

An aerial photograph of a dense urban skyline, likely downtown Calgary, featuring numerous high-rise office buildings. The image is partially obscured by a white diagonal overlay on the left side, which contains the title text.

DOWNTOWN STRATEGY: RETURNING VALUE TO CALGARY OFFICES

THE CHALLENGE

- Downtown is central to Calgary's economic recovery and we're facing a long road to recovery.
- There is no looking back.

14 Million sq. ft.

Total **vacant** office space
downtown

32%

Downtown office **vacancy**
rate
(CBRE Q1 2023)

\$16.6 Billion

Loss in property value in downtown
office buildings since 2015

68%

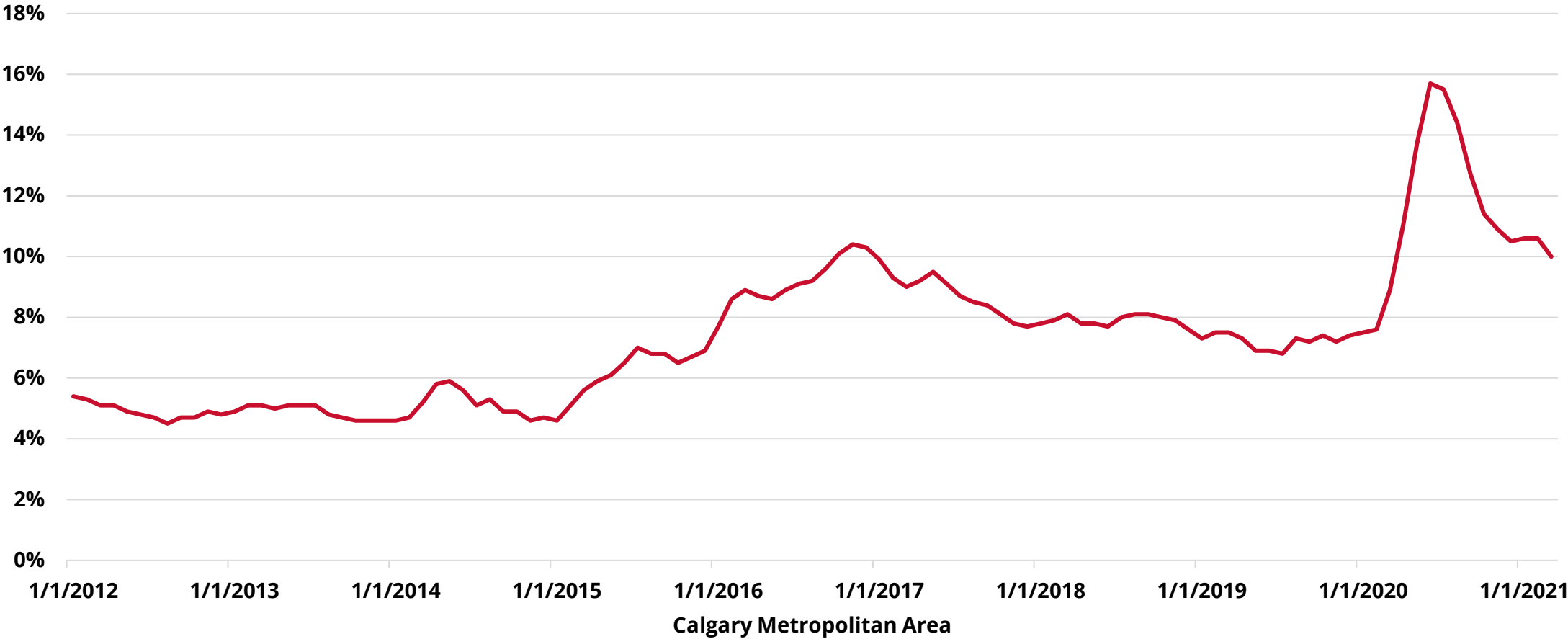
Decrease in downtown office
property values since 2015

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HISTORY – Oil Prices



HISTORY - Unemployment



SALES

Stephen Avenue Place

- 640,000sf A Class Office
- Sold in 2012 for \$280,000,000
- Sold in 2018 for \$95,121,000
- 66% drop in market value



