



2022 SASKATOON LAND ANNUAL REPORT





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Our Purpose

Our Purpose describes the reasons we come to work every day.

- We are making Saskatoon a great place to live, work, learn and play every day.
- We are creating a welcoming workplace where each of us are encouraged to realize our full potential.
- We are building a sustainable future upon our predecessors' legacy and history of success.
- We are exceptional in delivering public services.
- We are innovative and unleash creative solutions and investments that contribute to a great city.
- We adopt and support behaviours that reduce the environmental footprint of the city.

Our Values

Our values are part of who we are, what we stand for and how we behave towards each other.

PEOPLE MATTER

We work together as one team, seek input when it matters, support each other to grow and be our best selves, and foster a culture where we use our voices to drive change.

RESPECT ONE ANOTHER

We value the diversity each of us brings, celebrate our successes – big or small, and take the time to listen, understand and appreciate each other.

ACT AND COMMUNICATE WITH INTEGRITY

We are honest and take ownership of our actions, transparent in our decision-making, and question actions inconsistent with our values

SAFETY IN ALL WE DO

We never compromise on the safety, health and well-being of ourselves and those around us, we put safety at the forefront of all decisions, and take responsibility to act on unsafe or unhealthy behaviours.

TRUST MAKES US STRONGER

We depend on each other and know we will do what we say, we assume the best of others, and support, inspire and empower each other every day.

COURAGE TO MOVE FORWARD

We lead and embrace change, think outside the box, and ask the tough questions.

2022 HIGHLIGHTS - BY THE NUMBERS



364
Single-Unit
Lot Sales

Average Lot Price
\$126,000



Total Land Sales
\$76,896,866



29.2%
Gross Profit Margin



57.42 acres

(22 parcels) released
in Marquis Industrial



363 New Residential
Lots Released





Saskatoon Land Mandate

Responsibilities of the Saskatoon Land team include land development planning and design, project management for land development enhancements, marketing and sale of property owned by the City, and provision of corporate real estate services (advice, expertise, negotiations, leasing, acquisitions, dispositions, and assisting with corporate accommodation planning).

The core mandates of Saskatoon Land are to:

- Provide an adequate supply of residential, institutional and industrial land at competitive market values;
- Facilitate the sale of serviced City-owned property assets in support of Growth Plan objectives;
- Provide innovation and leadership in design for new growth;
- Ensure timely and financially responsible acquisitions of all land requirements for the City's various capital projects and ensure a sufficient long-term supply of future development lands for the City's land development business line;
- Provide financial returns at competitive rates of return on investment to the City for allocation to civic projects and programs;
- Provide real estate services and expertise on behalf of the City;
- Coordinate and oversee the ongoing maintenance and leasing of all City-owned future development lands; and
- Operate on a level playing field with other land development interests in Saskatoon.





SALES/INVENTORY REVIEW

Saskatoon Land is helping shape Saskatoon. We take pride in building innovative communities that offer valued amenities, enhanced quality of life and lasting value for investors and families.

SALES/INVENTORY REVIEW

Single-Unit

To achieve serviced land supply objectives for single-unit lots, Saskatoon Land plans infrastructure installations to ensure enough lots are serviced at the end of each construction season (October 31) to meet anticipated demand in the following year. Inventory levels continue to be monitored closely to ensure a balanced supply.



In 2022, Saskatoon Land completed lots in Brighton Phase 1 and released 60 lots in Kensington Phase 5 that included a portion of Nightingale Road as well as Nightingale Cove and Nightingale Bay.

Figures 1, 2 and 3 respectively identify Saskatoon Land single-unit lot inventory as of December 31, 2022, based on geographic distribution and price point.

FIGURE 1: Single-Unit Residential - Inventory vs. Sales

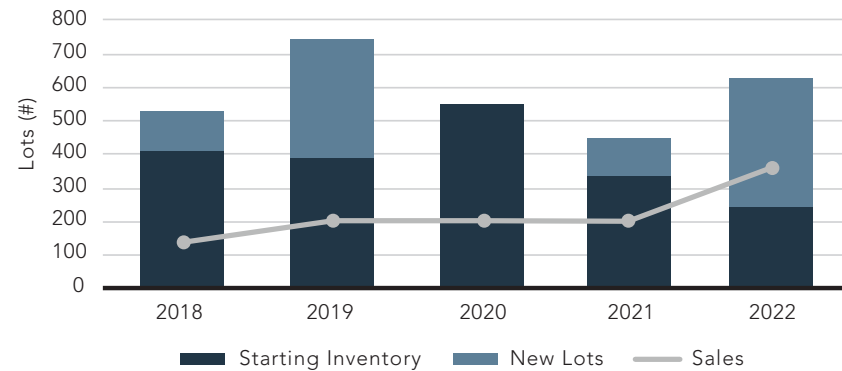
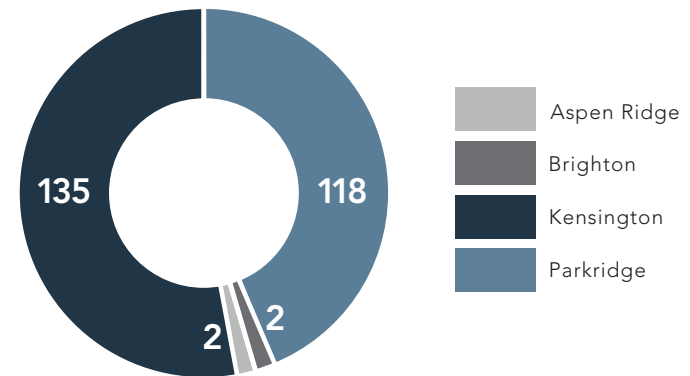


