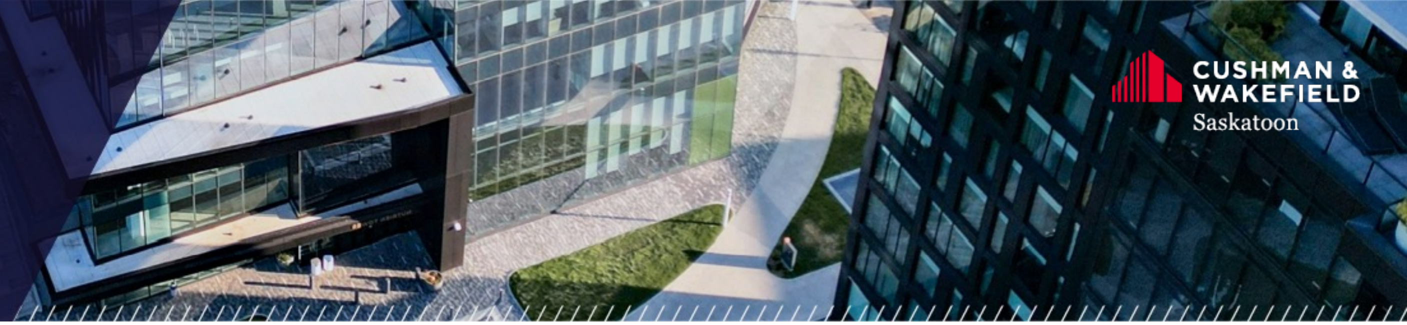


CW SASKATOON RESEARCH

MARKETBEAT REPORT

CBD OFFICE Q1 2025

	YoY CHANGE	12-MO. FORECAST
21.00% VACANCY RATE	▲	▲
-16,566 NET ABSORPTION, SF	▼	▼
$19.32 ASKING RENT, PSF *Overall, All Property*	▼	▼

ECONOMIC INDICATORS
December 2024

	YoY CHANGE	12-MO. FORECAST
201,000 EMPLOYMENT SASKATOON, SK	▼	▼
7.1% UNEMPLOYMENT RATE SASKATOON, SK	▲	▲
6.7% UNEMPLOYMENT RATE CANADA	▲	▲

Source: Statistics Canada, CREA

OVERVIEW

The Saskatoon CBD office market continues to experience slower recovery in comparison to the suburban office market. In Q1 2025, absorption for the CBD office market totalled -16,566 SF, a stark contrast to the suburban office market's positive absorption of 94,975 SF during the same period. Office inventory outside the AA Classification has met limited demand, with landlords continuing to reduce net rental rates and offer significant inducement packages, fit-outs, and shorter terms. Post-COVID-19, tenants have polarized their office space preferences, gravitating toward either budget-friendly options, premium spaces, or turnkey solutions. While significant shifts in the office market are poised to occur within the next two years, there is little evidence to suggest any major CBD office market changes in the near term, even after BHP relocates to 130 4th Ave N this summer.

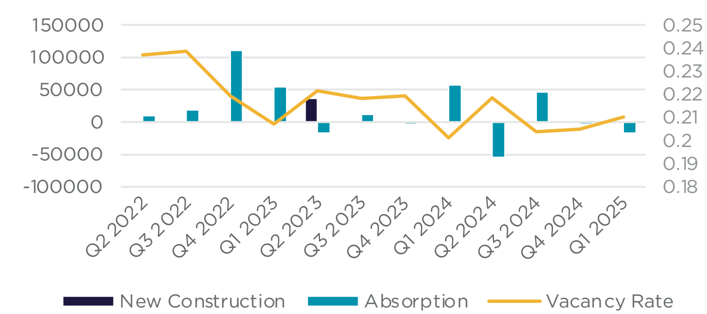
LEASING & DEMAND

In 2025, notable vacancy increases include 201 21st St E, where vacancy rose from 8,291 SF to 28,876 SF, and 606 Spadina Crescent, increasing from 8,399 SF to 22,913 SF. Significant leasing activity in the first quarter includes HK Henderson securing 9,164 SF at 409 3rd Ave S, 410 22nd St E absorbing 14,128 SF, and Myers Norris Penny leasing 7,840 SF at 119 4th Ave S. Discovery Plaza at 130 3rd Ave S will add approximately 50,000 SF of vacant space to the office market by summer 2025.

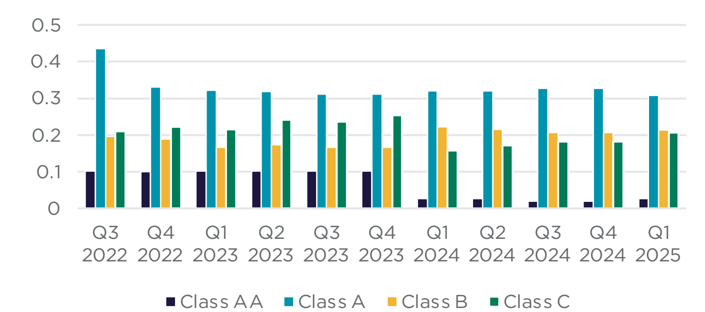
CBD OFFICE MARKET

Class AA CBD office vacancy remains low at 2.6% and is unlikely to change significantly in the short term. Class A properties, which include Vedasta Square, Princeton Tower, the former Nutrien Tower, and Discovery Plaza, experienced a decline in vacancy in the first quarter of 2025 from 32.77% to 30.85%, with net asking rates remaining consistent at $25.29 PSF. Class B CBD office vacancy increased from 20.63% in Q4 2024 to 21.32% in Q1 2025. Class C office space vacancy rose from 18.18% in Q4 2024 to 20.60% in Q1 2025. The short-term forecast for the CBD indicates an increase in the overall vacancy rate with minimal movement across classes. While significant shifts that could benefit the CBD are on the horizon, these positive changes will not materialize in the immediate future.

