City of Saskatoon

Appendix 1

Market Analysis of Housing and Retail Demand

Downtown Event and Entertainment District

June 2023

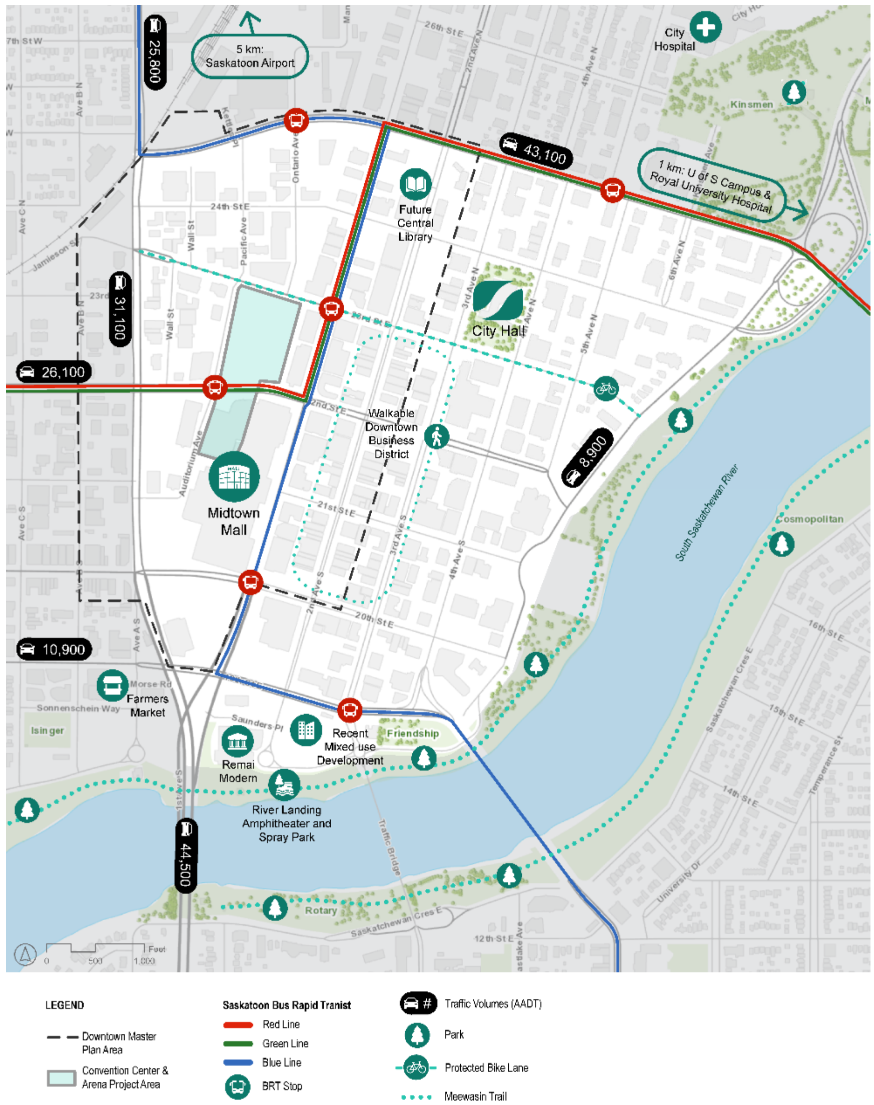
Stantec

TABLE OF CONTENTS

I. Introduction

Downtown Saskatoon is the genuine heart of the city with respect to employment density, destination retail districts, transit connectivity, hotel availability, conference facilities, walkable riverfront, events, and an array of other amenities and attractions. With plans for a renovated conference centre, a new arena/event centre, upgraded transit service, and new public spaces, its future is bright and development opportunities may emerge that have been stymied in the past.

Exhibit 1. Downtown Saskatoon and Downtown Event and Entertainment District



Source: Stantec

This dynamic context is the backdrop for developing a master plan for the Downtown Event and Entertainment District (DEED)—a subarea of Downtown Saskatoon that surrounds the planned conference centre and event centre. (See area outlined in a dashed black line in Exhibit 1.)

Purpose and Research Process

The purpose of this report—Market Analysis of Housing and Retail Demand: Downtown Event and Entertainment District—is to:

- Analyze the market context for future development in the DEED, and in Downtown Saskatoon more broadly.

- Offer guidance and recommendations concerning the inclusion of different development types in the master plan for the DEED and Downtown Saskatoon more broadly.
- Recommend context building actions and public sector support that may be required to foster the desired development, in instances where desired development is not expected to occur organically.

In addition to utilizing conventional methodologies for accessing and analyzing real estate market data, the research benefited from a site visit to Saskatoon that included frank, in-person interviews with a range of local developers and stakeholders, in addition to context building and informative conversations with City of Saskatoon staff.

The research Interviews that were conducted on site were augmented by additional phone interviews, resulting in detailed, substantive conversations with a range of interviewees in real estate, development, business and civic professions.

Report Organization

The report that follows is organized in seven sections.

1. Executive Summary. This section is an abbreviated summary of the development guidance and recommended actions that result from the market analysis.
2. Summary of Findings and Strategic Recommendations. This section summarizes the key findings of the analysis and the recommended strategies for achieving development goals.
3. Regional Development Drivers. This section characterizes the drivers of economic and population growth that underpin demand for real estate development in Saskatoon.
4. Demographics. This section offers a demographic profile of Saskatoon’s population and that of Downtown Saskatoon.
5. Downtown Locational Context. This section highlights the constellation of locational assets and challenges present in the Downtown Saskatoon environment.
6. Development Market – Residential. This section analyzes the residential market context and development patterns in Saskatoon and Downtown Saskatoon.
7. Development Market – Retail. This section analyzes the retail market context and development patterns in Saskatoon and Downtown Saskatoon.
8. Development Market – Hospitality. This section analyzes the hotel market context and development patterns in Saskatoon and Downtown Saskatoon.

II. Executive Summary

This market analysis provides development guidance to the City of Saskatoon related to the kind of new development to foster and support in the DEED in the short to medium term. It also proposes a set of recommended actions for establishing an ongoing pattern of downtown housing growth, consistent with City goals.

Development Guidance

Although the DEED hasn't experienced a lot of development activity in recent years, it has seen some retail business development and office-related building rehabilitation projects. It has a distinctive "warehouse district" character among downtown neighbourhoods, and a set of attractive locational strengths. The development of the new event centre, and planned public space investments, will add to that asset base.

The following guidance should inform the development-related elements of the DEED master plan.

Housing. In the short to medium term, residential development should be the priority focus of redevelopment efforts. The multifamily housing market is strong, and downtown (including the DEED) has an array of attractive locational characteristics that allow it to attract a share of that development market. Downtown housing development also faces challenges that are not present in the suburban settings where most multifamily development is occurring, so establishing and maintaining a pattern of downtown housing development will require a set of intentional actions, as described below. With these actions, Downtown Saskatoon can capture an estimated one-quarter of the city's multifamily housing growth—or around 200 housing units per year.

Retail. Downtown Saskatoon's storefront retail businesses, particularly along 2nd Avenue and 21st Street, are an important part of what makes downtown vibrant and distinctive. However, for reasons that are both downtown specific and sector-wide, the downtown retail market has not recovered from COVID-era impacts. This can be observed in storefront vacancies and lower rent levels, and is experienced by local businesses in reduced customer traffic and profitability. Given this, Downtown Saskatoon will benefit from taking a cautious approach to adding more retail development until a more complete recovery occurs for downtown retail businesses. Until that time, retail development should be encouraged only in locations that have special strategic value in anchoring and activating public spaces or strengthening key connections within downtown.

Hospitality. Downtown Saskatoon benefits from the number and variety of hotels that are located downtown. Downtown hotels support business travellers as well as people coming to town for events, shopping, tourism, and family purposes. Downtown hotels are lagging other hotels in the region in their recovery from COVID-era impacts, even as an additional 155 hotels rooms were added to its inventory in 2019. Given this, the downtown hotel market is considered saturated for the time being. This will change over time with continued regional growth, and the development of the new event centre. In the short term, hotel development need not be encouraged.

Recommended Actions

Establishing a pattern of ongoing housing development in Downtown Saskatoon is the most catalytic development-related action that can be taken to support the vibrancy of downtown. A key finding of this analysis is that this can be accomplished. Downtown housing benefits Saskatoon in multiple ways including building downtown vibrancy and streetlife, supporting downtown retail businesses, and dampening downtown behavioural issues. It also generates property tax revenues that could potentially be leveraged to support the event centre and conference centre projects.

However, for reasons discussed in more detail below, establishing and maintaining housing growth downtown requires a set of intentional public actions that level the playing field with suburban multifamily housing development. These actions address challenges of inflated price expecations on the part of downtown property owners, and the site assembly and predevelopment challenges that are present in the downtown context. The following actions are recommended, and are also likely essential to accomplishing these goals.

- **Establish a production goal** of 200 housing units per year in Downtown Saskatoon.
- **Establish land price expectations** with publicly owned land. When selling publicly owned land for redevelopment, set the land price at a comparable cost per dwelling unit as suburban land. Use the same metric when public sector acquisitions are made.
- **Rezone parts of Downtown Saskatoon** to cap building heights at seven storeys.
- **Establish the organizational infrastructure** and processes to opportunitistically acquire downtown properties conducive to housing development, and to undertake predevelopment activities (such as demolition, platting, environmental testing, and researching utility availability) that ready the land for downtown housing development.
- **Create a downtown housing capital fund** that supports land acquisition and predevelopment actions.
- **Utilize tax abatement incentives** for downtown housing projects.
- **Undertake further analysis** to determine a revenue model for the downtown housing capital fund, and to demonstrate its medium to long-term financial and economic benefits to the City of Saskatoon.

III. Summary of Findings and Strategic Recommendations

Regional Development Drivers

Saskatoon benefits from its broad economic base. It has strong export sectors in mining and agriculture, and those industries require the support of an array of business services. The dominance of mining in Saskatoon's economy means that it will continue to experience fluctuations in production, revenues into the region, and the employment that supports.

Saskatoon also serves as a regional destination for medical care, retail, and entertainment.

Saskatoon's economic growth has attracted in-migration to the region, resulting in high population growth relative to comparison cities. Higher paying professional occupations have grown faster than other occupational types.

These economic and population trends create demand for new residential and commercial development. Even development sectors that are facing challenges presently—such as office, retail and hotel development—are likely to see renewed demand in the medium term as the area's population and employment continue to grow.

Demographics

Although the foundation of Saskatoon's economy is distinctive, its demographic profile is quite similar to a set of peer cities. On the other hand, Downtown Saskatoon has a distinctive demographic profile relative to the city as a whole. Those demographic characteristics result from the mix of housing types that predominate in Downtown Saskatoon. A set of lower income individuals, many of whom are elderly, live in long-standing affordable housing developments downtown. Older market rate apartments in Downtown Saskatoon are occupied by young, educated singles and couples without children. Newer apartment and condominium developments are home to higher income households across a broader age span.

Overall, household incomes are lower than average for Saskatoon, primarily because households are predominantly single person households with just one income. Average rents are roughly equivalent to the city-wide average, resulting in a greater share of households being housing cost burdened.

The occupational patterns of downtown residents include a disproportionate share of occupations in the business administration, government and health care sectors—sectors that have a particularly strong presence in and near Downtown Saskatoon.

These data suggest that the downtown household profiles that have the strongest growth potential will be educated singles and couples without children—primarily younger professionals, and secondarily empty nesters—who may work for downtown and near-downtown employers, and who appreciate the activity and amenities that are available in Downtown Saskatoon.

Downtown Locational Context

Downtown Saskatoon has an unusually strong set of locational assets, which draw people downtown for living, working, shopping, entertainment and events. Saskatoon will continue to build on these existing strengths with its plans for new event and conference facilities, high quality transit infrastructure, and other public realm improvements.

The Downtown Event and Entertainment District includes the Warehouse District which has existing character elements and energy that, together with its proximity to other downtown amenities, create a supportive environment for redevelopment under the right circumstances.

It will be important to continue to address the more challenging conditions in Downtown Saskatoon. In particular, interest in downtown living will be stronger—and people who visit downtown for one reason will more often spend time at other downtown venues—if planned public spaces are built, and connections are strengthened between downtown amenities through public realm improvements and redevelopment projects in key locations.

It is also important to continue to address downtown behaviour and livability challenges, recognizing that adding downtown activity—through building additional downtown housing, and encouraging a return to the office—is the strongest long-term approach to mitigating concerning behaviour.

Development Market – Residential

Saskatoon's economic growth has stimulated ongoing demand for housing development, the great majority of which in recent years has been in suburban areas where land is abundant and development processes straightforward.

City-wide, multifamily development has outpaced single family development in recent years, and more rental apartments are now being developed than condominiums. An average of around 800 apartment units have been developed per year—including both rental apartments and condominiums—over the past decade.

Market demand indicators such as vacancy rates and non-absorption rates demonstrate ongoing demand for new housing.

Housing development in and near Downtown Saskatoon, while it has been occurring at a more modest pace, has demonstrated a market for upscale multifamily housing in the heart of the region. Most of the housing development over the last decade has been highrise condominium developments along the downtown riverfront and near the Broadway district. A stick-framed midrise apartment format has not been built in Downtown Saskatoon in recent years.

Challenges to increased downtown housing development include price expectations on the part of landowners, the complexities and extended timeline associated with downtown development compared with suburban development, and risks associated with pioneering development formats and locations, along with the absence of established rent comparisons.

Strategic Recommendations

Multifamily residential development is the most viable and impactful development sector suitable for downtown infill development. It provides numerous and important benefits related to the vibrancy of downtown, supporting and strengthening downtown retail businesses, and addressing downtown livability issues.

The macro context for residential development is strong and expected to remain strong over the near to medium term. The local Saskatoon market context is also favourable, consistently resulting in 800 to 1,000 new multifamily housing units per year in recent years—the majority of which is in four to six-storey, stick-framed construction formats.

Establishing a steady flow of downtown housing production is possible, but will not occur in the absence of public sector actions to mitigate challenges to the downtown housing market. Initially, housing development projects that are stick-framed or in certain downtown locations will be the most challenging because they lack established rent comparisons and streamlined development processes.

The successful completion of Initial housing projects will reduce development risks and improve perceptions of downtown housing viability. They will not, however, eliminate the need for public sector support—which will be needed on an ongoing basis to level the cost-and-risk playing field with suburban development. Saskatoon Land has been tremendously successful in setting the stage and simplifying the development process for suburban housing development. With additional complexities—related to land assembly, demolition, environmental conditions, utility and access constraints—downtown infill housing will always be more complicated than suburban development. For Downtown Saskatoon to capture its share of the region’s apartment development, similar actions, attention, and organizational infrastructure will be required.

Projects in premium riverfront locations may continue to be viable on a strictly market basis. The focus of public sector attention and support should be on fostering housing development in other parts of Downtown Saskatoon.

The following are specific recommendations related to fostering downtown housing growth.

Goal setting. Setting a goal for downtown housing production is beneficial for spurring the changes in practices that will be needed to foster downtown housing. Downtown can capture an estimated 25% of the City's multifamily housing growth.

- Establish a production goal of 200 housing units per year in Downtown Saskatoon.
- Build the organizational capacity to meet production goals.
- As market conditions change, and the downtown housing market is established, calibrate public sector actions as needed to continue to meet production goals
- Consider initiating development at the north side of the warehouse district on the properties already in public ownership. This is a way of jump-starting housing production downtown while building the organizational capacity for continuing housing development.

Land prices. Price expectations for downtown land are high, and are reported to be associated with property owner expectation of a high density redevelopment future. Land value expectations can be reset through intentional actions.

- Establish land price expectations with publicly owned land. When selling publicly owned land for redevelopment, set the land price at a comparable cost per dwelling unit as suburban land. Use the same metric when public sector acquisitions are made.
- Rezone parts of Downtown Saskatoon to cap building heights at seven storeys.

Development uncertainties. While downtown infill development will always entail more complexity and risk than suburban development, under current conditions it is suburban housing development that benefits from public land acquisition and predevelopment actions that tee up land for development. Prioritizing downtown housing will require similar approaches and organizational infrastructure in order to streamline development processes and reduce risks.

- Establish the organizational infrastructure and processes to opportunitistically acquire downtown properties conducive to housing development, and to undertake predevelopment activities (such as demolition, platting, environmental testing, and researching utility availalability) that ready the land for downtown housing development.
- Take steps to evaluate and streamline development review processes for downtown development, and shorten review timelines.

Financial support. Public financial support will be required to make downtown housing development viable. The direct development subsidy required is expected to be consistent with the province-established cap of 5 years of tax abatement. But additional predevelopment investments may be required to ready land for development. Public investments in streetscaping, area parks and other public realm improvements are important in building the context for downtown living—particularly in the Warehouse District which currently lacks public space and is furthest from the river.

- Utilize tax abatement incentives for downtown housing projects.
- Create a downtown housing capital fund that supports land acquisition and predevelopment actions.
- Undertake further analysis to determine a revenue model for the downtown housing capital fund, and to demonstrate its medium to long-term financial and economic benefits to the City of Saskatoon.

Development Market – Retail

Against a backdrop of retail sector challenges, the Saskatoon retail market continues to recover. Downtown storefront retail is, however, lagging in its recovery for reasons that include reduced occupancy of downtown office buildings, the incomplete recovery of business travel, and downtown behaviour and livability issues.

The downtown storefront district faces competition from the Broadway and Riversdale districts, but also benefits from agglomeration effects that brand the trio of storefront districts in the centre of Saskatoon as the place for walkable, vibrant retail districts.

Downtown residents are only one of many submarkets that downtown retail businesses benefit from, but they establish an important foundational level of consumer demand. Downtown housing growth can generate a significant increase in the aggregate consumer spending of downtown households.

Caution needs to be exercised in encouraging additional retail development until the downtown retail context has stabilized.

Strategic Recommendations

The present weakness of the downtown retail market argues for a cautious approach. New retail development should not generally be encouraged in the short term so that new retail doesn’t cannibalize market share from existing retail businesses. New retail should only be encouraged in strategically important locations where continuity needs strengthening between existing downtown amenities.

- New housing developments should not generally be required to include a retail component.
- Identify locations where new retail development is a priority for strategic reasons.

- Build the downtown residential customer base by fostering downtown housing growth.

Development Market – Hospitality

Saskatoon's hospitality market exhibits the following strengths:

- Downtown Saskatoon has a strong set of complementary room-night generators that would help attract key target markets. Examples of room-night generators include major employers, theatres, programmed events, museums, the Midtown shopping mall, the shopping and restaurant district along 21st Street, and the riverfront system of parks and trails.
- Outside of peak traffic periods, most areas of Saskatoon can access downtown within 5-10 minutes by car. This means that out-of-town travellers would find a downtown location relatively convenient even if their reason for visiting Saskatoon is outside the downtown.
- Downtown has the region's best complement of full-service hotels. Nevertheless, it also has numerous choices for mid-priced and economy-priced hotels as well.
- Saskatoon has a strong economy that will likely continue to grow, especially over the long-term. Therefore, as the entire regions continues to grow there will inevitably be an increased demand for all types of hotel rooms.
- There are no immediate plans for new hotel development in the downtown. This will better position the existing hotel properties to absorb any future growth in demand and raise occupancies and RevPAR (Revenues per Available Room).
- Plans for a new arena and convention centre will undoubtedly bring more visitors to downtown over the long-term, which will increase the demand for more downtown hotel rooms.

Saskatoon's hospitality market also faces a number of challenges.

- With an occupancy rate currently around 55%, the downtown hotel market has yet to fully recover from the pandemic and won't be able to absorb a significant number of new hotel rooms for several years.
- In Saskatoon, like in most markets, office buildings have been permanently impacted by the pandemic because of the cultural shift toward working from home. This has resulted in a reduction in business travel and decreased vitality in Downtown Saskatoon.
- Decreased downtown vitality due to fewer office workers has created a perception that the downtown is less safe than it was a few years ago and subject to more crime. Regardless of whether the perception is true or not, if it continues to persist over time, it will likely have a dampening effect on long-term demand, especially from leisure travellers.
- The Prairieland Trade and Convention Centre located two miles south of downtown competes with TCU Place Arts & Convention Centre, which is located within the

DEED. Currently, downtown hotels help attract users to the Prairieland facility. Therefore, if more hotels are developed near the Prairieland facility, this will have a negative impact on downtown hotels.

Strategic Recommendations

In the near term, the supply of downtown hotel space exceeds the demand. Caution should be exercised in encouraging or supporting new hotel development, so that it doesn't undermine demand for existing downtown hotels. In the medium term, and with the addition of the new arena/event centre, and new or expanded convention centre, there is likely to be demand for additional downtown hotel space.

III. Regional Development Drivers

Demand for new development in Saskatoon stems from two fundamental sources—regional economic and population growth. This growth underpins development demand across the region and across the spectrum of residential and commercial development types. Regional economic growth leads to in-migration, which is supported by additional housing development and new retail stores, food and beverage businesses, personal and household services, and recreation and entertainment opportunities. Regional economic growth also supports additional development of office, industrial and hotel space.

A second source of demand for downtown development comes from distinguishing Downtown Saskatoon as a desirable place to live, work, shop, eat, play, and have experiences that are unavailable elsewhere.

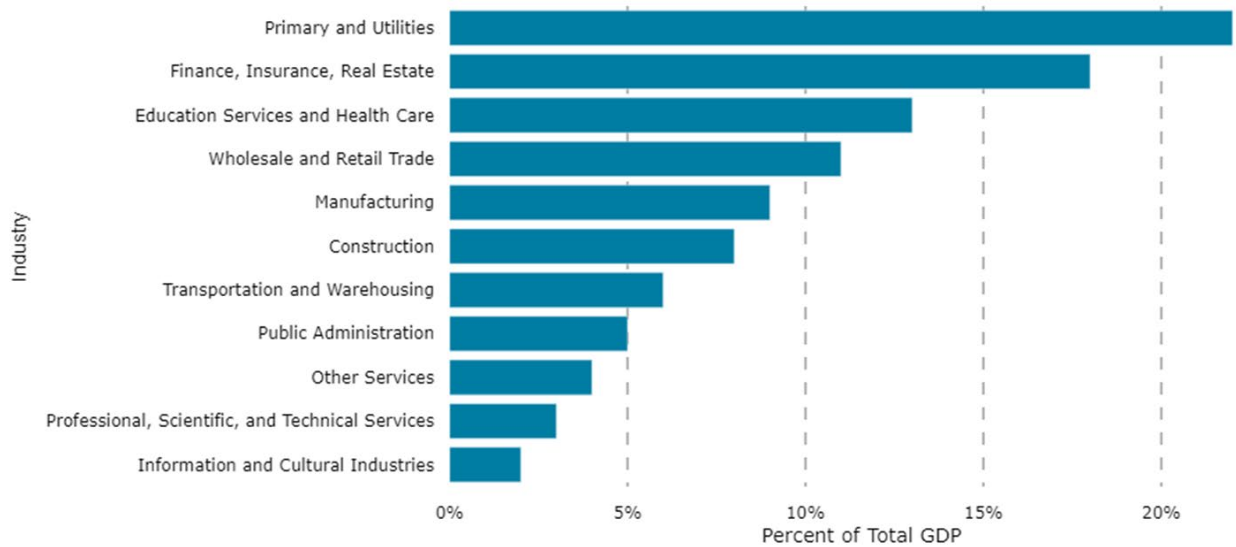
The section analyzes the regional economic and population trends that impact demand for new development in Saskatoon.

Saskatoon's Economic Foundation

Saskatoon's economy is rooted in the primary sectors of mining (particularly potash, uranium and rare earth minerals) and agriculture. The export-driven primary sector depends on a range of occupations, including the financial, sales, managenment, and legal 'head' functions central to managing a corporation and the labour-oriented functions of mining, processing, packaging and shipping of commodity goods. The primary sector commodity sales bring revenues into the region. Those revenues get paid out in employee wages, which are spent on local goods and services, supporting the local economy.

Exhibit 2 shows the percent of the area's total economic output (expressed in GDP—gross domestic product) that each of 11 economic sectors produces. The Primary and Utilities sector, which includes both mining and agriculture, is the largest sector in the economy in terms of economic output—responsible for 22% of the area's total economic output. The second category—Finance, Insurance, Real Estate—is deeply involved in supporting the Primary and Utilities sector.

