

SASKATCHEWAN REAL ESTATE FORUM

This session is sponsored by:



Altus Group

INVESTORS INTEREST IN SASKATCHEWAN:
WHO WANTS TO INCREASE THEIR PRESENCE
IN THIS MARKET?



COMMERCIAL REAL ESTATE

Panelists



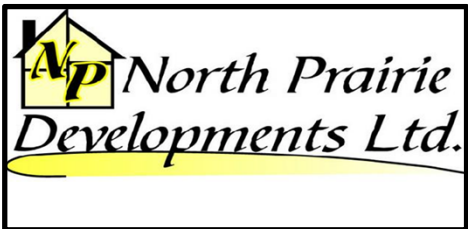
Morquard

David Ward
Director, Acquisitions,
Morquard Investment Limited



GREYSTONE
MANAGED INVESTMENTS INC

Ted Welter
*Managing Director, Real Estate &
Mortgage Investments*
Greystone Managed
Investments Inc.



North Prairie
Developments Ltd.

John Williams
President
North Prairie Developments

Ltd.

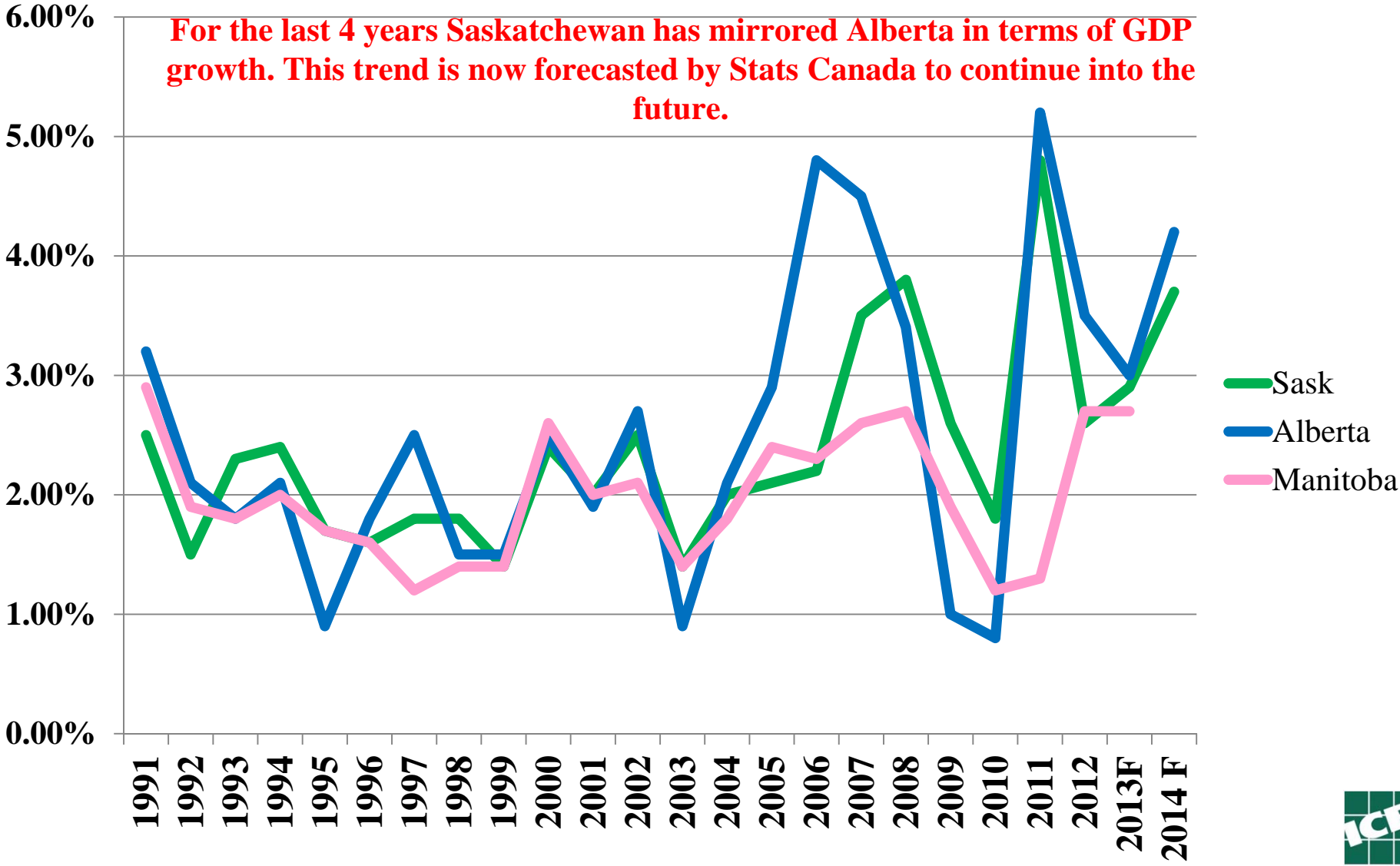


PIC
INVESTMENT
GROUP INC

Greg Yuel
President & CEO
PIC Investment Group Inc.

Economic Outlook

