office. While this information provides The City with a great deal of insight into the market, industry market reports and real estate data services are also closely monitored and researched.

## Appendix A : Office Valuation Methodology

### Income Approach

Typically, office properties are purchased for their income generating potential. With sufficient income information available the income approach is the predominant method of valuation for office properties. However, the sales comparison and cost approaches are also considered. The income approach estimates the value of a property by converting the income stream into an indication of present value. The City of Calgary uses the direct capitalization method which is the process of converting a single year's income expectation into an estimate of market value through a capitalization rate.

#### Typical Income vs Actual Income

All assessments prepared on the market value standard must be derived through mass appraisal processes. Consequently, it is necessary to use typical as opposed to actual income parameters.

Typical income parameters are derived through analyzing the collective data that exists on comparable properties within the market. In this way, the difference between typical and actual income is similar to the distinction between sale price and market value. As a result, assessed income components including rental rates, vacancy rates, operating costs, and non-recoverable allowances, reflect the income a property may generate and not necessarily what is currently being generated.

If the actual income of a property was used, the resulting value may reflect the leased fee interest or the interest to the owner of the property. It would neglect the leasehold or tenant's interest in a property which may exist where the leases in place are more or less than the current market.

#### Rental Rate

The rental rates used in the income approach represent typical market rent, not actual rent. Separate categories can arise for a variety of reasons including space type, improvement type, location, size, and quality.

Quality is typically based on the following factors:

- Year and Type of Construction
- Building Finish
- Location/Exposure
- Physical Condition
- Building Functionality
- Building Amenities
- Parking Availability and Capacity

The Appraisal Institute of Canada Appraisal of Real Estate, 3rd Canadian Edition states that, "an overall capitalization rate is an income rate for a total property that reflects the relationship between a single year's net operating income and the total price or value. It is used to convert a net operating income into an indication of overall property value".

"An assessment of property based on market value (a) must be prepared using mass appraisal, (b) must be an estimate of the value of the fee simple estate in the property, and (c) must reflect typical market conditions for properties similar to that property." (Matters Relating to Assessment and Taxation Regulation, 5)

A **Net Lease** is an agreement in which taxes, fees and maintenance are paid by the tenant in addition to rent.



## Appendix A : Office Valuation Methodology

Each category in a property is assigned a rental rate which reflects the typical market rent as of the valuation date. This process aligns with best practices undertaken by appraisers and assessors. In order to produce a market value assessment that is both fair and equitable, the collective market leasing activity for comparable spaces is analyzed.

**Valuation Date** is defined as July 1 of the assessment year (Matters Relating to Assessment and Taxation Regulation, 6). Therefore, all 2025 market value assessments reflect the value as of July 1, 2024.

Market leases with defined terms are the basis of rental rate studies. Net leases are the preferred lease type. A net lease is an agreement in which taxes, fees and maintenance are paid by the tenant in addition to rent.

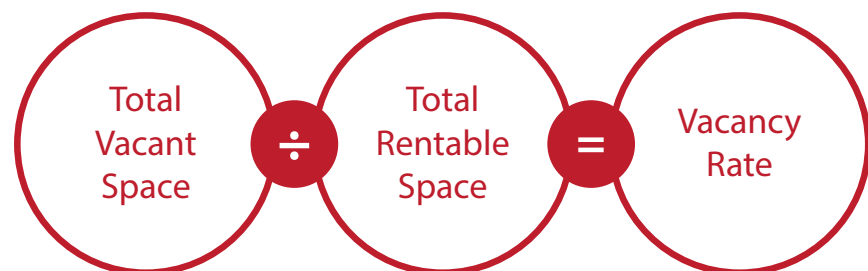
### Potential Net Income

The Potential Net Income (PNI) is calculated as the total rentable area within a property multiplied by the typical market rental rate for each space.



### Vacancy Rate

A Vacancy Rate is applied to the total potential rent for each space. Vacant area is the basis for creating an appropriate vacancy rate which is determined using the proportion of the total inventory within a category that is not leased as of the valuation date, or a stabilized vacancy rate. Under mass appraisal, a vacancy adjustment is applied to all units, regardless of actual occupancy.



### Effective Net Income

The Effective Net Income (ENI) is the PNI minus the vacancy allowance.

