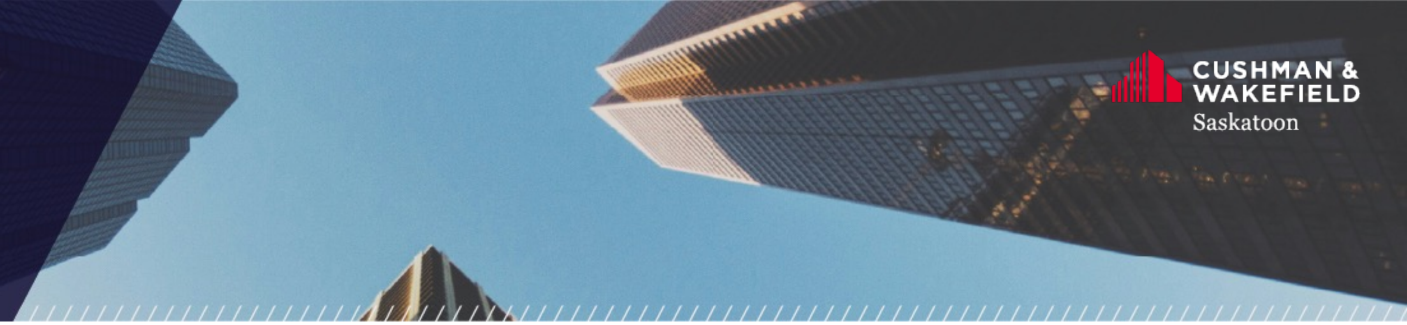
CW SASKATOON RESEARCH

MARKETBEAT REPORT

INVESTMENT Q4 2024



	YoY CHANGE	12-MO. FORECAST
7.27% AVG CAP RATE *All Assets, Saskatoon*		
5.45% PRIME RATE		
2.85% VACANCY RATE *All Assets, Saskatoon*		

ECONOMIC INDICATORS
DECEMBER 2024

	YoY CHANGE	12-MO. FORECAST
235,700 EMPLOYMENT SASKATOON, SK		
5.2% UNEMPLOYMENT RATE SASKATOON, SK		
6.8% UNEMPLOYMENT RATE CANADA		

Source: Statistics Canada, CREA

DETAILED STATISTICS ON PAGE TWO

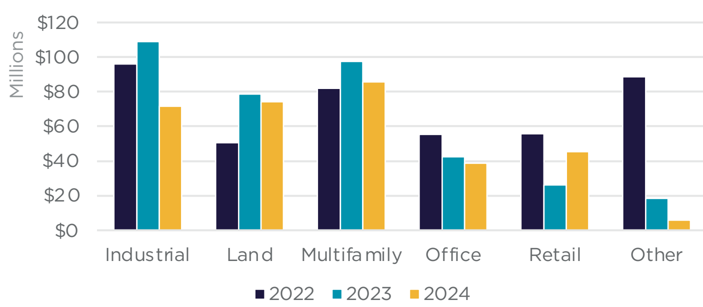
OVERVIEW

Saskatoon's commercial real estate investment market recorded $321.5M in transactions through 2024, representing a 13.57% decrease from 2023's $372M total volume. The most notable shift occurred in the industrial sector, where transaction volume decreased from $109M in 2023 to $71.6M in 2024, primarily due to limited quality product availability. This has driven investors toward new development—evidenced by over $140M in land sales through 2023/2024 and approximately 400,000 SF of industrial space scheduled for completion in 2024/2025.

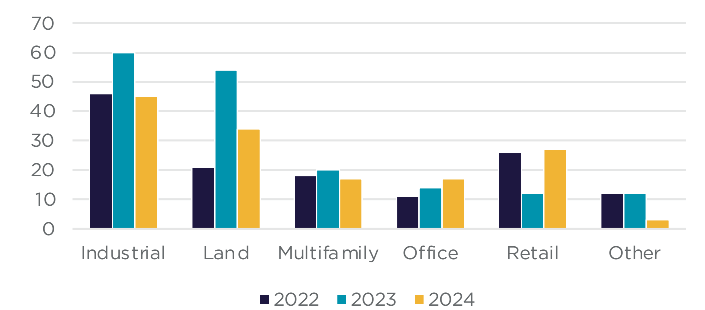
The retail sector demonstrated resilience, rebounding to $45.3M in 2024 after experiencing a 53% decline between 2022 and 2023. Office and multifamily sectors maintained consistent performance over the three-year period, averaging $45M and $88M in annual transaction volume respectively. The "other assets" category saw notable variation due to significant transactions such as the $70.8M sale of 250 Hunter Road in 2022.

Market dynamics through 2023 were characterized by vendor-purchaser expectation gaps following the aggressive interest rate cycle that began in February 2022. This gap narrowed through 2024 as vendors adjusted expectations, reflected in a 32-basis-point rise in capitalization rates from 6.95% (2023) to 7.27% (2024). Notably, multifamily assets maintained stability at a 6.25% average capitalization rate, supported by reduced borrowing costs and sustained rental housing demand across Saskatchewan."