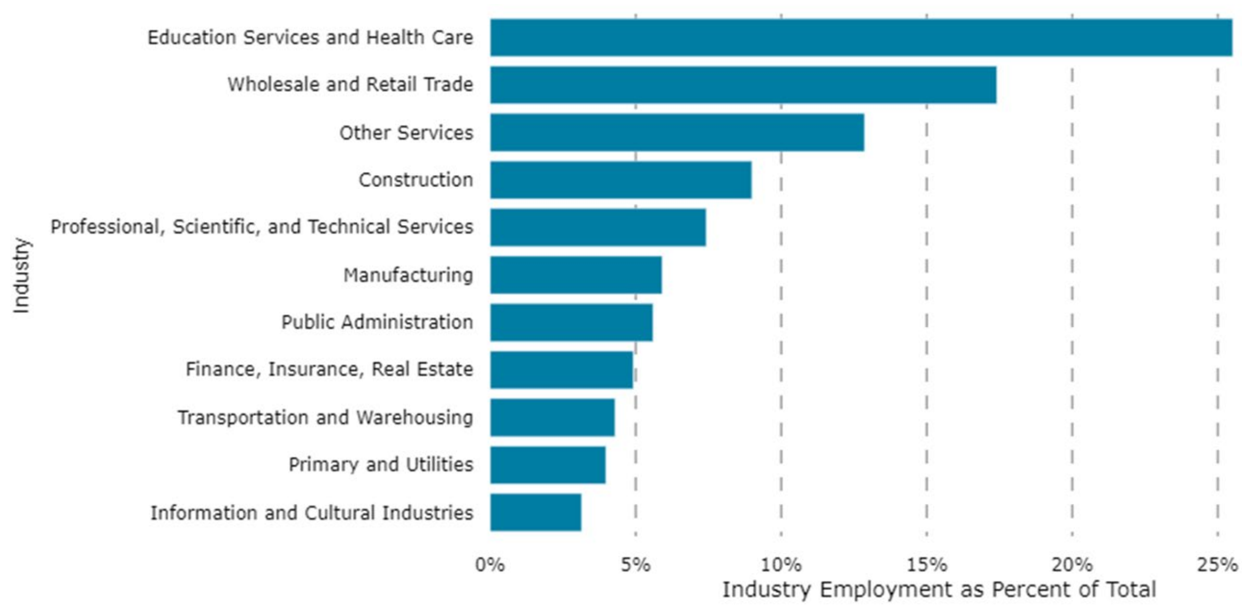
Exhibit 2. Economic Output by Industry Sector, as a Share of the Saskatoon Regional Economy



Source: Conference Board of Canada, July 2022

Saskatoon also benefits economically from being a regional centre for retail goods, medical care, entertainment and tourism. Exhibit 3 shows the percent of the area's total employment in each of 11 economic sectors. Measured by employment, Saskatoon's role as a regional centre is apparent. The most job-rich sectors are Education Services and Health Care, followed by Wholesale and Retail Trade.

Exhibit 3. Employment by Industry Sector, as a Share of Total Regional Employment



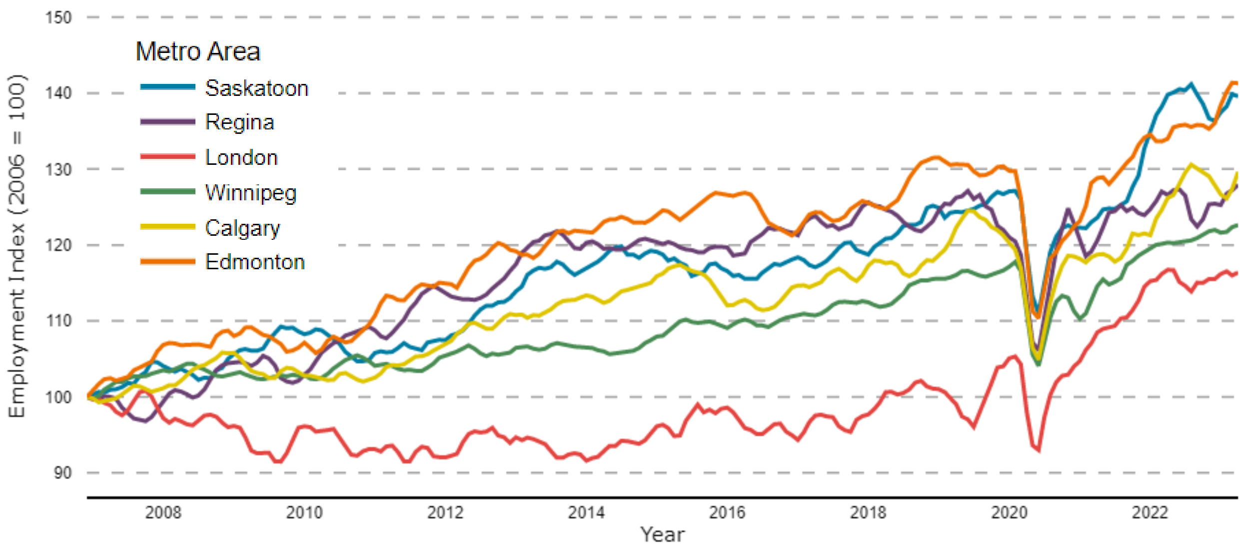
Source: Statistics Canada Table 14-10-0419-01

Employment Growth

Strong demand for potash, uranium, and rare earth minerals continues to drive employment growth in Saskatoon. Exhibit 4 illustrates the trajectory of that growth beginning in the fourth quarter of 2006. Over that period, total employment in the Saskatoon metropolitan area has grown 39%, which is a greater level of cumulative growth than most of the comparison cities.

The chart shows a period of flat or declining employment between 2014 and 2016 due to a slowdown in the mining sectors that underpin Saskatoon's economy. The layoffs that occurred in the early stages of the COVID pandemic are also evident in the chart.

Exhibit 4. Employment Growth, 2006 to 2022, Saskatoon and Comparison Metropolitan Areas



Source: Statistics Canada Table: 14-10-0380-01.

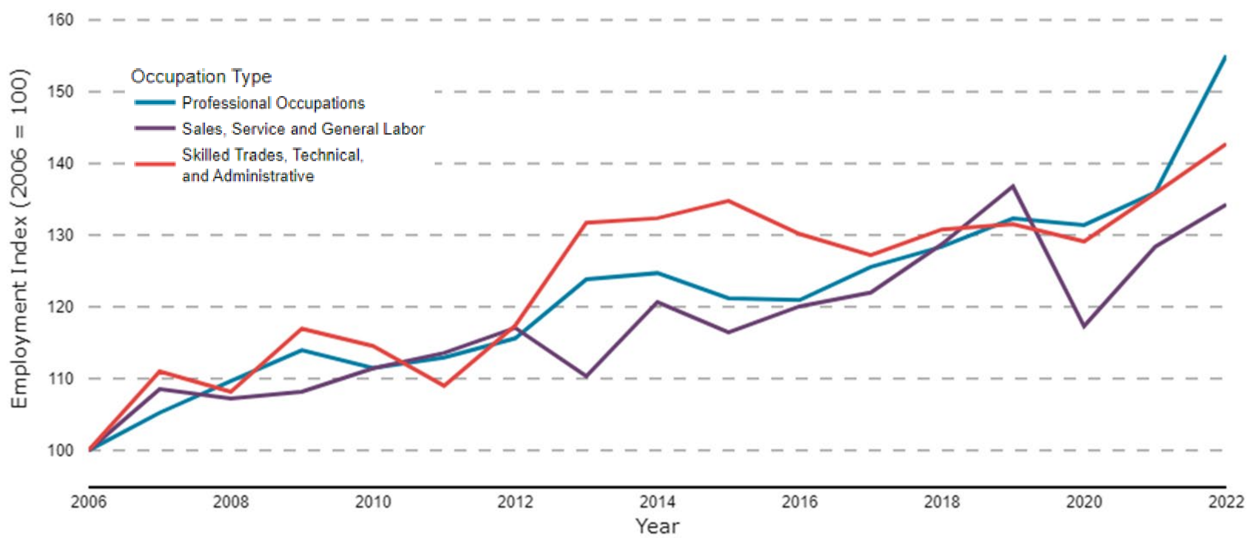
Indexed values are set to a base of 100, with 4th Quarter 2006 being the base year. Any change above/below 100 represents cumulative percent increase/decrease over the baseline number.

When employment growth is disaggregated by three occupational categories, one can see a different growth trajectory for each. (See Exhibit 5.) Employment in the Skilled Trades, Technical, and Administrative group of occupations surged from 2011 to 2013, flattened from then until 2020, and then resumed its growth. The temporary stagnation is related to the low commodity prices for the Saskatoon region's mining exports during that period.

The Sales, Service and General Labour group of occupations bore the brunt of the COVID pandemic in 2020, and still had not fully recovered by 2022.

The Professional group of occupations were the strongest growing occupations from 2006 to 2022, with total jobs increasing by 55% over the period relative to 2006 employment. It has also experienced the least fluctuation. Growth in these higher paying occupations benefits the region economically.

Exhibit 5. Employment Growth by Occupation Group, 2006 to 2022, Saskatoon



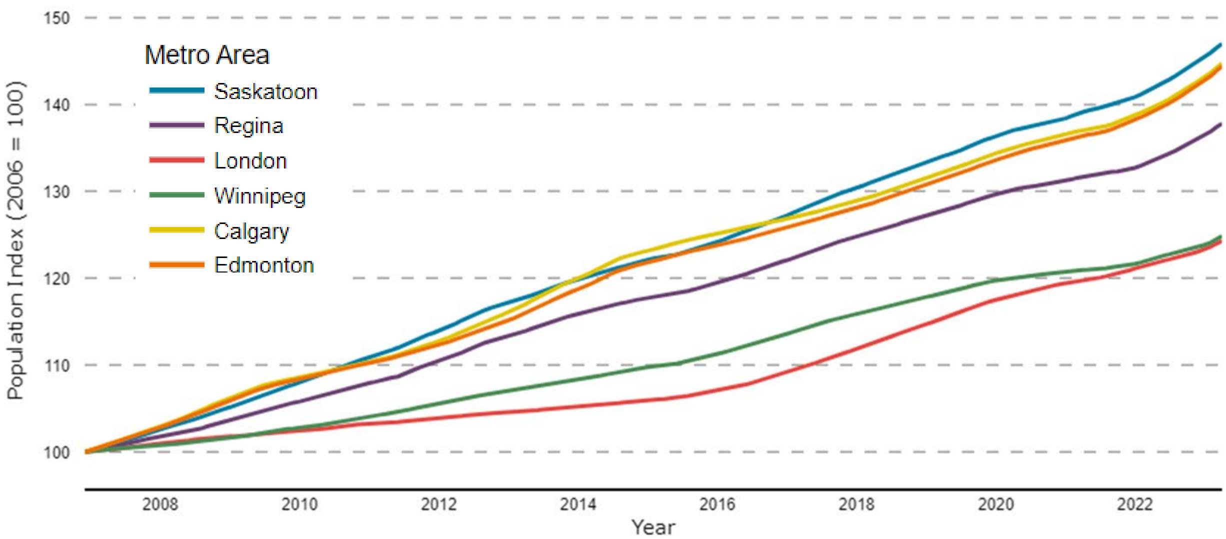
Source: Statistics Canada Table: 14-10-0380-01.

Indexed values are set to a base of 100, with 4th Quarter 2006 being the base year. Any change above/below 100 represents cumulative percent increase/decrease over the baseline number.

Population Growth

Since 2006, Saskatoon's population growth has been consistently strong, yielding a cumulative population increase of 47% from 2007 to 2023. That is the strongest total population growth over that period among the selected peer cities.

Exhibit 6. Population Growth, 2006 to 2022, Saskatoon and Comparison Metropolitan Areas



Source: Statistics Canada Table: 14-10-0380-01.

Indexed values are set to a base of 100, with 4th Quarter 2006 being the base year. Any change above/below 100 represents cumulative percent increase/decrease over the baseline number.

Summary of Findings

Saskatoon benefits from its broad economic base. It has strong export sectors in mining and agriculture, and those industries require the support of an array of business services. The dominance of mining in Saskatoon's economy means that it will continue to experience fluctuations in production, revenues into the region, and the employment that supports.

Saskatoon also serves as a regional destination for medical care, retail, and entertainment.

Saskatoon's economic growth has attracted in-migration to the region, resulting in high population growth relative to comparison cities. Higher paying professional occupations have grown faster than other occupational types.

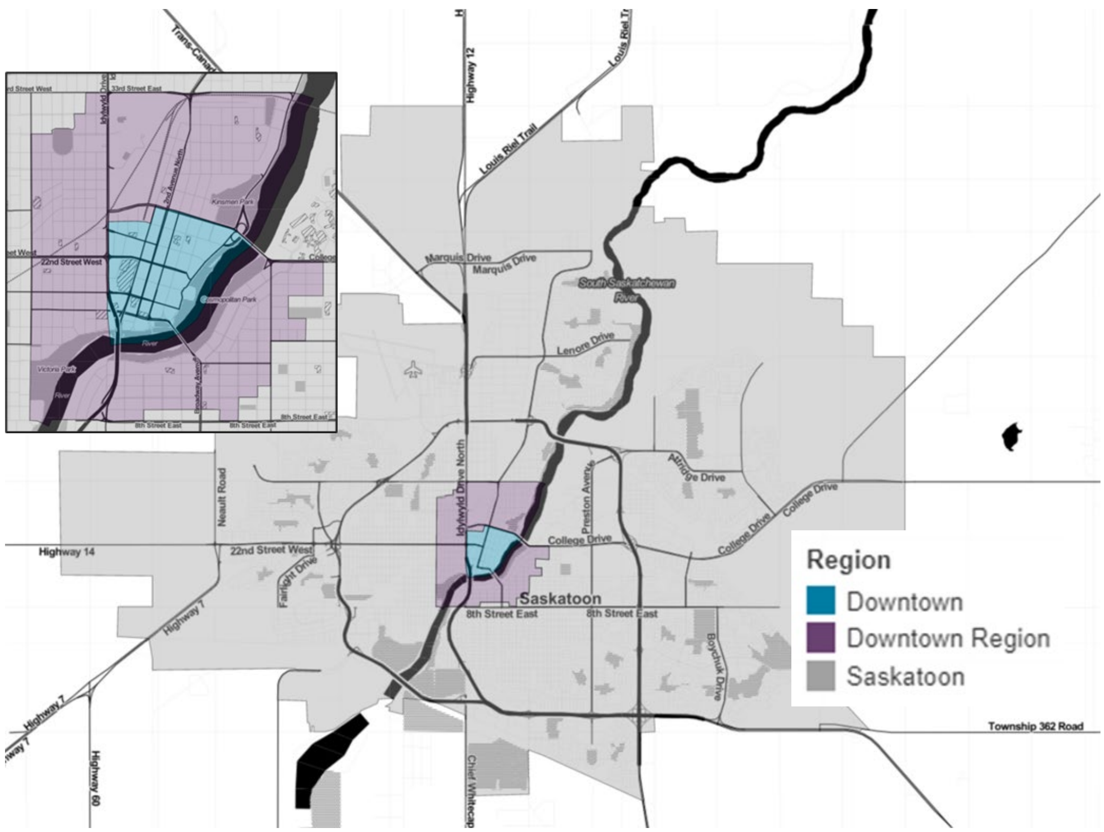
These economic and population trends create demand for new residential and commercial development. Even development sectors that are facing challenges presently—such as office, retail and hotel development—are likely to see renewed demand in the medium term as the area's population and employment continue to grow.

IV. Demographics

Analyzing the demographics of Saskatoon's population is important for understanding who downtown residential and commercial development is serving. There is a close relationship between the demographics of Saskatoon residents and the types of housing that they live in.

Many of the charts in this section compare Saskatoon's population with a set of cities that provide a comparison point for Saskatoon's demographics. Those comparison geographies include the comparably sized cities of Regina, London, and Winnipeg, as well as Calgary and Edmonton. The charts also compare Saskatoon's demographics with the demographic profile of those who live in Downtown Saskatoon as well as those who live in a downtown region that extends about a kilometre outside of Downtown Saskatoon. Those geographies are illustrated for reference in Exhibit 7.

Exhibit 7. Geographies for Demographic Analysis



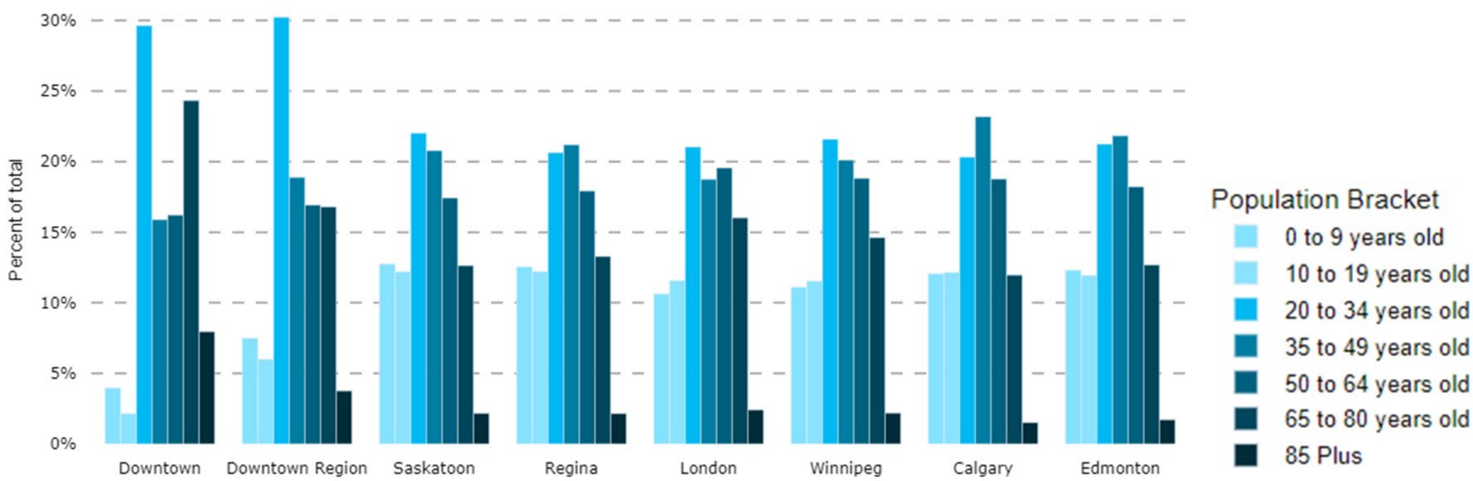
Age

Exhibit 8 shows the age profiles across seven age segments for the City of Saskatoon in comparison to the five comparison cities, as well as Downtown Saskatoon and the downtown region. The city as a whole has a very similar age profile to the comparison cities, but Downtown Saskatoon is distinctive compared with the city's overall age profile.

Downtown Saskatoon, as well as the downtown region, have a high concentration of young adults in the 20 to 34 age range. In both geographies, around 30% of the population are in that age range. Downtown Saskatoon also has a significantly higher share of residents who are seniors age 65 and older, due to some of the senior-supportive housing that has been built downtown. Conversely, Downtown Saskatoon has a much lower share of children than Saskatoon's population overall.

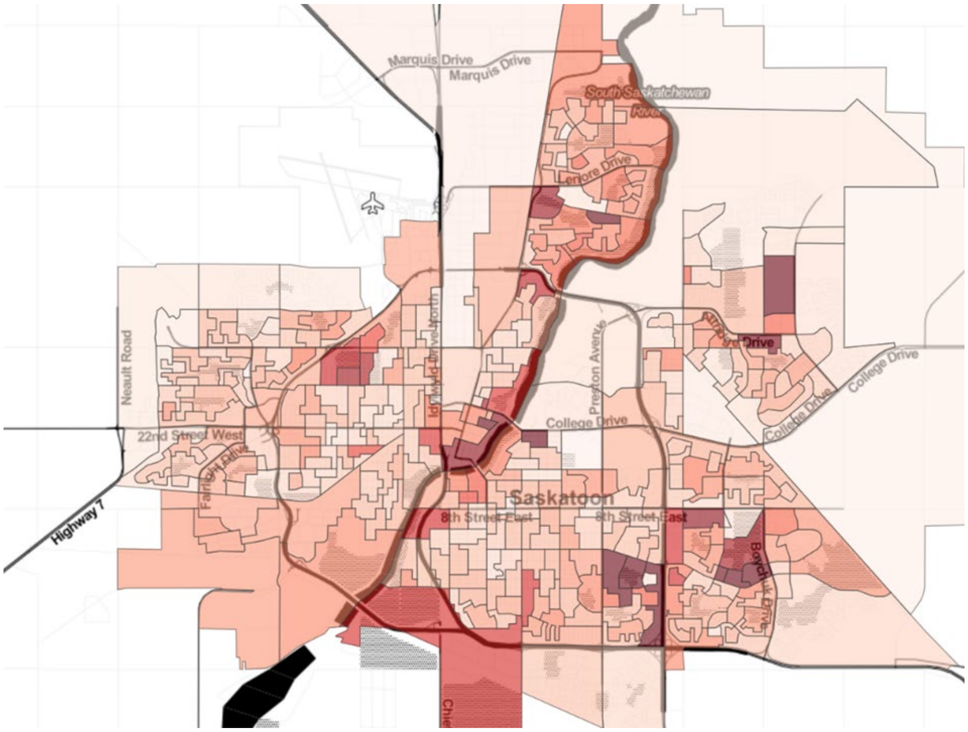
Exhibits 9 and 10 illustrate the concentration of people in the two dominant age segments by geographic location across Saskatoon.

Exhibit 8. Age Profile, Saskatoon and Comparison Geographies



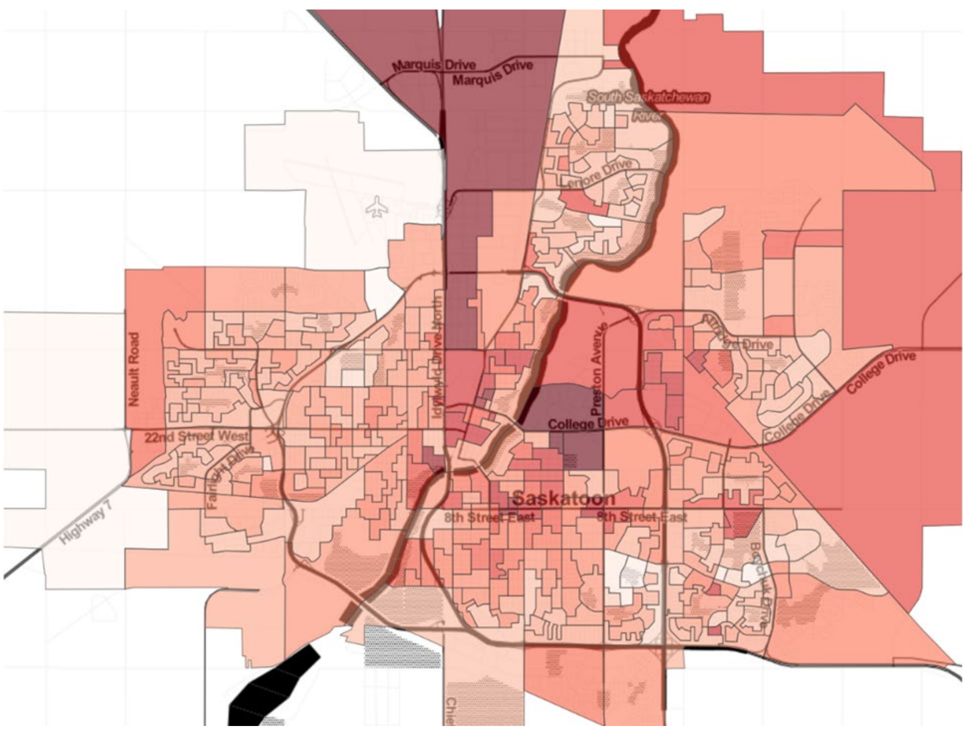
Source: Census Canada Regional Profiles, 2021

Exhibit 9. Persons Age 65+ As a Share of Total Population, by Disaggregation Area



Source: Census Canada, 2021

Exhibit 10. Persons Age 20 to 34 As a Share of Total Population, by Disaggregation Area



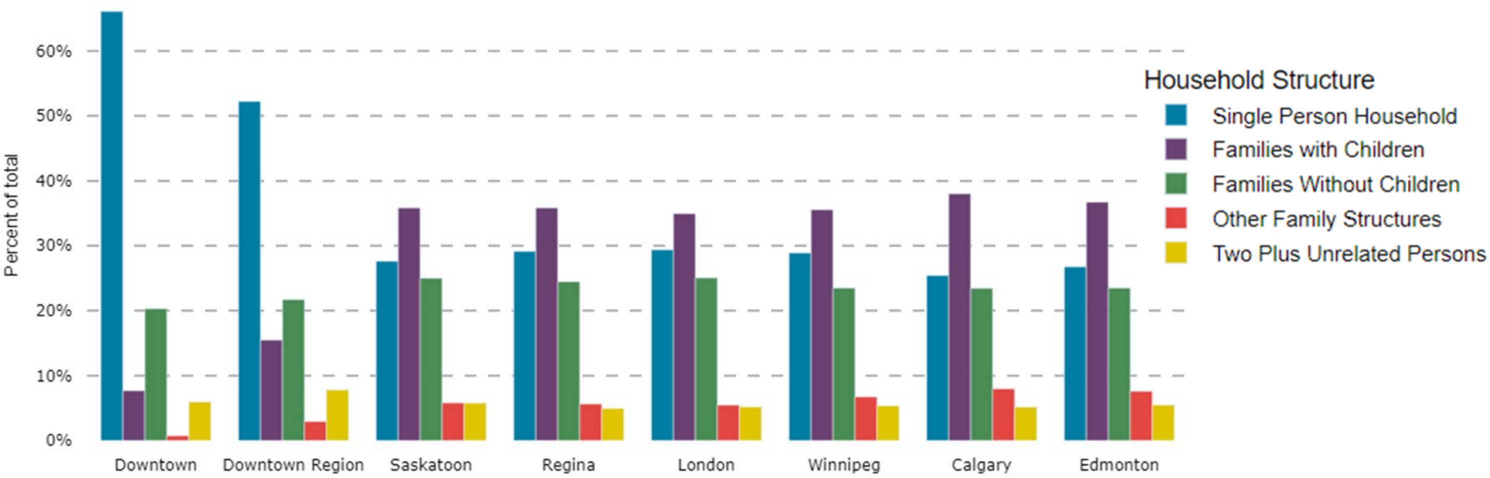
Source: Census Canada, 2021

Household Types

As is true of its age profile, Saskatoon's household mix is quite similar to that of all of the comparison cities, but the household mix in Downtown Saskatoon is quite different than Saskatoon as a whole. Exhibit 11 shows that single person households, in particular, are strikingly overrepresented in Downtown Saskatoon's population. Almost two thirds of households who live downtown live alone. Single person households are also quite prevalent in some of the neighbourhoods just outside of downtown, as can be seen in the Exhibit 12 map.