Real GDP Growth



Noteworthy Investment Sales 2012

Saskatoon



2002 Airport Drive (*Hotel*)
\$37,150,000 Cap: 6.5%

- 250 Units, \$148,600/unit



Regina



2250 7th Ave N, 443 Lorne Street N, 2235 8th Ave N
\$5,175,000, Cap: 6.98%

- 45 Units, \$115,000/Unit, Multi-family



301 Confederation Drive
\$18,350,000, Cap: 6.6%

- 74,156 SF, Retail



4250 Albert Street
\$9,600,000, Cap: 7.38%

- 41,238 SF, Retail Building



838 48th Street East
\$18,270,000, Cap: 6.46%

- 65,698 SF, Office



1832 Victoria Avenue East
\$8,744,990, Cap: 6.81%

- 39,530 SF, Retail Building



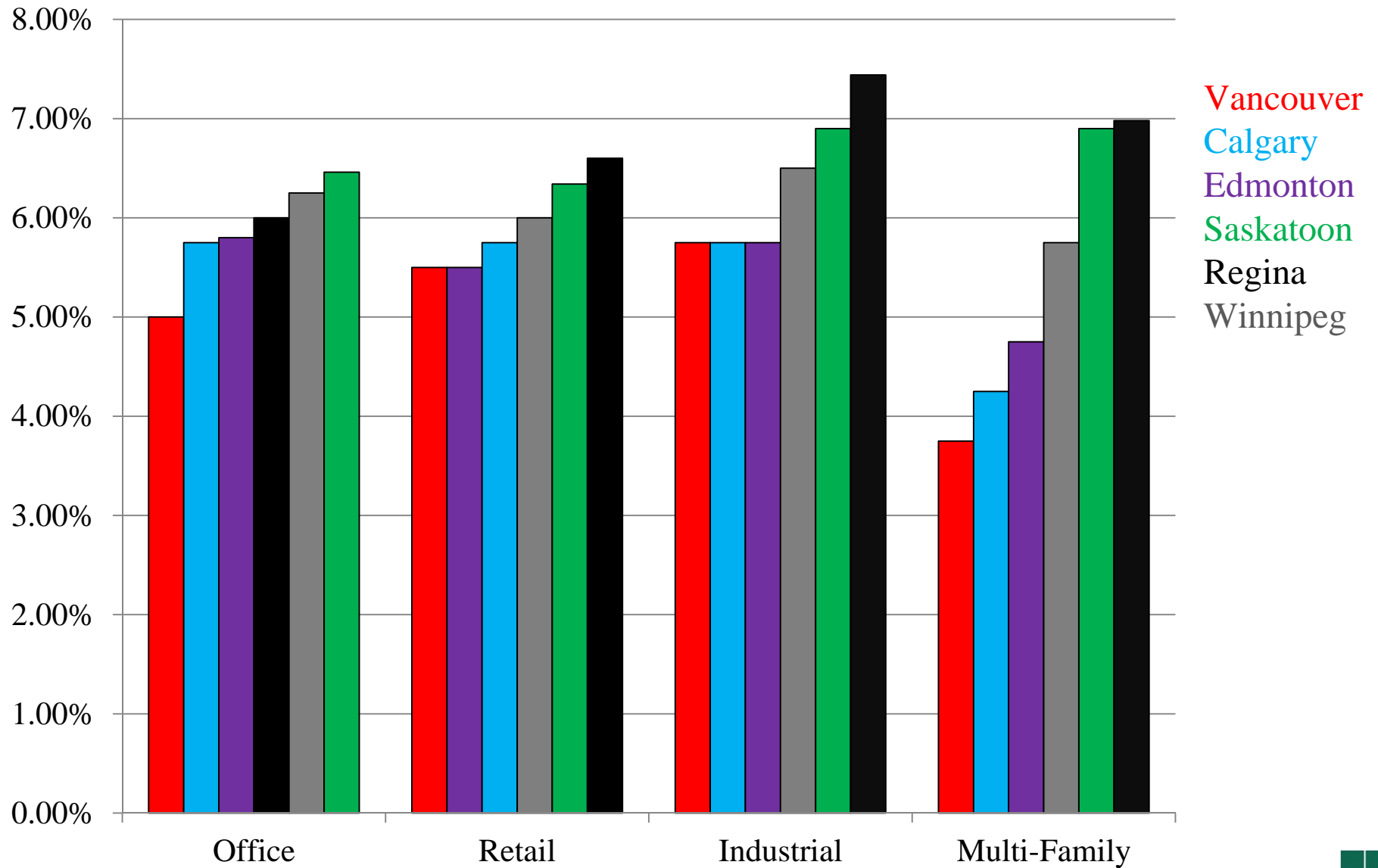
118 & 124 Tubby Cres, 941 60th St. E
\$10,650,000, Cap: 6.9%