FIGURE 2: Single-Unit Inventory - Geographic Distribution

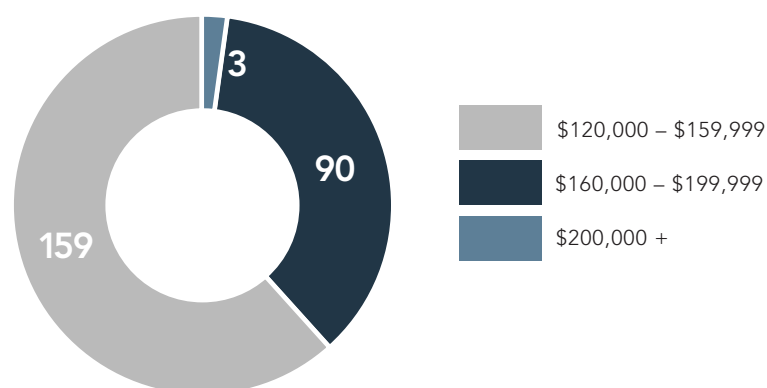


SALES/INVENTORY REVIEW

As of December 31, 2022, Saskatoon Land held 257 single-unit lots in inventory. All of these lots were in west Saskatoon, including 135 lots in Kensington and 118 lots in Parkridge.

Saskatoon Land has inventory with multiple price points to meet demand for a variety of households. The majority of inventory is in the entry-level category which is in line with overall market demand for first-time homebuyers.

FIGURE 3: Single-Unit Inventory - Price Point



As referenced in Table 1, between 2023 and 2025 Saskatoon Land plans to begin servicing approximately 861 single-unit lots in the Aspen Ridge, Brighton and Kensington neighbourhoods. Of the ~861 single-unit lots, ~833 lots are planned to be completely serviced and ready for sale over the 2023-2025 timeframe.

Most of the planned servicing will occur in east Saskatoon neighbourhoods, accounting for ~734 single-unit lots.

TABLE 1: Saskatoon Land Planned Single-Unit Servicing and Development (2023-2025)

		2023	2024	2025
Aspen Ridge Phase 7 (180 lots)	Roads			
	Sale*			
Aspen Ridge Phase 8 (~184 lots)	Presale			
	Deep Services/Water & Sewer			
	Roads/Shallow Buried Utilities			
	Sale			
Aspen Ridge Phase 9 (247 lots)	Deep Services/Water & Sewer			
	Roads/Shallow Buried Utilities			
	Sale			
Brighton Phase 2 (~220 lots)	Deep Services/Water & Sewer			
	Presale			
	Roads/Shallow Buried Utilities			
Brighton Phase 3 (~29 lots)	Deep Services			
	Roads/Shallow Buried Utilities			
Kensington Phase 6 (~127 lots)	Deep Services			
	Roads/Shallow Buried Utilities			
	Sale			

*Pending the completion of roadways in 2023.