SALES

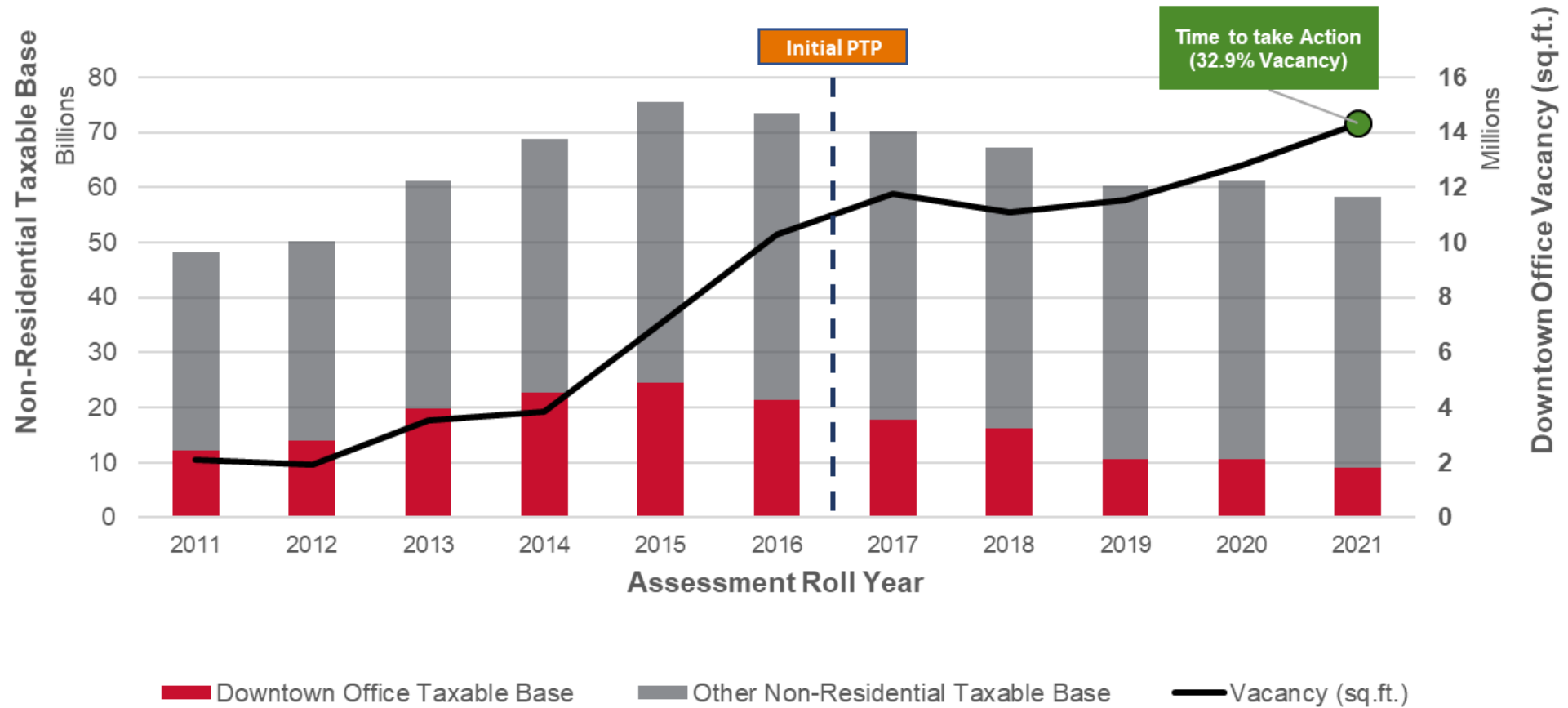
800 Fifth Avenue SW

- 260,000sf A Class Office
- Sold in 2012 for \$100,907,000
- Sold in 2018 for \$26,000,000
- 74% drop in market value

