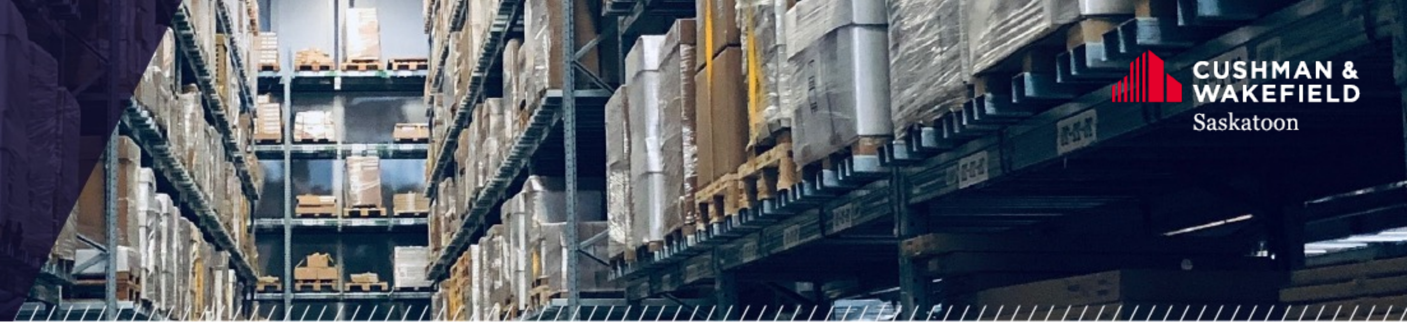
CW SASKATOON RESEARCH

MARKETBEAT REPORT

INDUSTRIAL Q3 2024



	YoY CHANGE	12-MO. FORECAST
2.13% VACANCY RATE	▼	▲
85,142 NET ABSORPTION, SF *Q2 2024 – Q3 2024*	▼	▲
$13.63 ASKING RENT, PSF *Overall, Net Asking Rent*	▲	▲

ECONOMIC INDICATORS
JUNE 2024

	YoY CHANGE	12-MO. FORECAST
225,600 SASKATOON, SK EMPLOYMENT	▲	▲
5.3% SASKATOON, SK UNEMPLOYMENT RATE	▼	▲
6.1% CANADIAN UNEMPLOYMENT RATE	▲	▲

MARKET STATISTICS, NEW CONSTRUCTION DETAILS, AND KEY TRANSACTIONS ON PAGE TWO

OVERVIEW

Through 2024 Saskatoon's industrial market experienced shrinking availability with the vacancy rate from Q1 2023 falling 51 basis points (0.51%) reaching a record low of 2.13% as of Q3 2024. Net asking rates have increased by nearly 8% year over year and are climbing both as a consequence of the cost of new construction and limited availability. Saskatoon is on track for another significant year of industrial construction with approximately 360,000 square feet of new supply expected by year-end of 2024. Eight (8) of the thirteen (13) buildings presently under construction are owner/user developments, and the remaining five (5) projects commenced on speculation.

INDUSTRIAL SALE SUMMARY

"Industrial sales have slowed considerably year over year with 15 industrial sales as of Q3 2024 compared to 42 Q3 2023, or 230,000 SF in 2024 compared to 630,000 SF in 2023. In addition to fewer sales the average sale price per square foot has also declined year over year with the average in 2024 $162 compared to $179 in 2023.

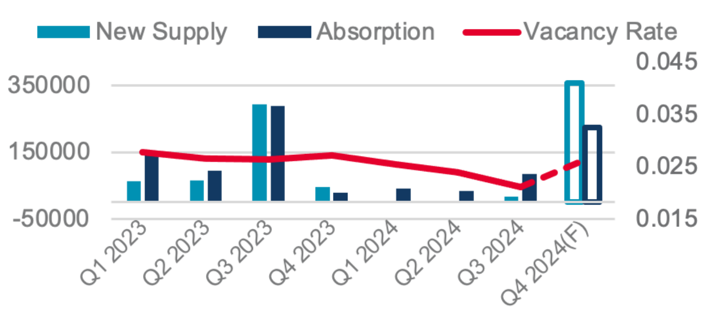
The majority of sales in 2024 are older buildings or dated in function compared to 2023. 2024 has observed an increase in pure industrial investment sales (opposed to owner/user purchases) than in 2023 that more accurately depict the price of capital in 2024, which has resulted in capitalization rates between 7.57% - 8.10% and a lower sale price per square foot.

INDUSTRIAL LEASE SUMMARY

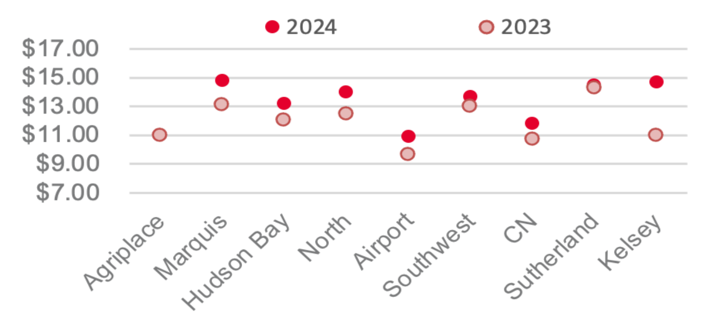
From Q1 2024 to Q3 2024 Saskatoon experienced 85,142 SF of positive absorption, and the total year-to-date absorption is 189,981 SF. Industrial vacancy decreased from Q1 2024 2.61% to 2.13% as of Q3 2024, which has presented challenges for tenants wishing to relocate to properties that suit their operational needs or wishing to expand. As of Q3 2024, there is approximately 470,000+ SF of industrial space under construction, with 360,000 expected for completion by year-end.