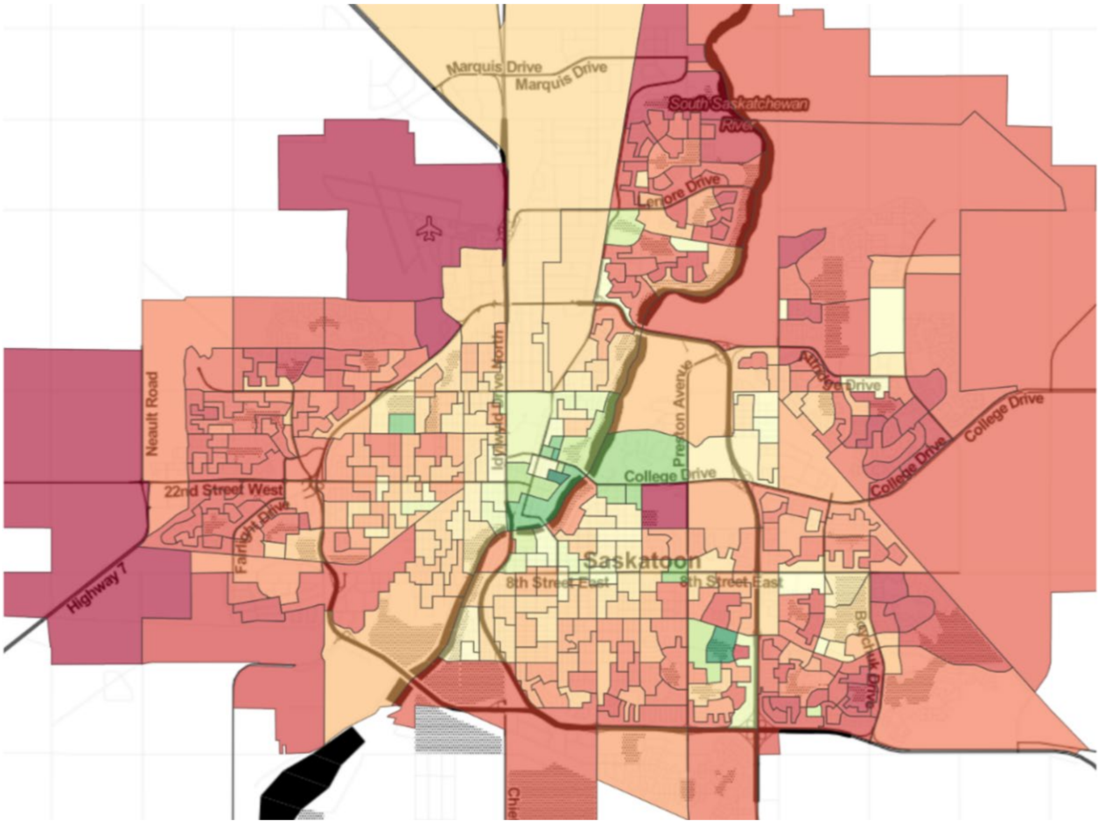
Only about 8% of downtown households are families with children. That compares with about a third of all households in Saskatoon as a whole.

Exhibit 11. Household Types, Saskatoon and Comparison Geographies



Source: Census Canada Regional Profiles, 2021

Exhibit 12. Single Person Households as a Share of All Households, by Disaggregation Area



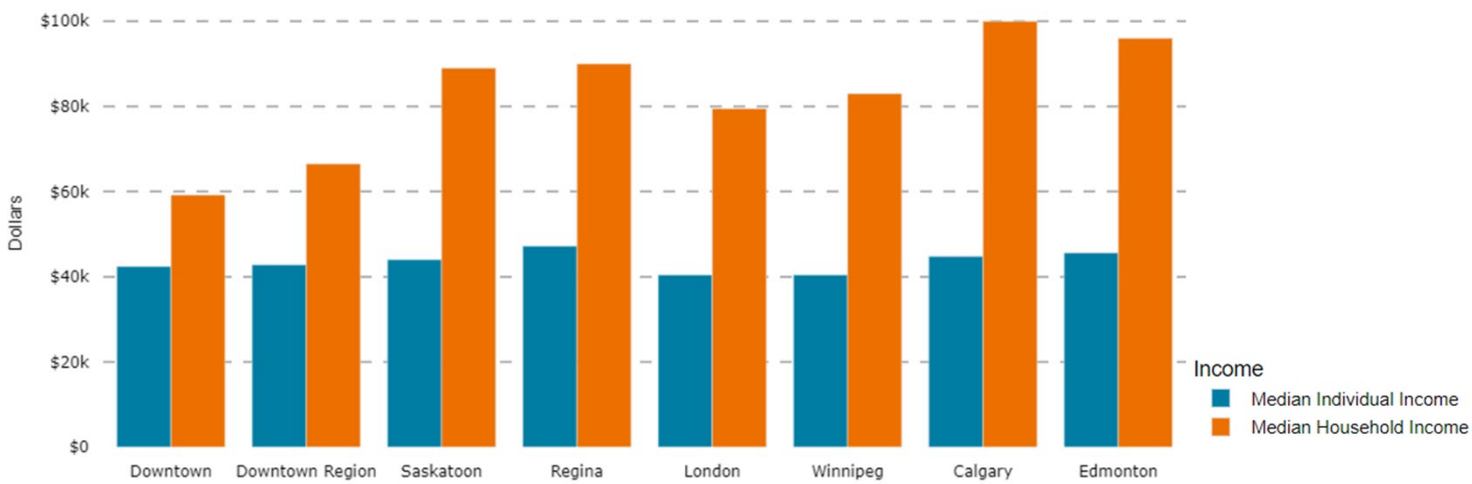
Source: Census Canada, 2021

Income

Exhibit 13 shows that, on average, household and individual income levels in Saskatoon are on par with or greater than the comparison cities that are of a similar size. They are a bit lower than median income levels in Calgary and Edmonton.

Median household incomes in Downtown Saskatoon are quite a bit lower than the city's overall median household income. But the median income of individuals who live in Downtown Saskatoon is almost the same as the individual median income for Saskatoon as a whole. That signifies that the cause of the lower household income downtown is the prevalence of single income households.

Exhibit 13. Median Household and Individual Income, Saskatoon and Comparison Geographies



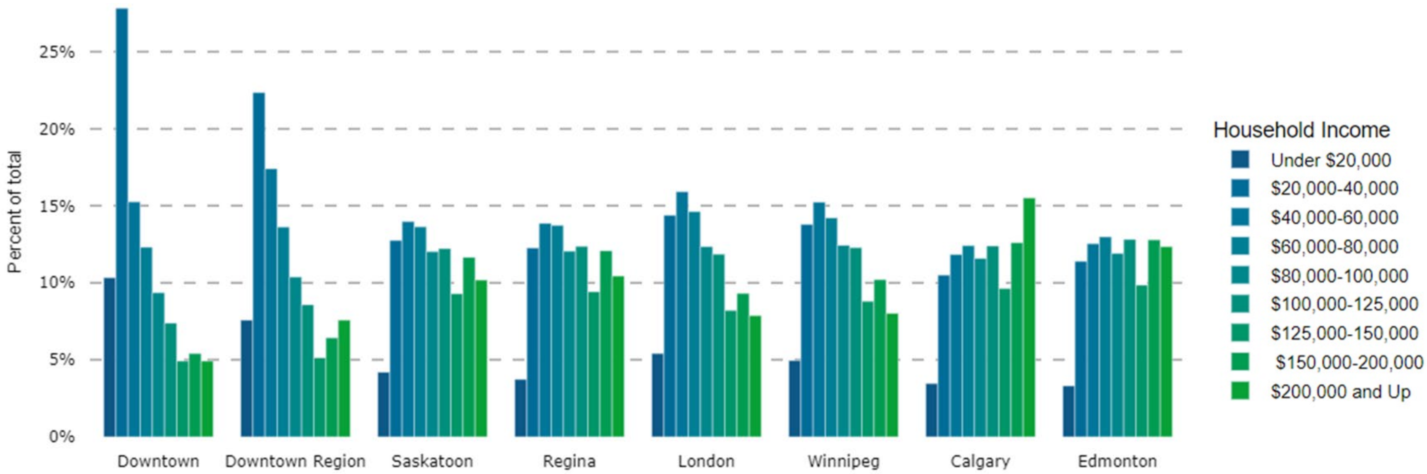
Source: Census Canada Regional Profiles, 2021

Exhibit 14 provides additional granularity relative to household incomes, and provides a second reason for relatively low median income levels. There are a disproportionate number of downtown households whose earnings are in the lowest two household income brackets. Almost 40% of all downtown households earn an income of $40,000 or less. That compares to only 17% of Saskatoon households as a whole.

Exhibit 14 also indicates that higher income households are present in Downtown Saskatoon. Almost a quarter of households who live downtown earn more than $100,000 per year. Exhibit 15 shows the proportion of higher income households in disaggregation areas across Saskatoon. It underscores that the more affluent parts of Saskatoon are to the south, east, and northeast of Downtown Saskatoon.

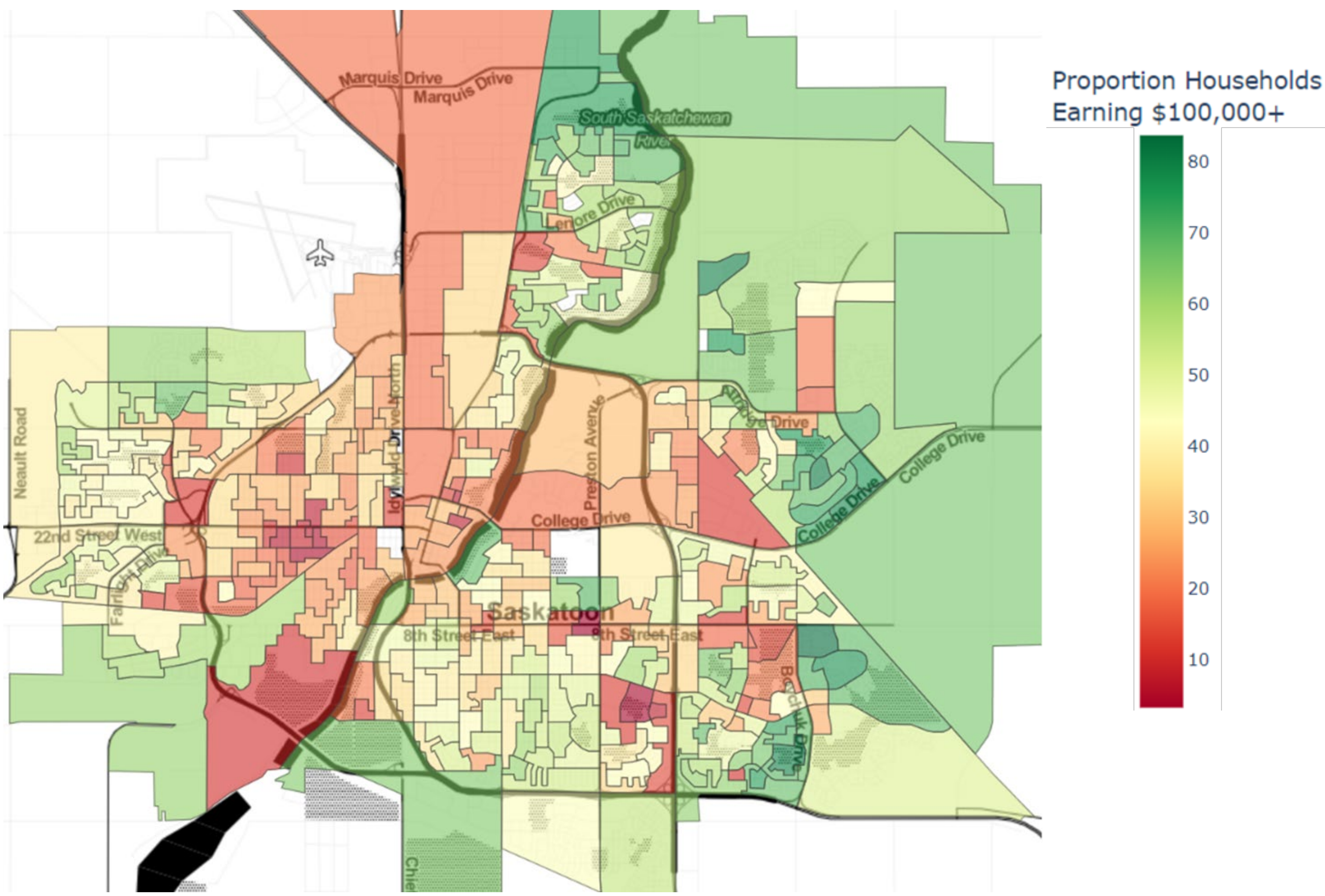
Note that new residential development in Downtown Saskatoon does and will result in a greater presence of medium to high income households.

Exhibit 14. Household Income Profile, Saskatoon and Comparison Geographies



Source: Census Canada Regional Profiles, 2021

Exhibit 15. Higher Income Households Earning $100,000+ as a Share of All Households, by Disaggregation Area



Source: Census Canada, 2021

Employment Sectors

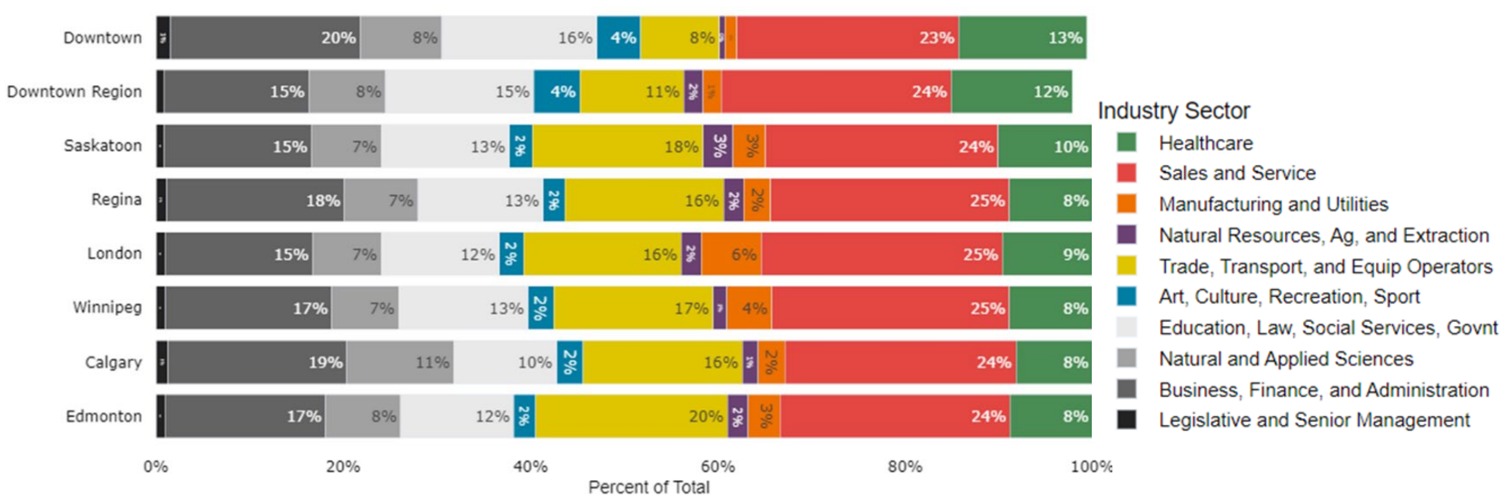
Exhibit 16 classifies employment by the industry sector in which residents are employed. Saskatoon does not stand out from the peer cities with regard to any particular industry sector, but the employment profile of Downtown Saskatoon residents has some distinctive features relative to the city as a whole.

The industry sectors that employ a disproportionate number of downtown residents are:

- Business, Finance and Administration
- Education, Law, Social Services, Government
- Healthcare

These are sectors that align closely with some of the major employers in and near downtown. In other words, the data points to the likelihood that many downtown residents live there in part because it is close to their workplace.

Exhibit 16. Employment by Industry Sector, Saskatoon and Comparison Geographies



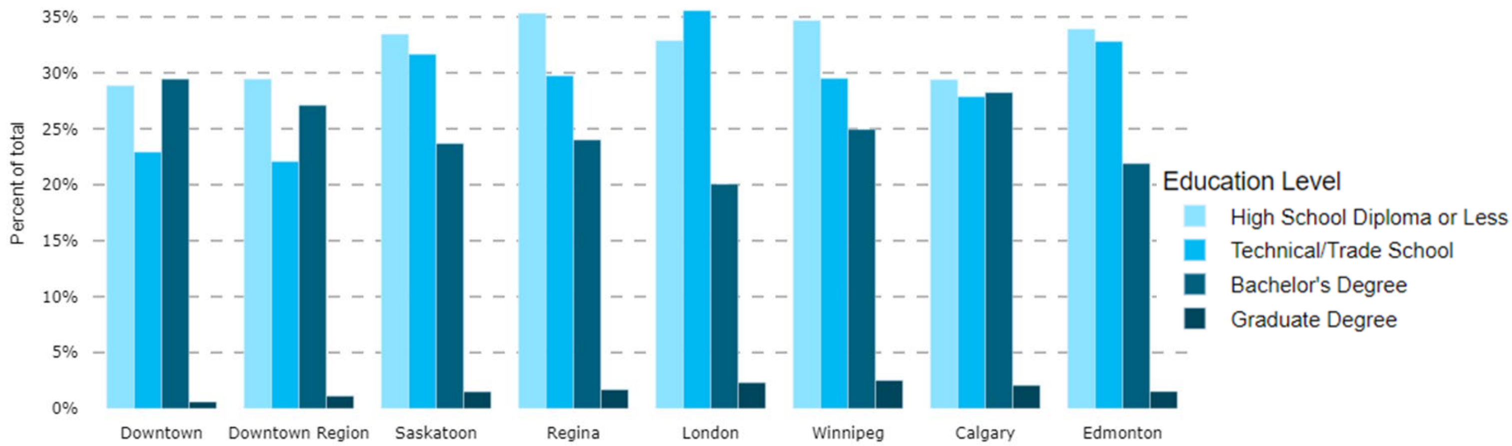
Source: Census Canada Regional Profiles, 2021

Educational Achievement

The educational achievement of Saskatoon residents is similar to or slightly greater than that of Regina, London, Winnipeg and Edmonton. Only Calgary has a significantly higher proportion of residents with bachelors degrees and graduate degrees.

The downtown residential population has higher educational achievement levels than the city overall. 29% of downtown residents who are 25 years or older have bachelors degrees. That compares with 23% of Saskatoon residents overall.

Exhibit 17. Educational Achievement, Saskatoon and Comparison Geographies



Source: Census Canada Regional Profiles, 2021

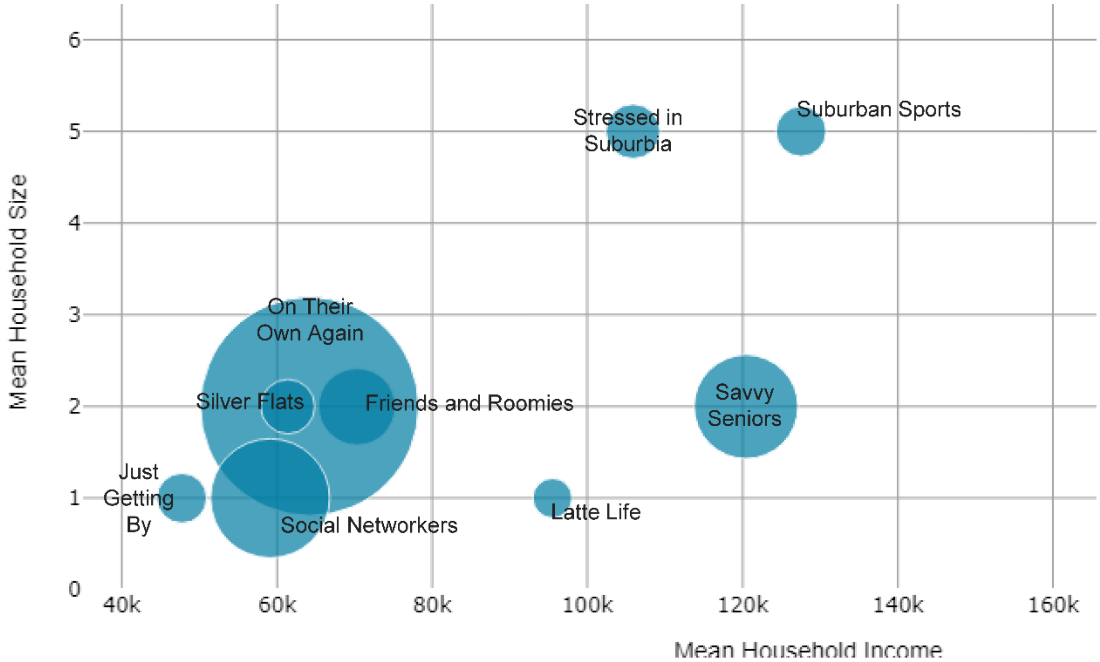
Psychographic Profiles

It is evident in the age, household and income profiles that downtown residents are comprised of a mix of demographic typologies. Psychographic profiles are another methodology for characterizing household types. In a psychographic model, typical household types are assigned names and behavioural characteristics by market data providers with the primarily purpose of helping businesses target products or services to the household types that will be most interested in their products or services. Exhibit 18 shows the dominant psychographic profiles in Downtown Saskatoon as categorized in ESRI's PRIZM model. It reinforces that the dominant household types are currently low to moderate income households with one to two persons in the household. The size of the circle is proportionate to the number of households in that group.

As housing growth occurs in Downtown Saskatoon, some of these psychographic household types are likely to expand more than others.

Detailed descriptions of the psychographic groups in Exhibit 18 can be found in the Appendix.