### Operating Costs

Operating costs are expenditures required for the operation of a property. Information is collected from property owners annually, and is used to derive typical values for this allowance. Examples of typical operating costs are administration fees, common area maintenance, insurance, and repairs. This information becomes an allowance and a deduction from the ENI. Current annual operating cost information is used to derive the typical operating cost allowance for any category.

"Buildings maintenance and repair; advertising and promotion; real estate taxes; insurance; general administrative expenses of the shopping center, most of which are billed to the tenants." (source: ICSC's Dictionary of Shopping Center Terms Fourth Edition. International Council of Shopping Centers)

## Appendix A : Office Valuation Methodology

### Non-Recoverable Allowance

Non-recoverable allowances account for typical costs associated with ownership which are not typically recovered from tenants through operating costs.

### Capitalization Rate

A capitalization rate represents the risk associated with an income generating asset, and is used to relate an annual income stream to the overall market value. The higher the capitalization rate, the higher the risk, and consequently the lower the value. The capitalization rate is based on the investment classification of a property.



### Sales Comparison Approach

The sales comparison approach, also known as the direct comparison approach, is used to determine market value by comparing the sale prices of similar properties to the subject being valued.

Site specific influences which can affect land value include considerations like corner lot, restricted access, development restrictions, environmental concerns, servicing, and topography.

Office Condos, House Conversions, and Land are typically valued using the sales approach as there is usually a high percentage of sales relative to the total property inventory. Components affecting the value include unit layout, location, size, age, and quality.

With respect to improved properties assessed on land value, major factors impacting value may include land use designation, location, size, and site-specific characteristics.

### Land Value

In some situations the underlying value of the land can exceed the value generated through the income approach on a property. As a result, the land value more accurately represents market value. Land values are derived through the use of the sales comparison approach. Two common instances where income generating properties tend to be valued in this manner are summarized below.

"Improved properties may be assessed on land value if the value of the vacant land exceeds the value of the improved property" (source: Market Value and Mass Appraisal for Property Assessment in Alberta – AAA Valuation Guide).

### Excess /Surplus Land

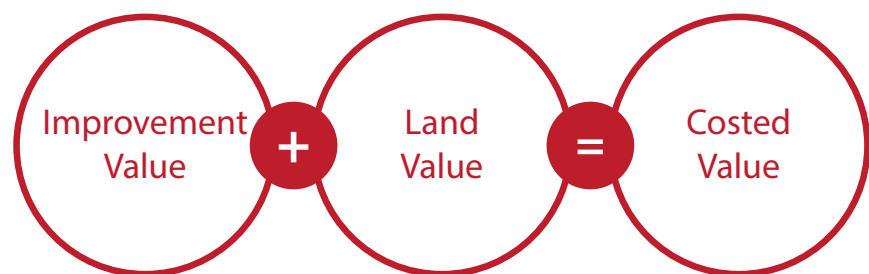
This occurs when a property contains a small improvement relative to the overall building potential of the lot. The land use of any site may allow for greater development potential.



## Appendix A : Office Valuation Methodology

### Cost Approach

The Cost Approach has been utilized to estimate the market value of special purpose buildings, data centres in the Beltline, and partially developed properties. The Cost Approach consists of land value plus the value of the improvements on site. The improved portion of the property is determined by the degree of completion from the total cost of the construction of the property, as of the physical condition date of December 31, 2024. Land Values are derived from sales of comparable land properties.



### Non-Recoverable Allowance

Non-recoverable allowance is an allowance given to the property owner to offset the non-recoverable expenses such as legal and audit fees, structural repairs, advertising and promotion and leasing commissions.

### Market Value vs Sale Price

Market value is the value determined by the actions of the market. It represents a range of potential selling prices rather than the sale price for an individual property. A sale price is the amount a specific purchaser agreed to pay and a particular seller agreed to accept under the circumstances surrounding that transaction (source: Market Value and Mass Appraisal for Property Assessment in Alberta).

**Arm's length transaction** is an agreement where terms are arrived at in an open market as a result of competitive negotiation between unrelated parties (source: Market Value and Mass Appraisal for Property Assessment in Alberta).

Sales and land transfer information is collected from Alberta Land Titles and is reviewed on a continual basis. Transfer documents, site inspections, interviews, as well as secondary data sources and sale questionnaires are used to verify the conditions of the transfer. Sales that meet the criteria of an arm's length transaction are considered for use in the valuation of office properties.