Speculative construction accounts for approximately 130,000 square feet of the 360,000 scheduled for completion by 2025. Net asking rates have increased nearly $1.00 or 8% from 2023, with the weighted average ask rate at $13.63. New construction ranges between $14 - $16.50 net asking per square foot, with dated properties typically advertised between $9.00 - $12.00 PSF.

OVERALL ABSORPTION, NEW SUPPLY & VACANCY RATE



NET ASKING RATES BY SUBMARKET



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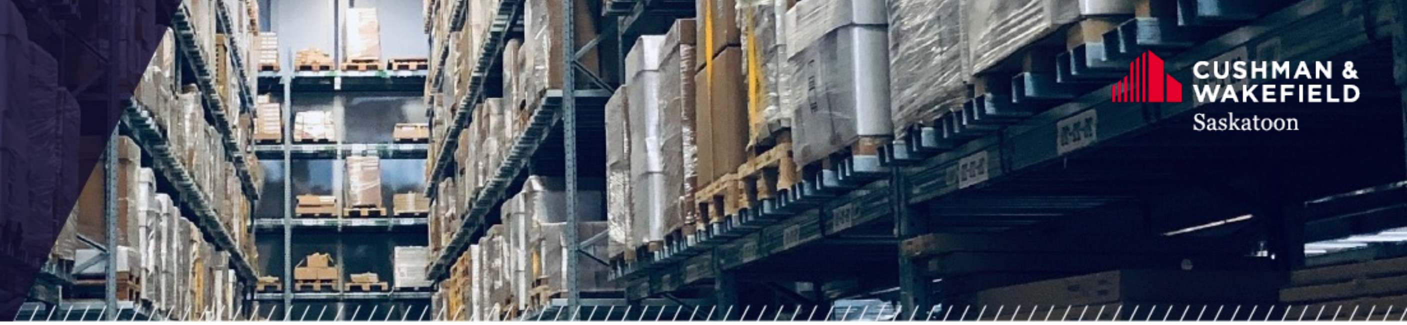

CUSHMAN & WAKEFIELD Saskatoon

MARKET STATISTICS

SUBMARKET	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT YTD NET ABSORPTION (SF)	AVERAGE ASKING RATE (PSF)	AVERAGE OCC COSTS (PSF)
AGRIPLACE	3,000	0.21%	9,792	$11.00	$4.25
MARQUIS	157,151	2.33%	105,978	$14.78	$5.32
HUDSON BAY	123,781	2.81%	21,070	$13.19	$5.39
NORTH	108,248	2.13%	41,795	$14.00	$4.82
AIRPORT	38,509	2.28%	2,236	$10.89	$4.09
SOUTHWEST	10,800	0.75%	26,150	$13.67	$5.25
CN	43,051	2.64%	1,236	$11.80	$6.63
SUTHERLAND	23,639	3.01%	-10,606	$14.48	$4.99
KELSEY	12,861	0.98%	-7,670	$14.65	$4.56
SASKATOON TOTALS	**521,040**	**2.13%**	**189,981**	**$13.63**	**$5.03**

NEW UNDER CONSTRUCTION DEVELOPMENTS

PROPERTY	SUBMARKET	TYPE	SF	EST. COMPLETION
111 Radu Cres	Marquis	Spec / Condo	21,274	Q4 2024
123 / 127 Radu Cr	Marquis	Spec	28,125	Q4 2024
821 64th St E	Marquis	Spec	23,040	Q4 2024
813 64th St E	Marquis	Spec	60,928	Q4 2024
310 Piggott Cres	Marquis	BTS / Spec	81,260	Q2 2025

KEY SALE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $SF
851 58th St E	Hudson Bay	101234698 Sask Ltd / 102010163 Sask Ltd	10,000	$193.00
863 60th St E	Hudson Bay	618877 Sask Ltd / LMT INVESTMENTS INC.	9,057	$193.00
523 45th St E	North Industrial	Miranda Development Corp / B-LINE EXPERTIRE	5,040	$168.65
2127 1st Ave N	North Industrial	Hubbard Four Holdings Ltd / 102193681 SASK LTD	11,570	$79.95

KEY INVESTMENT TRANSACTIONS 2024 *(with Income)*

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $SF
802 57th St E	Hudson Bay	Venus Enterprises Inc / LUHNING HOLDINGS INC.	13,959	$125.37
1502 Quebec Ave	Kelsey Woodlawn	Richardson House of Fixtures / 2417330 ONTARIO	111,095	$108.02

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

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CUSHMAN & WAKEFIELD Saskatoon

CUSHMAN & WAKEFIELD SASKATOON
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