Exhibit 18. Psychographic Household Mix, Downtown Saskatoon



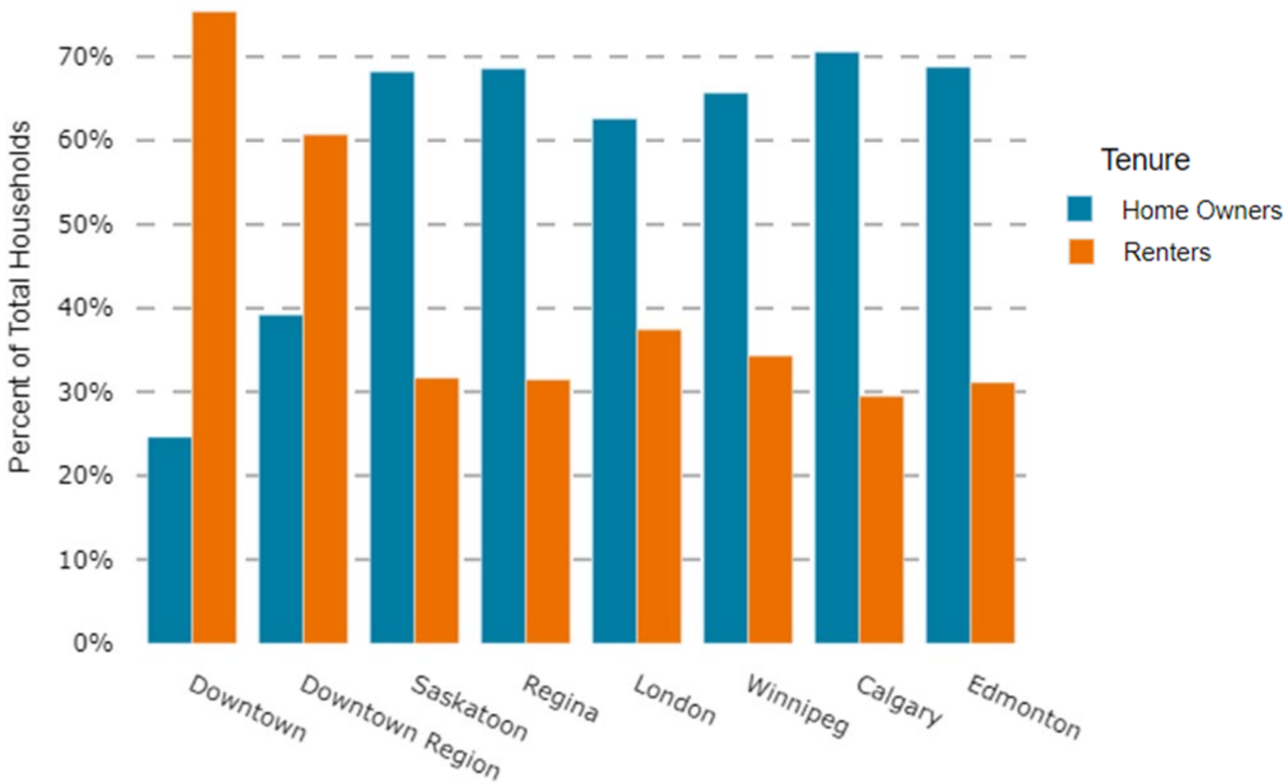
Source: ESRI Business Analyst – PRIZM Data

Housing Tenure and Cost

Housing tenure. Exhibit 19 shows that Saskatoon has a similar ratio of renter to owner occupied housing than most of the comparison cities. Homeowner households represent around 70% of all households in Saskatoon, Regina, Calgary and Edmonton. The percentage of homeowner households is a bit lower for London and Winnipeg.

In Downtown Saskatoon the ratio of renter to homeowner households is reversed. A full 75% of downtown households are renters.

Exhibit 19. Housing Tenure, Saskatoon and Comparison Geographies

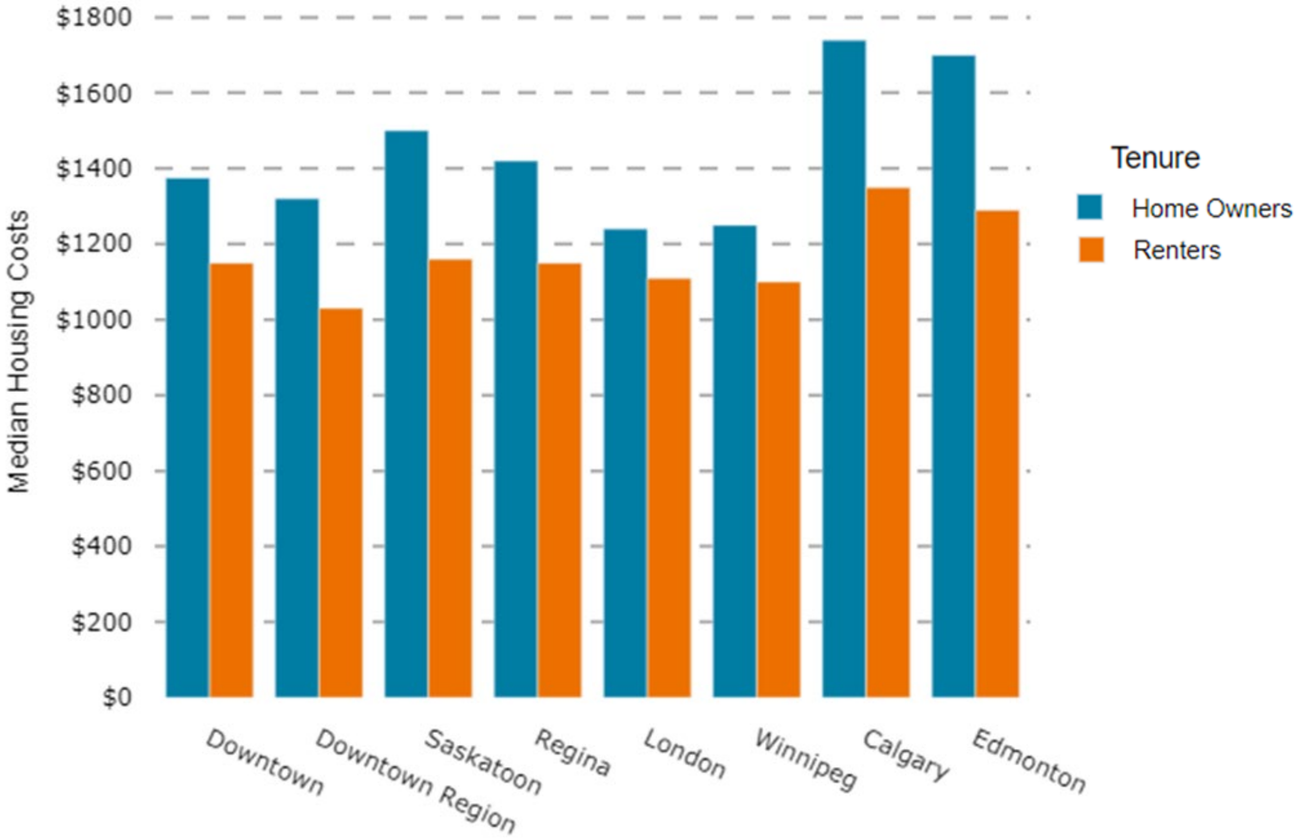


Source: Census Canada Regional Profiles, 2021

Housing cost. Exhibit 20 provides information on average rent levels. In Saskatoon, median housing costs for renters are similar to those in the Regina, Winnipeg and London. But median housing costs for homeowners are higher than those in Regina, Winnipeg and London. Median housing costs are higher in Calgary and Edmonton for both renters and homeowners.

Median housing costs in Downtown Saskatoon are similar to housing costs for the city as a whole.

Exhibit 20. Median Housing Costs, Saskatoon and Comparison Geographies



Source: Census Canada Regional Profiles, 2021

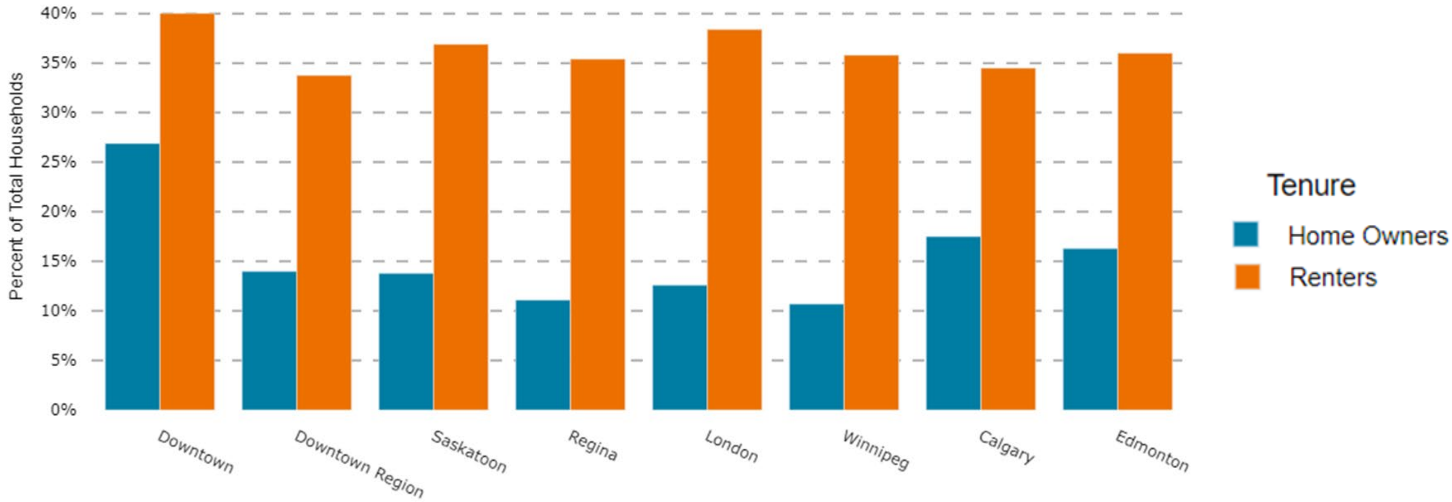
Cost burden. Exhibit 21 provides information on housing cost burdens. A household is considered housing cost burdened when it spends over 30% of its income on its housing costs. Since housing is an essential expenditure, it presents a challenge when households pay a disproportionate share of their income on their housing costs, because all other life needs must be addressed with the resources that remain after paying housing costs.

Exhibit 21 shows that over a third of Saskatoon's renter households are housing cost burdened, and almost 15% of its homeowner households. Those ratios are greater for households in Downtown Saskatoon. Around 40% of downtown renter households are housing cost burdened, and over a quarter of downtown homeowners.

Since the cost of downtown housing is similar on average to that of the rest of the city, but the incomes of downtown households tend to be lower, that results in more downtown households being housing cost burdened.

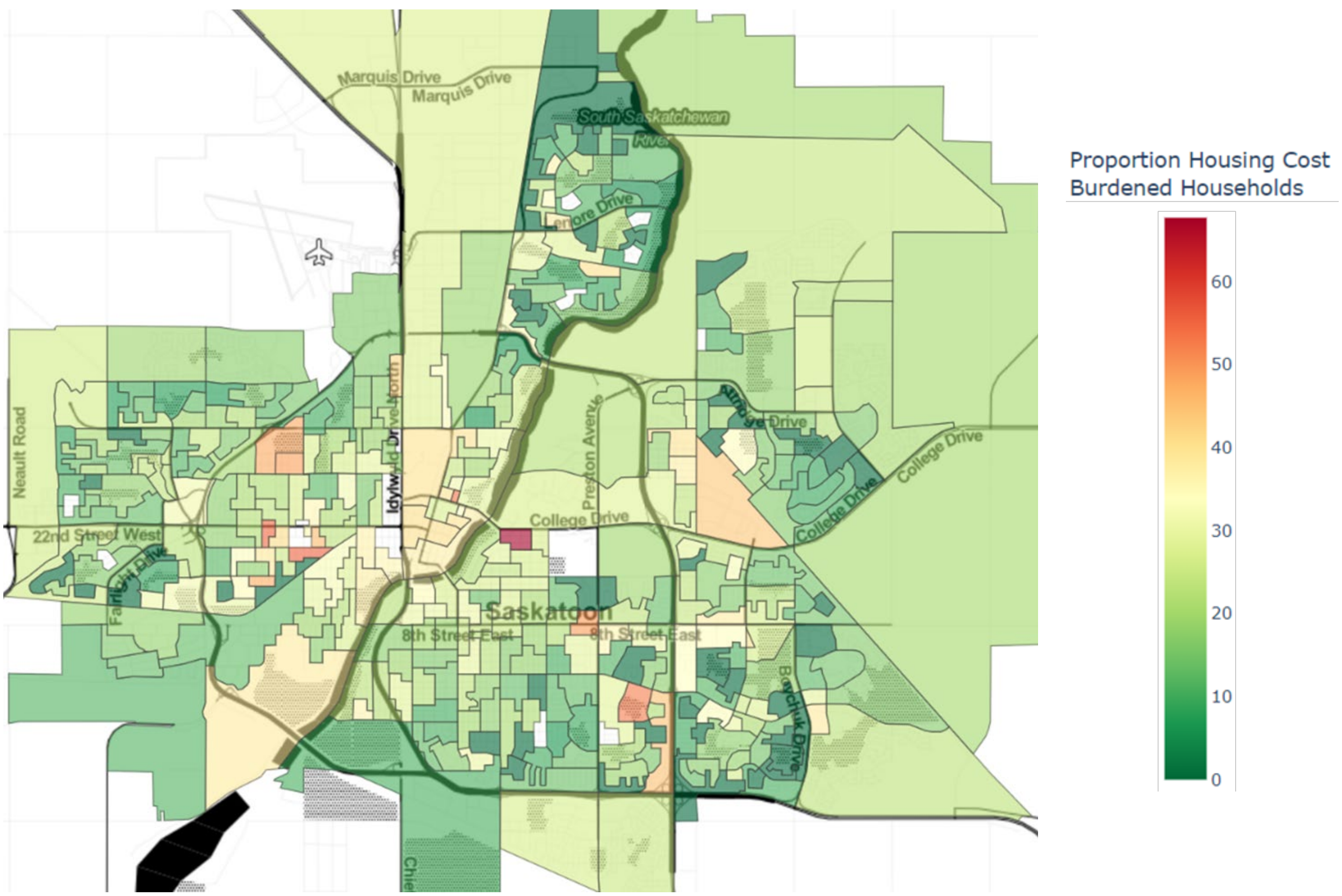
Exhibit 22 provides a geographical perspective on the share of households across Saskatoon that are housing cost burdened.

Exhibit 21. Proportion of Families that are Housing Cost Burdened, Saskatoon and Comparison Geographies



Source: Census Canada Regional Profiles, 2021

Exhibit 22. Proportion of Households Housing Cost Burdened, by Disaggregation Area



Source: Census Canada, 2021

Summary of Findings

Although the foundation of Saskatoon's economy is distinctive, its demographic profile is quite similar to a set of peer cities. On the other hand, Downtown Saskatoon has a distinctive demographic profile relative to the city as a whole. Those demographic characteristics result from the mix of housing types that predominate in Downtown Saskatoon. A set of lower income individuals, many of whom are elderly, live in long-standing affordable housing developments downtown. Older market rate apartments in Downtown Saskatoon are occupied by young, educated singles and couples without children. Newer apartment and condominium developments are home to higher income households across a broader age span.

Overall, household incomes are lower than average for Saskatoon, primarily because households are predominantly single person households with just one income. Average rents are roughly equivalent to the city-wide average, resulting in a greater share of households being housing cost burdened.

The occupational patterns of downtown residents include a disproportionate share of occupations in the business administration, government and health care sectors—sectors that have a particularly strong presence in and near Downtown Saskatoon.

These data suggest that the downtown household profiles that have the strongest growth potential will be educated singles and couples without children—primarily younger professionals, and secondarily empty nesters—who may work for downtown and near-downtown employers, and who appreciate the activity and amenities that are available in Downtown Saskatoon.

V. Downtown Locational Context

Assets and Challenges

Public and private investments in Downtown Saskatoon have resulted in an impressive set of existing assets that contribute to the desirability of downtown development, and anchor its value for new development. These include:

- A long public riverfront with associated walking trails
- Two high quality retail environments in Midtown Mall and the walkable storefront business district along 2nd Avenue and 21st Street which includes a great number of local businesses, retail stores, and places to eat and drink
- A concentration of office based workplaces, including the office headquarters of the area's leading businesses, and public administration offices for the City of Saskatoon
- Existing transit service, and the anticipated development of higher quality bus rapid transit service
- TCU Place Conference Centre, the facilities of which will be upgraded in the near future
- A concentration of the region's hotel rooms

Exhibit 23. Market Context Map

Source: Stantec

- The River Landing district and associated public space
- Plans for a future event centre

Exhibit 23 shows the location of many of these assets. It also identifies the Downtown Event and Entertainment District as a geography that is largely situated within Downtown Saskatoon. The most underdeveloped part of the DEED is to the area to the north of the proposed event centre—an area which has been referred to as the Warehouse District because of the character of many of the existing buildings. That area includes a good number of existing structures with architectural character. Entrepreneurial and creative enterprises are evident in a number of locations in the Warehouse District, and there are a few neighbourhood-serving retail businesses as well. Although no new development has occurred in the area recently, there is existing character and energy that is likely to be attractive to future residents and businesses.

Downtown Saskatoon also benefits from proximity to nearby features such as City Hospital, the Broadway and Riversdale business districts, and the University of Saskatchewan.

Proximity to the Riversdale and Broadway storefront retail districts is both a benefit and a challenge to Downtown Saskatoon. Proximity increases the amenity base for those who live downtown, and those retail districts attract new households who are proximate to downtown and will support downtown retail, amenities and events. At the same time, they provide competition for downtown retailers, and for downtown housing development. Taken together, we feel their proximity is a net positive, increasing the benefits of downtown as a place to live and do business.

Downtown Saskatoon faces challenges including:

- Perceived safety issues stemming from lower income and homeless populations that spend time downtown
- Perceived parking scarcity
- Downtown areas or “neighbourhoods” that haven’t seen reinvestment in recent years
- There is a perceived distance between downtown’s destination locations that can conversely be thought of as gaps in the connection between these locations. Connection gaps stem from insufficient physical and visual cues in the public realm (e.g. pedestrian infrastructure, streetscaping) as well as in the development environment.

The following additional comments and perspectives on downtown’s locational context came from research interviews with developers and real estate professionals.

- The riverfront is downtown’s single greatest asset.
- Homelessness and related addiction and behaviour issues are the most significant impediments to downtown livability.

- “Downtown Saskatoon is too big…”
- Downtown Saskatoon needs a grocery store (according to some)
- Downtown Saskatoon doesn’t need a grocery store (according to some). It’s easy to order groceries delivered or drive five minutes to a grocery store.

Summary of findings

Downtown Saskatoon has an unusually strong set of locational assets, which draw people downtown for living, working, shopping, entertainment and events. Saskatoon will continue to build on these existing strengths with its plans for new event and conference facilities, high quality transit infrastructure, and other public realm improvements.

The Downtown Event and Entertainment District includes the Warehouse District which has existing character elements and energy that, together with its proximity to other downtown amenities, create a supportive environment for redevelopment under the right circumstances.

It will be important to continue to address the more challenging conditions in Downtown Saskatoon. In particular, interest in downtown living will be stronger—and people who visit downtown for one reason will more often spend time at other downtown venues—if planned public spaces are built, and connections are strengthened between downtown amenities through public realm improvements and redevelopment projects in key locations.

It is also important to continue to address downtown behaviour and livability challenges, recognizing that adding downtown activity—through building additional downtown housing, and encouraging a return to the office—is the strongest long-term approach to mitigating concerning behaviour.

VI. Development Market – Residential

Understanding the residential development market is fundamental to this analysis. Downtown housing has the greatest potential of any development type to strengthen downtown business viability and enliven downtown's activity and foot traffic in a way that improves safety and livability.

This section presents data and information relative to Saskatoon's multifamily housing market context. It also draws attention to and analyzes a critical issue related to downtown housing—that is, why highrise development has occurred along and near Downtown Saskatoon's riverfront, but more cost-effective housing formats have not been built in other downtown locations. Downtown housing growth is limited by the absence of these alternative housing formats, and the household submarkets that they might attract.

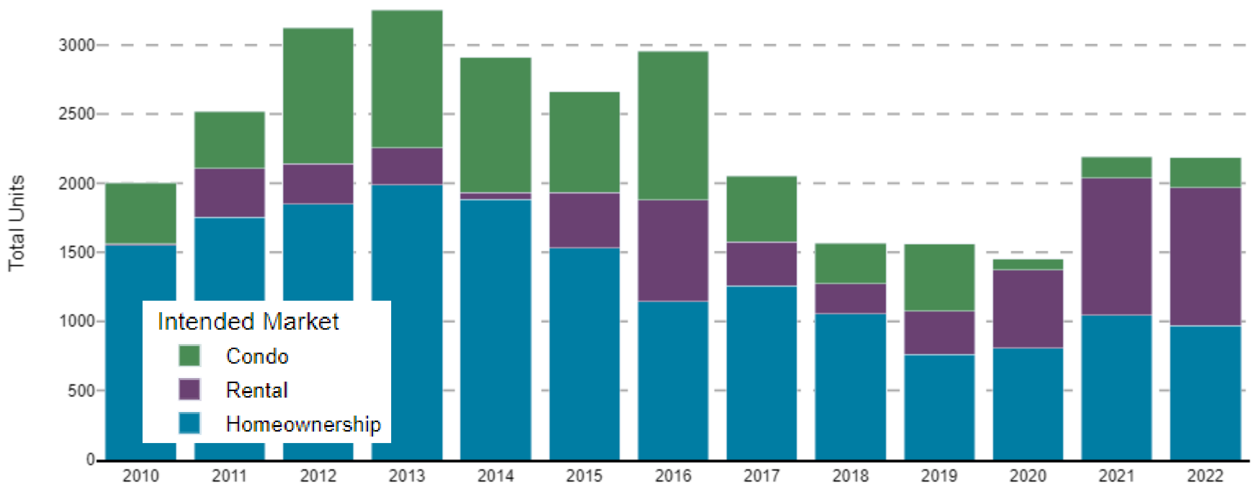
Development Trends

Housing development activity is a direct indicator of housing demand.

Exhibit 24 and Exhibit 25 show the housing completions in Saskatoon over a thirteen year period starting in 2010. Notable observations include:

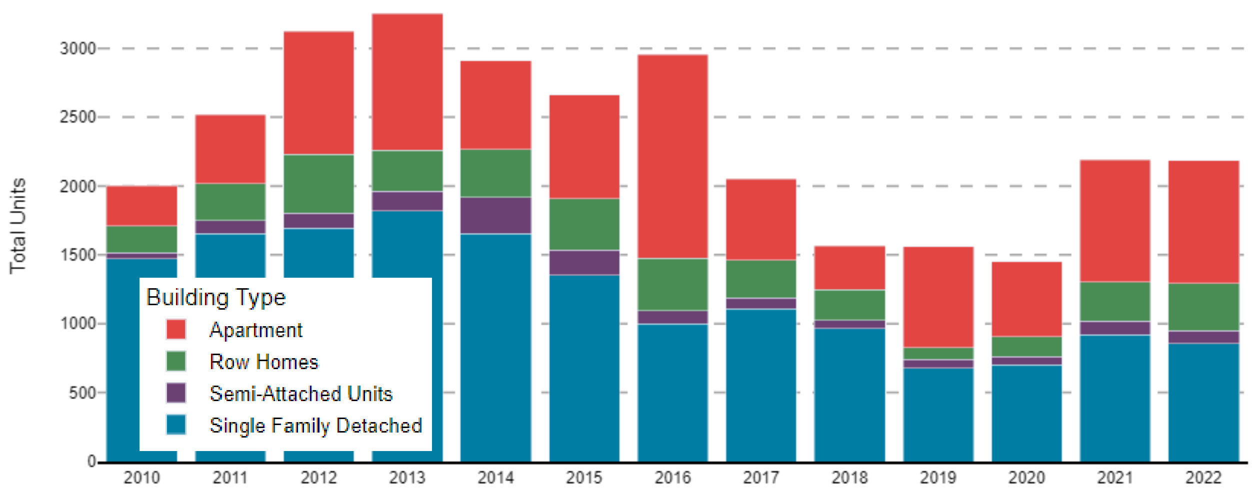
- Saskatoon consistently grew over that period, adding more than 1,400 housing units each year.
- The economic downturn reduced housing production, but in the last two years completions have recovered.
- Historically, most housing completions were single family homes. In recent years, multifamily housing units outnumbered single family homes. On average, around 800 apartment units have been built per year.
- More condominiums were completed than rental apartments in earlier years. In recent years, more rental apartments were built than condominiums.

Exhibit 24. Housing Completions by Intended Market by Year, Saskatoon



Source: CMHC

Exhibit 25. Housing Completions by Building Type by Year, Saskatoon



Source: CMHC

Exhibit 26 provides data on the housing completions since 2010 by location. (See also Reference Map at right.) Housing completions have been concentrated in the Northeast, South, Southeast and West Zones, as well as Outlying Areas. In the Outlying Areas, the majority of completions were single family detached homes. In the other zones, the completions were more evenly split between single family and multifamily formats.

