MARKETBEAT
SASKATOON, SK
Industrial Q1 2024

	YoY Chg	12-Mo. Forecast
2.61% Vacancy Rate	▲	▼
-24,061 Net Absorption, SF	▼	▲
$12.55 Asking Rate, PSF	▲	▲

Overall, Net Asking Rent

ECONOMIC INDICATORS
Oct-23

	YoY Chg	12-Mo. Forecast
225,600 Saskatoon, SK Employment	▲	▲
5.5% Saskatoon, SK Unemployment Rate	▲	▲
5.7% Canadian Unemployment Rate	▲	▲

SASKATOON INFORMATION

Through 2023 Saskatoon completed a total of 443,460 square feet of industrial space, of which, 42% was built on speculation while the remaining 58% was either built for a owner/user or built to suit tenant. Despite a historically significant amount of new industrial supply it has done little to alleviate the limited availability of industrial property as demand outpaced new supply in 2023 totaling 599,151 SF of positive absorption. 2024 is on track to be another significant year of industrial development with more than 60.26 acres of industrial zoned land sold in 2023 and approximately 244,135 square feet of industrial space presently under construction as of Q1 2024.

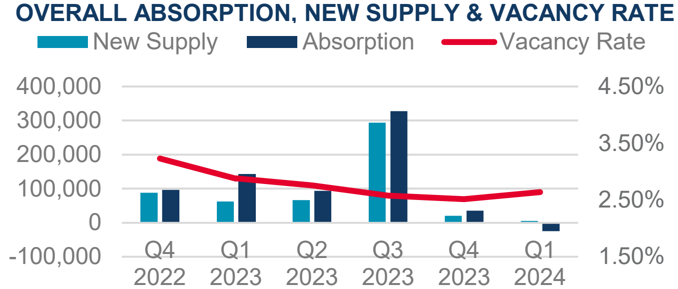
INDUSTRIAL SALE SUMMARY

In 2023, 46 industrial buildings sold for an average of $179 PSF, if the list were vetted for functional obsolescence a total of 34 buildings sold in 2023 for an average $193 PSF. There are presently 22 buildings for sale at an average ask price of $209 PSF. Industrial investment opportunities are limited, and as of Q1 2024 there are three properties actively for sale as investment opportunities. In 2023 eight (8) industrial properties sold as an investment, capitalization rates varied between 5.60% - 7.57%, with sales now trending toward 7.5% - 8.0% in the later half of 2023 and into 2024. Industrial zoned land in Saskatoon traded in 2023 between $465,00 - $800,000 P/Ac, with an average of $565,000 P/Ac.

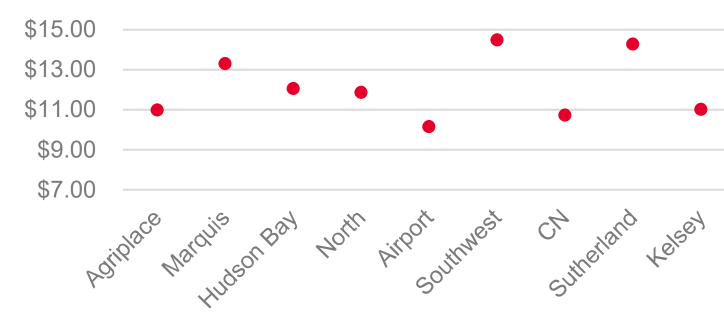
INDUSTRIAL LEASE SUMMARY

Industrial vacancy in Saskatoon remains well below average at 2.61%, which has presented challenges for tenants wishing to relocate to properties that suit their operational needs or wishing to expand. As of Q1 2024, there is approximately 244,135 SF of industrial space under construction, and of which, only 30% is actively marketed for lease, the remaining 70% is built for owner/user or built to suit. Developers have been less bullish in building on speculation post COVID-19 due to rising construction prices and historically high interest rates. As a result of limited speculative construction it is unlikely there will be any significant change to the industrial vacancy rate in 2024. Industrial asking rates for quality properties range between $13 - $15.50, with dated properties typically advertised between $9.50 - $12 PSF.

OVERALL ABSORPTION, NEW SUPPLY & VACANCY RATE



NET ASKING RATES BY SUBMARKET



MARKETBEAT

SASKATOON, SK

Industrial Q1 2024

MARKET STATISTICS

SUBMARKET	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT YTD NET ABSORPTION (SF)	AVERAGE ASKING RATE (PSF)	AVERAGE OCC COSTS (PSF)
Agriplace	12,792	0.91%	0	$11.00	$4.25
Marquis	182,876	2.94%	-29,747	$13.31	$4.97
Hudson Bay	163,287	3.71%	-18,436	$12.06	$5.05
North	179,754	3.54%	-29,711	$11.88	$4.49
Airport	43,123	2.55%	-2,378	$10.16	$4.24
Southwest	12,000	0.84%	24,950	$14.50	$4.50
CN	19,412	1.19%	24,875	$10.73	$3.50
Sutherland	0	0.00%	13,033	$14.28	$4.99
Kelsey	11,838	0.90%	-6,647	$11.03	$5.75
SASKATOON TOTALS	**625,082**	**2.61%**	**-24,061**	**$12.55**	**$4.64**

NEW UNDER CONSTRUCTION DEVELOPMENTS

PROPERTY	SUBMARKET	TYPE	SF	EST COMPLETION
923 71ST St E / 310 Piggott Cres	Marquis	BTS/Spec	42,875 / 51,260	Q3 2024
123 / 127 Radu Cr	Marquis	Spec	28,125	Q2 2024
4128 Shoquist Ave	Marquis	O/U	70,000*	Q3 2024

KEY SALE TRANSACTIONS Q3 2023 / Q1 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/$SF
210 Faithfull Cres	Hudson Bay	Faithfull Crescent Industrial / STE Faithfull Holdings	17,718	$206.01
835 60th St E	Hudson Bay	Saleim Holding Ltd / Webster Enterprises Ltd	6,300	$185.24
855 60th St E	Hudson Bay	618797 Sask Ltd / 101282902 Sask Ltd	13,028	$138.16
2250 Hanselman Ave	Airport	Jaes Woodworks Ltd / Quatre Amis Holdings Ltd	8,160	$186.90

KEY INVESTMENT TRANSACTIONS 2023 / 2024 (with Income)

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/$SF
802 57th St E	Hudson Bay	Venus Enterprises Inc / LUHNING HOLDINGS INC.	13,958	$125.37
2924 Miners Ave	Hudson Bay	Amherst Properties Ltd / Northstar Innovative	39,000	$112.82
3942 Burron Ave	Marquis	Rocom,Kullman.Robb LTD / Serhan Investments	16,040	$302.36
3943 Burron Ave	Marquis	JCL HOLDINGS / 102161781 SASKLTD.	16,000	$180.60

SCOTT FRIESEN
President | Broker
306.934.3377
scott.friesen@cwsaskatoon.com

A LOCAL FIRM WITH A GLOBAL REACH

Cushman & Wakefield Saskatoon is a locally owned and operated Commercial Real Estate Firm located in beautiful Saskatoon, Saskatchewan. The Cushman & Wakefield Saskatoon team has over 30 years of experience in Saskatoon's unique and vibrant commercial real estate market. With expert commercial leasing and sales associates specializing in land, retail, industrial, office, investment and business properties, our team is equipped to give our clients unparalleled local market intelligence and world-class service.

cushmanwakefieldsaskatoon.com