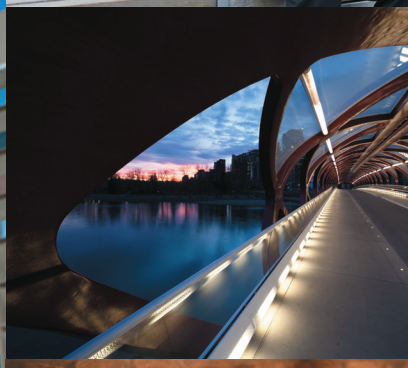
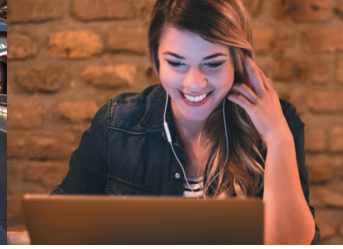
Calgary



2017
Business Assessment
MARKET REPORT

Business

INTRODUCTION



The Assessment business unit is pleased to present the 2017 Business Market Report. This report provides summary information about Calgary's 2017 business assessments.

The City of Calgary (The City) annually prepares business assessments for taxation purposes. The 2017 assessment values reflect the typical net annual rental value of businesses on **July 1, 2016.**

This report also provides information about how taxes have been re-distributed as a result of the annual assessment process. The tax shift information excludes any 2017 tax rate changes by City Council. Changes in assessed values do not directly correspond to changes in taxes. Tax rate changes are communicated through the budgetary process.

2017 business assessment summary of results

Total taxable accounts

26,918

Total value

3.14 billion

Assessment change

-6%

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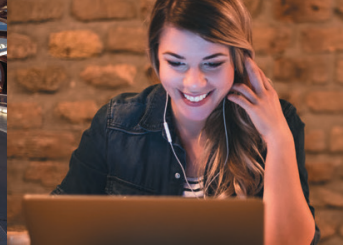
ABOUT BUSINESS ASSESSMENT



Business assessment

The 2017 business assessments are an estimate of the typical net annual rental value of premises based on the valuation date of **July 1, 2016**.

They do not reflect the specific type of business or the profitability of each business.

Who is assessed?

In most situations, any person who operates a business in premises within the city will be assessed for business tax purposes, regardless of whether one rents, leases or owns the space. A person who has a lease may choose to sublet certain areas to another business. Generally, the head lessee will be assessed and taxed for the entire area.

How do we assess businesses?

We collect and maintain market rental information on business premises through formal information requests mailed to property owners and managers each year. We may also conduct inspections and interviews with landlords and business tenants.

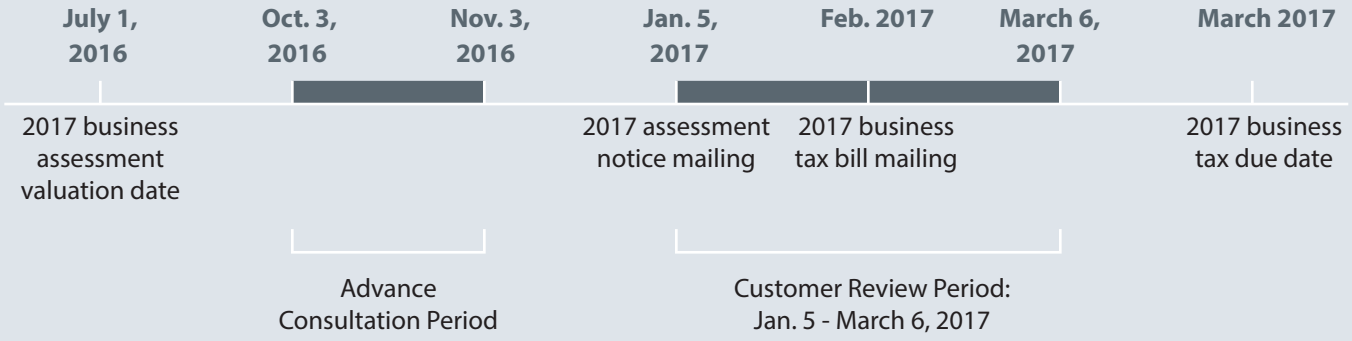
Assessors analyze the net annual rents for various types of premises, based on the **July 1, 2016** valuation date. Factors or attributes used to determine the typical net annual rental value are those usually recognized by the business rental market, such as the size, type and quality of space, location, etc. Typical leasehold improvement allowances, recognized in the real estate rental market, are excluded from the typical net annual rental rate.