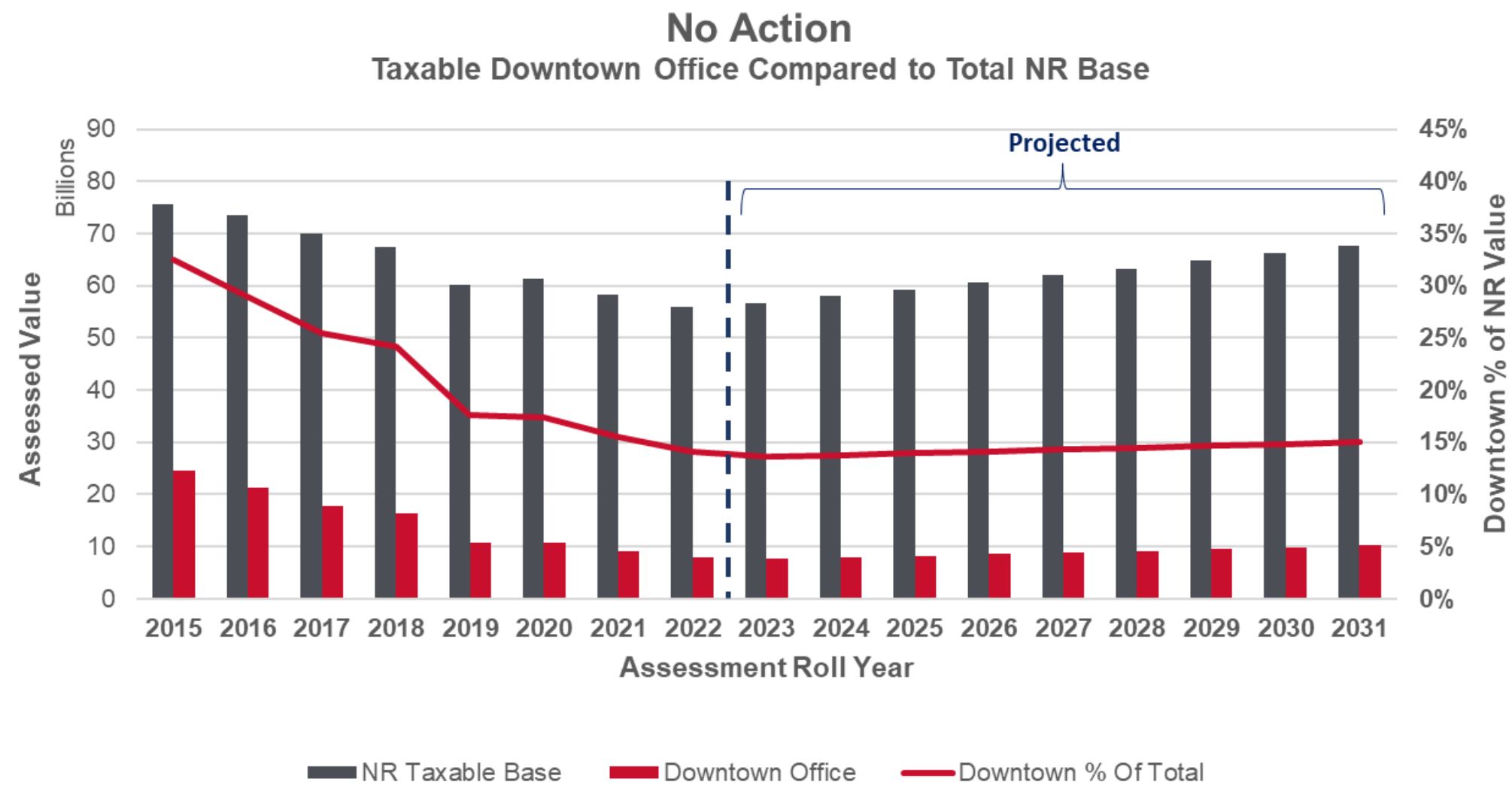


EFFECT

Erosion of the Downtown Office Taxable Base

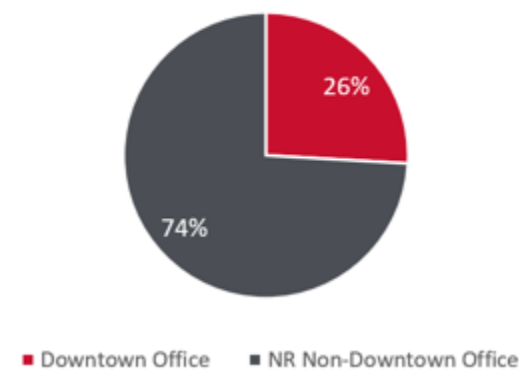


EFFECT

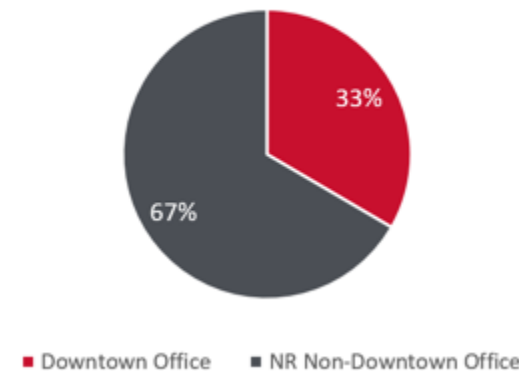


EFFECT

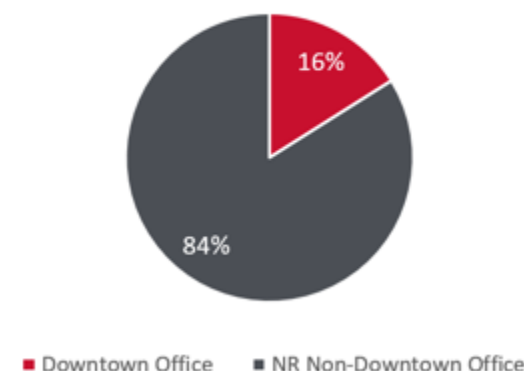
2011 Non-Residential Assessed Values



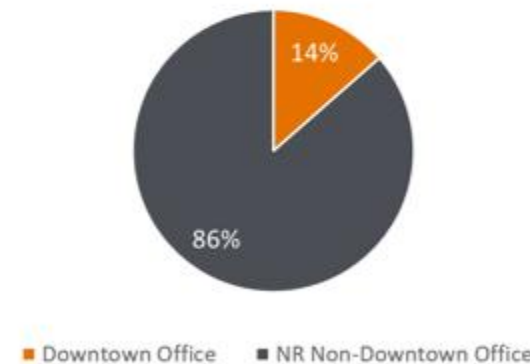
2015 Non-Residential Assessed Values



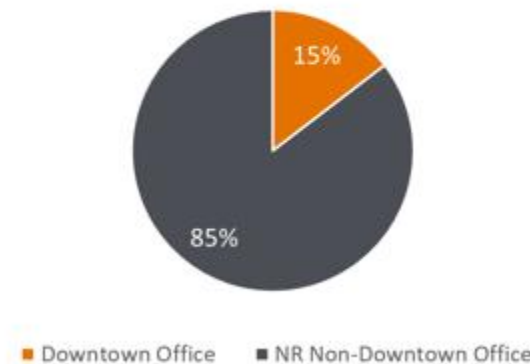
2021 Non-Residential Assessed Values



2025 Non-Residential Assessed Values
(No Action)



2031 Non-Residential Assessed Values
(No Action)



DOWNTOWN CALGARY DEVELOPMENT INCENTIVE PROGRAM

BY THE NUMBERS

6 Million sq. ft

Goal to **remove** office space
(2021-2031)

\$153 Million

Total City Investment in program

\$75

Incentive Rate / Square Foot

1 : 3

Leveraged private investment

Project Scorecard

Pick a project from drop down to view project specific summary.

All Projects

Compatibility
77% Avg.

