

Welcome to the 2015 Saskatchewan Real Estate Forum

Secondary Markets: There Is Life After Regina & Saskatoon



Moderator:
Richard Jankowski, Managing Director
Avison Young Commercial Real Estate



- David Calyniuk; Vice President,
North Ridge Development Corporation



- Tom Williams; Vice President Engineering, Walker Projects



- Eric Watson; Chief Operating Officer, MasterBUILT Hotels

MasterBUILT Hotels

Microtel Landscape

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Legend:

- CURRENT LOCATIONS
- LOCATIONS COMING SOON
As of March 2015
- FUTURE LOCATIONS

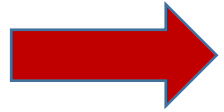
Location	Province	Status	Opening Date
Fort St. John	BC	Current	June 2015
Kilimut	BC	Current	August 2015
Fort McMurray	AB	Current	
Whitecourt	AB	Current	
Edmonton	AB	Current	
Bonnyville	AB	Coming Soon	December 2015
Lloydminster	SK	Current	
Blackfalds	AB	Current	
Red Deer	AB	Current	
Kindersley	SK	Current	
Calgary	AB	Current	
Regina	SK	Current	
Weyburn	SK	Current	
Estevan	SK	Current	
Timmins	ON	Current	
Kirkland Lake	ON	Coming Soon	July 2015
Sudbury	ON	Current	
Collingwood	ON	Current	June 2015
Parry Sound	ON	Current	
Sault Ste Marie	ON	Current	



Where the Panel Operates



North Ridge Development Corporation



Walker Projects



MasterBUILT Hotels



Why Secondary Markets Matter in Saskatchewan....

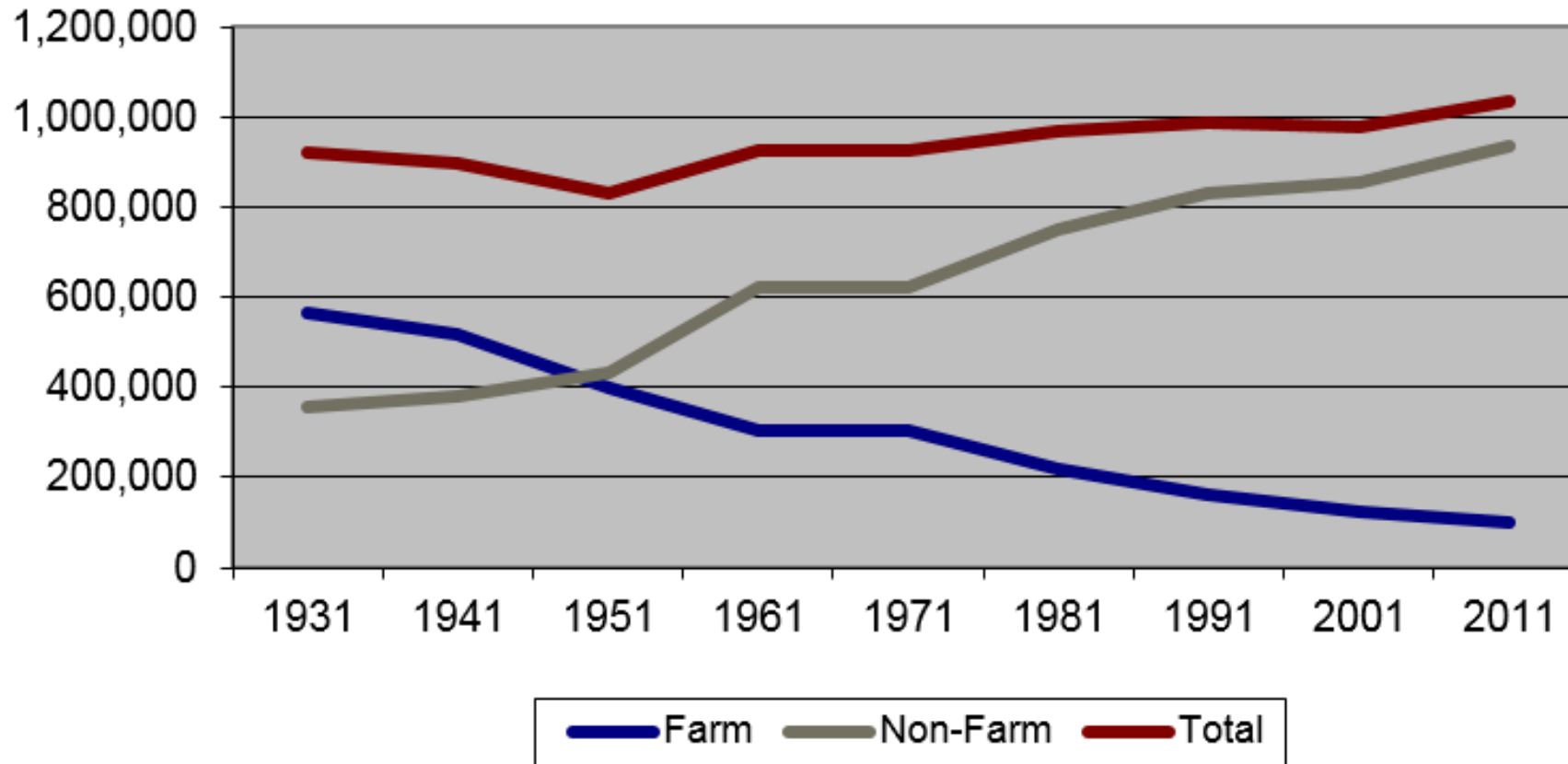
A few reasons:

- They offer entry level and niche market opportunities
- They may offer different options than larger centres
- They offer a foothold prior to stepping up into major centres
- The risk – reward element aspect is more obvious

Population History & Trivia – We Are on The Move

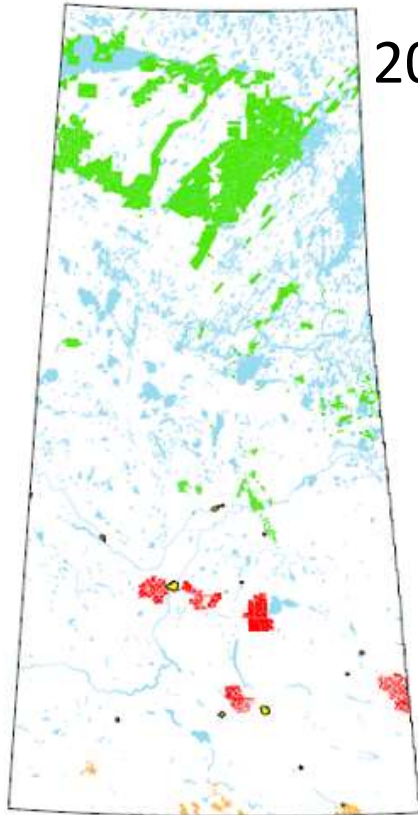
- Saskatchewan was the 3rd most densely populated province in Canada from 1911 – 1951.
- Saskatchewan had over 921,000 people in 1931 or roughly 211,640 less than today.
- The province grew by 40,115 per year from 1901 – 1911 and was the fastest growing province in Canada.
- It grew by around 10,000 in 2011 (last census), more than the previous 10 years combined, and hasn't stopped since then.
- Martensville is recognized as one of Saskatoon's fastest growing bedroom communities with the population currently at 7,716, an increase of 55% from 2006.
- White City/Emerald Park is another fringe-city community, just outside Regina, with a population of around 3,100 – an increase of 62.2% from 2006.

“Urbanization” is Slowing Down

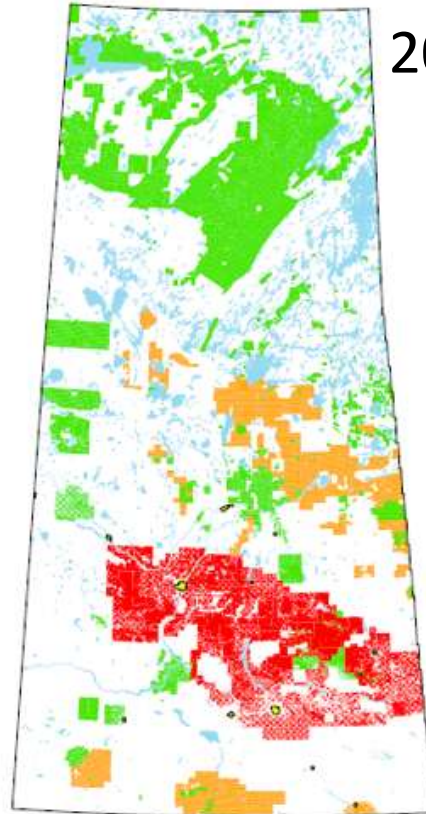


And Natural Resources Draw People Away From Cities...