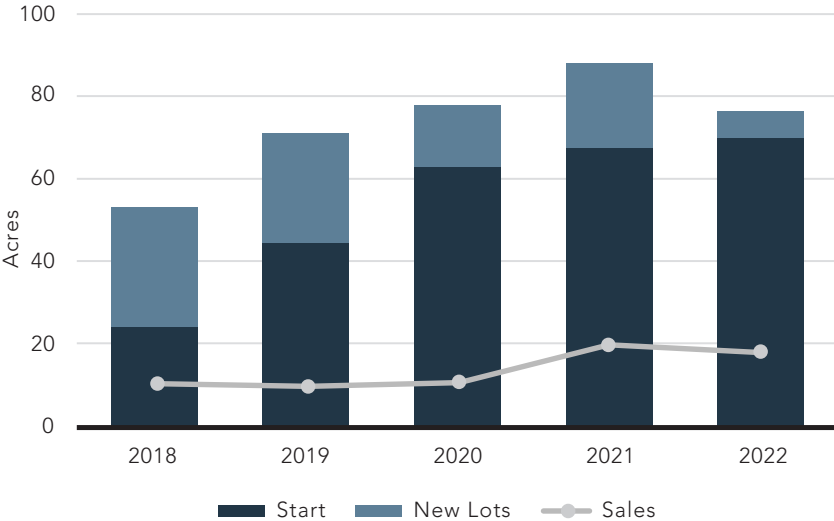
SALES/INVENTORY REVIEW

Multi-Unit

Figure 4 identifies inventory and sales of multi-unit, commercial, and institutional land. In 2022, a combined 17.66 acres of multi-unit, institutional, and commercial properties were sold. Five multi-unit parcels (four in Evergreen and one in Blairmore), one institutional (Evergreen), and two commercial (Evergreen and Aspen Ridge) made up \$16.7 million in revenue. Of the ~69 acres in starting inventory, ~22 acres are under agreement for sale within the next two years.



FIGURE 4: Multi-Unit, Commercial & Institutional Sales 2018-2022

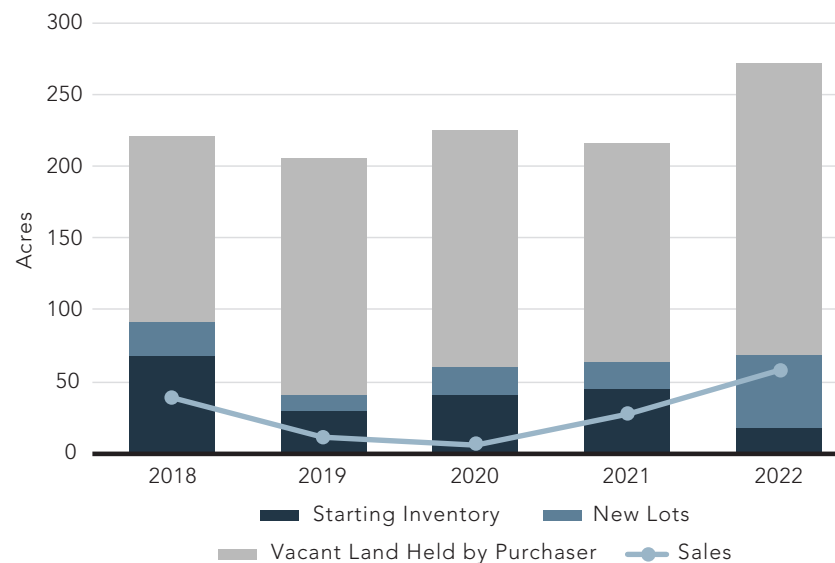


Industrial

Over the last decade, most of Saskatoon Land’s industrial servicing has been in the Marquis Industrial Area. Additional inventory is available in the South West Industrial Area where there are currently two parcels available for purchase. The sale of an additional parcel on Lorne Avenue was recognized in 2022 for \$1.8 million.

Figure 5 identifies Saskatoon Land's industrial inventory, new servicing, and vacant land inventory held by recent purchasers of industrial land in the Marquis Industrial and South West Industrial Areas. Between 2018 and 2022, Saskatoon Land's inventory in the Marquis Industrial Area ranged from 16 acres to 48 acres, with many vacant land parcels being held by recent purchasers.

FIGURE 5: Marquis Industrial Inventory vs. Sales



In addition to providing investment returns, Saskatoon Land's role in industrial development is to facilitate opportunities for economic development in the areas of business attraction and expansion. This is accomplished by having a suitable inventory of fully

served shovel-ready sites available for potential new businesses considering a location in Saskatoon. Much of the current inventory held by Saskatoon Land can facilitate these employment-generating opportunities if and when they arise. The City's Industrial Land Incentive Program provides further opportunity for new or expanding businesses to lease industrial land if set criteria can be met.