Reference Map

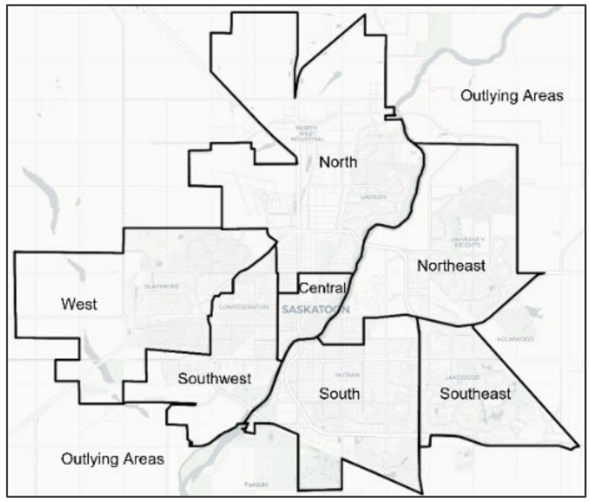
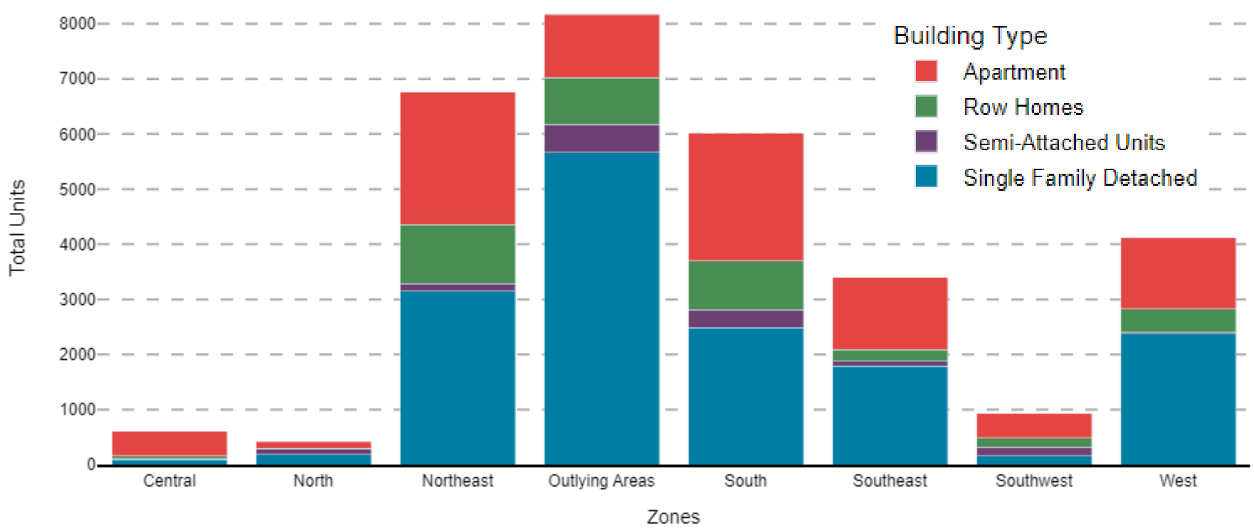


Exhibit 27 shows the subdivisions that have seen the greatest number of housing completions.

Both Exhibit 26 and Exhibit 27 illustrate the relatively low number of housing completions in central locations in Saskatoon, compared with housing completions elsewhere.

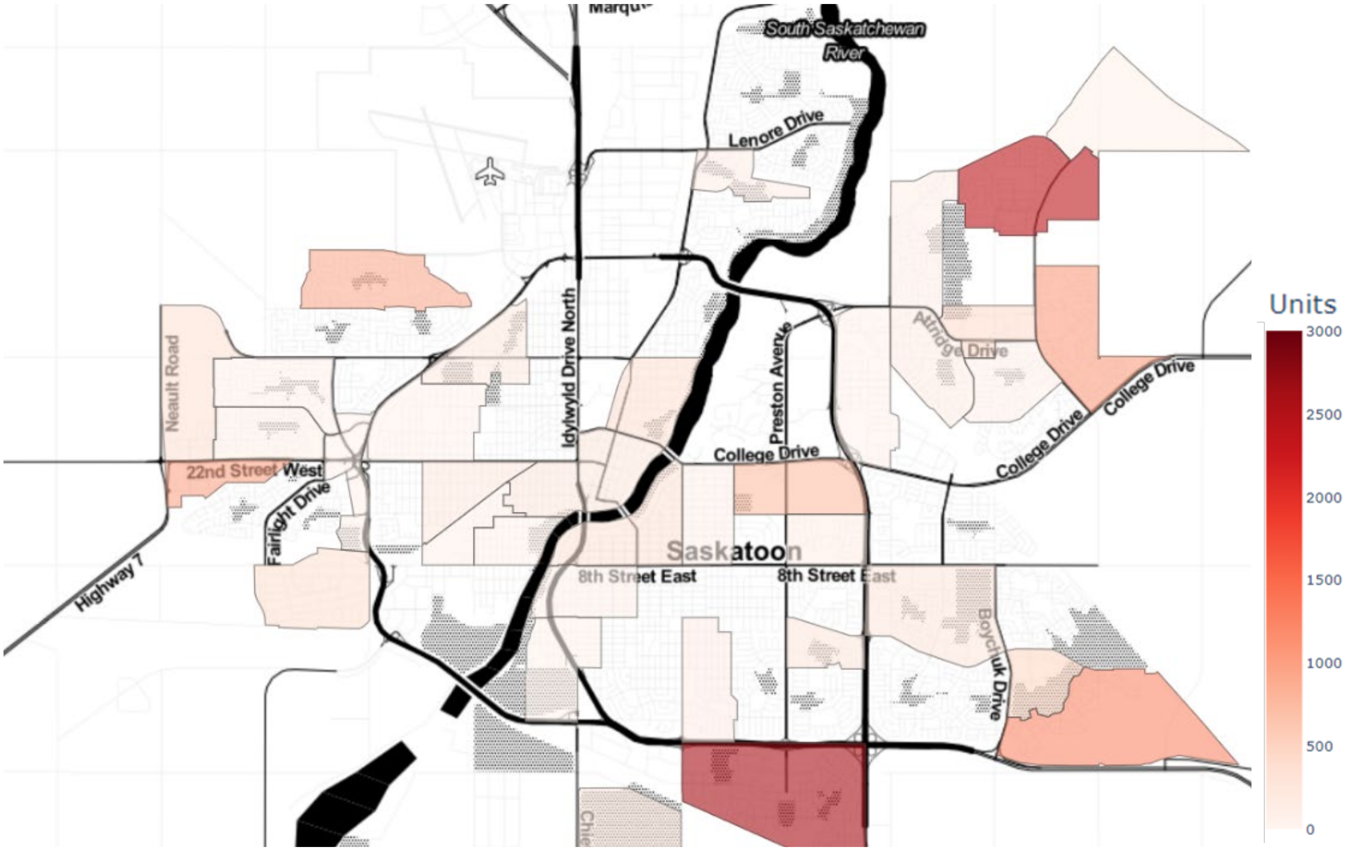
Baydo Towers will add 474 housing units to Saskatoon's Central Zone.

Exhibit 26. Housing Completions Since 2010 by Building Type and Location, Saskatoon



Source: CMHC

Exhibit 27. Housing Completions by Subdivision, Saskatoon

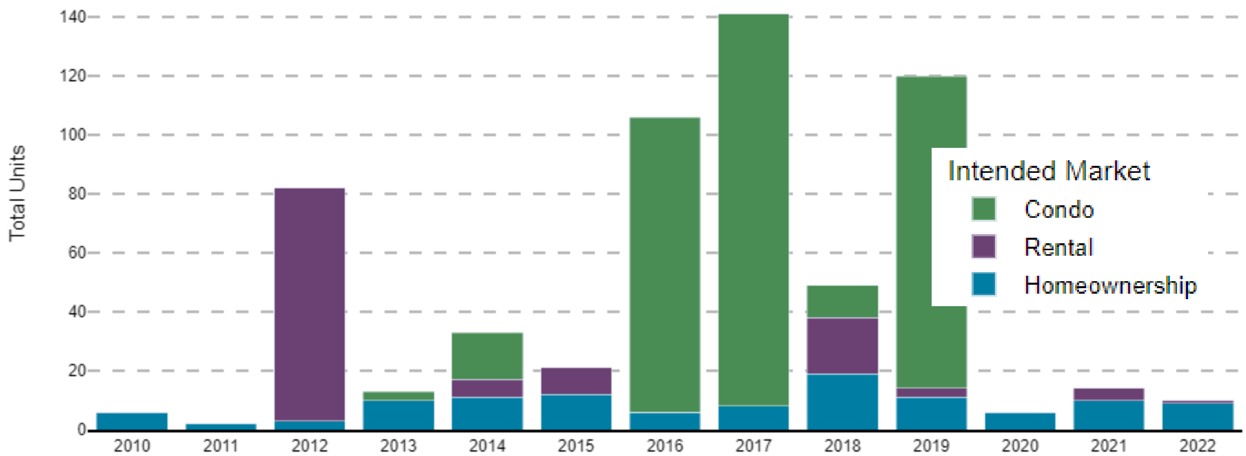


Source: City of Saskatoon Building Standards

Downtown Housing

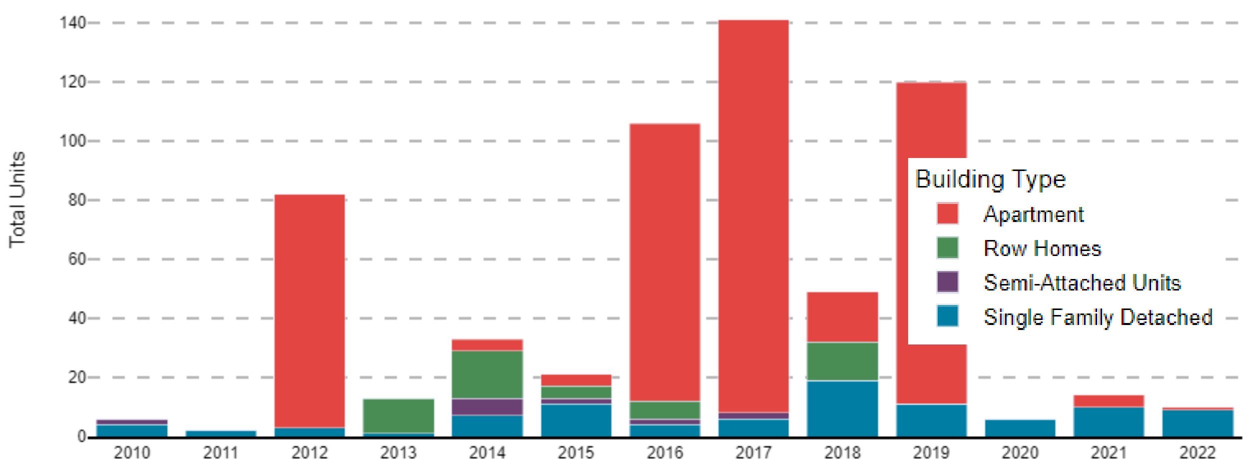
Exhibits 28 and 29 show that apartment and condominium housing formats represent most of the housing development in the Central Zone since 2010—as would be expected in the Central Zone's fully developed neighbourhood context—although there has been a small but steady flow of single family infill development.

Exhibit 28. Housing Completions by Intended Market by Year, Central Zone, Saskatoon



Source: CMHC

Exhibit 29. Housing Completions by Building Type by Year, Central Zone, Saskatoon

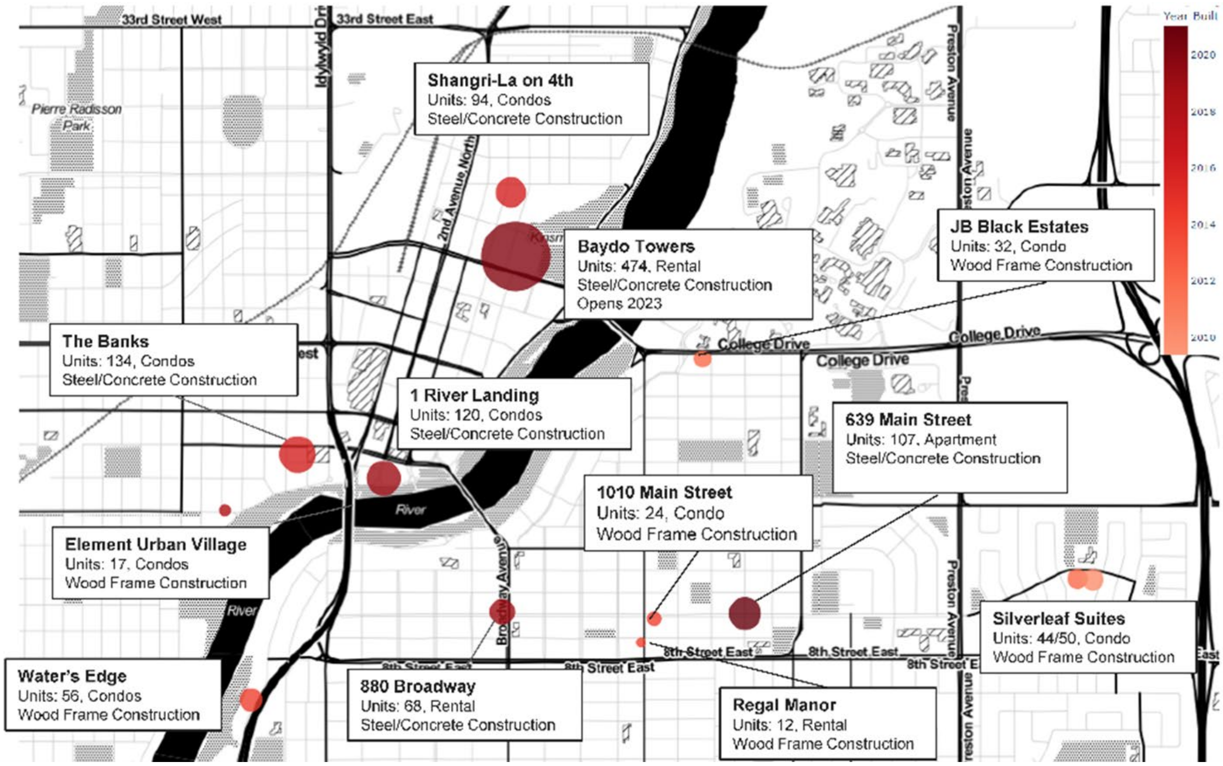


Source: CMHC

Exhibit 30 shows the location of the new multi-family housing in the Central Zone. While some new housing has been built in Downtown Saskatoon, most of the projects have been built in the near-downtown neighbourhoods.

Baydo Towers is scheduled to open this year just north of Downtown Saskatoon's recognized boundaries. While technically outside of downtown it represents a vote of confidence in the downtown housing market, and will add a significant bump in population that is likely to spend time working, shopping, eating, and drinking in Downtown Saskatoon.

Exhibit 30. Housing Completions by Subdivision, Saskatoon



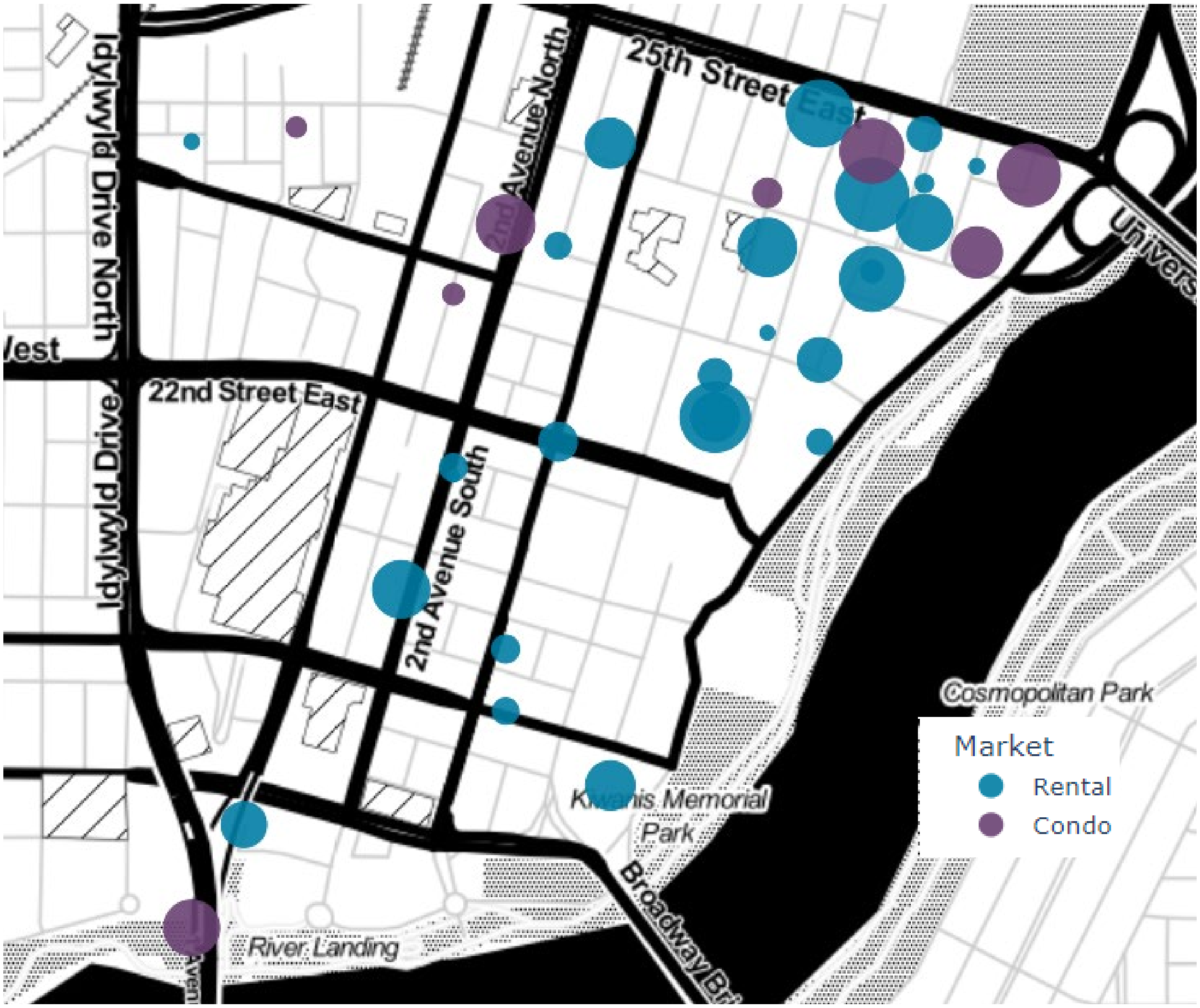
Source: Costar, City of Saskatoon, Stantec

New housing development in parts of downtown can be considered pioneering, since in recent decades new downtown housing has only been built along or near the downtown riverfront. Downtown Saskatoon, however, has an existing residential population that numbers around 3,100 people according to ESRI data. They reside in an array of existing residential settings across Downtown Saskatoon.

Exhibit 31 illustrates the location of existing downtown housing. While the locations of existing housing is spread more broadly than the new housing development, there are still areas of concentration and areas where housing is scarce. The greatest area of housing concentration is in the northeast quadrant of downtown. There is little existing housing development in the west and northwest parts of downtown.

According to city records, there are 732 existing condominium units downtown, and 1,919 rental housing units.

Exhibit 31. Existing Housing Development, Downtown Saskatoon



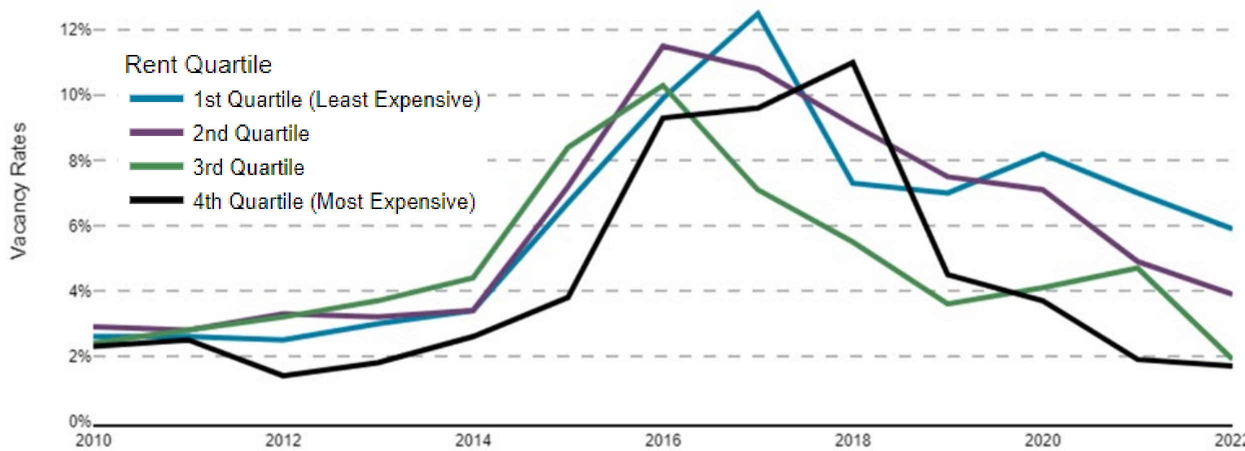
Source: City of Saskatoon

Demand Indicators

The strength of Saskatoon's housing market is demonstrated in a set of demand indicators.

Exhibit 32 shows the vacancy rate for apartments in Saskatoon. Low vacancy is a signal of demand, with 5% considered the historical equilibrium. Vacancy increased during Saskatoon's economic slowdown, but since then it has dropped again. The apartment vacancy rate is especially low for higher priced rental units. That suggests potential demand for new apartment development.

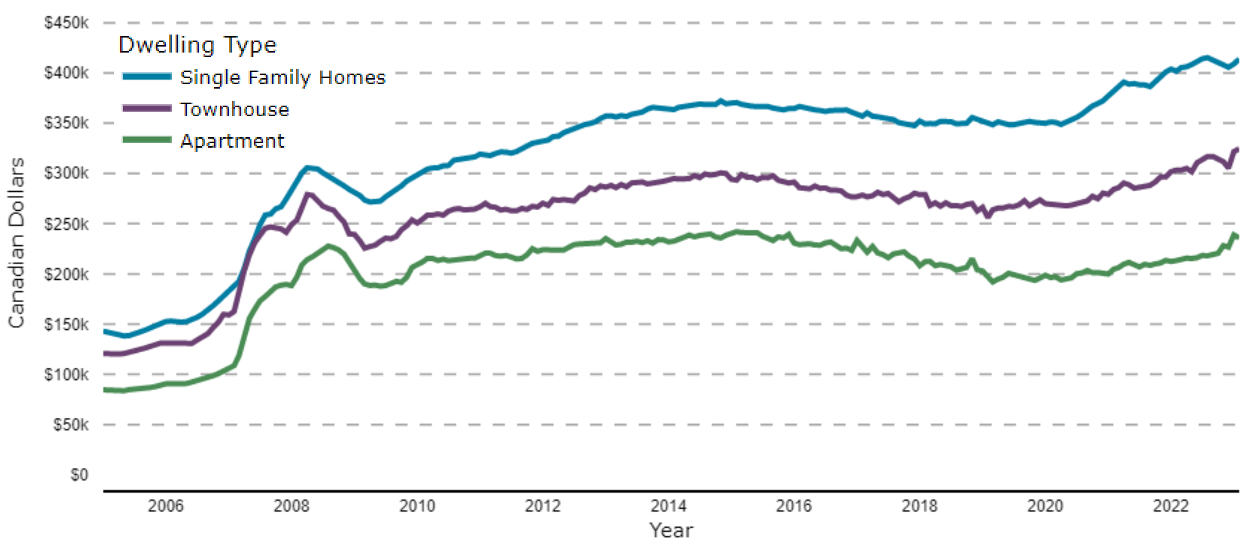
Exhibit 32. Apartment Vacancy Rate by Year, Saskatoon



Source: CMHC

Exhibit 33 shows the trajectory of ownership home prices. Economic sluggishness and low absorption of new housing dampened home prices in the middle of the decade. Since that time, home prices have resumed their appreciation, signaling healthy demand for ownership housing formats.