The typical net annual rental rate for each business premises is expressed as either a rate per square foot or a rate per unit.

The business assessment is determined by multiplying the area or number of units of the premises used in connection with the business by the typical net annual rental rate per square foot or rate per unit for the type of premises.

Business assessment = Area or number of units x Typical net annual rental rate per square foot or unit

2017 Business Assessment/Tax Timeline



INFORMATION AND SERVICES AVAILABLE TO CUSTOMERS

Customer Review Period
(Jan. 5 – March 6, 2017)

The Customer Review Period provides business owners the opportunity to review their assessment and get their questions answered. It spans 60 days from the date of the assessment notice mailing. During the Customer Review Period, business owners are encouraged to:

CHECK the factual information we have on record for their business premises.

REVIEW their assessment to determine if it's a reasonable estimate of the typical net annual rental value of their business as of **July 1, 2016.**

COMPARE their assessment with similar business premises to ensure equity.

We are committed to preparing fair and equitable assessments. If information about a customer's business premises needs to be changed or updated, we ask customers to contact us during the Customer Review Period. If this results in a change to the customer's business assessment, an amended assessment notice will be issued. **Changes to an assessment will only be considered if an inquiry is received during the Customer Review Period.**

Assessment's customer service line: **403-268-2888**

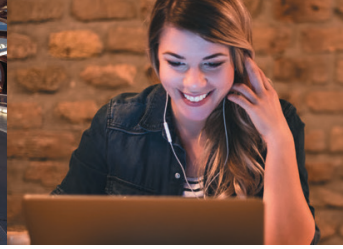
Online tools and resources

Assessment Search is a feature on **calgary.ca/assessment** that allows business owners the ability to access more information on their assessment and property details. Business owners are encouraged to use this service to check that the information we have on file for their premises is accurate, and to compare their assessment with other similar premises to ensure their assessment is fair and equitable.

Information about *Assessment Search*, including how to register, is provided with the assessment notice mailing and online at **calgary.ca/assessment**.

We also offer information on **calgary.ca/assessment** including explanations about the tax and assessment process, as well as assessment roll highlights.

2017 BUSINESS ASSESSMENT NOTICE



2017 Business Assessment Notice

Mailing Date	Customer Review Period	Business ID
January 5, 2017	January 5 - March 6, 2017	123456

Assessed Business Mailing Address

ANY RETAIL IN CALGARY INC
ANY RETAIL IN CALGARY #1234
ATTN: JANE DOE #111 22 ANYWHEREINCALGARY DR NW
CALGARY AB X1Y 2Z3

Business Location

123 ANYWHEREINCALGARY ST SW

Access Code	XXXXXX

Use this access code to view additional information about your assessment by logging into Assessment Search at calgary.ca/assessment.

YOUR BUSINESS ASSESSMENT

39,000	Your 2017 business assessment is based on the typical net annual rental value of your business premises on July 1, 2016 and will be used to calculate your 2017 business taxes.

Address	Space Type	Assessed Area (Sq. Ft. or # of Stalls)
111 22 ANYWHEREINCALGARY DR NW	Retail	1

Your 2017 Business Assessment

Net annual rental value means the typical market annual rental value of the premises exclusive of operating costs. The assessed value of your business premises provides the basis for determining your share of business taxes. This is not a tax bill. Your 2017 business tax bill will be mailed separately.

Customer Review Period: January 5 - March 6, 2017

Have a question about your assessment? Phone Assessment at 403-268-2888 to discuss your assessment and/or to provide information that may impact your assessed value. All inquiries to Assessment are free of charge and our staff may be able to resolve any concerns without the need to file a complaint.