## Appendix B : Office Assessed Rates (Updated: January 31, 2025)

As described in the Office Valuation Methodology section valuation components for office are categorized to ensure similar properties are assessed fairly and equitably. The following section of this document provides assessed rate tables for components of properties within the office inventory. The following chart describes which page(s) should be referenced.

Office Type	Content Description	Reference Page(s)
Downtown Office	Property or business that has a sub property use code of CS1200, CS1025, CS1253, and CS1740.	21 - 22
Beltline Office	Property or business that has a sub property use code of CS1200.	23
Suburban Office	Property or business that has a sub property use code of CS0302.	24
Professional Centre	Property or business that has a sub property use code of CS0401.	24
Small Office	Property or business that has a sub property use code of CS0801.	24
Office Condos	Property or business that has a sub property use code of CS0610	24
Parkade	Property or business that has a sub property use code of CS0720 or CS725	25
Properties Assessed on Land Value	Please refer to the Calgary Land Market Trends 2025 document located at <a href="http://calgary.ca/assessment">calgary.ca/assessment</a> .	N/A

Additional information is available to property and business owners via our secure access website ([calgary.ca/assessmentsearch](http://calgary.ca/assessmentsearch)). If you any questions or concerns with respect to the information contained in this document, or require further information please contact us at 403.268.2888.

**Appendix B : Downtown Office Assessed Rates (Updated: January 31, 2025)**

2025 Downtown Office Cap Rates	
Market Zone	Rate
AA	6.25%
A	6.75%
B	6.75%
C	6.75%

2025 DT1,8 Office Operating Costs	
Quality	Rate
AA	\$22.00
A	\$20.00
A-/B	\$16.00
C	\$14.50

2025 DT2,3,9 Office Operating Costs	
Quality	Rate
AA	\$22.00
A	\$16.00
B	\$16.00
C	\$14.50

Leasehold Improvement Allowances All Market Areas	
Quality	Rate
AA	\$7.00
A	\$5.00
B	\$5.00
C	\$4.00

2025 DT1,8 Office Rental Rates	
Quality	Rate
AA+	\$26.00
AA	\$22.00
AA-	\$19.50
A+	\$15.50
A	\$14.00
A-	\$10.00
B+	\$10.00
B	\$10.00
B-	\$10.00
C	\$8.50

2025 DT1,8 Vacancy Rates	
Quality	Rate
AA+	6.00%
AA	11.50%
AA-	11.50%
A+	20.00%
A	24.00%
A-	27.00%
B+	27.00%
B	27.00%
B-	27.00%
C	30.00%

2025 DT1,8 Underground Parking Rates	
Quality	Rate
AA	\$6,000
A	\$5,000
B	\$5,000
C	\$4,200

2025 DT2,3,9 Underground Parking Rates	
Quality	Rate
AA	\$6,000
A	\$5,000
B	\$5,000
C	\$4,200

2025 DT2,3,9 Office Rental Rates	
Quality	Rate
AA+	\$26.00
AA	\$22.00
AA-	\$19.50
A+	\$15.50
A	\$13.00
A-	\$10.00
B+	\$10.00
B	\$10.00
B-	\$10.00
C	\$8.50

DT2,3,9 Office Vacancy Rates	
Quality	Rate
AA+	6.00%
AA	11.50%
AA-	11.50%
A+	10.00%
A	24.00%
A-	27.00%
B+	27.00%
B	27.00%
B-	27.00%
C	30.00%

**Appendix B : Downtown Office Assessed Rates (Updated: January 31, 2025)**

2025 AA Class Other Rental Rates All Market Areas		
Quality	Space/Floor	Rate
AA	Retail 1	\$26.00
AA	Retail 2	\$38.00
AA	Retail 3	\$32.00
AA	Retail Lower	\$15.00
AA	Food Court	\$125.00
AA	Storage	\$10.00
AA	Kiosk	\$45.00
AA	ATM	\$200.00
AA	Theatre	\$12.00

2025 DT2,3,9 A Class Other Rental Rates		
Quality	Space/Floor	Rate
A	Retail 1	\$24.00
A	Retail 2	\$24.00
A	Retail 3	\$24.00
A	Retail Lower	\$15.00
A	Food Court	\$70.00
A	Storage	\$10.00
A	Kiosk	\$45.00
A	ATM	\$200.00
A	Theatre	\$12.00