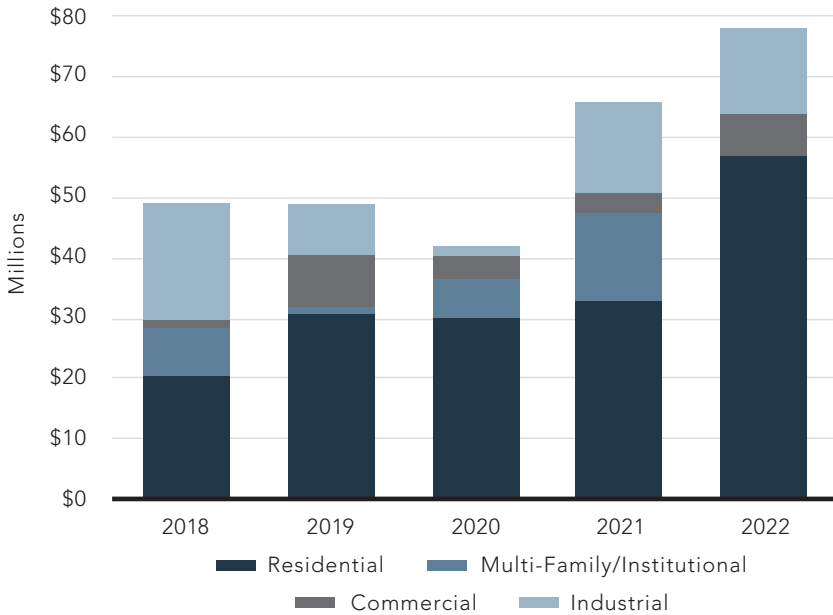


SALES/INVENTORY REVIEW

Sales Summary

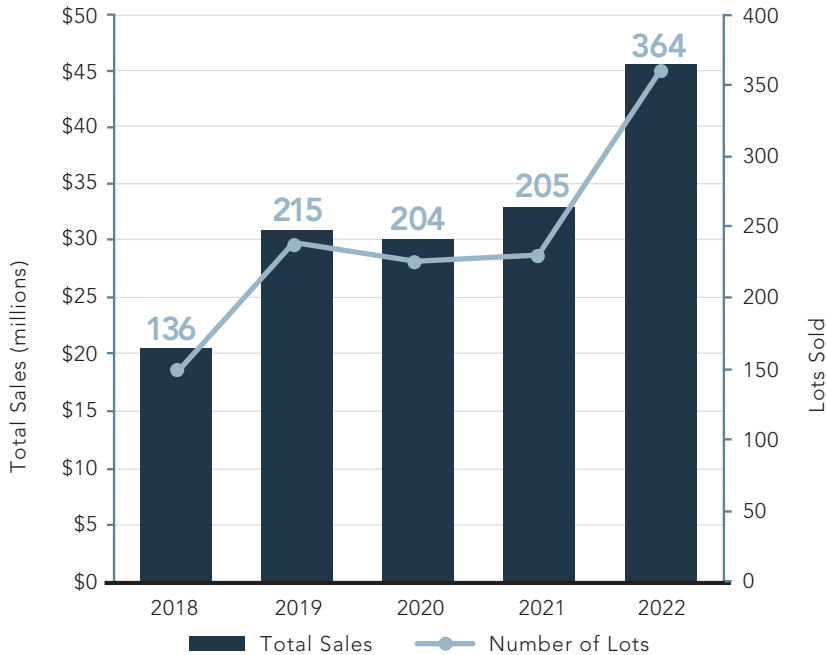
As seen in Figure 6, total land sales increased in 2022 to \$76,896,866. A significant increase in Single-Unit Residential land sales accounted for most of the increase.

FIGURE 6: Total Sales Summary



Brighton Phase 1 lots were handed over to purchasers upon completion of servicing in summer 2022. The average price of Saskatoon Land lots sold in 2022 was \$126,000, down from the 2021 average of \$159,000. This decrease was a result of a large portion of lots being sold in Brighton which has a lower per lot pricing and more lots with narrower frontage than other neighbourhoods.

FIGURE 7: Single-Unit Residential Lot Sales



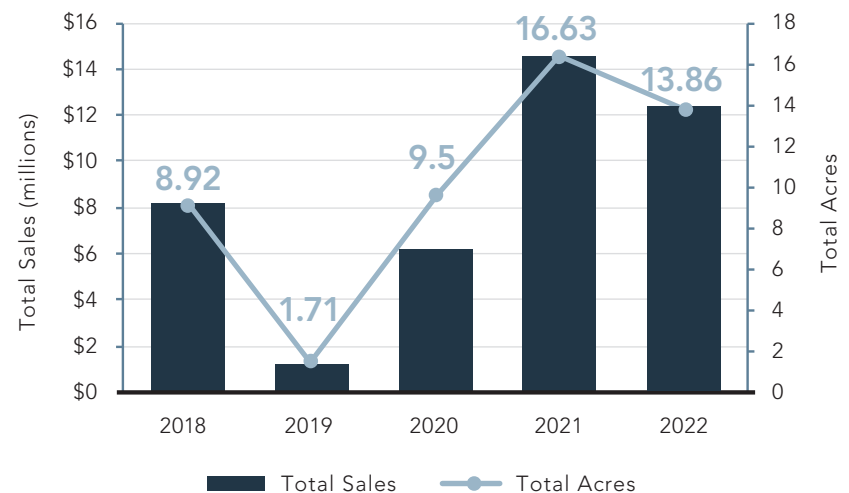


As noted in Figure 8, multi-unit sales saw a slight decrease from the sales recorded in 2021. Over the last two years, Saskatoon Land has seen an increase in multi-unit sales. This is largely attributable to more purpose-built multi-unit rentals being constructed due to increased interest rates, forcing potential single-unit buyers out of the market and into the rental market. The increase in multi-unit land sales has been largely occurring in both the Evergreen and Aspen Ridge neighbourhoods.