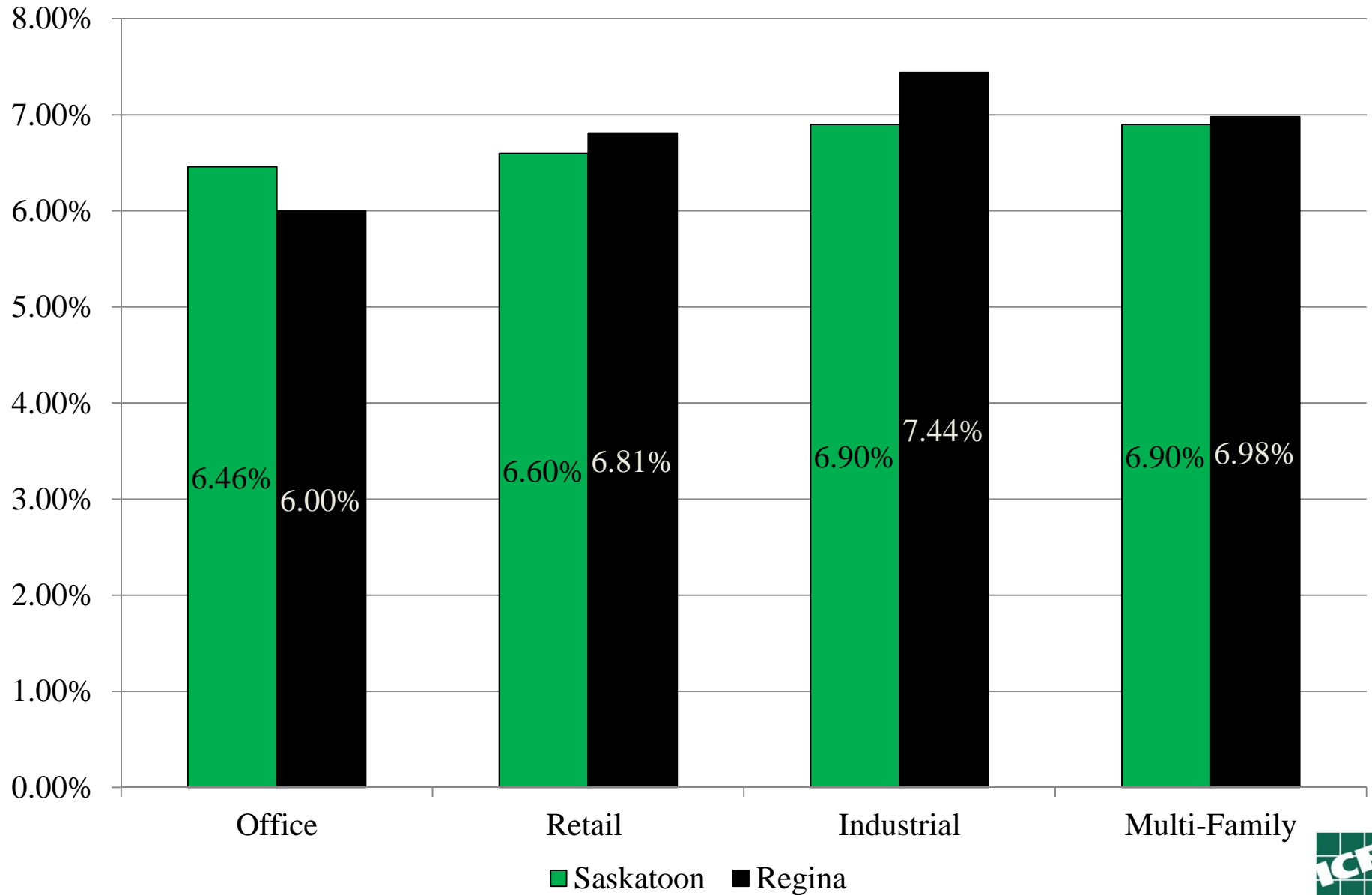
402 McDonald St., 651 Henderson Dr., 310 Hoffer Dr.
\$17,700,000, Cap: 7.44%