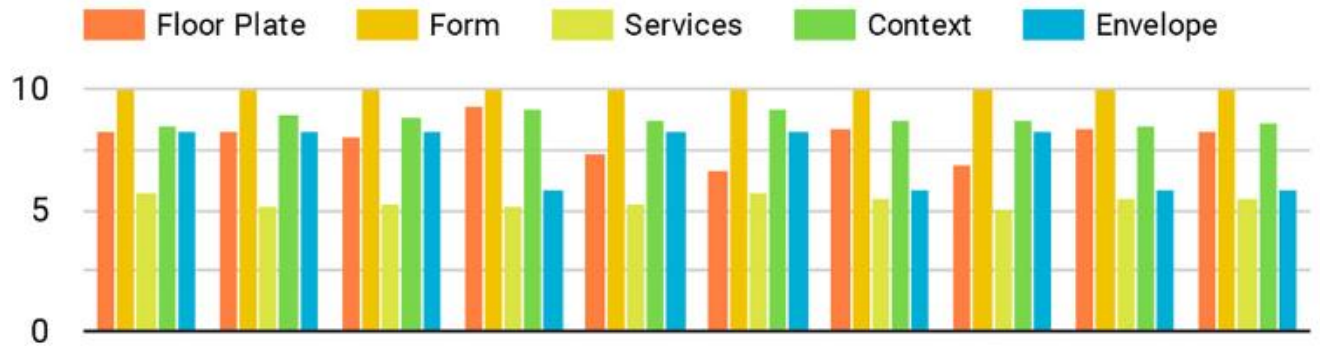
Vacancy Rate

69.03%

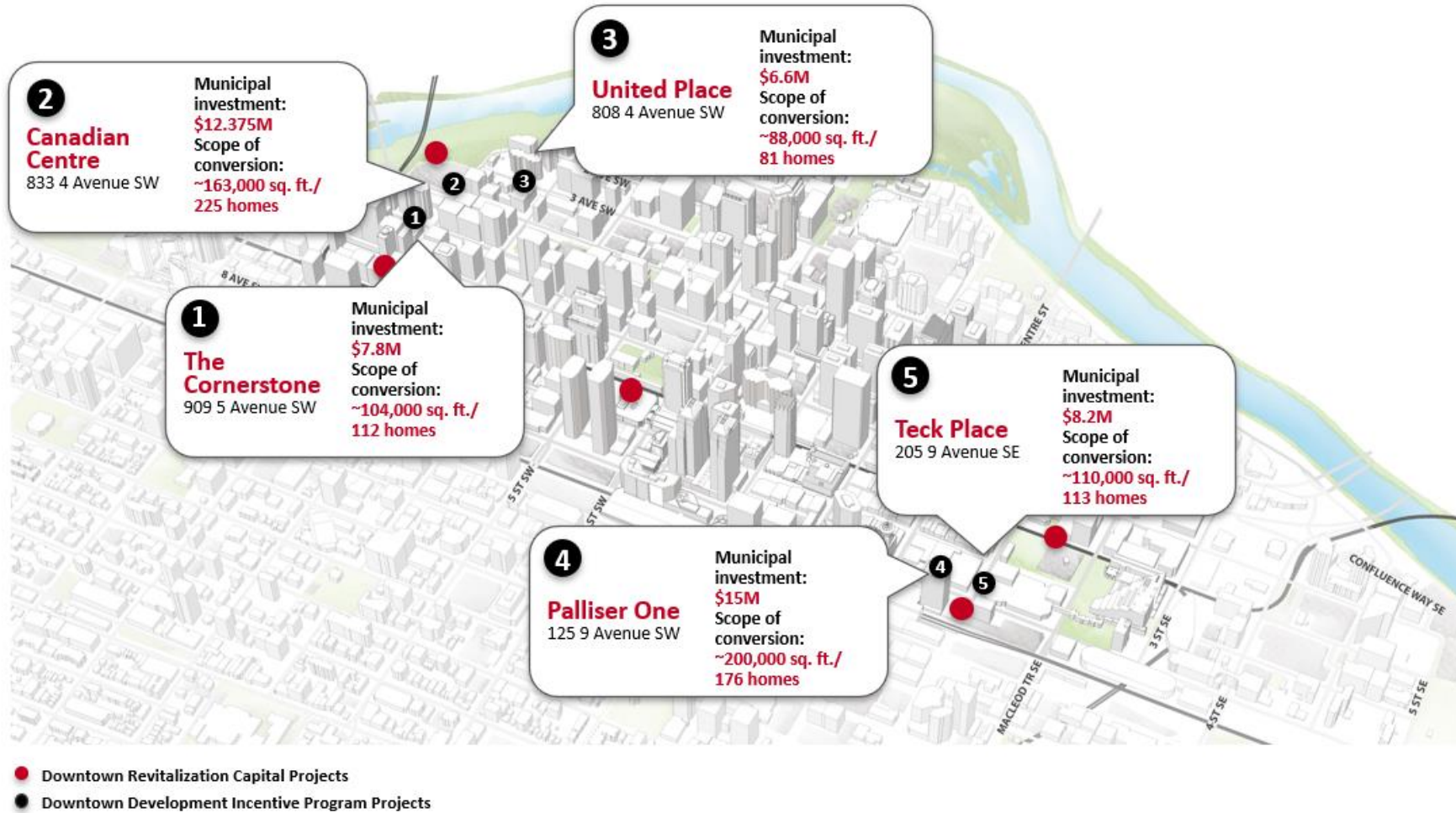
Convertible Area (SF)

3,200,000

Top 10 Projects



ANNOUNCED PROJECTS



5

Publicly Announced
Projects

665,000

Square feet of converted space

700+

New dwelling units

\$50 Million

Incentive funding allocated

\$120 Million+

Leveraged private investment

909 5TH AVE SW

- 130,000sf B- Class Office
- Conversion to 112 residential units
- 40% of units will be 20% below market
- Planned completion 2023



Palliser One
125 9 Avenue S.E.



Developer: [Aspen Properties](#)
Municipal investment: ~\$15,000,000
Scope of conversion: ~200,000 sq. ft.
Total units created: 176

Building amenities:

- Ground-level outdoor park and skating rink
- Fitness facility
- Resident amenity lounge, located midway through the building, will provide residents with a modern common floor featuring games areas, a workspace, lounge seating, a kitchen/bar area, and an outdoor BBQ space
- Rooftop patio

United Place
808 4 Avenue S.W.



Developer: United Canadian Investments Inc.
Municipal investment: \$6,600,000
Scope of conversion: ~88,000 sq. ft.
Total units created: 81

Building amenities:

- Parkade/EV charging stations for resident bikes and cars
- Fitness room
- In-house daycare and plaza activity area
- Café/restaurant with plaza seating area
- Community flex space
- Rooftop space/patio

Canadian Centre
833 4 Avenue S.W.



Developer: [PBA Group of Companies](#)
Municipal investment: \$12,375,000
Scope of conversion: ~163,000 sq. ft.
Total units created: 225

Building amenities:

- Main floor café and patio
- Bicycle parking and repair facilities
- Second floor restaurant and gathering area
- Outdoor gathering spaces on the 10-12 floors

Teck Place
205 9 Avenue S.E.



Developer: [Cidex Group of Companies](#)
Municipal investment: \$8,200,000
Scope of conversion: ~110,000 sq. ft.
Total units created: 113

Building amenities:

- The main floor will include an artists studio and amenities for residents and the surrounding community