Any changes to your 2017 assessment will only be considered if an inquiry is received during the Customer Review Period.

Assessment Review Board

Final Date to File Complaint	Complaint Fee
March 6, 2017	$30

For information about the Assessment Review Board complaint process, see reverse or visit calgaryarb.ca.

Page 1 Of 1

Z 900 (R2015-10)

This is not a tax bill
Your business tax bill will be mailed separately.

Business

2015-1007

2017 BUSINESS ASSESSMENT NOTICE

How your business assessment is determined

Your business assessment is determined by multiplying the area or number of units of the premises used in connection with the business by the typical net annual rental rate per square foot or rate per unit for the type of premises, as of the **July 1, 2016** valuation date – in other words, the typical net annual rental value of your premises given Calgary's rental market on July 1, 2016.

Customer Review Period

If you have any questions about your assessment, contact Assessment during the 60-day Customer Review Period (dates shown on the front of this notice). **Any changes to your 2017 business assessment will only be considered if an inquiry is received during the Customer Review Period.**

Please note: *you do* ***not*** *have to file a formal complaint to contact us.*

Access to information

To obtain additional assessment information about your business premises and/or general information on other premises for comparison purposes:

- Visit **calgary.ca/assessment** and click on *Assessment Search*. Detailed information is available if you securely log in, and general information is available without logging in. General information is also at **calgary.ca/assessment**.
- Complete and submit a Business Assessment Information Request form to our office. The form is available:
  - Online at **calgary.ca/assessment** (click the "Forms & publications" link on the right hand side of the page)

    OR
  - By contacting our office by mail, fax, phone or in person

To file a formal complaint with the Calgary Assessment Review Board (ARB)

If you are considering filing a formal complaint, please first contact Assessment at 403-268-2888. Your assessor may be able to resolve your concerns without the need to file a complaint. You do not have to file a formal complaint to contact Assessment.

If you still disagree with your assessment, you can file a complaint with the ARB. The ARB is an impartial tribunal that reviews the formal complaints of business owners who disagree with their assessment.

Visit **calgaryarb.ca** for more information and/or to file a complaint online. Complaints must be submitted in the required form, by the deadline and be accompanied by the complaint fee – as indicated on the front of this notice.

Coordinator, Assessment Review Board (#222)
P.O. Box 2100, Stn M.
Calgary, AB T2P 2M5

403-268-5858

Business

Assessment Search

The information you need regarding your assessment and premises details is available by securely logging into ***Assessment Search*** at **calgary.ca/assessment.**

- Review your premises details for accuracy
- Search for comparable premises to ensure fairness and equity
- View your estimated 2017 taxes

Already use the secure portion of *Assessment Search*?

Continue to log in as usual. The access code on the front of this notice is only required if you wish to add this business assessment account to a new or different myID account or if there has been a change in ownership.

First-time using the secure portion of *Assessment Search*?

1. **Create a City of Calgary myID account.**

   Visit **calgary.ca/myid** and follow the instructions to create a myID business account.

2. **Link your myID account to your business assessment information.**

   At **calgary.ca/assessment**, select *Assessment Search* and log in using your myID username and password. Enter the business identifier and confidential access code provided on the front of this notice.

Changes to your business premises may impact your assessment and your taxes. It is your responsibility to promptly advise The City of Calgary when changes occur.

Call Assessment at **403-268-2888** if you:

- Increase or decrease the area of the premises occupied or used for the purpose of, or in connection with a business.

Call **403-268-5311** or email **businessregistry@calgary.ca** if you:

- Operate a business for a temporary period.
- Move into a new premises or open a new premises and/or branches of an existing business.
- Begin or cease to operate a business.
- Change business ownership or trade name.

To change your business mailing address, email businessregistry@calgary.ca or fax 403-537-3034.

Assessment-related inquiries:

Phone	**403-268-2888** (Mon. – Fri., 8 a.m. – 4:30 p.m.) **311** (after 4:30 p.m. daily and on weekends) **Hearing impaired** **403-268-4889**
Online	**calgary.ca/assessment**
Fax	**403-268-8278**
In person*	2924 11 St. N.E. Calgary *Please call first to arrange an appointment.