2025 DT1,8 A Class Other Rental Rates		
Quality	Space/Floor	Rate
A	Retail 1	\$24.00
A	Retail 2	\$24.00
A	Retail 3	\$24.00
A	Retail Lower	\$15.00
A	Food Court	\$70.00
A	Storage	\$10.00
A	Kiosk	\$45.00
A	ATM	\$200.00
A	Theatre	\$12.00

2025 DT1,8 B Class Other Rental Rates		
Quality	Space/Floor	Rate
B	Retail 1	\$15.00
B	Retail 2	\$15.00
B	Retail 3	\$15.00
B	Retail Lower	\$15.00
B	Food Court	\$50.00
B	Storage	\$8.00
B	Kiosk	\$45.00
B	ATM	\$200.00
B	Theatre	\$12.00

2025 DT2,3,9 B Class Other Rental Rates		
Quality	Space/Floor	Rate
B	Retail 1	\$15.00
B	Retail 2	\$15.00
B	Retail 3	\$15.00
B	Retail Lower	\$15.00
B	Food Court	\$50.00
B	Storage	\$8.00
B	Kiosk	\$45.00
B	ATM	\$200.00
B	Theatre	\$12.00

2025 Core Shopping Centre Retail Rental Rates		
Space/Floor	Size	Rate
Anchor	All	\$6.00
Retail 1	<1,000	\$40.00
Retail 1	1,000-2,500	\$75.00
Retail 1	2,501-6,000	\$20.00
Retail 1	6,001-15,001	\$20.00
Retail 2	<1,000	\$30.00
Retail 2	1,000-2,500	\$7.00
Retail 2	2,501-6,000	\$10.00
Retail 2	6,001-15,001	\$10.00
Retail 3	<1,000	\$30.00
Retail 3	1,000-2,500	\$10.00
Retail 3	2,501-6,000	\$10.00
Retail 3	6,001-15,001	\$6.00
Retail 4	<1,000	\$20.00
Retail 4	1,000-15,000	\$18.00
Stephen Avenue Level 1	All	\$32.00

2025 DT1,8 C Class Other Rental Rates		
Quality	Space/Floor	Rate
C	Retail 1	\$15.00
C	Retail 2	\$15.00
C	Retail 3	\$15.00
C	Retail Lower	\$15.00
C	Food Court	\$50.00
C	Storage	\$5.00
C	Kiosk	\$45.00
C	ATM	\$200.00
C	Theatre	\$12.00

2025 DT2,3,9 C Class Other Rental Rates		
Quality	Space/Floor	Rate
C	Retail 1	\$15.00
C	Retail 2	\$15.00
C	Retail 3	\$15.00
C	Retail Lower	\$15.00
C	Food Court	\$50.00
C	Storage	\$5.00
C	Kiosk	\$45.00
C	ATM	\$200.00
C	Theatre	\$12.00

2025 Other Operating Costs all Market areas		
Quality	Space/Floor	Rate
AA	Retail	\$24.00
A	Retail	\$23.00
B	Retail	\$15.00
C	Retail	\$15.00
All	Kiosk	\$60.00
All	ATM	\$10.00
All	Food Court	\$75.00
All	Storage	\$1.00
All	Theatre	\$10.00

2025 Core Retail Operating Costs		
Space	Size	Rate
CORE Retail	All	\$52.00
CORE Anchor	All	\$10.00

2025 Core Retail Vacancy Rates		
Space	Size	Rate
CORE Retail 1	All	12.00%
CORE Retail 2	All	12.00%
CORE Retail 3	All	25.00%
CORE Retail 4	All	12.00%
CORE Anchor	All	4.00%

**Appendix B : Beltline Office Assessed Rates (Updated: January 31, 2025)**

2025 Beltline Office Cap Rates	
Quality	Rate
AA	7.25%
A	7.25%
B	8.00%
C	8.00%

2025 Beltline Office Rental Rates	
Quality	Rate
AA	\$17.00
A	\$13.50
B	\$11.00
C	\$10.50

2025 Leasehold Improvement Allowance	
Quality	Rate
AA	\$5.00
A	\$5.00
B	\$5.00
C	\$5.00

2025 Beltline Vacancy	
Quality	Rate
AA	14.00%
A	14.00%
B	30.00%
C	30.00%

2025 Beltline Retail Op Costs	
Quality	Rate
AA	\$18.50
A	\$18.50
B	\$18.50
C	\$18.50
CRU Level 1/Retail Prime	\$18.50
Lower	\$18.50
Grocery	\$14.50
Supermarket	\$11.00
Storage	\$1.00

