

Q4 2021

# Saskatoon Office Market Report

## Net Absorption

This Quarter	Previous Quarter
-71K SF	-80K SF
12-Month Absorption	
-174K SF	

## Vacancy

This Quarter	Year-over-Year
16.3%	▲ 50 bps

## Asking Net Rent

This Quarter*	Year-over-Year
\$18.22 PSF	▼ 10.9%

## Development

Under Construction	New Supply
70K SF	222K SF

## Sales

Sale Price Avg.	Year-over-Year
\$323 PSF	▲ 39.2%

\*Weighted Average

The information reported is based on the competitive office inventory within the Saskatoon city limits.  
Colliers McClocklin Real Estate Corp.

## Market Outlook

Vacancy across the national office market has remained relatively stable despite the new Omicron variant establishing a foothold in Canadian cities. The small increases observed in vacancies may indicate that people are embracing a new normal and adjusting their collective expectations to when or what a full return-to-office will look like in early to mid- 2022.

Overall vacancy in the Saskatoon office market increased from 15.8% in Q4 2020 to 16.3% in Q4 2021 due to downtown market conditions albeit offset by a strong suburban office market where vacancy declined nominally from 9.2% in Q3 2021 to 9.0% in Q4 2021. The downtown office market, on the other hand, has experienced a slight increase in vacancy from 22.6% last quarter to 24.2% this quarter. Leasing movement is predominantly price driven; the flight to quality has essentially moved through the system and the remaining office users have become more price sensitive. The wait-and-see trend has become even more pronounced as companies remain uncertain as to how much usage their office will get due to hybrid and flexible work situations.

Average asking net rent for the suburban office market is stable at \$21.55 per square foot while the

downtown office average asking net rent decreased from \$19.20 per square foot last quarter to \$16.81 this quarter for a 12.4% decrease overall. There is an upswing in the activity of existing tenants looking to seize opportunities in the competitive office market and this may put downward pressure on asking net rents, particularly in the downtown office market for older properties that have not experienced recent upgrades.

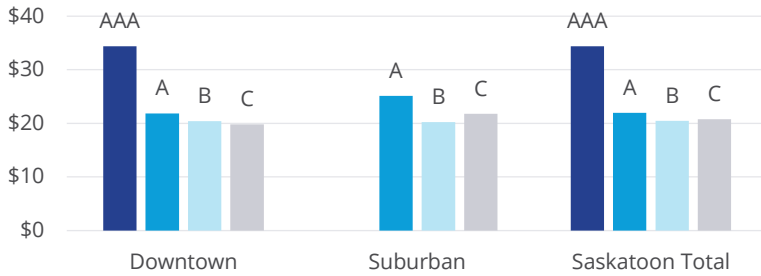
The development at River Landing has been tenanting much more quickly than expected with the East Tower being 87% leased, while only two floors of available space remain at Nutrien Tower. Tenants moving into these buildings (including recent additions of Scotiabank, 7 Shifts, Investors Group, Canpotex Limited, Clarkson Gordon Services and Apex Automation) are looking for the amenities and the exposure offered by a high-quality AAA space. The downward pressure that may occur on rates will not be applicable to this property or the type of tenant looking for the exposure that these properties offer. Once River Landing is fully tenanted, we expect to see movement within the remaining buildings as tenants can upgrade their current space to an appropriate quality building with updated amenities in the Central Business District.

Accelerating success.

# Market Overview

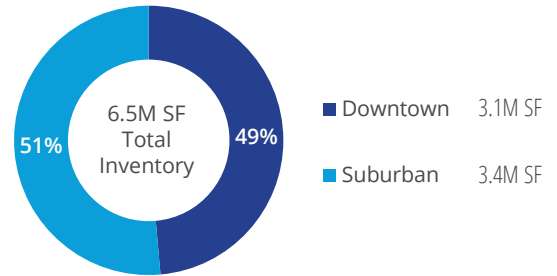
## 01 Rental Rates by Building Class

Weighted Average Asking Net Rent (PSF)