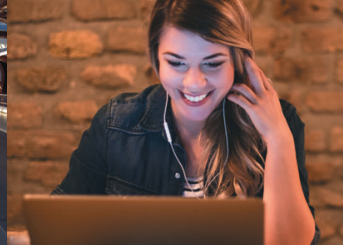
Tax-related inquiries:

Online	**calgary.ca/businesstax**
Phone	**311** or **403-268-CITY(2489)** outside Calgary

Business Tax Instalment Payment Plan (BTIPP):

Online	**calgary.ca/BTIPP**
Phone	**311** or **403-268-CITY(2489)** outside Calgary

BUSINESS TAX CONSOLIDATION



Business Tax Consolidation

The business tax consolidation process refers to the transferring of business tax revenues into non-residential property tax through incremental transfers over a seven-year period. The result will be a single, easy-to-understand real-estate based assessment and tax system for non-residential property and business owners.

The first transfer occurred in 2014 with 10 per cent of business tax revenues transferred to and collected through the non-residential property tax. The last transfer will occur in 2019, culminating with the elimination of the business tax.

Business tax consolidation is a revenue neutral process meaning it will not increase the amount of revenues collected by The City.

Business tax consolidation – tax change effects*

Year	Business Tax Change	Non-residential property tax change*
2013	0%	0%
2014	-10%	2.3%
2015	-10%	2.3%
2016	-20%	4.6%
2017	-20%	4.6%
2018	-20%	4.6%
2019	-20%	4.6%
Total	-100%	23%

The business tax, for business tax revenue purposes, will be eliminated in 2019.

*In this table, the 2014, 2015 and 2016 figures have been adjusted to reflect the impact of the revenue transfers in those years on this year's tax rate (i.e. the impact of last year's 20 per cent transfer on this year's tax rate is 4.6 per cent). The 2017-2019 figures are based on the estimated 2017 tax rates. The annual tax implications will vary based on changes to property/premises details, annual re-assessment shifts and/or annual Council or provincial tax rate adjustments.

How do the revenue transfers work?

1. **Each year,** Council determines its revenue requirements from each revenue source.

business tax revenue required / **taxable business assessment base** = **business tax rate**

non-residential tax revenue required / **taxable non-residential assessment base** = **non-residential property tax rate**

2. In 2017, approximately 20 per cent of business tax revenues will be transfered to and collected through the non-residential property tax, resulting in a cumulative 60 per cent decline in the business tax rate from 2013 levels.**

2013 business tax revenue requirement -60% / **taxable business assessment base** = **business tax rate ▼ by 60%**

3. In 2017, the non-residential property tax rate will see an additional estimated 4.6 per cent increase for a total estimated cumulative increase of 13.8 per cent to account for the total reduction in business tax revenues.

non-residential property tax revenue + 60% of 2013 business tax revenue requirement** / **taxable non-residential property base** = **non-residential property tax rate ▲ by an estimated 13.8%**

**2013 business tax revenue amount has been adjusted for business growth and contingencies.

OUR COMMITMENT

Our commitment is to ensure fair and equitable assessed values for the purpose of the distribution of taxes.

Transparency

- The City of Calgary's tax revenues do not increase or decrease based on assessed value changes caused by net annual rental value market fluctuations.
- Tax changes are communicated through the budgetary process.

The revenue neutral process helps explain how an individual business's taxes have changed due to that business's year-to-year change in assessment.

Compared to the city-wide typical net annual rental value business assessment per cent change, if a business's approximate year-to-year per cent change in assessment is:

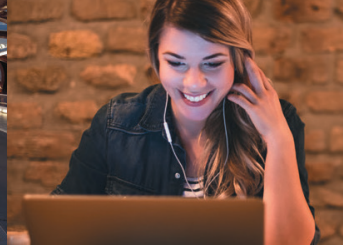
Less than the typical per cent change: That business's revenue neutral taxes will decrease.

The same as the typical per cent change: That business's revenue neutral taxes will stay about the same.

More than the typical per cent change: That business's revenue neutral taxes will increase.