APPROVED PROJECTS & PROGRESS

5

approved and publicly announced projects

Municipal investment: \$50M

Private investment: \$112M

Square feet removed: ~665,000

6

approved and soon to be announced projects

Municipal investment: \$44M

Private investment: \$105M

Square feet removed: ~583,000

3

projects in approval process

Municipal investment: \$43M

Private investment: \$146M

Square feet removed: ~580,000



\$153M funding for office to residential conversions

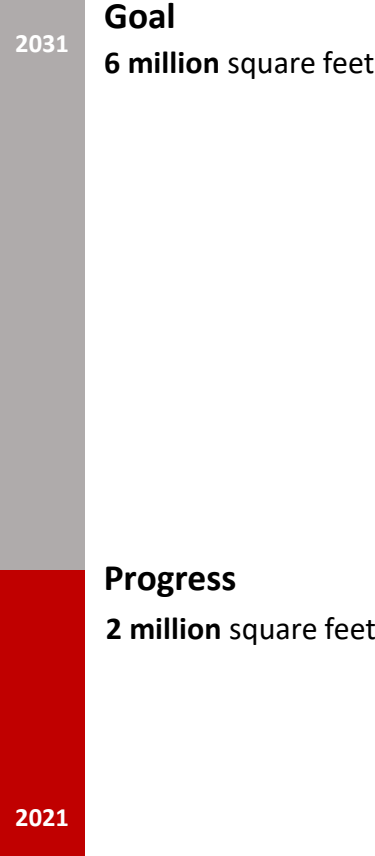


\$92M committed to approved projects

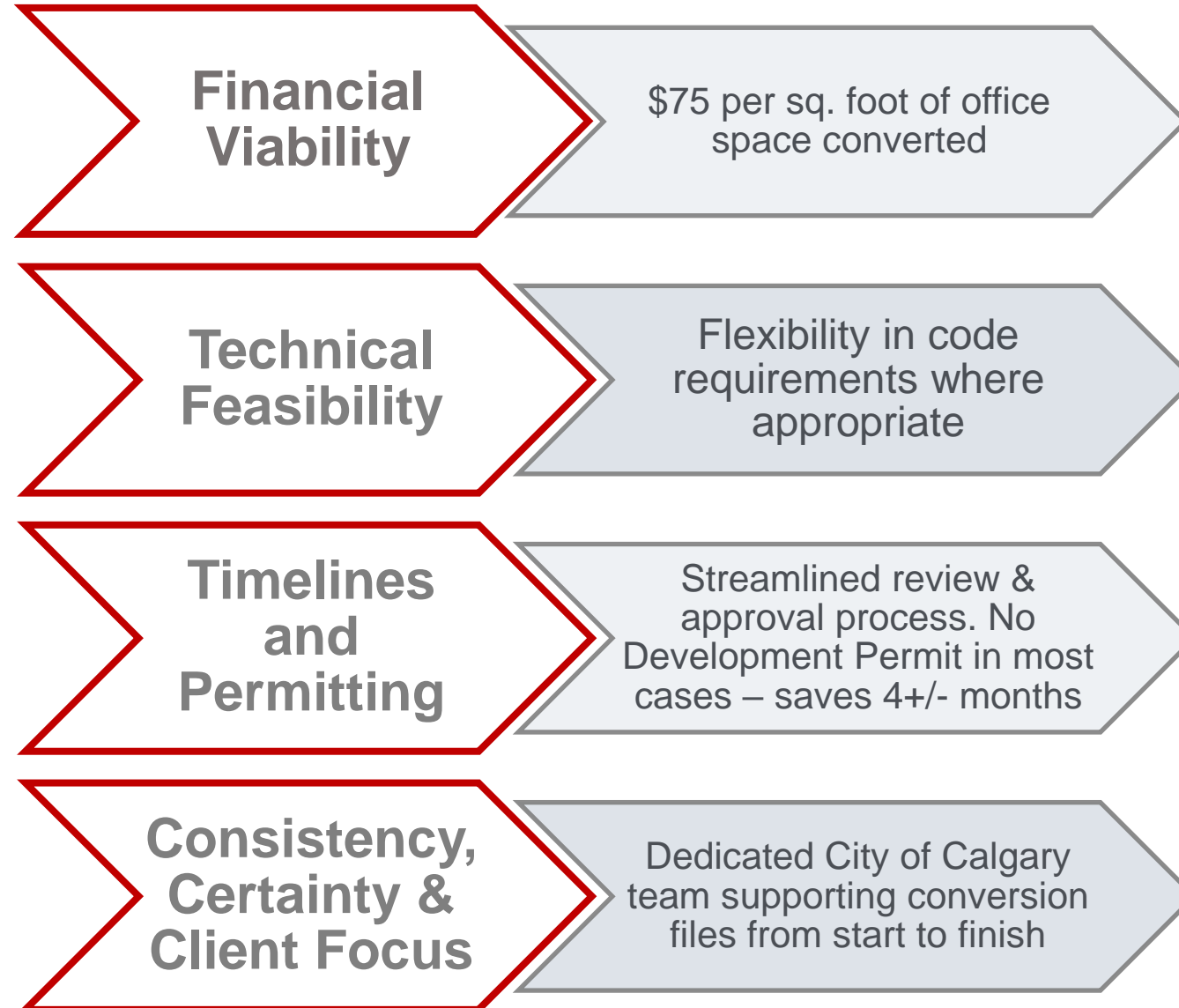
\$43M earmarked for projects in approval process