## 02 Inventory Breakdown

By Market | Total Square Feet (millions)



## 03 Vacant Space by Market

Total Square Feet (SF)



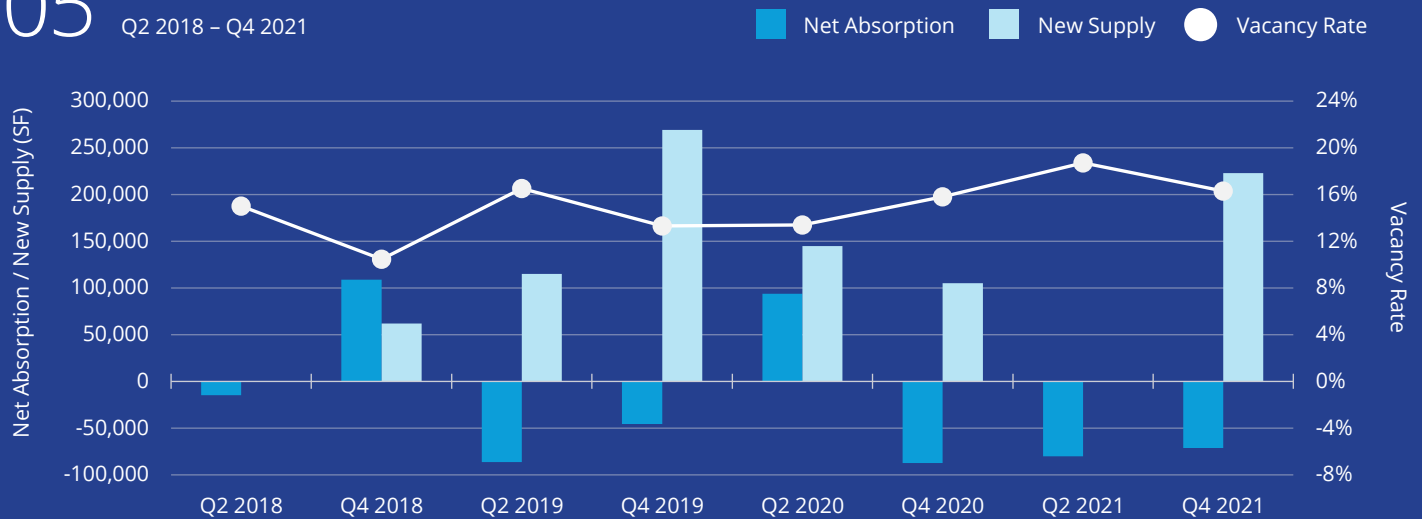
## 04 Vacancy Rate

By Market | Q4 2020 - Q4 2021

Downtown	24.2%	▲	from 17.7% Q4'20
Suburban	9.0%	▼	from 13.8% Q4'20
<b>Saskatoon Total</b>	<b>16.3%</b>	▲	from 15.8% Q4'20

## 05 Historical Overview

Q2 2018 - Q4 2021



# Market Statistics & Transaction Highlights

	Downtown	Suburban	Saskatoon Total
<b>Number of Buildings</b>	92	178	270
Total Inventory	3,137,791 SF	3,406,828 SF	<b>6,544,619 SF</b>
Direct Vacancy*	708,247 SF (93.1%)	292,368 SF (95.7%)	<b>1,000,615 SF (93.9%)</b>
Sublease Vacancy*	52,256 SF (6.9%)	13,086 SF (4.3%)	<b>65,342 SF (6.1%)</b>
Total Vacant Space	760,503 SF	305,454 SF	<b>1,065,957 SF</b>
Vacancy Rate (Current Q)	24.2%	9.0%	<b>16.3%</b>
Vacancy Rate (Previous Q)	21.4%	9.2%	<b>15.5%</b>
Net Absorption	-79,759SF	8,319 SF	<b>-71,440 SF</b>
New Supply	222,692 SF	0 SF	<b>222,692 SF</b>
Under Construction	34,200 SF	36,638 SF	<b>70,838 SF</b>
Weighted Average Asking Net Rent (PSF)	\$16.81	\$21.55	<b>\$18.22</b>
Weighted Average Asking Gross Rent (PSF)	\$31.96	\$30.97	<b>\$31.67</b>