*Average price of Saskatoon
Land lots sold in 2022 was*

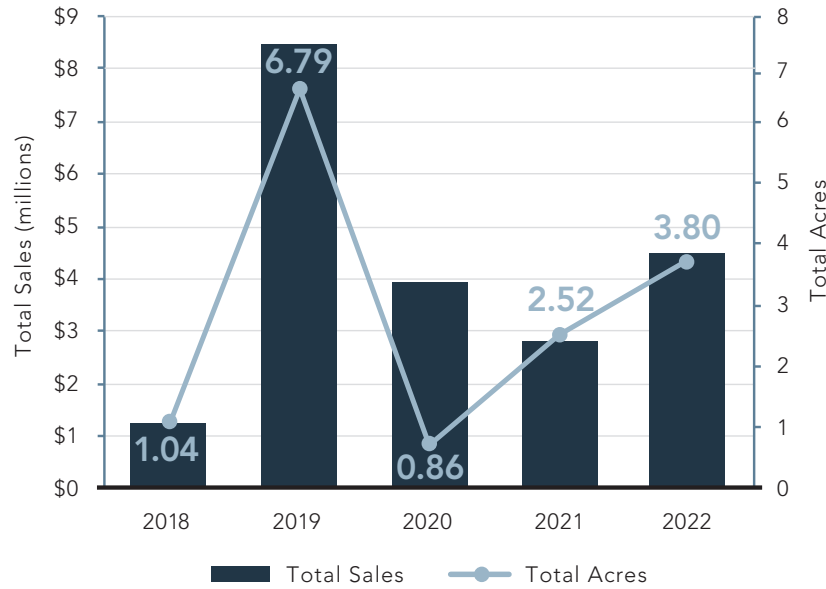
\$126,000.

FIGURE 8: Institutional/Multi-Unit Sales



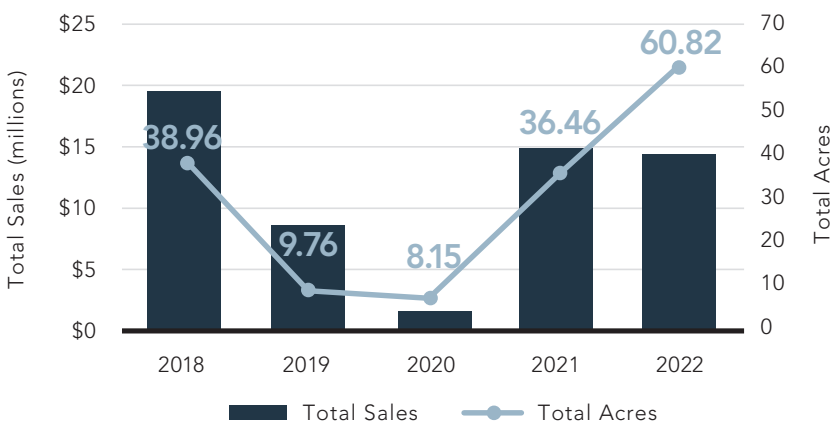
SALES/INVENTORY REVIEW

FIGURE 9: Commercial Sales



Industrial transactions consist of sales and new leases under the Industrial Land Incentive Program. Industrial land sales have seen both highs and lows over the last five years and that is largely based on available inventory. Industrial land sales remained strong in 2022 compared to both 2019 and 2020, and we are seeing that positive trend continue into 2023. Marquis Industrial Area has continued to establish itself as a major employment area in the Saskatoon region with good access from all parts of Saskatoon. Figure 10 shows the five-year history of industrial lot sales.

FIGURE 10: Industrial Sales & Leases



Industrial land sales remained strong in 2022 compared to both 2019 and 2020, and we are seeing that positive trend continue into 2023.



FINANCIAL RESULTS

The following consolidated statement of earnings consists of Saskatoon Land's 2021 and 2022 development activities, leasing activities and operating expenses.