Exhibit 33. Home Price Index by Housing Type, Saskatoon

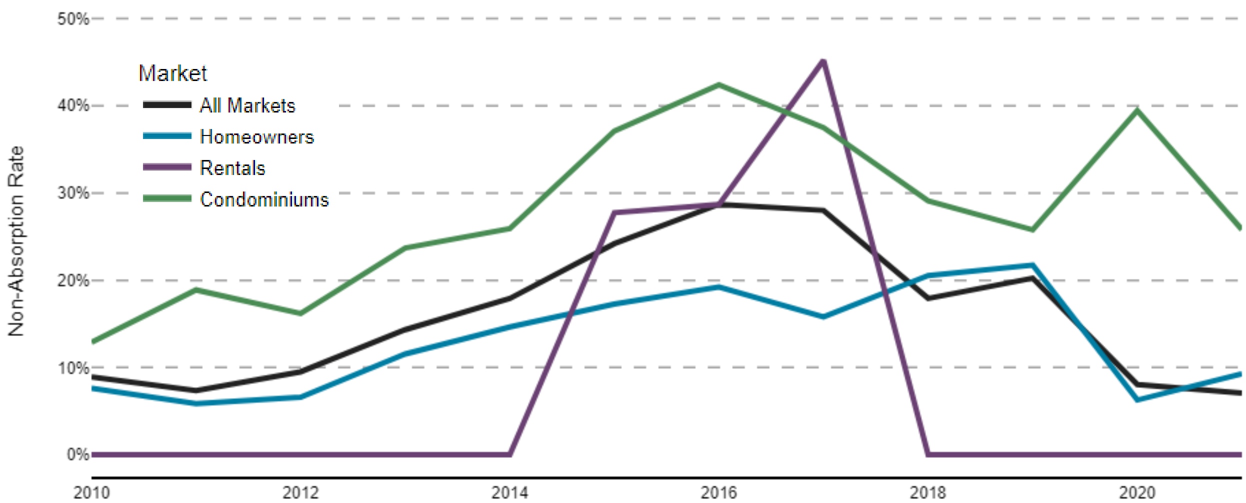


Source: CMHC

Exhibit 34 shows the percentage of new housing units that are not absorbed in the first month after construction.

The economic slowdown in the middle of the 2010s resulted in higher non-absorption rates for all of the housing formats in the chart. In the last few years, new rental apartment buildings have experienced a 0% non-absorption rate, and the non-absorption of homeowner units (single family homes and smaller multifamily formats) is also near its historic low. Condominium development is showing some weakness. The non-absorption rate has declined from its peak, but in the most recent year, almost 30% of condominium units are still not absorbed a month from the completion of construction. That compares to pre-slowdown non-absorption rates of under 20%.

Exhibit 34. Non-Absorption Rate for Housing Completions, Saskatoon



Source: CMHC

Research Interviews

Research interviews with individuals from the local development and real estate community elicited the following comments and perspectives.

- The occupants of recent downtown and near downtown residential development projects are not monolithic. Downtown and near-downtown housing attract residents from across the age/life stage continuums.
- Targeting a broad household mix is beneficial to developers because it helps with absorption and shortens the lease-up period.
- The condominium market is currently saturated. However, at least one condominium project is still in planning stages with an expectation that the market will recover.
- Diversifying downtown housing formats to include midrise, stick-framed construction—and downtown locations to include non-riverfront locations—is necessary if Saskatoon wants to achieve a greater rate of downtown housing development. Rental apartments are more likely to be supported in the short term than condominiums. If viable, they would bring an additional residential submarket downtown. Such development would, however, be pioneering and entail development risk, and interviewees differed on its viability.

- A challenge for midrise development is the cost of downtown land. The price expectations of landowners may reflect an expectation of highrise development density.
- Other challenges of downtown development include the additional complexities of redevelopment projects compared with new construction in suburban locations, and the absence of new construction rents in comparable locations and housing formats.

The research interviews also elicited a wealth of insights about how to surmount the challenges related to downtown housing development. Suggestions were made relative to building the context for additional housing development, and the public sector roles that would likely be needed to foster more downtown housing development. Those insights are reflected in this report's strategic recommendations in the Summary of Findings and Strategic Recommendations section of the report.

Summary of Findings

Saskatoon's economic growth has stimulated ongoing demand for housing development, the great majority of which in recent years has been in suburban areas where land is abundant and development processes straightforward.

City-wide, multifamily development has outpaced single family development in recent years, and more rental apartments are now being developed than condominiums. An average of around 800 apartment units have been developed per year—including both rental apartments and condominiums—over the past decade.

Market demand indicators such as vacancy rates and non-absorption rates demonstrate ongoing demand for new housing.

Housing development in and near Downtown Saskatoon, while it has been occurring at a more modest pace, has demonstrated that there is a market for upscale multifamily housing in the heart of the region. Most of the housing development over the last decade has been highrise condominium developments along the downtown riverfront and near the Broadway district. A stick-framed midrise apartment format has not been built in Downtown Saskatoon in recent years.

Challenges to increased downtown housing development include price expectations on the part of landowners, the complexities and extended timeline associated with downtown development compared with suburban development, and risks associated with pioneering development formats and locations, along with the absence of established rent comparisons.

Recommendations related to these findings are offered in the Summary of Findings and Strategic Recommendations section of the report.

VII. Development Market – Retail

Downtown Saskatoon is known for its distinctive retail environments. Destination and comparison shopping is available at the Midtown Mall—the region's most upscale shopping mall. 2nd Avenue and 21st Street offer an entirely different retail context with blocks of walkable storefront retail. Both retail areas attract visitors from across the city and region.

Some macro trends have impacted the retail sector.

- Store-based retailers have lost market share to e-commerce based retail deliveries. EcommerceDB estimates e-commerce sales to be 15.7% of all retail sales in Canada in 2023. That share is projected to grow to an estimated 19.9% of all retail sales in 2027.
- Indoor retail spaces lost customer traffic for a time during the COVID pandemic, and patrons needed to rediscover their appetite for shopping in retail stores and eating in restaurants.
- Urban downtowns became less populated during the COVID pandemic, as great numbers of office workers began to work remotely. A full return to pre-pandemic office occupancy may never occur.
- The pandemic also caused a drastic decline in downtown hotel stays, which has not fully recovered for business travellers.
- With reduced daytime and evening populations in downtown areas, informal mechanisms for observing and mitigating antisocial behaviours occur less regularly, and crime and nuisance behaviours have increased.

These macro trends have negatively impacted store-based retail businesses generally, and downtown retail specifically.

There are also some positive trends that serve to bolster downtown retail settings.

- Downtown retail settings benefit from providing a physical environment that can't be replicated online. They offer an experience. And in fact, "experience retail" stores, restaurants and services are a category of retail businesses that do better than average in the current retail context.
- Downtown retail benefits from having multiple consumer submarkets, including:
    - Downtown residents
    - Downtown office workers
    - City-wide consumers of retail goods, food & beverages, events and entertainment
    - Region-wide destination visitors seeking distinctive shopping, food and drink, and entertainment
    - Business travellers and convention goers

Having multiple consumer submarkets spreads demand to different times of the day, and can mitigate the impact of reduced demand in a given submarket. Multiple submarkets also means there are multiple targets to which a downtown business or the business district as a whole can be marketed.

A key research question relative to the retail market is the degree to which new retail development should be promoted as part of the vision for Downtown Saskatoon and the Downtown Event and Entertainment District.

Demand Indicators

The retail sector in Saskatoon is continuing to recover from the pandemic. Per Colliers Canada Research, average net rents in Saskatoon increased 5.7% in 2022, from $23.34 per square foot to $24.67. The city-wide retail vacancy rate was 3.0% in 2022, down from 3.7% in 2021. Reduced vacancy was associated with continued modest absorption of vacant retail space.

The recovery of the retail market hasn't yet generated demand for new retail space. Less than 100,000 square feet of retail floor area was built in each of the previous three years.

Downtown retail rents are lagging behind the city-wide average. Average net rents for downtown retail was $20.78 per square foot in 2022. That compares to $23.34 city-wide, and $27.29 in the Broadway district. Pandemic-related impacts seem to be playing a role in this. The 2022 Saskatoon Retail Market Report from Colliers observes a "notable decrease in interest for downtown storefronts along historically busy walking strips." The vacancy rate in the downtown retail district is around 5%.

Competitive Context

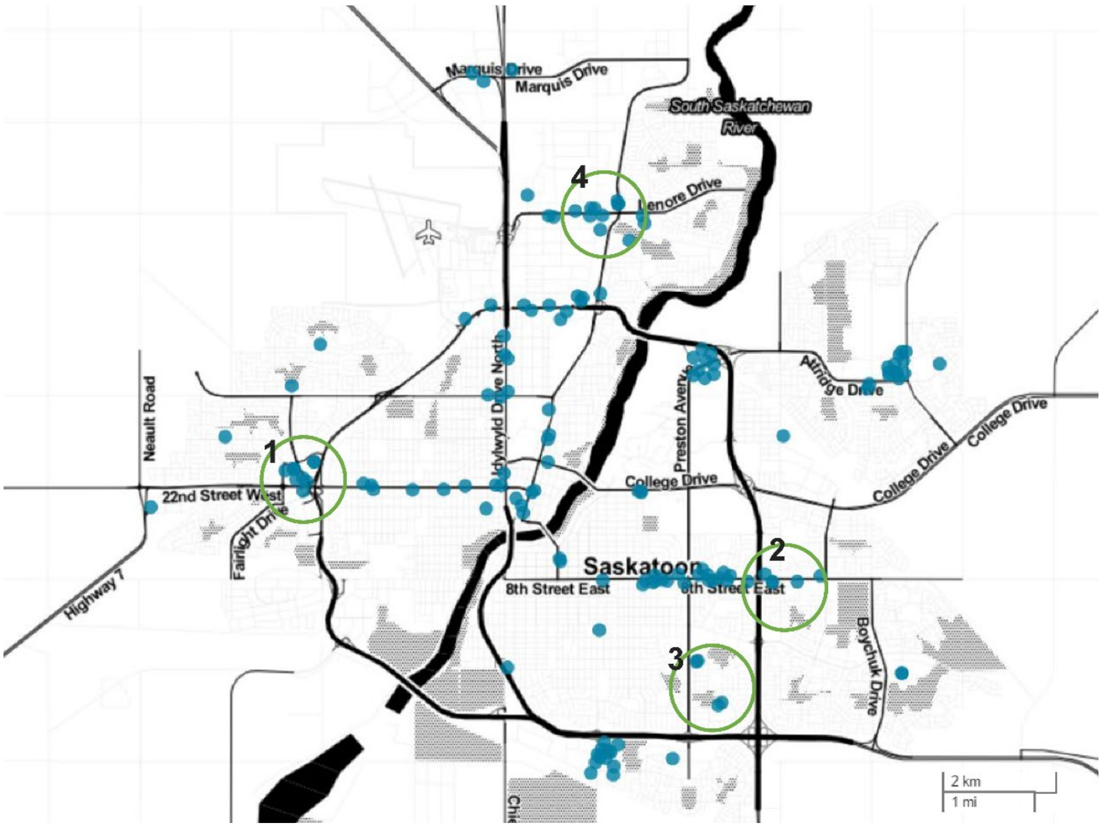
The two primary retail settings in Downtown Saskatoon—Midtown Mall and the 2nd Ave/21st St storefront district—are not direct competitors because they offer very different retail experiences. They each exist in their own competitive context, competing against similar shopping centres or retail districts in other Saskatoon locations.

Midtown Mall. Midtown Mall offers around 470,000 square feet of retail floor area. It is distinctive in the region in its scale and the higher end shopping opportunities it provides. Exhibit 35 shows the other regional shopping malls in Saskatoon. They are:

- **Confederation Shopping Mall.** Year Built: 1973, Renovated 2015. Floor area: 329,128 square feet. Anchors: Canadian Tire, FreshCo, Urban Planet, Winners, Urban Cellars.
- **The Centre Mall.** Year Built: 1995 (merger of two malls, each built in 1970s). Floor area: 519,347 square feet. Anchors: Best Buy, Bath and Body, Children's Place, Co-op Foods, Cineplex Cinemas, Rainbow Cinemas, Sport Chek.

- **Market Mall.** Year Built: 1966, Renovated 2021. Floor area: 285,611 square feet. Anchors: FreshCo, Giant Tiger, Planet Fitness, Dollarama.
- **The Mall at Lawson Heights.** Year Built: 1980, Renovated 1990, 2002. Floor area: 307,089 square feet. Anchors: Safeway, London Drugs, Dollarama (formerly Target).

Exhibit 35. Competitive Context for Midtown Mall – Regional Shopping Malls in Saskatoon



Source. Costar

2nd Ave/21st St storefront district. According to the above-mentioned Colliers report, Downtown Saskatoon offers around 1.63 million square feet of retail floor area in total. It has roughly 1.16 million square feet of retail outside of the Midtown Mall. A good portion of that is located in the 2nd Avenue/21st Street storefront district.

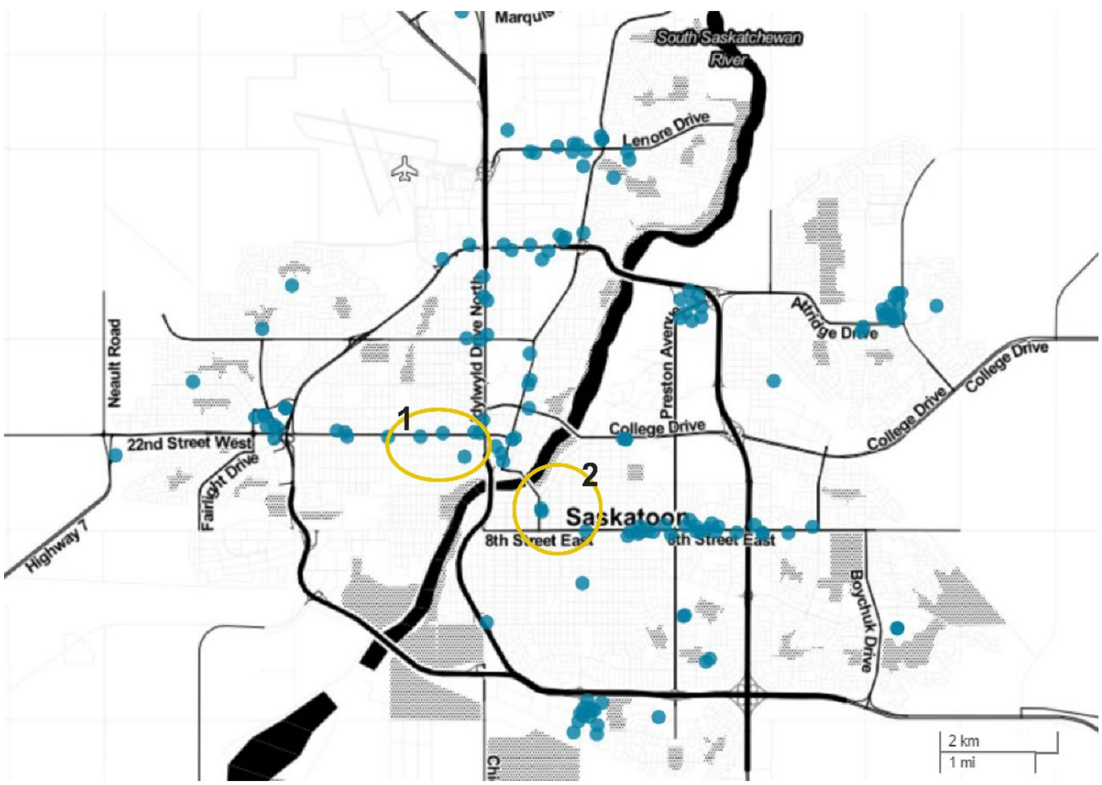
Exhibit 36 shows the two storefront districts in Saskatoon that are most directly competitive with the 2nd Ave/21st St storefront district. They are:

1. **Broadway District.** Total floor area: 285,146 square feet.
2. **Riversdale District**. [Floor area data not reported]

These are competing storefront districts which attract a similar customer base as the downtown storefront district—although the downtown district benefits from the proximity to the many other amenities and customer bases that are situated downtown.

In addition to the competitive impact of these storefront districts, there is a countervailing positive agglomeration effect. The presence of all three storefront districts in the centre of Saskatoon builds the identity of Saskatoon's downtown and central neighbourhoods as the place where walkable, vibrant retail districts can be found.

Exhibit 36. Competitive Context for 2nd Ave/21st St Storefront District



Source. Costar

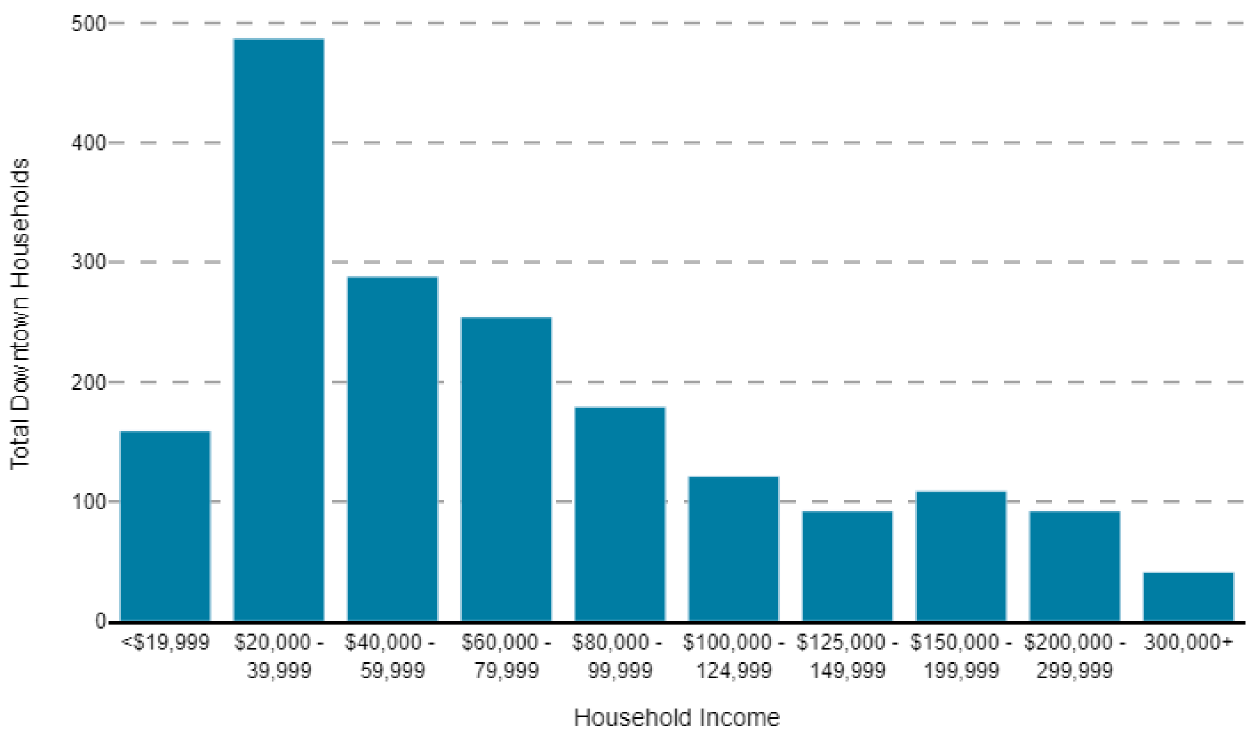
Downtown Consumer Spending

Downtown residents have an outsized impact on downtown retail businesses. They provide a base level of demand for retailers that is less subject to fluctuation than the other submarkets that support downtown retailers. Their importance is heightened because of the potentially permanent reduction in another submarket—the downtown office workforce.

An analysis of downtown resident consumer spending illustrates how a plausible downtown residential growth scenario can yield a significant growth in consumer spending in a relatively short timeframe.

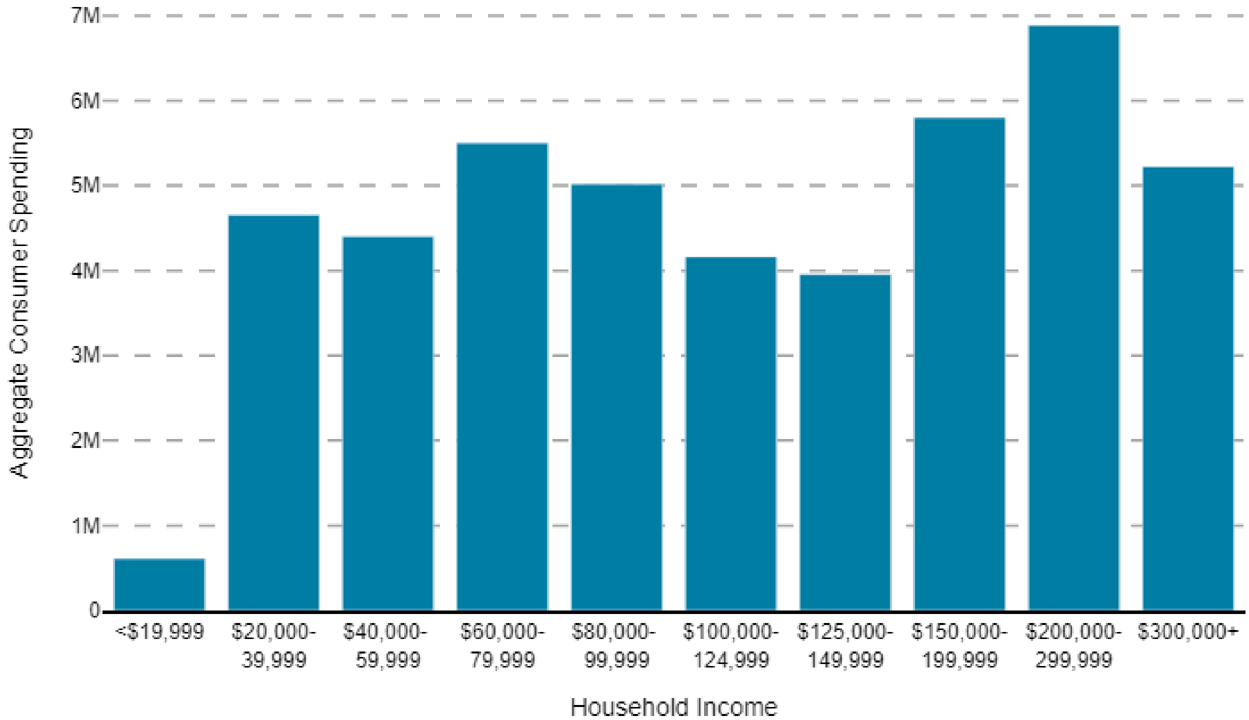
Exhibit 37 shows the number of households that reside in Downtown Saskatoon by income category. If the estimated consumer spending of downtown residents is allocated to downtown resident households proportionately to their average incomes, Exhibit 38 shows the aggregate consumer spending of downtown households. Note that, despite the fact that most downtown resident households earn low to moderate incomes, much of the aggregate consumer spending comes from middle to upper income households.