Visit **calgary.ca/assessment** for more information and to view the 2017 city-wide typical net annual rental value business assessment per cent change.

SUMMARY COMPARISON OF 2016 AND 2017 BUSINESS ASSESSMENT ROLLS



2017 Taxable Accounts by Major Category

	2016	2017
Assessment Base	3,339,838,000	3,140,748,000
Tax Rate	0.0427	0.0462*
Total Accounts	26,824	26,918

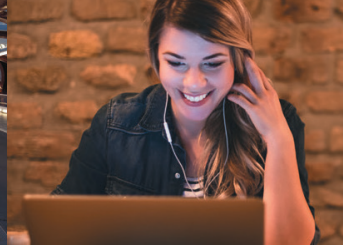
*2017 Revenue Neutral Tax Rate

2017 BUSINESS ASSESSMENT SUMMARY

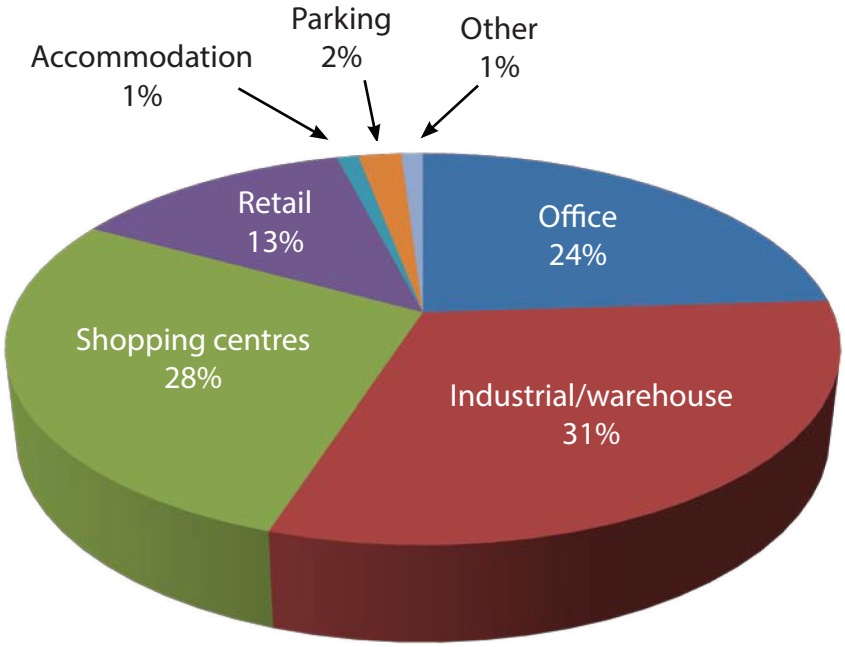
2017 Business Accounts by Major Category

	Number of Taxable Accounts
Office	6,380
Industrial/Warehouse	8,335
Shopping Centres	7,563
Retail	3,446
Accommodation	168
Parking	632
All Other	394
Total	**26,918**

NUMBER OF TAXABLE 2017 BUSINESS ACCOUNTS (%)



Per cent of taxable business accounts (%)