TOTAL SALES BY ASSETS 2022-2024



NUMBER OF TRANSACTIONS BY ASSET 2022-2024



SASKATOON CAPITALIZATION RATES

ASSET	2023			2024		
	LOW	HIGH	AVERAGE	LOW	HIGH	AVERAGE
MULTIFAMILY	5.45%	8.00%	6.35%	5.75%	7.75%	6.25%
RETAIL	6.00%	6.75%	6.50%	6.75%	7.75%	7.75%
INDUSTRIAL	6.25%	7.50%	6.85%	6.75%	8.25%	7.52%
OFFICE	7.00%	8.50%	7.50%	7.00%	8.50%	7.58%

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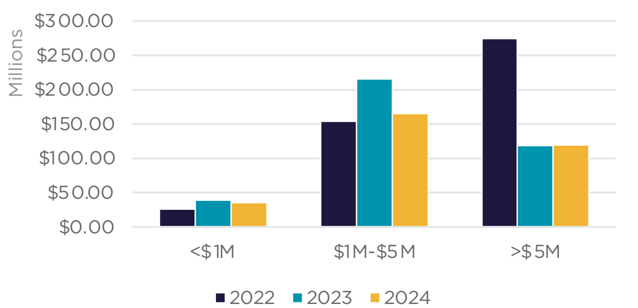
CUSHMAN & WAKEFIELD Saskatoon

TRANSACTIONS BY AMOUNT



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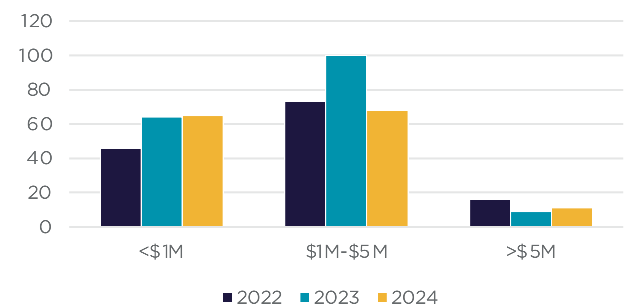
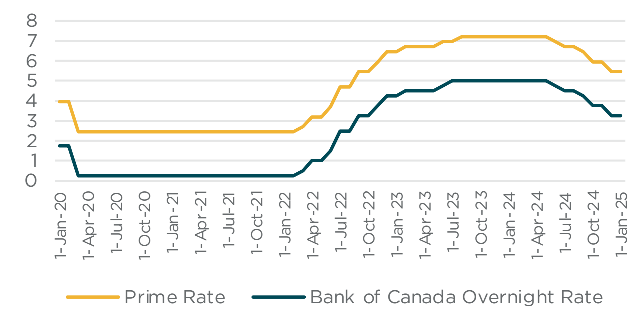


BANK OF CANADA INTEREST RATES 2020-2025



FORECAST

The market witnessed unprecedented interest rate volatility, beginning with the pandemic-era Canadian Prime Rate reduction of 150 basis points to 2.45%—marking historic lows not seen since the 1930s. The subsequent inflation response drove rates up 475 basis points to 7.20% between February 2022 and October 2023. Through 2024, stabilizing inflation indicators supported a gradual decrease to 5.45%. These capital cost fluctuations have created a nuanced investment landscape where transaction values reflect both current market conditions and forward-looking strategies, culminating in broader capitalization rate expansion through 2024..

KEY TRANSACTIONS 2024

PROPERTY	USE	UNITS/SF	P/UNIT (SF)	CAP RATE	SALE PRICE	SALE DATE
126 SHILLINGTON CR	MULTIFAMILY	248	$231,855	5.85%	$57,500,000	MARCH 20, 2024
1502 QUEBEC AVE	INDUSTRIAL	111,095	$108	8.10%	$12,000,000	JUNE 21, 2024
2404 THAYER AVE	OFFICE FLEX	23,228	$142	6.77%	$3,300,000	APRIL 3, 2024
802 57TH ST E	INDUSTRIAL	13,958	$125	7.57%	$1,750,000	JANUARY 30, 2024
859 60th ST E	INDUSTRIAL	10,000	$158	4.60%	$1,580,000	JUNE 4, 2024

FORECAST

Saskatoon's investment market continues to demonstrate fundamental strength, underpinned by Saskatchewan's robust economic performance. While other Canadian markets face increasing unemployment and slowing growth trajectories, Saskatoon maintains one of the country's lowest unemployment rates. As interest rate stability emerges, CW Saskatoon anticipates strong investment activity through 2025 and 2026, supported by the market's sound fundamentals.

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 A LOCAL FIRM WITH 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 dynamic commercial real estate market.

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