- Industrial Building

2012 Western Canada Cap Rates

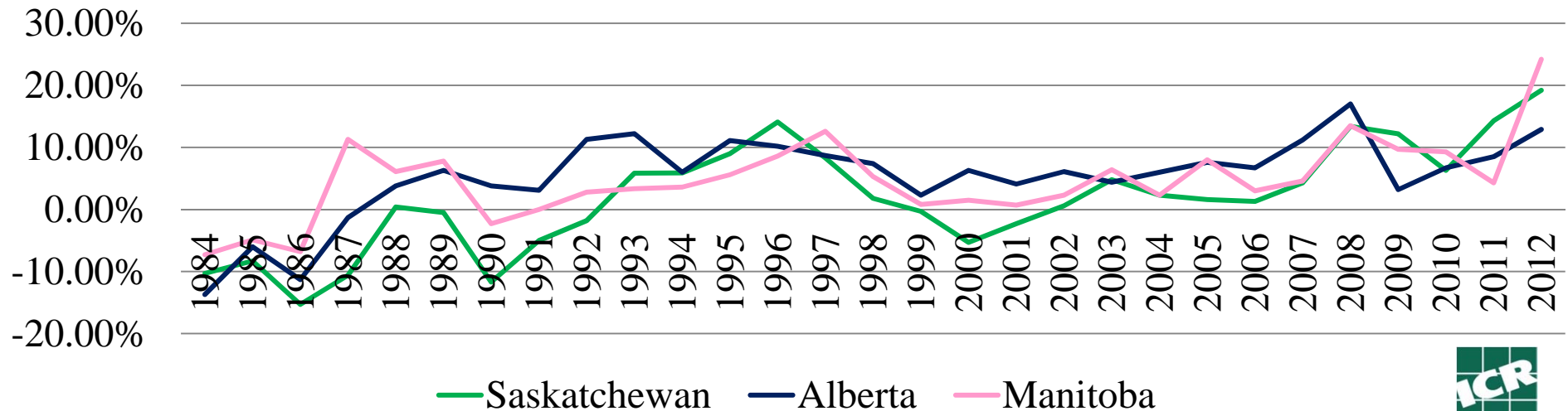


2012 Saskatoon & Regina Cap Rates



Farm Land Values 1984 - 2012

**Farmland increased 1.04% annually since '84;
4.2% annual increase since 2010.**



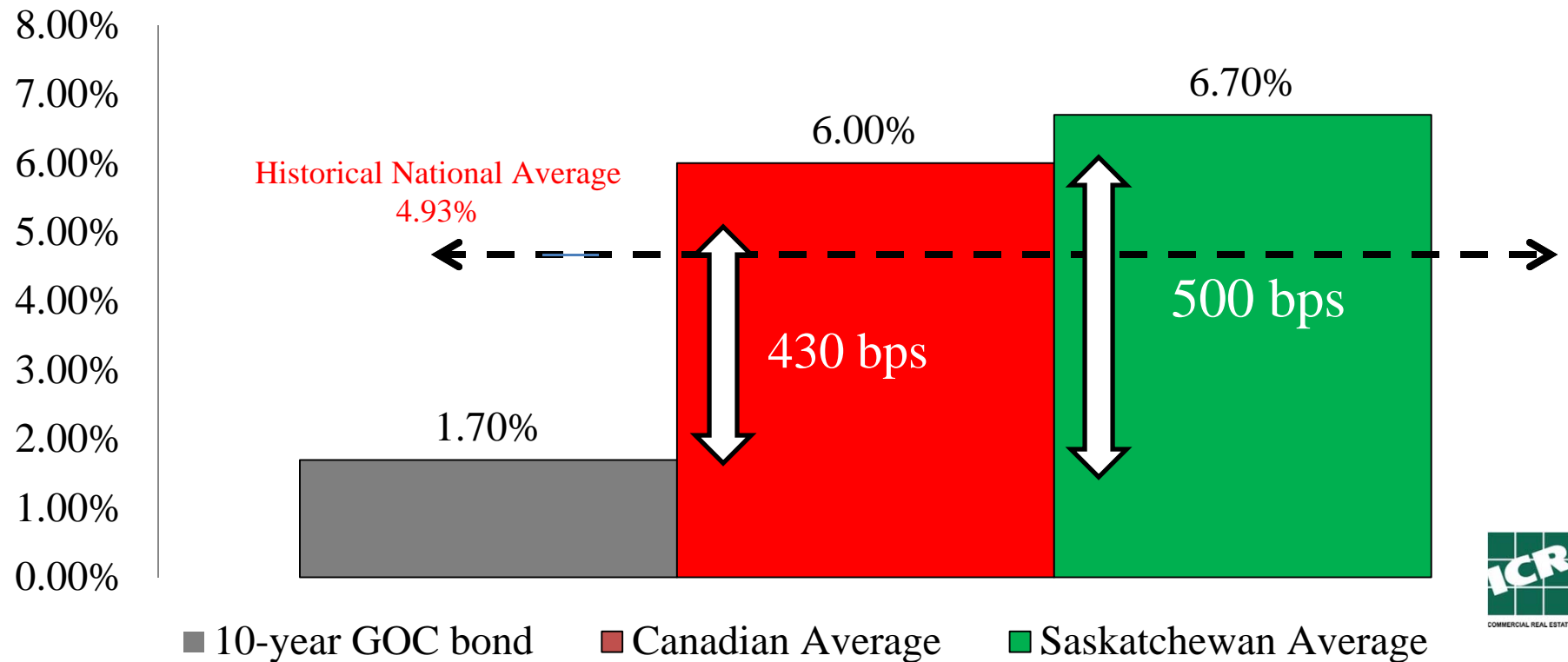
- Saskatchewan Outlook

- Farmland values have seen a trend of increasing prices since 2002. In the past year, average prices for an acre of farmland in northern Saskatchewan have risen from \$650 to \$1,200 per acre to \$800 to \$1,100 per acre, while prime farms in southern Saskatchewan are being bid as high as \$2,000 per acre.
- Thus far in 2013 farmland values in Saskatchewan have increased by 9.7%, Manitoba values increased 13.9% and Alberta by 7.2%.
- During the last 6 months the price of lower-valued land experienced a greater increase.
- Interest from out-of-province buyers continued. Retiring farmers sold large blocks of land to take advantage of the strong prices to sell their entire operation.

Saskatchewan Cap Rate Analysis:

The current yield on a 10-year Government of Canada (GoC) bond is approximately 1.70%, ~430 bps below the current national average cap rate of 6.00%, and ~500 bps below the average Saskatchewan cap rate of 6.70%. This spread is well above the historical national average of 323 bps since 1990, and above the maximum national average spread of 451 bps at year-end 2011.

**Calculated based on the average cap rate for all property sectors excluding hotel.*



Information Supplied By:

ICR would like to thank the following for supplying information used in this presentation:



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