SESSION C2

WHY DO THE RETAIL MARKETS IN SASKATOON & REGINA CONTINUE TO BE BUOYANT?

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KINGSETT CAPITAL

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Topics To Be Discussed

- Economic Overview
- CRE Vacancy
- Effect of Emerging Market Growth
- Transportation & Infrastructure
- Mall Re-Development & Upgrades
Economic Overview

Real GDP Growth

- SK GDP
- Can GDP


-1.5% -1.0% -0.5% 0.0% 0.5% 1.0% 1.5% 2.0% 2.5% 3.0% 3.5%
Economic Overview

Retail Sales Growth

- SK Sales
- Can Sales
AS AN INVESTOR LOOKING AT EITHER SASKATOON OR REGINA AS A POTENTIAL RETAIL LOCATION; WHAT MAKES EITHER ONE OR BOTH THESE MARKETS ATTRACTIVE? WHAT ARE THE CONTRIBUTING FACTORS THAT WILL INFLUENCE INVESTOR’S DECISIONS TO SPEND THEIR MONEY IN SASKATOON AND/OR REGINA?
Retail Vacancy

Regina CRE

- Retail
- Competitive Office
- Industrial

Year Percentage

2013 0.0%
2014 2.0%
2015 4.0%
2016 6.0%
2017 8.0%
2018 10.0%
2019 12.0%
Retail Vacancy

Saskatoon CRE

- Retail
- Competitive Office
- Industrial

AS A LANDLORD, WHAT STRATEGIES ARE YOU IMPLEMENTING IN ACQUIRING LONG-TERM TENANTS? SIMILARLY, ARE THERE ANY STRATEGIES THAT YOU ARE IMPLEMENTING IN ORDER TO RETAIN LONG-TERM TENANTS.
Emerging Neighbourhood Effect

REGINA

- CMA Population: 251,372
- Highest Population: 25 - 34 yrs
- Household Income: $111,219
- 5 Yr Population Growth: 2.11%
- 10 Yr Population Growth: 2.06%
Emerging Neighbourhood Effect

SASKATOON

- CMA Population: 313,698
- Highest Population: 25 - 34 yrs
- Household Income: $108,070
- 5 Yr Population Growth: 2.14%
- 10 Yr Population Growth: 2.12%
## Emerging Neighbourhood Effect

### Regina
- Total Retail Inventory: 11.5M SF
  - Aurora: 678,000 SF
  - Acre21: 190,000 SF
  - Horizons: 675,000 SF
  - Coopertown: 67,000 SF
  - Eastbrook: 75,000 SF

### Saskatoon
- Total Retail Inventory: 14.6M SF
  - Kensington: 94,000 SF
  - Hampton: 33,000 SF
  - Brighton MP: 235,000 SF
  - Brighton VC: 30,000 SF
  - Meadows: 400,000 SF

### New Inventory
- Regina: 1.69M SF
- Saskatoon: 792,000 SF
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A SIGNIFICANT AMOUNT OF INVENTORY IS SCHEDULED FOR DEVELOPMENT WITHIN EMERGING NEIGHBOURHOODS IN THE COMING YEARS. HOW WILL THE DEMAND FOR THIS INVENTORY IMPACT THE MARKET AND WHAT CHALLENGES HAVE ARisen FOR LANDLORDS TRYING TO COMPete WITH THIS GROWTH?

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Transportation & Infrastructure

REGINA

- 30 KM of new bike infrastructure by 2023

SASKATOON

- $27.7 Million over the next 11 years in active transportation
- $59 Million for 3 new pedestrian cycling bridges.
- Potential BRT plans

“Saskatoon & Regina rely heavily on personal vehicles as their primary means of transportation.”

Approximately 90% of people in Saskatoon and Regina drive to work.
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HOW DOES THE PRESENT INFRASTRUCTURE & TRANSPORTATION HABITS WITHIN SASKATOON & REGINA AFFECT THE RETAIL MARKETS?

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Mall Re-Development & Upgrades

“Future for malls is to re-imagine and re-engineer malls and shopping centers as CONSUMER ENGAGEMENT SPACES”

“Young consumers are increasingly seeking experiences over products”
Mall Re-Development & Upgrades

Mall Transitions

Anchor Tenants: Traditional Retailers ➔ Retail, Residential, Entertainment
Organizing Principle: Retailer "Push" ➔ Consumer Pull
Primary Focus: Selling Things ➔ Consumer Engagement
Role of Technology: Powering systems ➔ Connecting buyers & sellers
Tenant Mix: Mass Market ➔ Market of one
BIG BOX RETAILERS HAVE NOW STARTED TO EXPLORE DOWNSIZING AND/OR CLOSING LOCATIONS; WHAT STRATEGIES MUST LANDLORDS ENACT IN ORDER TO RESPOND TO VACANCIES COMING AVAILABLE? WHAT TRENDS MAY BECOME PREVALENT WITHIN MALLS IN ORDER TO FILL SUBSTANTIAL VACANCIES?