\*% shown are of total vacant space

## Notable Lease Transactions

Building Name / Address	Market	Lease Type	Size (SF)
1503 Fletcher Road	Suburban	Lease	24,709
211 19 <sup>th</sup> Street East	Downtown	Lease	23,513
309 3 <sup>rd</sup> Avenue South	Downtown	Lease	11,636
224 – 230 4 <sup>th</sup> Avenue South	Downtown	Lease	4,762
203 Stonebridge Boulevard	Suburban	Lease	4,315
115 – 115 <sup>th</sup> Street East	Suburban	Lease	4,133

## Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price
3427 Faithfull Avenue	Suburban	117,439	\$17,600,000
2309 Hanselman Place	Suburban	26,979	\$8,600,000
1503 Fletcher Road	Suburban	24,709	\$5,500,000
211 4 <sup>th</sup> Avenue South	Downtown	7,653	\$2,200,000
410 Jessop Avenue	Suburban	15,020	\$1,920,000

# Colliers Research



We are the industry cornerstone of authoritative statistics, forecasts and market commentary across Canada.

With more than 20 years of comprehensive market data, extensive research capabilities and access to 'live' deal information – there is no other research firm in Canada that can provide such a complete commercial real estate research solution.

With more than 20 dedicated research specialists, supported by 20 market data coordinators – our world-class researchers are continuously sourcing and analyzing data in every major market across Canada – to ensure our clients receive the most accurate and powerful information to make critical decisions for their future.

## Core services:

- Predictive market research
- Reporting on key insights and trends
- Access to the latest market data
- Customized research engagements

## For more information on the Saskatoon Office Market, please contact:

**Richard Jankowski**  
Managing Director,  
Saskatchewan Brokerage  
+1 306 533 6754  
[richard.jankowski@colliers.com](mailto:richard.jankowski@colliers.com)

*Report Author:*  
**Wendy Sharpe**  
Market Analyst  
+1 306 664 1241  
[wendy.sharpe@colliers.com](mailto:wendy.sharpe@colliers.com)

### Report Contributors:

**Lisa Oberding**  
Vice President, Sales Associate  
+1 306 664 1248  
[lisa.oberding@colliers.com](mailto:lisa.oberding@colliers.com)

**Tom Deibert**  
Senior Sales Associate  
+1 306 664 1209  
[tom.deibert@colliers.com](mailto:tom.deibert@colliers.com)

**Andrew Welham**  
Senior Sales Associate  
+1 306 664 1243  
[andrew.welham@colliers.com](mailto:andrew.welham@colliers.com)

**Al Myers**  
Senior Sales Associate, Associate  
Broker  
+1 306 664 1206  
[al.myers@colliers.com](mailto:al.myers@colliers.com)

**Ward Edwards**  
Senior Sales Associate  
+1 306 664 1645  
[ward.edwards@colliers.com](mailto:ward.edwards@colliers.com)

**Jarek Wicijowski**  
Sales Associate  
+1 306 664 2013  
[jarek.wicijowski@colliers.com](mailto:jarek.wicijowski@colliers.com)

**Lesly Kelly**  
Data Associate  
+1 306 664 2010  
[Lesly.kelly@colliers.com](mailto:Lesly.kelly@colliers.com)

## Colliers Canada | Saskatoon

Colliers McClocklin Real Estate Corp.  
728 Spadina Crescent East, Saskatoon, SK, S7K 3H2  
+1 306 664 4433

[collierscanada.com/research](https://collierscanada.com/research)



Copyright © 2021 Colliers International Group Inc. Information herein has been obtained from sources deemed reliable, however its accuracy cannot be guaranteed. The user is required to conduct their own due diligence and verification. © 2021 Colliers McClocklin Real Estate Corp.

Accelerating success.