FINANCIAL RESULTS

Consolidated Statement of Earnings (Unaudited)

		2022	2021
LAND SALES	Residential/Mixed Use ⁽¹⁾	\$ 62,428	\$ 50,028
	Industrial/Commercial ⁽²⁾	\$ 14,468	\$ 14,949
		\$ 76,896	\$ 64,977
COST OF LAND SOLD	Residential/Mixed Use	\$ 46,547	\$ 33,663
	Industrial/Commercial	\$ 7,928	\$ 8,443
		\$ 54,475	\$ 42,106
NET SALES ⁽³⁾		\$ 22,421	\$ 22,871
OTHER REVENUE	Cost Recoveries	\$ 131	\$ 142
	Property Lease ⁽⁴⁾	\$ 3,972	\$ 3,442
	Interest ⁽⁵⁾	\$ 97	\$ 100
		\$ 4,200	\$ 3,684
NET REVENUE		\$ 26,621	\$ 26,555

** In thousands of dollars*

FINANCIAL RESULTS

		2022	2021
EXPENSES	Salaries & Benefits ⁽⁶⁾	\$ 1,745	\$ 1,782
	Operating Expenses	\$ 658	\$ 605
	Grants in Lieu of Taxes ⁽⁷⁾	\$ 1,122	\$ 1,168
	Maintenance	\$ 187	\$ 247
	Interest	\$ 383	\$ 534
	Marketing ⁽⁸⁾	\$ 130	\$ 131
	Contribution to Reserves ^{(4) (9)}	\$ 2,090	\$ 2,099
		\$ 6,315	\$ 6,566
NET EARNINGS		\$ 20,306	\$ 19,989

* In thousands of dollars

⁽¹⁾ 2022 single-unit sales increased by 159 lots compared to 2021. The only new land release of single-lots was Kensington Phase 5. Brighton Phase 1 was released in 2021 as a delayed possession and revenue was recognized in 2022. The increase in revenue is largely attributable to this recognition of sales revenue in Brighton Phase 1.

⁽²⁾ Strong industrial sales occurred in the Marquis Industrial Area. Industrial sales include purchases and the exercise of options under the Industrial Land Incentive Program, but not new leases under the program.

⁽³⁾ A gross margin of 29.2% was realized in 2022, down from 35.2% in 2021. This change is mainly due to the sale of narrower lots with lower price points in 2022 versus 2021. 2022 had a much larger amount of lower priced lots sold, coupled with increasing pre paid servicing costs in 2022, resulting in a lower gross margin.

⁽⁴⁾ In 2022, the increase in Lease Revenue is primarily attributed to Inland Steel's new lease in the Marquis Industrial area coupled with lessees exercising their purchase options within the year.

⁽⁵⁾ Interest revenue is a result of delays in final payments being received from builders largely attributable to some of the unforeseen situations that have arisen from the supply chain constraints.

⁽⁶⁾ Decreased salaries and benefits are a result of staff positions that were held vacant for a few months while recruitment took place.

⁽⁷⁾ Grants in Lieu of Taxes decreased marginally in 2022 due to the sale of commercial, multi-unit and industrial properties that were previously held in inventory.

⁽⁸⁾ This category includes all capital marketing costs for Kensington, Aspen Ridge, Parkridge and Brighton in addition to StarPhoenix advertising, Homestyles costs, and other miscellaneous marketing charges.

⁽⁹⁾ Contribution to reserves is based on excess of revenue over expenses in Saskatoon Land's operating cost centre and transfers from City-owned property.

FINANCIAL RESULTS



The following statement of earnings consists of Saskatoon Land's operating revenue and expenses, including that of future development land.

Operating Statement of Earnings (Unaudited)

		2022	2021
REVENUE	Administration Fees ⁽¹⁾	\$ 5,086	\$ 4,130
	Lease Revenue ⁽²⁾	\$ 3,955	\$ 3,369
		\$ 9,041	\$ 7,498
EXPENSES	Salaries & Benefits	\$ 1,745	\$ 1,782
	Operating Expense	\$ 553	\$ 514
	Maintenance	\$ 107	\$ 115
	Building Costs	\$ 135	\$ 117
	Marketing ⁽³⁾	\$ 24	\$ 8
	Contribution to Reserves ⁽⁴⁾	\$ 2,090	\$ 2,099
		\$ 4,654	\$ 4,635
NET EARNINGS (LOSS)		\$ 4,387	\$ 2,864

* In thousands of dollars

⁽¹⁾ A 6% administration fee is included in all sales which covers Saskatoon Land's annual operating costs. Increase in 2022 attributable to higher annual land sales.

⁽²⁾ Lease revenue consists of short-term leases, parking revenue and farm leases on future development land, as well as lease revenue from the Industrial Land Incentive Program. In 2022, the increase in lease revenue is primarily attributed to Inland Steel's new lease in the Marquis Industrial area.

⁽³⁾ Increased marketing costs in 2022 are primarily due to our participation in Homestyles combined with increased advertising costs for tax title properties and the open market Marquis Industrial parcels.

⁽⁴⁾ Contribution to reserves is based on excess of revenue over expenses in Saskatoon Land's operating cost centre and transfers from City-owned property. The off-setting costs of the lease to Norseman Structures is included as a contribution to reserve to payback the acquisition of the Norseman property.