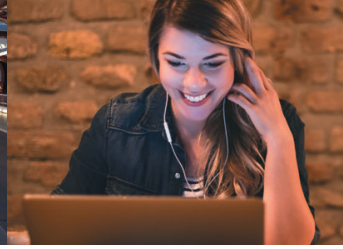


2017
BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE

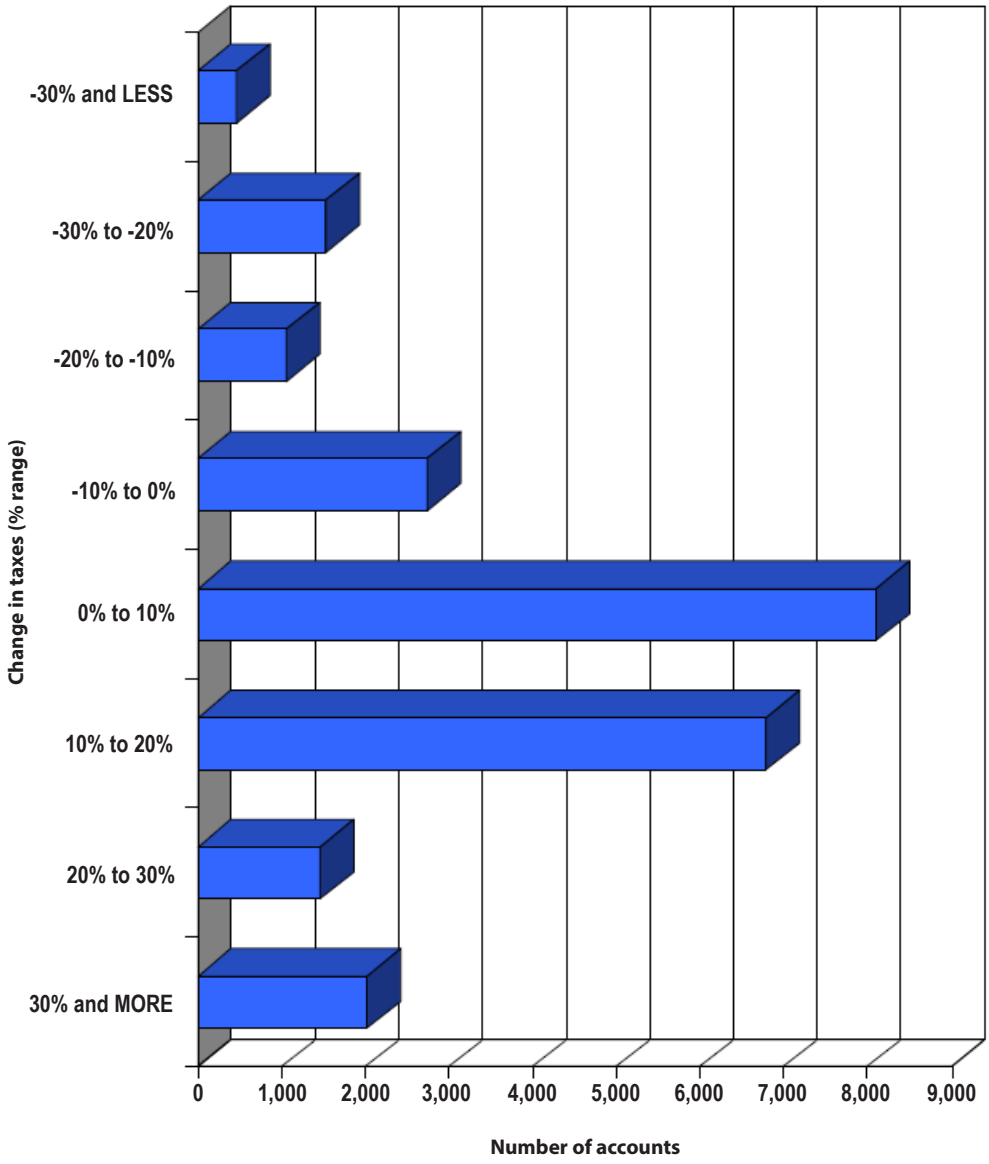
BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE

Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	462	2	2	100	
-30% to -20%	1,532	6	8	98	
-20% to -10%	1,057	4	13	92	
-10% to 0%	2,740	11	24	87	45%
0% to 10%	8,095	33	57	76	
10% to 20%	6,788	28	86	43	
20% to 30%	1,470	6	92	14	
30% and more	2,028	8	100	8	
Total frequency	24,172	100%			

BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE



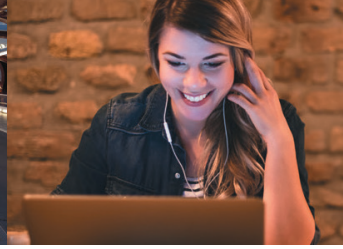
Per Cent Range



BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE
OFFICE

Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	235	4	4	100	
-30% to -20%	1,248	22	26	96	
-20% to -10%	588	10	36	74	
-10% to 0%	1,434	25	60	64	35%
0% to 10%	581	10	70	40	
10% to 20%	491	8	79	30	
20% to 30%	664	11	90	21	
30% and more	563	10	100	10	
Total frequency	5,804	100%			

BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE **INDUSTRIAL/WAREHOUSE**

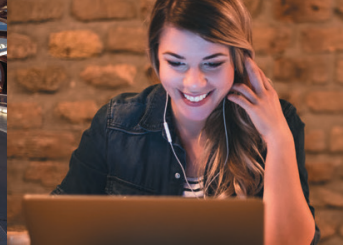


Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	76	1	1	100	
-30% to -20%	29	0	1	99	
-20% to -10%	27	0	2	99	
-10% to 0%	373	5	7	98	48%
0% to 10%	3,266	43	50	93	
10% to 20%	3,114	41	91	50	
20% to 30%	220	3	94	9	
30% and more	455	6	100	6	
Total frequency	7,560	100%			

BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE **SHOPPING CENTRES**

Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	72	1	1	100	
-30% to -20%	106	2	3	99	
-20% to -10%	211	3	6	97	
-10% to 0%	569	8	14	94	46%
0% to 10%	2,518	37	52	86	
10% to 20%	2,379	35	87	48	
20% to 30%	397	6	93	13	
30% and more	482	7	100	7	
Total frequency	6,734	100%			

BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE
RETAIL

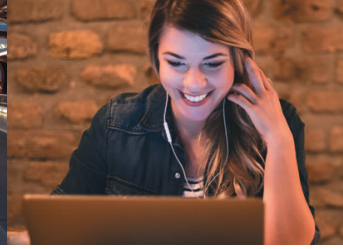


Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	52	2	2	100	
-30% to -20%	106	4	5	98	
-20% to -10%	107	4	9	95	
-10% to 0%	309	10	19	91	44%
0% to 10%	1,004	33	52	81	
10% to 20%	767	25	78	48	
20% to 30%	180	6	84	22	
30% and more	490	16	100	16	
Total frequency	3,015	100%			

BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE **ACCOMMODATION**

Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	19	15	15	100	
-30% to -20%	33	26	40	85	
-20% to -10%	33	26	66	60	
-10% to 0%	1	1	67	34	26%
0% to 10%	33	26	92	33	
10% to 20%	1	1	93	8	
20% to 30%	0	0	93	7	
30% and more	9	7	100	7	
Total frequency	129	100%			

BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE **PARKING**



Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	1	0	0	100	
-30% to -20%	9	1	2	100	
-20% to -10%	89	15	16	98	
-10% to 0%	45	7	24	84	84%
0% to 10%	468	76	100	76	
10% to 20%	0	0	100	0	
20% to 30%	0	0	100	0	
30% and more	0	0	100	0	
Total frequency	612	100%			

BUSINESS REVENUE NEUTRAL TAX CHANGES CITY-WIDE
ALL OTHER

Change in RN taxes (% range)	Frequency	% of total	Cumulative %	Reverse cumulative %	Per cent changing +/- 10% in RN taxes
-30% and less	7	2	2	100	
-30% to -20%	1	0	3	98	
-20% to -10%	2	1	3	97	
-10% to 0%	9	3	6	97	74%
0% to 10%	225	71	77	94	
10% to 20%	36	11	88	23	
20% to 30%	9	3	91	12	
30% and more	29	9	100	9	
Total frequency	318	100%			

For information and inquiries, contact The City of Calgary Assessment:

Telephone **403-268-2888** (Mon. - Fri., 8 a.m. - 4:30 p.m.)
311 (after 4:30 p.m. daily and on weekends)

Hearing impaired
403-268-4889

Web **calgary.ca/assessment**

Fax **403-268-8278**

Mail The City of Calgary
Assessment (#8002)
P.O. Box 2100, Stn. M
Calgary, AB T2P 2M5

In person* 2924 11 St. N.E. Calgary
*Please call first to arrange an appointment

Call 311 for:
> Business Tax Instalment Payment Plan (BTIPP)
> Outside Calgary, call **403-268-CITY (2489)**