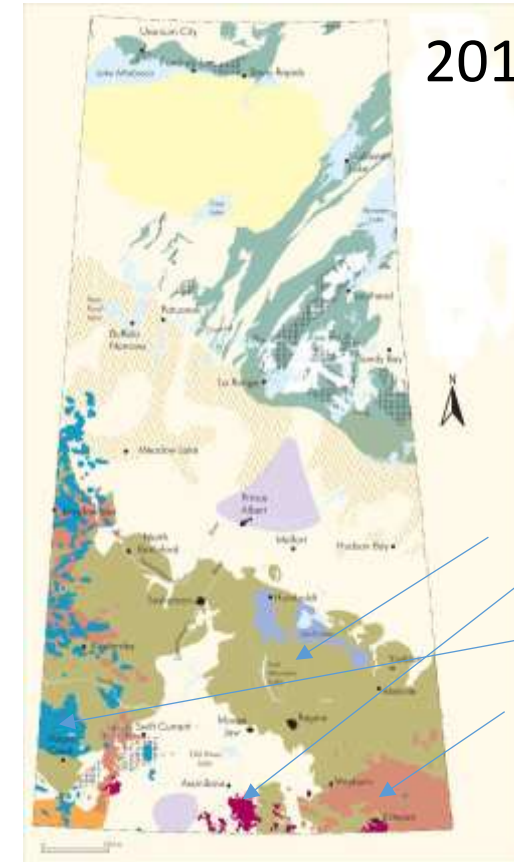
Green – minerals
Red – potash
Orange - coal



2005



2009



2015

Green -potash
Dark Pink – coal
Blue – gas
Light Pink - oil

Source:
Government of
Saskatchewan

What's Really Outside the Major Centres?

People want to know:

- Are there opportunities outside the major centres?
- If so, where and what are they?
- What's changed in the past few years?
- Are those locations “ready” for growth? We'll talk about the panels rating in a minute.....
- What's had the biggest impact in your business: the drop in crude oil prices, or the Canadian dollar, or the economy?

Where are we headed?

- Is the labour shortage ‘real’?
- What’s being done to solve the problem(s)?
- Provincial budgets impact policy change; is the province doing a good job on managing volatility?
- Has there been good cooperation & collaboration between various jurisdictions where you operate? Can that change?
- Should land be used as a ‘lost leader’ for municipal growth?

What the Panel Thinks on Development

The Panel's Scorecard

Panelist	Measuring What Matters	Lloydminster	North Battleford	Prince Albert	Warman	Martensville	Humboldt	Yorkton	Moose Jaw	White City/area	Swift Current	Weyburn	Estevan	Kindersley
T. Williams Walker Projects	Ready for Growth	5	2	4	5	5	4	5	3	4*	4	5	2	n/a
	Supportive Council	5	4	3	4	4	4	4	3	5	5	4	4	n/a
	Available Labour	4	3	4	3	3	3	4	4	3	3	2	2	n/a
D. Calyniuk Northridge Developments	Ready for Growth	3	n/a	3	4	5	1	n/a	n/a	4	4	2	2	n/a
	Supportive Council	n/a	n/a	3	n/a	5	4	n/a	n/a	3	4	3	n/a	n/a
	Available Labour	2	n/a	2	5	5	2	2	n/a	3	2	1	1	n/a
E. Watson MasterBUILT Hotels	Ready for Growth	5	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	2	3
	Supportive Council	4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	4	5
	Available Labour	2	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2	1	1

Measurement Reference & Rating Legend:

Score Legend:

Ready for Growth: water supply & treatment; sewage treatment; highways/roads; major utilities
 Supportive Council: development levies; approved community plan; shared vision & collaboration
 Available Labour: right person for the right job; productivity; benchstrength & depth of skills

5 = Exceeds expectations
 3 = Meets expectations
 1 = Below expectations

Understanding Competition is Crucial

And they're also asking:

- Just how tough is it to penetrate &/or expand in your market?
- What's the story in liquidity?
- Would you describe things as a 'roller-coaster' or 'steady as she goes'? How do compare this region/province to others?
- Has the cost of doing business changed?
- Where have construction costs been lately? What's your view on the future relative to cost structure?

What else have we left out?

Q & A with attendees.....

Thank you for your participation!