\$18M remaining for new applications

14 Projects.
2M sq ft.
2,000+ units

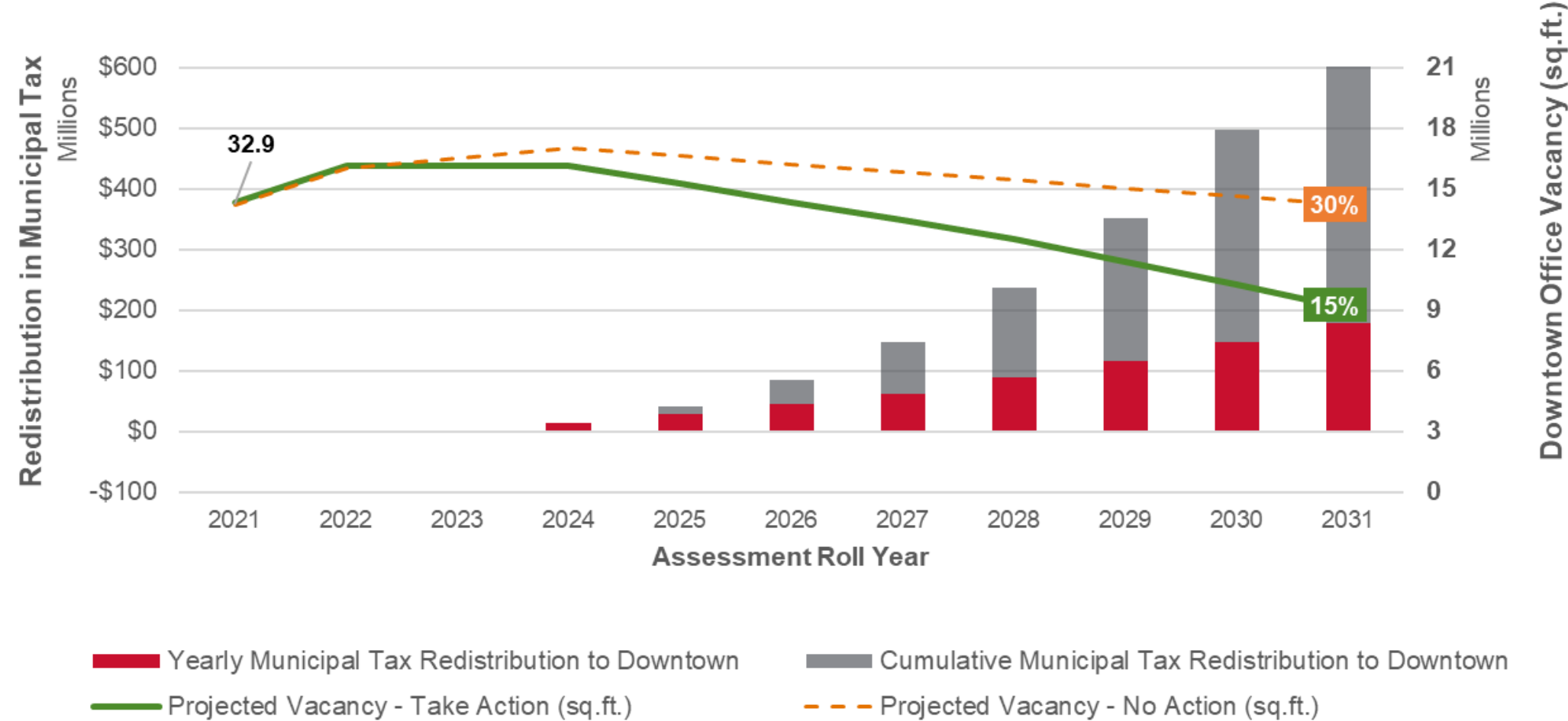


MADE IN CALGARY SOLUTIONS

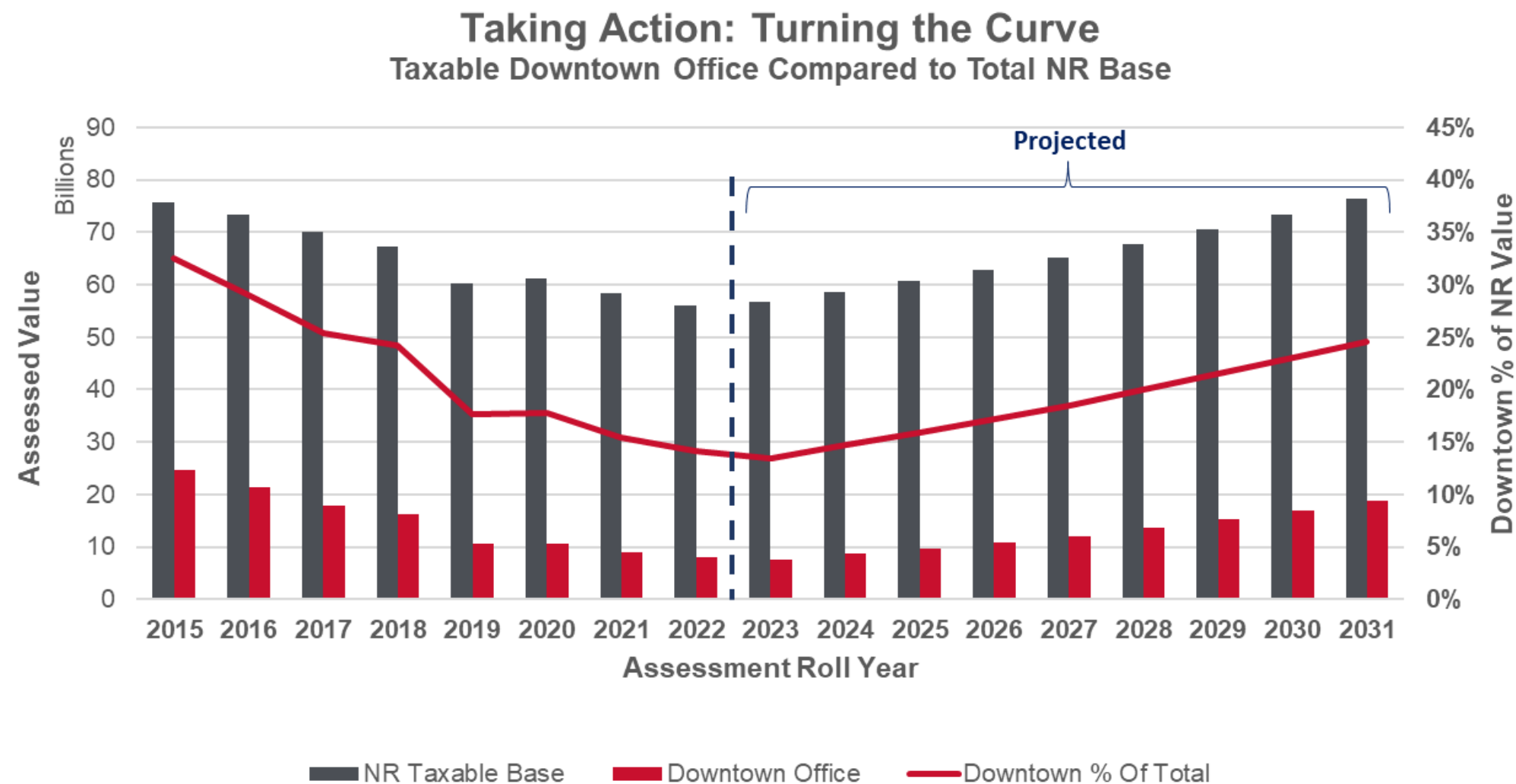


FUTURE STATE

Taking Action: Turning the Curve
Predicted Cumulative Municipal Tax and Vacancy

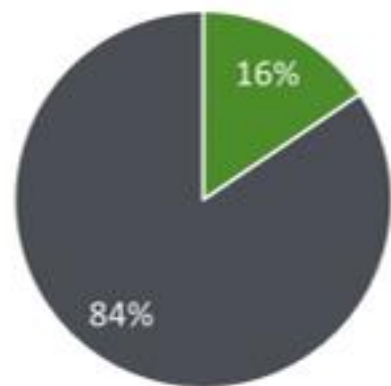


FUTURE STATE



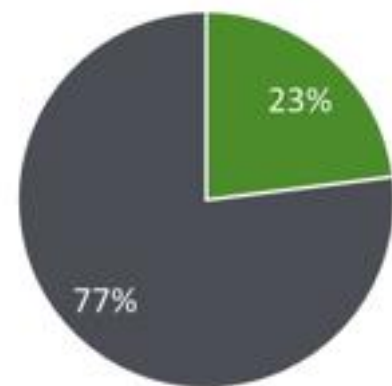
FUTURE STATE

2025 Non-Residential Assessed Values
(With Action)



■ Downtown Office ■ NR Non-Downtown Office

2031 Non-Residential Assessed Values
(With Action)



■ Downtown Office ■ NR Non-Downtown Office

WHAT'S NEXT?

Revised Downtown Calgary Development Incentive Program

The revised Downtown Calgary Development Incentive Program supports office space conversions to residential units, hotels, schools and performing arts centres.

Downtown Post-Secondary Institution Incentive Program

The Downtown Post-Secondary Institution Incentive Program provides incentives for Calgary's post-secondary institutions to establish a greater presence downtown.

Downtown Office Demolition Incentive Program

The Downtown Office Demolition Incentive Program supports the demolition of office buildings that are unsuitable for office conversions.

QUESTIONS?