Exhibit 37. Downtown Households by Income Bracket



Source: ESRI Business Analyst, Stantec

Exhibit 38. Consumer Spending by Income Bracket, Downtown Residents



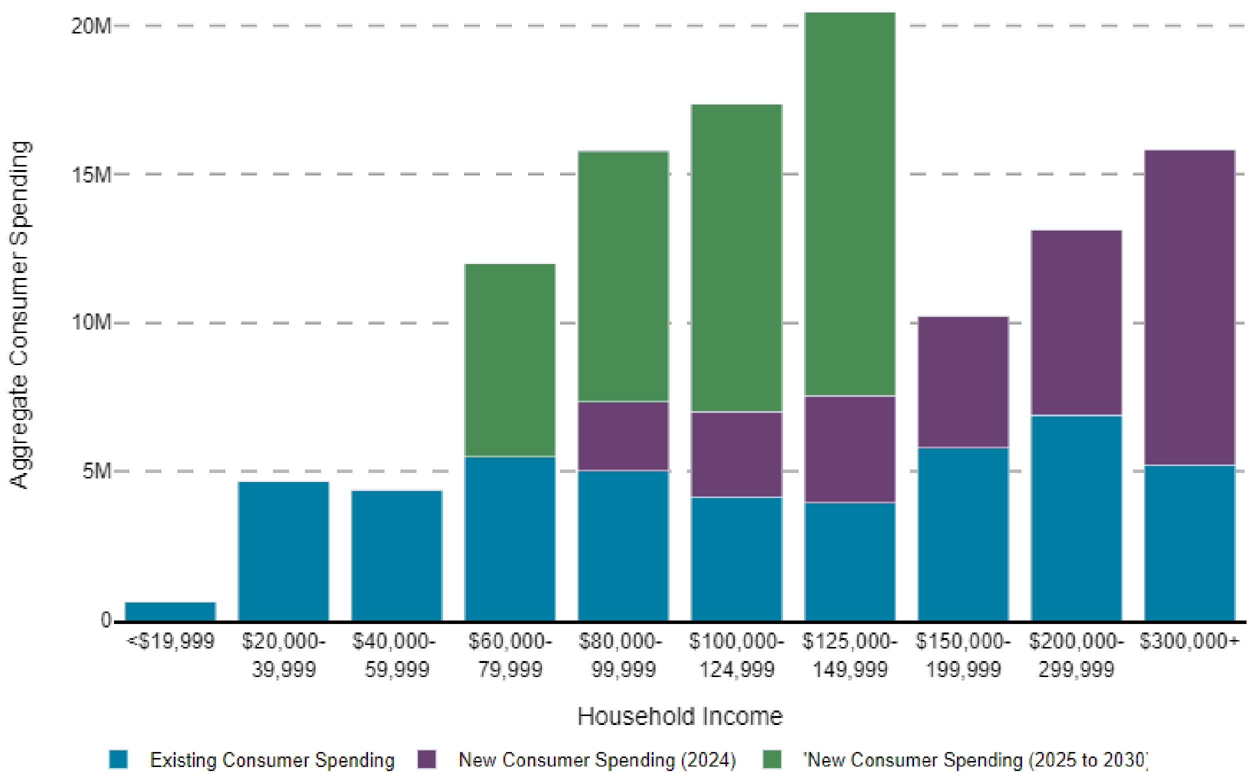
Source: ESRI Business Analyst, Stantec

Exhibits 39 and 40 reflect a downtown growth scenario. The purple bars are associated with the Baydo Towers development that will be completed in 2024. The green bars represent the household numbers and consumer spending associated with 200 additional midrise housing units per year from 2025 through 2030. 200 housing units is equivalent to around a quarter of Saskatoon's average annual multifamily production.

Exhibit 39 shows how the number of downtown households grows from around 1,800 to around 3,100 by 2030, and they become more balanced with respect to their income brackets. Exhibit 40 shows that the aggregate consumer spending of downtown households increases by roughly 150%.

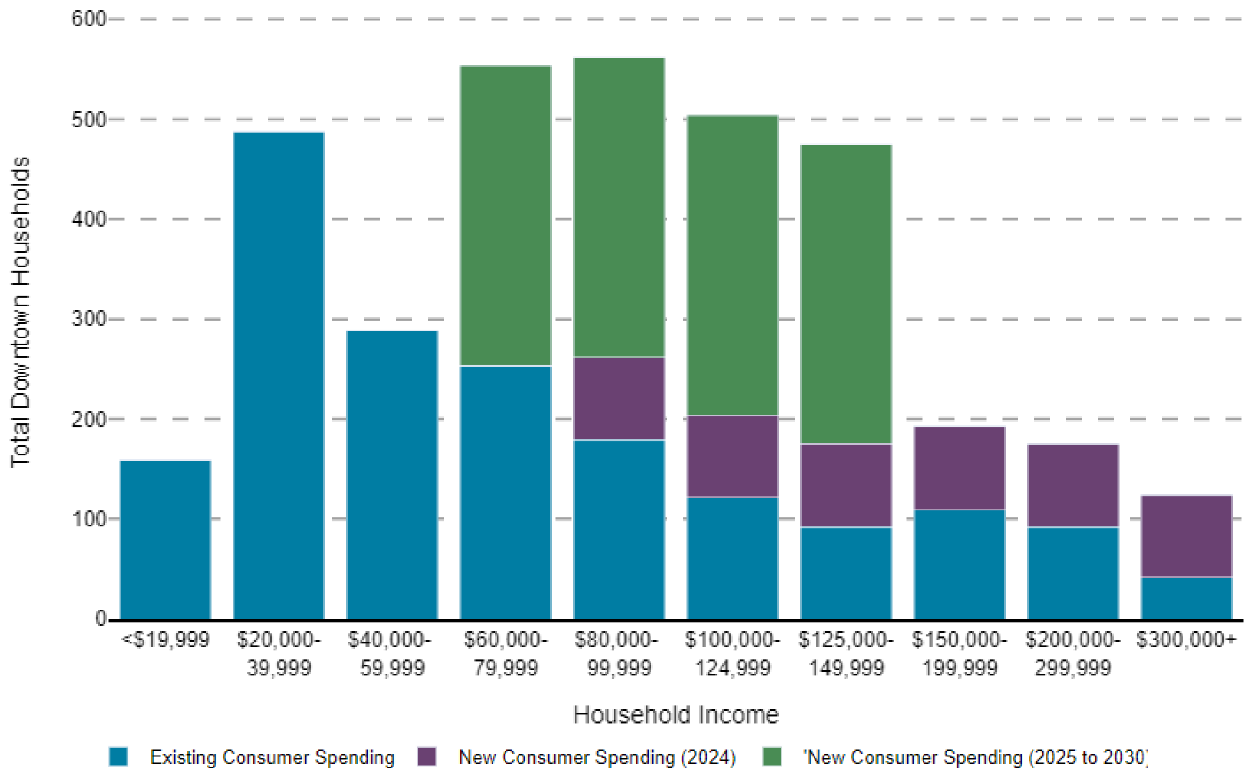
The analysis demonstrates that a relatively modest increase in downtown housing can have a significant impact on the aggregate consumer spending of downtown households.

Exhibit 39. Downtown Households by Income Bracket, 2030 Projection



Source: ESRI Business Analyst, Stantec

Exhibit 40. Consumer Spending by Income Bracket, Downtown Residents, 2030 Projection



Source: ESRI Business Analyst, Stantec

Research Interviews

Research interviews with individuals from the local development and real estate community elicited the following comments and perspectives.

- Storefront retail occupancy and rents have suffered in recent years. In properties I own I've lost tenants and had to lower rents.
- Two factors that have negatively impacted the retail market are the pandemic and the increase in remote work.
- Midtown Mall has mostly recovered from the pandemic. It has benefited from doing a major renovation before the pandemic.
- Downtown events are important drivers of retail activity. They generate a surge of business—especially for food and beverage businesses.
- Downtown behaviour issues deter people from coming downtown.
- Parking is the biggest issue. Consultants have said there's enough parking, but customers are used to pulling up in front of stores. [one interviewee]
- Attracting downtown residential development is the single most important thing you can do to strengthen downtown retail.

- You should not require ground floor retail in every new development. You need to see a strengthening of the existing downtown retail market before you add more downtown retail. Otherwise you risk weaking the market further.

Summary of Findings

Against a backdrop of retail sector challenges, the Saskatoon retail market continues to recover. Downtown storefront retail is, however, lagging in its recovery for reasons that include reduced occupancy of downtown office buildings, the incomplete recovery of business travel, and downtown behaviour and livability issues.

The downtown storefront district faces competition from the Broadway and Riversdale districts, but also benefits from agglomeration effects that brand the trio of storefront districts in the centre of Saskatoon as the place for walkable, vibrant retail districts.

Downtown residents are only one of many submarkets that downtown retail businesses benefit from, but they establish an important foundational level of consumer demand. Downtown housing growth can generate a significant increase in the aggregate consumer spending of downtown households.

Caution needs to be exercised in encouraging additional retail development until the downtown retail context has stabilized.

Recommendations related to these findings are offered in the Summary of Findings and Strategic Recommendations section of the report.

VIII. Development Market – Hospitality

Locational Analysis

Demand for hotels and other hospitality uses are driven primarily by their proximity to what are considered "room night generators." These are particular uses that attract people to the region for overnight stays. Downtown Saskatoon has a high concentration of room night generators, which include the following:

- A significant number of corporate headquarters.
- Saskatoon City Hall.
- TCU Place, which includes the region's largest live performance venue (TCU Place Theatre).
- Midtown Mall, the region's largest shopping centre.
- A prominent walkable commercial district centered on 2nd Avenue that features numerous bars and restaurants.
- A prominent riverfront park with significant amenities, such as trails that connect to a regional system of trails, the Remai Modern art museum, and the River Landing Amphitheatre and Spray Park.
- Proximity to the University of Saskatchewan and Royal University Hospital.

In addition to the existing room-night generators, the plans for a new arena and larger convention centre located on the north side of 22nd St E will undoubtedly increase the demand for hotel rooms in the downtown.

Overview of Hotel Categories

The hotel industry generally relies on several basic descriptions to help differentiate properties by their level of service, price, and, thus, primary target market. Although the industry has been blurring these definitions in recent years due to ever evolving market preferences and increased competition, they generally still hold true and can help identify where gaps or opportunities may exist in the marketplace. The following are the basic descriptions:

- **Full-Service.** These hotels provide a full range of services and amenities to their guests. Not every full-service hotel will offer the exact same set of services. Regardless, what tends to be consistent from one full-service property to another is a commitment to provide a high-level of attention to their guest's needs through higher staffing levels, on-site foodservices that include a restaurant and room service, and meeting facilities. Full-service hotels tend to cater to business travellers and affluent leisure travellers.

- **Limited-Service.** These hotels, in many cases, provide the same or nearly the same level of in-room furnishings and amenities that can be found at many full-service hotels. They also typically offer many of the same common area amenities, such as pools, spas, and business centres. However, they do not have on-site foodservice beyond the basic breakfast bar and often lack high-end finishes in the common areas as well as additional staff to handle guest needs. Without the additional foodservice and staff costs, these properties therefore are able to provide a relatively high-level of comfort at a more reasonable price. However, the lack of key services means that the market tends to skew toward the leisure traveller and budget-conscious business traveller and misses the lucrative conference and specialty meeting market.
- **Economy.** These hotels provide a very basic level of service. There are next to no common area amenities and the rooms typically lack many amenities beyond a television. Although room rates at economy hotels can vary significantly depending on the size of the city and supply of competition, they almost always are priced well below even limited-service hotels. As a result, these hotels heavily skew toward the budget-conscious traveller or the traveller who is enroute to a further destination and is need of few amenities because their stay is very brief. Economy hotels can often be the only option in many small markets where larger limited- and full-service hotels cannot be supported.

There are numerous other hotel categories that cater to specific market niches, such as extended stay hotels, theme hotels, boutique hotels, and resorts. However, these other categories tend make up only a small amount of the overall market.

Overview of Hotel Target Markets

Demand for downtown hotel rooms generally comes from three primary target markets, each with separate characteristics and needs, and can be described as follows:

- **Group Meeting Market.** This demand segment consists of visitors traveling to the area to attend conferences, seminars, trade shows, training sessions, or other activities that generally includes 10 or more people. Peak periods of demand usually occur between Monday and Thursday. Group travellers typically require full-service accommodations, proximity to transportation facilities, quality meeting space and banquet facilities, and an adequately trained staff to deliver efficient meeting coordination.
- **Commercial Market.** This demand segment generally includes individuals traveling on business. Commercial demand is strongest Monday through Thursday nights, while declining significantly on Friday and Saturday nights. The typical length of stay ranges from one to three days and demand is generally consistent year-round. Business travellers tend to be not as price sensitive as leisure travellers, and, therefore, more likely to utilize a property’s food and beverage amenities when available.
- **Leisure Market.** Leisure demand is generated by people visiting the area for non-business reasons and travellers passing through the area enroute to another

destination. Leisure demand is strongest Friday and Saturday nights during holidays and summer months. The leisure traveller tends to be the most price-sensitive segment of the lodging industry.

A downtown location will appeal to all three of these segments as long as there are the facilities and amenities in place to meet their needs. The proximity to downtown employers will attract the commercial/business traveller. The potential to offer nearby nightlife options along with a scenic waterfront setting will appeal to the Group Meeting market. The access to shopping and other downtown amenities will attract a portion of the leisure market.

Downtown Saskatoon Hotels

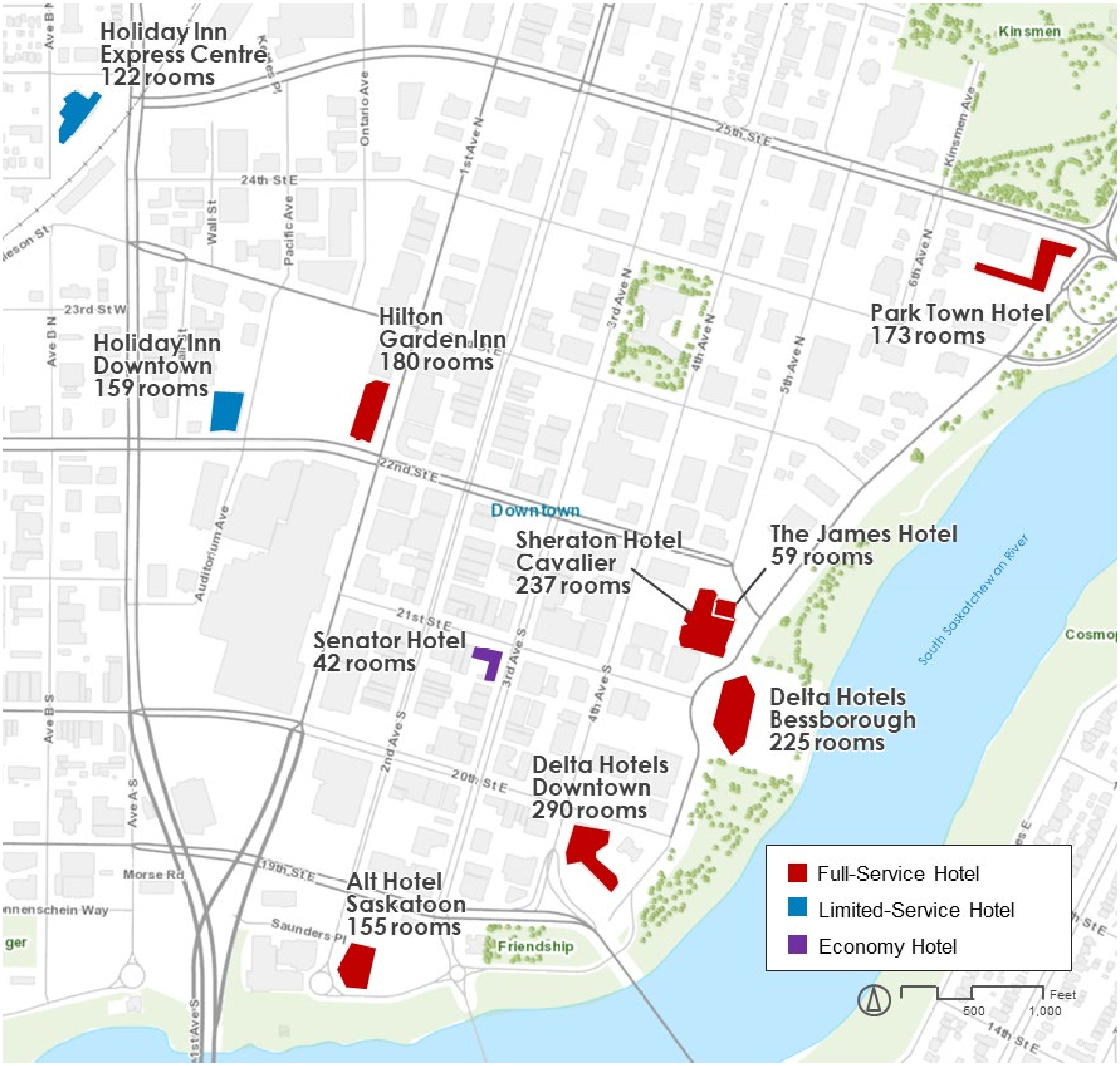
Table 1 lists downtown hotels with information on location, market category, number of rooms, year built, meeting facilities, and quoted on-line daily rates. Exhibit 41 displays the location of each hotel. Key findings from the table and map are as follows:

- There are 10 hotels located in Downtown Saskatoon with a combined total of 1,642 rooms. This represents about 30% of all hotel rooms in the Saskatoon market.
- Six of the 10 hotels are located along the riverfront. One hotel, the Senator hotel, is located at the intersection at the 21st Street E and 3rd Avenue S in the heart of downtown's historic retail district. Two hotels are located across 22nd Street E from TCU Place and the Midtown shopping mall. The only hotel located west of Idylwyld Drive is the Holiday Inn Express Centre.
- The overwhelming majority (80%) of downtown's hotel rooms are in full-service hotels. Meanwhile, only 17% of rooms (281) are in limited-service hotels and 3% of rooms (42) are in economy hotels.
- About one-quarter of Downtown Saskatoon's hotel rooms have been built since 2011. The most recent is the Alt Hotel Saskatoon which opened just prior to the pandemic in 2019. Despite a minor building spree in the 2010s, the average age of a downtown hotel room is 48 years.
- Nine out of 10 hotels provide some level of meeting space. However, five hotels have at least 10,000 square feet of meeting space, which allows them to target the group meeting market.
- Daily rates quoted from hotel websites vary widely. About 50% of the rooms are priced above $230 per day. These rooms are also located in the downtown's largest properties with over 200 rooms each. However, also in this category is one boutique hotel with only 59 rooms. Slightly under 50% of the rooms are priced between $160 and $185 per day. Only one hotel, which accounts for less than 3% of rooms is priced under $130 per day.

Table 1. Downtown Saskatoon Hotel Properties

Hotel Name	Address	Market Category	Rooms	Year Built	Mtg. Space (SF)	Daily Rate	
						WKDY	WKND
The James Hotel	620 Spadina Crs E	Full-Svc	59	2011	450	$259	$259
Delta Hotels Bessborough	601 Spadina Crs E	Full-Svc	225	1932	20,000	$275	$224
Delta Hotels Dwtn	405 20th St E	Full-Svc	290	1984	15,232	$260	$224
Sheraton Hotel Cavalier	612 Spadina Crs E	Full-Svc	237	1962	14,899	$229	$189
Alt Hotel Saskatoon	480 2nd Ave S	Full-Svc	155	2019	4,629	$184	$179
Hilton Garden Inn Dwtn	90 22nd St E	Full-Svc	180	1975	11,907	$182	$182
Holiday Inn Dwtn	101 Pacific Ave	Limited-Svc	159	2012	2,201	$180	$176
Holiday Inn Express Centre	315 Idylwyld Dr	Limited-Svc	122	1990	1,998	$156	$184
Park Town Hotel	924 Spadina Crs E	Full-Svc	173	1958	10,000	$160	$169
Senator Hotel	243 21st St	Economy	42	1908	--	$124	$124
Total/Averages			**1,642**		**81,316**	**$201**	**$191**

Exhibit 41. Downtown Hotel Properties



Downtown Hotel Market Analysis

Stantec acquired trend data from Smith Travel Research (STR) for hotels located in Downtown Saskatoon. STR is an international leader in the collection and dissemination of hotel data. Table 2 and Exhibits 42 to 44 present data on room supply, occupancy rates, average room rates, and revenue per room. These four common hotel-industry benchmarks used in the analysis are summarized as follows:

- Room supply is the total number of rooms available among the hotels being analyzed.
- Occupancy Rates are calculated by dividing the number of rooms sold (i.e., rented) by the number of rooms available.
- Average Daily Rate ("ADR") is the average rate charged daily per rented room, or in the other words the mean price charged for all hotel rooms rented in a given period.
- Revenue Per Room ("RevPAR") is calculated by dividing revenue by the number of rooms available for rent.

It is evident from Table 2 and Exhibits 42 to 44 that the COVID-19 pandemic had a profound impact on hotels. From 2019 to 2020, the annual occupancy for downtown hotels dropped an astounding 38% going from just over 60% to just over 22%. This was reflected in an even more alarming decline in RevPAR, which dropped 65% over that same period. Hotel performance began to recover slightly in 2021, but only marginally. It wasn't until 2022 that signs of a significant recovery began to occur.

Despite the amount of recovery that has occurred, the key hotel metrics for Downtown Saskatoon remain well below their pre-pandemic levels, suggesting that additional recovery still needs to occur. Based on the most recent 2023 data, occupancy is still about 10% below the annual average from 2015 to 2018. Although ADR is now back to pre-pandemic levels, RevPAR is about $11 less per room (14%) than compared to pre-pandemic levels.

The above market conditions caused by pandemic are not unique to Downtown Saskatoon. The dramatic drops in occupancy and RevPAR occurred in other areas of Saskatoon as well as other markets across Canada and North America. Downtown hotel markets, especially ones driven mostly by group meetings and commercial/business travellers such as Downtown Saskatoon, were hit especially hard by the pandemic. Work-from-home requirements, public health concerns regarding large group gatherings, and an overall economic slow down meant businesses dramatically cut back on travel.

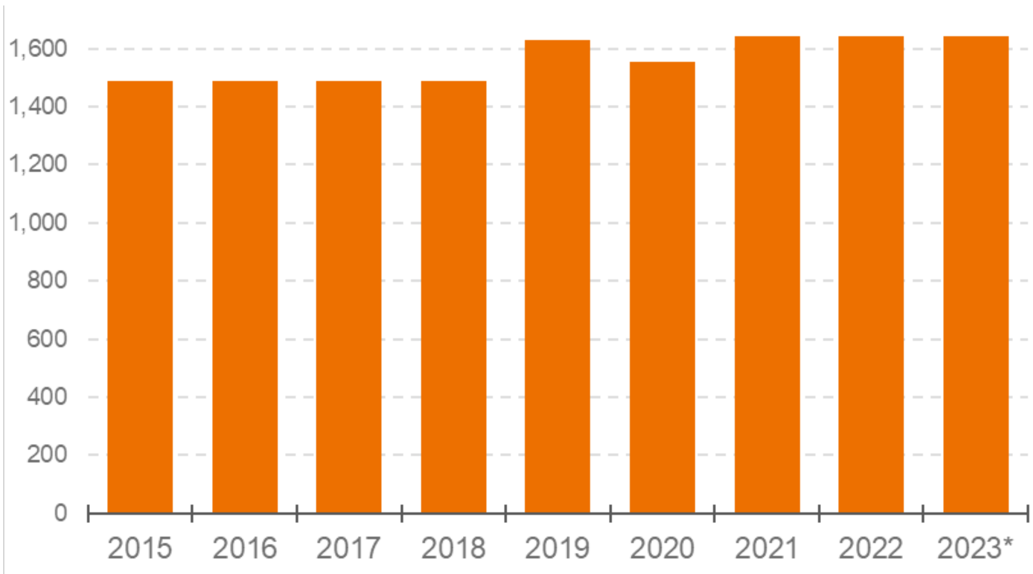
The other market trend unique to Downtown Saskatoon was a cyclical surge in the mining and potash industries that drove downtown employment growth during the early 2010s, thus creating a period of very strong hotel demand. During this time, Downtown Saskatoon was one of Canada's strongest hotel markets. However, due to the cyclical nature of these industries, employment and travel demand began to ebb from 2015 through 2019. Therefore, in many respects the downtown hotel market is still recovering not only from the pandemic, but also a prior economic downturn brought on by business cycles unique to Saskatoon's economy.

Table 2. Supply, Occupancy, Room Rate, and Room Revenue – Downtown Saskatoon Hotels

Year	Total Year				Year-over-Year Change			
	Room Supply	Occupancy Rate	Average Daily Rate (ADR)	Revenue per Room (RevPAR)	*Room Supply*	*Occupancy Rate*	*Average Daily Rate (ADR)*	*Revenue per Room (RevPAR)*
2015	1,488	68.1%	$126.04	$85.77	- - -	- - -	- - -	- - -
2016	1,488	64.1%	$115.02	$73.68	*0*	*-4.0%*	*-8.7%*	*-14.1%*
2017	1,488	63.5%	$111.58	$70.88	*0*	*-0.5%*	*-3.0%*	*-3.8%*
2018	1,488	64.5%	$108.67	$70.15	*0*	*1.0%*	*-2.6%*	*-1.0%*
2019	1,630	60.2%	$106.67	$64.17	*142*	*-4.4%*	*-1.8%*	*-8.5%*
2020	1,555	22.5%	$98.90	$22.24	*-75*	*-37.7%*	*-7.3%*	*-65.3%*
2021	1,642	29.6%	$102.77	$30.41	*87*	*7.1%*	*3.9%*	*36.7%*
2022	1,642	50.9%	$112.96	$57.51	*0*	*21.3%*	*9.9%*	*89.1%*
2023*	1,642	55.4%	$115.52	$63.91	*0*	*4.5%*	*2.3%*	*11.1%*

Source: Smith Travel Research * Based on March YTD data for 2023

Exhibit 42. Room Supply – Downtown Saskatoon Hotels



Source: Smith Travel Research * Based on March YTD data for 2023.