CBD OFFICE SURVEY



VACANCY RATE



DETAILED STATISTICS ON PAGE TWO

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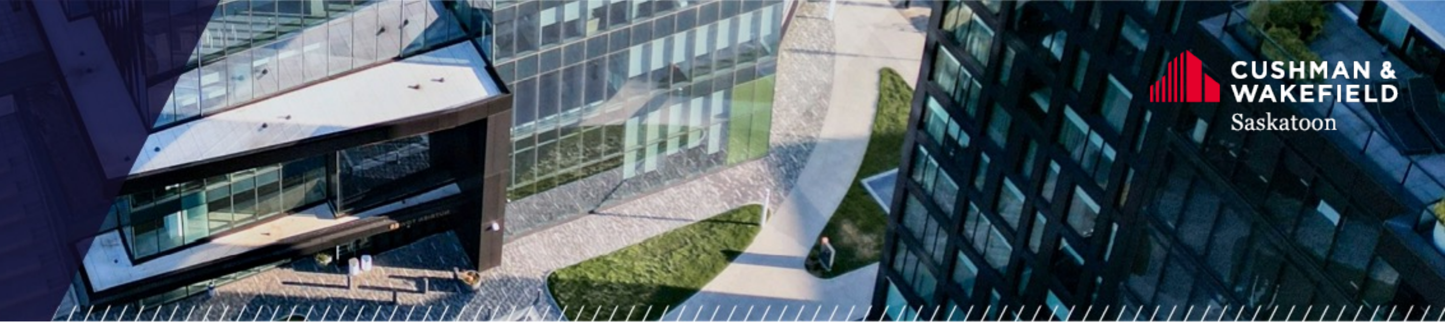
MARKETBEAT REPORT

CBD OFFICE Q1 2025



CUSHMAN & WAKEFIELD Saskatoon

MARKET STATISTICS

BUILDING CLASSIFICATION	TOTAL	VACANT	VACANCY RATE	NET ASKING RATE	OCCUPANCY COST
CLASS AA	390,329	10,313	2.60%	$33.50	$16.08
CLASS A	734,387	226,552	30.85%	$25.29	$15.47
CLASS B	1,078,000	229,409	21.32%	$17.58	$14.59
CLASS C	982,952	202,536	20.60%	$16.10	$12.98
TOTAL	**3,183,668**	**668,810**	**21.01%**	**$19.32**	**$14.10**

KEY CBD OFFICE LEASE TRANSACTIONS 2025

PROPERTY	UNIT	TENANT	SQ FT	QUARTER
309 3rd Ave S	402	HK Henderson	9,164	Q4 2024
119 4th Ave S	999/601	MNP	7,840	Q1 2025
216 1st AVE S	MULTIPLE	MULTIPLE	14,128	Q1 2025

KEY CBD OFFICE SALE TRANSACTIONS 2024

PROPERTY	COMMON NAME	SELLER / BUYER	SQ FT	SALE PRICE
204 5th Ave N	Star Phoenix Building	Postmedia Network Inc / Duchuck Holdings Ltd	96,134	$5,900,000

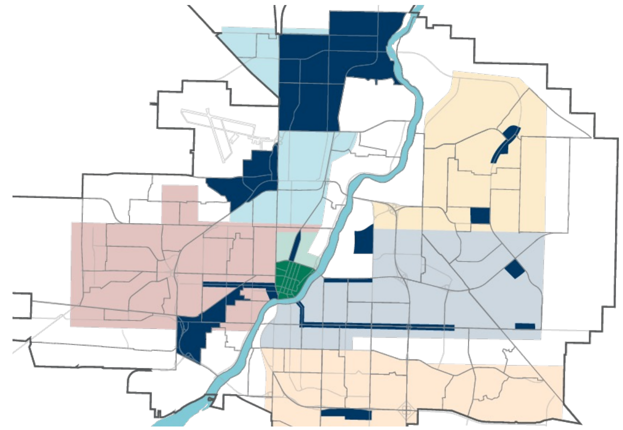
KEY SASKATCHEWAN HIGHLIGHTS

In early 2022, potash prices peaked at $1,202 USD per ton, driving major Saskatchewan producer investments. K+S announced plans to double Bethune mine production, Nutrien committed to a 40% increase by 2025, and BHP accelerated Jansen mine's Phase One with a $5.7 billion USD investment. BHP's Jansen Stage 1 is 32% complete as of October 2023, with production expected in late 2026. BHP has also approved $6.4 billion for Jansen Stage 2, targeting production by 2029.

Saskatchewan maintains 40% of Canada's crop acreage (37 million acres)—exceeding Alberta and Manitoba combined. Canola leads production, followed by spring wheat and lentils. The sector is increasingly developing value-added products to enhance economic diversification.

Between August 2023 and March 2024, uranium prices rose significantly. NexGen Energy received environmental approval in November 2023 for the Rook I Project, which will produce up to 30 million pounds of uranium annually. Canada aims to reclaim its position as the leading global uranium producer, with Cameco planning a 30% production increase in 2025.

FOR AN IN-DEPTH MARKET REVIEW FOR SASKATOON, CONTACT OUR OFFICE AT INFO@CWSASKATOON.COM



Central Business District *Suburban Office*

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CUSHMAN & WAKEFIELD Saskatoon

CUSHMAN & WAKEFIELD SASKATOON
A LOCAL FIRM WITH GLOBAL REACH

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