



2024 Preliminary Assessment Roll

Background

The purpose of this attachment is to provide a preliminary update on the preparation of the 2024 assessment roll to support Council's Service Plans and Budget deliberations. This update outlines market trends for residential and non-residential properties. The 2024 assessment roll will be finalized on 2023 November 16.

What We're Seeing

Non-residential properties continue to show steady growth despite ongoing and emerging challenges in the office and retail sectors:

- Retail property values are anticipated to increase modestly due to growing investments and sales over the past year. While the sector has experienced the departure of a few major retailers leaving Canada, it continues to reimagine and reshape shopping experiences. This creates new opportunities which attracts new businesses and builds the retail sector's resiliency.
- The office market is showing signs of a turnaround with a slight increase in office property values. In the downtown, sales activity has increased, and there is notable demand for higher quality spaces, resulting in lower vacancy and increasing rental rates. Calgary continues to see positive momentum with the Downtown Development Incentive Program. More conversion projects are being formally approved to address the oversupply of office space and create a greater diversity of uses in a more vibrant downtown.
- Industrial property market values are performing well due to the demand for distribution warehouses and growth. Market value changes are anticipated to be high, showing continued interest in this property type and its strength in the marketplace.
- Hotel and motel market value assessments are steadily raising, with occupancy, average daily rate, and revenue per available room showing improvements over the previous year. This suggests significant market value increases in the accommodation sector with two thirds of the hotels approaching pre-pandemic market values and the remainder surpassing pre-pandemic market values.

For residential properties, we are noting that:

- Single residential properties continue to increase in value with strong sales throughout the entire city.
- Residential condominiums sales are robust with buyers selecting this property type over higher valued single residential and townhouse properties. This level of demand hasn't been seen in quite some time.
- Multi-residential property values continue to show their strength as a result of higher net migration. This drives vacancy rates down and rental rates up.