FINANCIAL BENEFITS

Financial returns from land development operations stay in Saskatoon and are allocated for use in various capital projects that would otherwise be funded through the mill rate or borrowing. Since 2007, Saskatoon Land has allocated \$139.65 million in net proceeds from the sale of property in the Hampton Village, Willowgrove, Rosewood and Evergreen neighbourhoods.

FINANCIAL BENEFITS

City land holdings continued to generate annual contributions to general revenue. In 2022, \$2.83 million was generated from short-term leases, farm leases, and long-term lease payments collected through the Industrial Land Incentive Program.

In addition, several civic programs and projects have benefited from contributions or financing provided by the Property Realized Reserve (PRR), including: interim financing of land purchases for civic purposes. In 2022, Saskatoon Land secured \$42 million in property acquisitions for the Downtown Event and Entertainment District project.

Over time, the City's involvement in land development has proven to be a financial asset that would be difficult to replace.

\$139.65 million

Amount Saskatoon Land has allocated since 2007 in net proceeds from the sale of property in the Hampton Village, Willowgrove, Rosewood and Evergreen neighbourhoods.





Contributions made by returns from the investment in and subsequent sale of development lands, have resulted in significant savings for Saskatoon taxpayers.





2022 MAJOR ACCOMPLISHMENTS

Since 1954, Saskatoon Land has been successfully shaping urban growth while generating revenue through a dividend to the City of Saskatoon for municipal improvements. Building better roads, funding affordable housing, renovating aging leisure amenities—these are just a few of the quality of life improvements made possible by Saskatoon Land in recent years.

2022 MAJOR ACCOMPLISHMENTS

Marquis Industrial

In 2022, Saskatoon Land released phase 11 in the Marquis Industrial area. Five parcels were sold in the initial release generating \$5.04M in revenue. Two parcels have subsequently sold under agreement generating an additional \$1.88M in revenue that will be recognized in 2023.

Servicing for the next industrial release on Radu Crescent off 64th Street was completed in 2022 with a scheduled release in 2023. This release will include half-acre parcels in the Saskatoon industrial market targeting small business owner-operated end users.

Single-Unit Open Market Release

Saskatoon Land began to accept offers on single-unit lots in Kensington in addition to Parkridge under the open market sales approach. This sales approach provides Saskatoon Land additional opportunity to negotiate land sales with comparable sales and current market conditions taken into consideration. The process resulted in the sale of 29 lots in 2022 that have been in inventory for a significant period of time.

Saskatoon Land completed servicing of their first phase of the Brighton neighbourhood.

Brighton Land Sales

Saskatoon Land completed servicing of their first phase of the Brighton neighbourhood. In 2022, 156 lots were sold using the pilot presale allocation process in 2020. The remaining 134 lots were sold using the multi-lot allocation and regular lot draw process through 2021. These lots were turned over to builders and individuals in Summer 2022 with the first builds commencing shortly thereafter.



Aspen Ridge Linear Parks (kisiskaciwan Park and Lamb Park)

- kisiskaciwan Park is a continuation of the linear park drainage channel that follows the natural drainage course for overland drainage to the Northeast Swale during major storm events, while enhanced to accommodate recreation and alternative transportation options for pedestrian and cyclist movement through the neighbourhood. Fifty percent of the total one-kilometer linear park drainage channel was constructed in 2022 along with decorative aluminum fencing defining the edges of the park.
- Lamb Park was created to provide pedestrians and cyclists living in the southeast portion of the neighbourhood a safe path to the Aspen Ridge Core Park. In addition, this linear park was enhanced with a water connection for a future community garden to be used by community organizations. Decorative aluminum fencing was also constructed along both edges of the park incorporating a gate with Aspen Ridge logo inset for each residential lot.

Landscaping and Streetscaping Projects

Substantial Completion of Lions Century Park, Kensington Core Park took place in 2022. This park includes sports fields, walking paths, and a toboggan hill. Completion of the spray pad is scheduled for 2023.







INFILL PROJECTS

Infill development helps build sustainable communities by encouraging residential growth in established areas where infrastructure is already in place.