2025 Beltline Other Rental Rates		
Quality	Space/Floor	Rate
AA	Retail	\$29.00
A	Retail	\$27.00
B	Retail	\$26.00
C	Retail	\$23.00
AA	CRU Level 1/Retail Prime	\$41.00
A	CRU Level 1/Retail Prime	\$40.00
B	CRU Level 1/Retail Prime	\$29.50
C	CRU Level 1/Retail Prime	\$28.50
All	Lower Retail	\$12.00
All	Lower Office	\$10.00
All	Storage	\$9.00
AA	Grocery Store	\$15.00
A2	Grocery Store	\$15.00
B	Grocery Store	\$15.00
C	Grocery Store	\$15.00
AA	Supermarket	\$28.00
A2	Supermarket	\$22.50
AA	Food Court	\$64.00
ALL BL1-4,8	Restaurant	\$32.00
AA, A BL6,7	Restaurant	\$40.00
B BL6,7	Restaurant	\$34.00
C BL6,7	Restaurant	\$31.00

2025 Beltline Parking Rental Rates		
Market Zone	Surface	Underground
BL1	\$2,400	\$3,000
BL2	\$2,500	\$3,500
BL3	\$1,950	\$3,000
BL6,BL7	\$2,400	\$2,650
BL4,BL5,BL8	\$900	\$1,700

2025 Beltline Office Op Costs	
Quality	Rate
AA	\$18.50
A	\$18.50
B	\$17.00
C	\$16.00
Lower	\$5.00

2025 Beltline Retail Vacancy	
Quality	Rate
AA	12.00%
A	12.00%
B	12.00%
C	12.00%
CRU Level 1/Retail Prime	12.00%
Grocery	3.00%
Supermarket	1.00%

**Appendix B : Suburban Office Assessed Rates (Updated: January 31, 2025)**

2025 Suburban Office Cap Rates	
Quality	Rate
AA	7.25%
A	7.25%
B	8.50%
C	8.50%
Small Office	5.25%

2025 Leasehold Improvement Allowance	
Quality	Rate
AA	\$7.00
A	\$6.00
B,C	\$3.00
Retail	\$4.00
Below Grade	\$0.50

2025 Suburban Office Rental Rates					
Quality	NE	NW	SE	SW	Professional Centre
AA	\$15.50	\$18.50	\$18.00	\$18.50	\$28.00
A	\$13.50	\$17.00	\$13.50	\$15.00	\$20.50
B	\$11.00	\$12.50	\$11.50	\$11.00	\$18.00
C	\$10.00	\$12.00	\$11.00	\$10.50	\$16.00

2025 Suburban Office Vacancy				
Quality	NE	NW	SE	SW
AA	20.00%	14.00%	18.00%	6.50%
A	21.00%	16.00%	13.00%	21.00%
B	18.00%	19.50%	12.00%	27.00%
C	20.00%	20.00%	23.00%	27.00%

2025 Suburban Office Op Costs					
Quality	NE	NW	SE	SW	Professional Centre
AA	\$14.50	\$17.00	\$14.00	\$20.00	\$19.00
A	\$13.50	\$17.00	\$12.50	\$15.00	\$19.00
B	\$12.00	\$16.50	\$12.50	\$15.00	\$19.00
C	\$12.00	\$12.00	\$11.00	\$13.50	\$19.00

2025 Suburban Enclosed Parking Rental Rates						
Quality	NE	NW	SE	SW	CORE (NW)	CORE (SE)
AA	\$1,400	\$1,600	\$1,400	\$1,700	\$2,300	\$2,100
A	\$1,000	\$1,500	\$1,200	\$1,700	\$2,300	\$2,100
B	\$900	\$1,400	\$1,100	\$1,500	\$2,300	\$2,100
C	\$900	\$1,400	\$1,000	\$1,500	\$2,300	\$2,100