INFILL PROJECTS

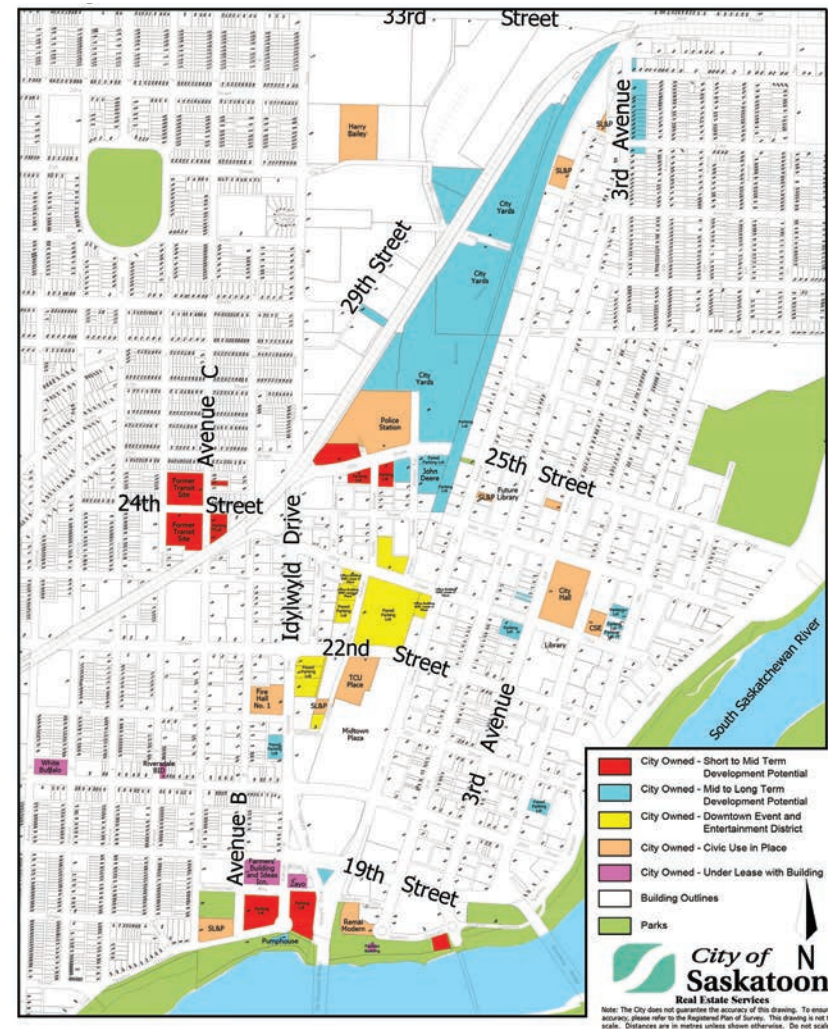
Infill development helps build sustainable communities by encouraging residential growth in established areas where infrastructure is already in place.

Saskatoon Land has historically focused on suburban land offerings in its planned developments. This focus has recently changed to activate more infill opportunities in support of the Growth Plan and become a catalyst of development in the Downtown and other infill areas.

To help achieve this goal, Saskatoon Land offers its knowledge and expertise in land development and has been involved with, or has undertaken, initiatives and projects to help realize potential infill development on city owned lands.

As seen in Figure 11, Saskatoon Land has undertaken a review of City-owned land inventory in the Downtown and surrounding area and has identified a high-level development timeline for the potential release of these lands to the market. Some of the accomplishments or projects undertaken by Saskatoon Land in support of this new direction are listed below and on the following pages.

FIGURE 11: City-Owned Land in and Around the Downtown



INFILL PROJECTS

Downtown Event and Entertainment District Property Acquisitions

In addition to the North Lot which was purchased from Midtown Plaza for the potential future Downtown Event and Entertainment District, a number of additional properties were purchased. These additional properties are adjacent to the North Lot and would further support and enhance the development of a Downtown Event and Entertainment District at the North Lot location. Net interim lease revenues from the properties will be used to help pay down the land acquisition cost and create savings for the project once approved.

Temporary Emergency Wellness Centre

In collaboration with Fire and Protective Services, Saskatoon Land coordinated with the Saskatoon Tribal Council for the city's first Downtown Emergency Wellness Centre. The shelter at 145 – 1st Ave North provided emergency shelter for unhoused members of our community. The operation of the shelter was believed to have saved a number of lives as onsite supervision and reprieve from extreme cold weather provided a much-needed service for those in need.

South Caswell Hill

Following the withdrawal of a previous proponent due to the impacts of COVID-19 on its business, Saskatoon Land successfully selected Caswell Bus Barns (102141070 Saskatchewan Ltd. and 102167142 Saskatchewan Ltd.) through a competitive process to

proceed with the redevelopment of the Saskatoon Transit Building located at 321 Avenue C North. The proposed development is well-aligned with the goals of the South Caswell Concept Plan and will proceed through required land use amendments and community engagement throughout the summer/fall of 2023.



Inland Steel – Relocation to Marquis Industrial

Saskatoon Land worked cooperatively with Inland Steel throughout 2021 to negotiate a Lease Agreement for 30.6 acres of industrial land, facilitating the relocation of Inland Steel's current metal recycling operations on 17th Street West to a new location in the Marquis Industrial area. The lease commenced in January 2022 with construction beginning soon afterwards.





PREPARED BY

**Saskatoon Land Department
Corporate Financial Services Division**

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