2025 Suburban Other Rental Rates			
Market Zone	Quality	Space/Class	Rate
All	AA	Retail	\$31.50
All	A	Retail	\$21.00
All	B	Retail	\$16.50
All	C	Retail	\$12.50
All	AA	Grocery Store	\$28.50
All	A2	Grocery Store	\$25.00
All	B	Grocery Store	\$19.00
All	C	Grocery Store	\$10.50
All	AA	Supermarket	\$23.50
All	A2	Supermarket	\$19.50
All	B	Supermarket	\$15.00
All	C	Supermarket	\$12.00
Kensington	All	Bank	\$50.50
Kensington	AA, A2	Restaurant	\$40.00
Kensington	B	Restaurant	\$36.00
Kensington	C	Restaurant	\$36.00
Kensington	AA, A2	Main	\$39.50
Kensington	B	Main	\$37.00
Kensington	C	Main	\$28.00
Inglewood	All	Bank	\$50.50
Inglewood	AA, A2	Restaurant	\$39.00
Inglewood	B	Restaurant	\$30.00
Inglewood	C	Restaurant	\$20.00
Inglewood	AA	Main	\$35.00
Inglewood	A2	Main	\$30.00
Inglewood	B	Main	\$29.00
Inglewood	C	Main	\$12.00
All	AA	Bank	\$50.00
All	A	Bank	\$48.00
All	B	Bank	\$37.00
All	C	Bank	\$30.00
All	AA	Warehouse	\$11.00
All	A	Warehouse	\$10.00
All	B,C	Warehouse	\$9.00
All	All	Storage	\$7.50
All	All	Below Grade	\$10.00
All	All	ATM	\$58.00
All	All	Living	\$17.00

**Appendix B : Parkades and Office Condominiums Assessed Rates  
(Updated: January 31, 2025)**

Office Condos	
Downtown and Beltline	Typical Value (per SF)
Median	\$332
Average	\$339
Suburban	
Median	\$514
Average	\$487

Parkade Assessed Rates	
Quality	Assessed Annual Revenue per Stall
AA	\$3,800
A	\$2,000
B	\$1,600
C	\$1,300
Assessed Expense Ratio	
AA	42%
A	48%
B	52%
C	48%
Parkade Capitalization Rate	
All	6.00%



**Questions about your 2025 Property Assessment**

**Phone:**  
403-268-2888  
(Mon. – Fri., 8 a.m. – 4:30 p.m.)

**Online:**  
[calgary.ca/assessment](http://calgary.ca/assessment)

**Hearing Impaired:**  
Contact 711 to request 403-268-2888

**In-person:**  
Call 403-268-2888 to book an appointment

**Mail:**  
The City of Calgary (88012)  
P.O. Box 2160, Str. M, Calgary, AB T2P 2M5

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[calgary.ca/schoolsupport](http://calgary.ca/schoolsupport)  
or call 311

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Call 781-427-2742  
Toll-Free in Alberta dial 310-0000 then  
In-person Land Titles Office South  
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Calgary, Alberta T2P 0K3  
Visit [alberta.ca/land-titles](http://alberta.ca/land-titles)

**Make budgeting easier, pay your property tax monthly. Sign up for Tax Instalment Payment Plan (TIPP)**



**Filing an Assessment Review Board (ARB) complaint**  
Property owners may file a complaint with the ARB before the Final Date to File a Complaint on the front of this notice. The complaint form, complaint agent authorization form, and more information are available at [calgaryarb.ca](http://calgaryarb.ca) or 403.268.5858.



**The Customer Review Period is your opportunity to review your 2025 property assessment. If you have any questions, our website offers helpful resources. If further clarification is needed, please contact us before the end of the Customer Review Period to talk to an Assessment & Tax team member.**

**Go Paperless! Make a sustainable choice by switching to eNotice.**



Learn more at [calgary.ca/assessment](http://calgary.ca/assessment)

Additional information about your assessment rights: An assessed person is entitled to see or receive sufficient information about how their property assessment was prepared in accordance with Section 299 or 299.1 (or both) of the *Municipal Government Act*. An assessed person is also entitled to see or receive a summary of an assessment of any other assessed property in accordance with Section 300 or 300.1 (or both) of the *Municipal Government Act*. Please review the information on this notice above on how to view and or request the information.