Exhibit 43. Annual Occupancy Rate – Downtown Saskatoon Hotels

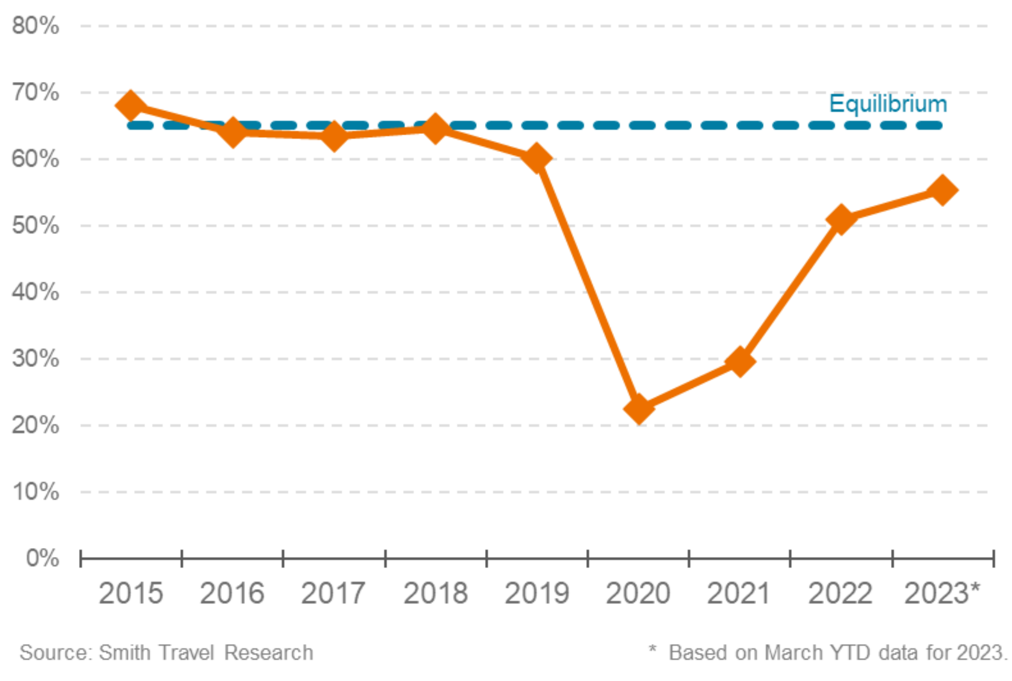
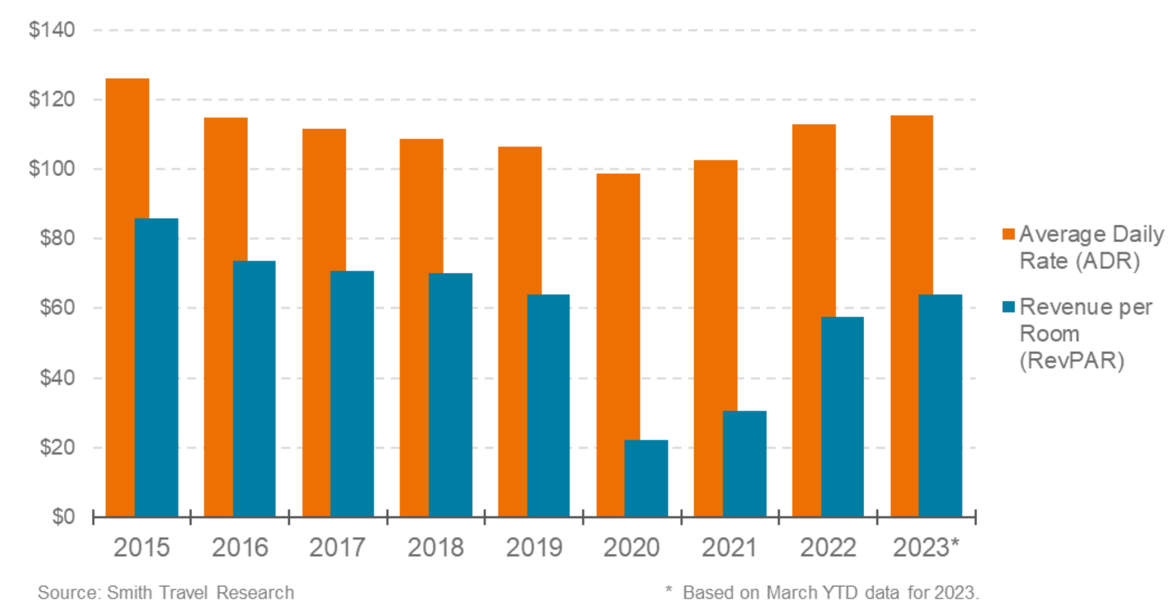


Exhibit 44. Annual Pricing and Revenue Trends – Downtown Saskatoon Hotels



Planned or Pending Hotels in Downtown Saskatoon

According to staff at the City of Saskatoon, there are currently no planned or proposed hotels in Downtown Saskatoon or surrounding neighbourhoods that would increase the supply of hotel rooms in the near-term.

Research Interviews

As part of the broader downtown planning effort, Stantec interviewed numerous developers, property owners, and other real estate experts familiar with Downtown Saskatoon. These interviews provided a wealth of qualitative data from which to contextualize the quantitative data presented in previous sections. Below are key findings from the interviews:

- The business and group meetings markets are still recovering. The new work-from-home culture is having a big impact on business travel. However, the leisure and resort markets are experiencing pent-up demand.
- Downtown is currently too spread out and concentrating and/or connecting amenities and destinations is important to the success of hotels.
- There currently is not demand for another hotel. However, if an existing hotel were to be removed due to redevelopment, for example, this would create a need for another hotel downtown.
- Although there currently is not enough demand for a new downtown hotel, the Saskatoon region continues to grow and will be able to eventually absorb new development.
- There are few enough hotels in the downtown that if there is a big event it will impact all the downtown hotels as well as many of the hotels located outside of the downtown.

Summary of Findings

Saskatoon's hospitality market exhibits the following strengths:

- Downtown Saskatoon has a strong set of complementary room-night generators that would help attract key target markets. Examples of room-night generators include major employers, theatres, programmed events, museums, the Midtown shopping mall, the shopping and restaurant district along 21st Street, and the riverfront system of parks and trails.
- Outside of peak traffic periods, most areas of Saskatoon can access downtown within 5-10 minutes by car. This means that out-of-town travellers would find a downtown location relatively convenient even if their reason for visiting Saskatoon is outside the downtown.

- Downtown has the region's best complement of full-service hotels. Nevertheless, it also has numerous choices for mid-priced and economy-priced hotels as well.
- Saskatoon has a strong economy that will likely continue to grow, especially over the long-term. Therefore, as the entire regions continues to grow there will inevitably be an increased demand for all types of hotel rooms.
- There are no immediate plans for new hotel development in the downtown. This will better position the existing hotel properties to absorb any future growth in demand and raise occupancies and RevPAR (Revenues per Available Room).
- Plans for a new arena and convention centre will undoubtedly bring more visitors to downtown over the long-term, which will increase the demand for more downtown hotel rooms.

Saskatoon's hospitality market also faces a number of challenges.

- With an occupancy rate currently around 55%, the downtown hotel market has yet to fully recover from the pandemic and won't be able to absorb a significant number of new hotel rooms for several years.
- In Saskatoon, like in most markets, office buildings have been permanently impacted by the pandemic because of the cultural shift toward working from home. This has resulted in a reduction in business travel and decreased vitality in Downtown Saskatoon.
- Decreased downtown vitality due to fewer office workers has created a perception that the downtown is less safe than it was a few years ago and subject to more crime. Regardless of whether the perception is true or not, if it continues to persist over time, it will likely have a dampening effect on long-term demand, especially from leisure travellers.
- The Prairieland Trade and Convention Centre located two miles south of downtown competes with TCU Place Arts & Convention Centre, which is located within the DEED. Currently, downtown hotels help attract users to the Prairieland facility. Therefore, if more hotels are developed near the Prairieland facility, this will have a negative impact on downtown hotels.

Recommendations related to these findings are offered in the Summary of Findings and Strategic Recommendations section of the report.

Appendix – Downtown Saskatoon Psychographic Profiles

16 SAVVY SENIORS

Upper-middle-income seniors in urban apartments

U2 URBAN OLDER

M1 OLDER FAMILIES & EMPTY NESTS

Population:
736,121
(1.93% of Canada)

Households:
326,825
(2.17% of Canada)

Average Household Income
$120,453

Average Household Net Worth:
$840,981

House Tenure:
Own

Education:
University/College/
High School

Occupation:
White Collar/
Service Sector

Cultural Diversity Index:
Low

Sample Social Value:
Vitality

Who They Are

An aging lifestyle, Savvy Seniors is home to older singles, couples and divorced or widowed individuals found mostly in cities throughout Ontario, British Columbia and Alberta. Many of these seniors are financially comfortable: With a mix of high school, college and university educations, they enjoy upper-middle-incomes and homes valued at nearly a half-million dollars. Nearly 40 percent of the maintainers are over 65 years old, and they gravitate to easy-to-maintain high-rise apartment buildings, condos and row houses, typically built between 1980 and 2000. More than half of the households consist of third-plus-generation Canadians, and many are empty-nesters; any children at home are typically in their twenties. About 58 percent of the adults are still in the labour force, holding upper-level positions in the sciences, education, the arts and public administration. Still fit and active, these residents have the time and money for travel, golf and fitness activities. And they still believe in the value of *Community Involvement*, staying active in social issues and political campaigns.

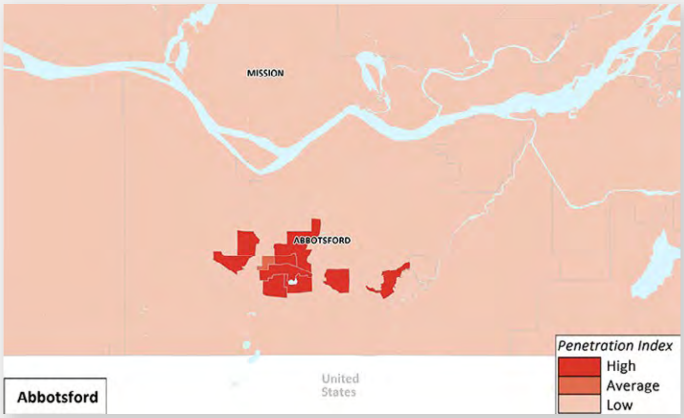
The older members of Savvy Seniors are busy enjoying the good life. Those retired spend their time golfing, sewing, knitting and making crafts. When not taking trips around Canada or Europe, they are undertaking DIY remodeling projects around their home. With a fondness for cultural activities, residents regularly go to art galleries, the opera, theatre and classical music concerts. Financially secure, they have high rates for using the Big Five banks, actively trade stocks online and seek out advice from financial planners and full-service brokers. But they're also big-hearted Canadians who never met a charity they didn't like; whether cultural, environmental religious, or hospital-related—all benefit from their largesse. These older Canadians enjoy traditional media, especially TV news, weather, history programs and sports like curling, figure skating and golf. They tune to golden oldies and classical music on the radio. And they subscribe to most major dailies and a number of mainstream magazines. Many are just becoming comfortable with the Internet and prefer to go online using their computer or tablet rather than a mobile phone. Top of their to do list for the post-COVID world is travelling within Canada.

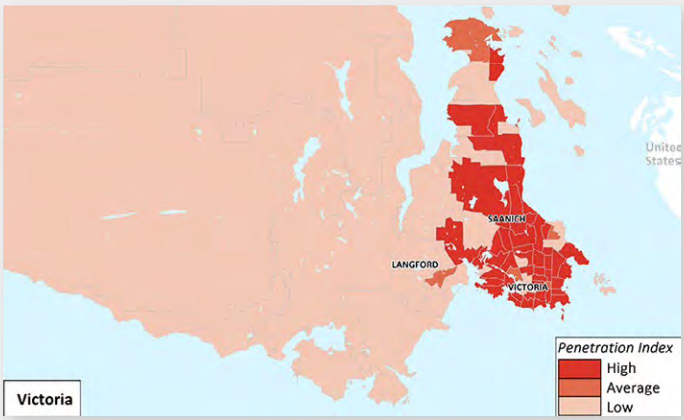
How They Think

The members of Savvy Seniors are pleased with their country and their accomplishments. They believe Canada should play a strong role in the world (*National Pride*) and that the country offers opportunities for anyone to succeed if they try hard enough (*North American Dream*). Adopting a lively approach to life, many feel they still have more vigor and energy than other people (*Vitality*), and they're comfortable with a less prescribed way of life (*Rejection of Orderliness*). Although they've spent most of their lives in Canada, they still seek to learn from other cultures and incorporate their influences in their daily life (*Culture Sampling*). With their solid incomes, they are happy to pay premium prices for products and services of their interest, especially if those carry a well-known brand name and help them look good and dress in a respectful, appropriate manner (*Importance of Brand, Concern for Appearance, Propriety*). At this stage in their lives, Savvy Seniors have achieved a level of social standing within their community, though they still seek the respect of others by displaying their good taste and fine manners (*Need for Status Recognition*).

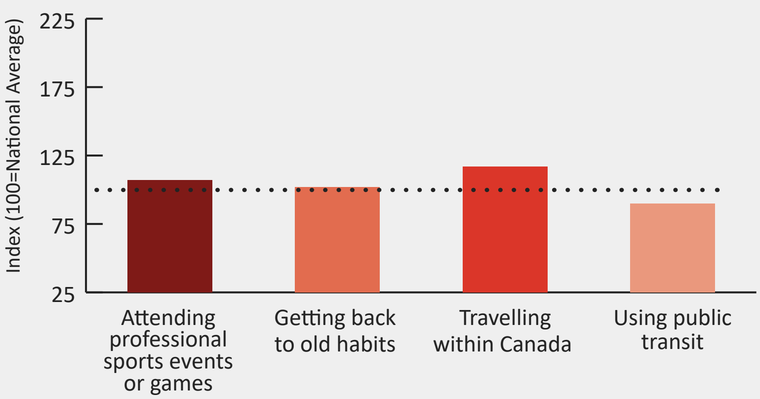
16. SAVVY SENIORS

Where They Live





Post-Pandemic, Looking Forward To:



How They Live

LEISURE
gardening
golf
cruises
active in social issues

SHOPPING
Hudson's Bay
Shoppers Drug Mart
Chapters/Indigo
natural health products retailers

TRADITIONAL MEDIA
CBC News
The Weather Network
oldies radio
Maclean's

INTERNET
click on Internet advertisements
real estate sites
access restaurant guides/reviews
travel arrangements online

FOOD/DRINK
rolled oats/oatmeal/hot cereal
condensed soup
prepared alcohol mix
high-quality restaurants

FINANCIAL
high-interest savings
financial planners
TFSAs
donate to Canadian charities

AUTOMOTIVE
intermediate imports
Toyota/Lexus
$15,000-$29,999 spent on vehicle
GPS/navigation systems

SOCIAL
WhatsApp
LinkedIn
comedy podcasts
blogs

MOBILE
e-book readers
fitness trackers
send/receive email on tablet
research products and services on tablet

HEALTH
take vitamin and mineral supplements

ATTITUDES

"I've often worked as a volunteer for a committee aimed at improving an aspect of life in my neighbourhood or municipality"

"It's very important to me that I watch and take care of my health"

"When I buy a product, the brand is very important to me"

"I have already taken steps to ensure that I have sufficient income for my retirement"

25 SUBURBAN SPORTS

Upper-middle-income, younger and middle-aged suburbanites

S3 UPPER-MIDDLE SUBURBIA

F3 MIDDLE-AGE FAMILIES

Population:
969,065
(2.54% of Canada)

Households:
345,953
(2.30% of Canada)

Average Household Income
$127,534

Average Household Net Worth:
$551,442

House Tenure:
Own

Education:
Mixed

Occupation:
Service Sector/
Blue Collar

Cultural Diversity Index:
Low

Sample Social Value:
Rejection of Order

Who They Are

Widely dispersed across Canada, Suburban Sports is one of the larger segments, a suburban refuge for younger and middle-aged families. Originally built on exurban tracts in the 1960s and 1970s, the subdivisions have evolved into conventional suburbs of small urban areas. Eight in ten households own a home, typically a singled-detached house or a duplex. The households are nearly evenly divided between couples and families, maintainers range from 35 to 64, and children are of all ages. Moderately educated, most adults have completed high school or college and hold service sector and blue-collar jobs in natural resources and the trades; thanks to dual incomes, these households earn solid, upper-middle-class incomes. Suburban Sports scores among the top segments for English-speaking residents, reflecting its third-plus-generation Canadian population of nearly 70 percent. No doubt the presence of children affects the popularity of family-friendly activities like snowboarding, baseball, basketball and swimming. But they also enjoy watching sports, rooting for their favourite pro hockey, soccer and football teams. Not surprising, Suburban Sports members score high for *Need for Escape*, making a concious effort to escape the stress and responsibilities of every day life once in a while.

With their solid incomes, Suburban Sports members have the means to enroll their kids in soccer camp while they take a cruise or a sightseeing trip to Mexico. This cohort also enjoys travelling within Canada, especially British Columbia, and this is one of the things they are most looking forward to post-COVID. These households frequent a wide range of cultural activities, from theatre performances to rock and country music concerts. Regular exercise is important in this segment—and not just for kids. The adults like to bowl, golf and take Pilates classes. They're proud of their suburban homes and spend weekends doing landscaping, electrical and plumbing DIY projects before inviting friends over for a glass of wine or Canadian rye whisky around their living room fireplace. They also like to dine out, packing their families into a large domestic pickup or compact SUV and heading to casual family restaurants like Earls, Milestones and Montana's. While not the earliest tech adopters, they have embraced mobile phones and smart devices—TVs, watches and speakers—for entertainment as well as text messaging, responding to classified ads and downloading coupons. Traditional media is still popular however; Suburban Sports residents watch curling and football on TV, listen to classic rock and country music on the radio and read outdoor magazines.

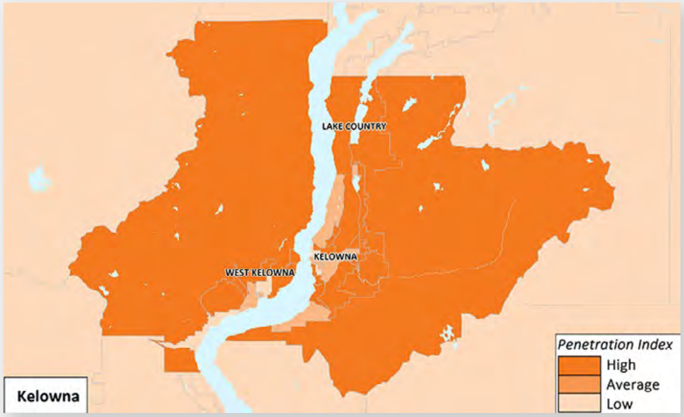
How They Think

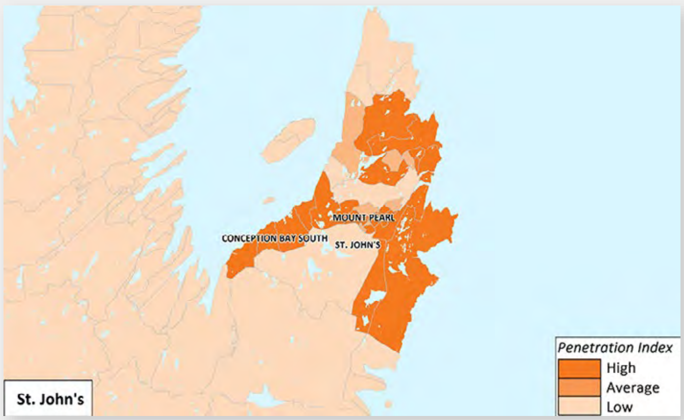
The members of Suburban Sports have relied on their strong *Work Ethic* to achieve upper-middle-class status and now want to instill in their children the principle of deferring pleasure and working hard to realize greater gains in the future. Despite their solid incomes, they still have *Financial Concern Regarding the Future*, especially since they want to leave a *Legacy* for future generations. These households also have a socially progressive streak, believing that other cultural groups should be allowed to preserve their traditions (*Racial Fusion*) and supporting diversity within families (*Flexible Families*). Many define their identity through their *National Pride* and believe that Canada should hold a strong position in the world. But they also care deeply about their local communities and believe that getting involved in the political process can make a difference (*Civic Engagement, Rejection of Authority*). This altruism extends to the marketplace: They tend to make purchase decisions based on the ethics of a company—whether it treats employees fairly, tests its products on animals or participates in corrupt trade practices (*Ethical Consumerism*).

25. SUBURBAN SPORTS

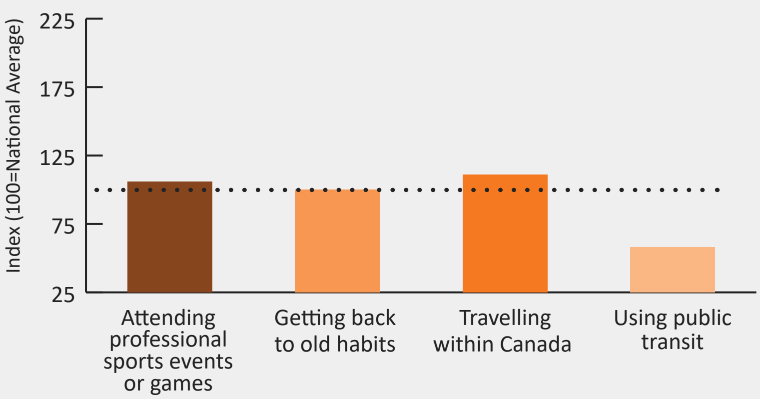
PRIZM

Where They Live





Post-Pandemic, Looking Forward To:



How They Live

LEISURE
yoga/Pilates
golf
rock concerts
pubs/sports bars

TRADITIONAL MEDIA
TV NFL football
Discovery Channel
new country music radio
People

FOOD/DRINK
Greek yogurt
cider
casual family restaurants
Milestones

AUTOMOTIVE
large pickup trucks
compact SUVs
Buick/Cadillac/Chevrolet/GMC
$30,000-$49,999 spent on vehicle

MOBILE
fitness trackers
place/respond to classified ad on mobile phone
access health content on mobile phone
watch subscription video service on tablet

SHOPPING
Mark's
Moores
craft supply stores
Wayfair.ca

INTERNET
classifieds sites
discount coupons on computer
banking/finance apps
travel purchase online

FINANCIAL
mutual funds
RESPs
guaranteed life insurance
donate to educational groups

SOCIAL
Snapchat
YouTube
Pinterest
audio podcasts

HEALTH
use cough syrup 6+ times/month

ATTITUDES
"I believe that young people should be taught to question authority"

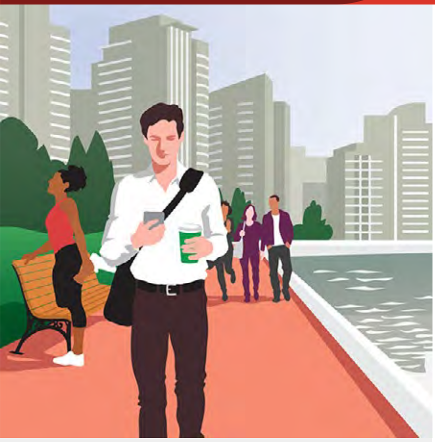
"Teenagers should have the same freedom as adults"

"The country should hold a strong position in the world"

"Life in the country is much more satisfying than life in the city"

LATTE LIFE

Younger, single urban renters



U5 YOUNGER URBAN MIX

Y1 VERY YOUNG SINGLES & COUPLES

Population:
191,417
(0.50% of Canada)

Households:
117,174
(0.78% of Canada)

Average Household Income
$95,495

Average Household Net Worth:
$454,249

House Tenure:
Rent

Education:
University

Occupation:
White Collar/
Service Sector

Cultural Diversity Index:
Low

Sample Social Value:
Social Learning

Who They Are

One of the youngest segments, Latte Life is often the first stop for university graduates fresh out of school. Typically located in urban areas like Vancouver, Calgary, Edmonton and Ottawa, the lifestyle has remained relatively stable for the last 15 years. Half the residents are between 25 and 44; nearly 60 percent live alone. Over half have earned a university degree—more than twice the Canadian average—but since they likely hold entry-level jobs in education, the arts, cultural industries and science, most earn average incomes. The steep cost of housing in their neighbourhoods means three-quarters of residents rent newer condos or older low-rise apartments. Like many Millennials, they try to reduce their carbon footprint by walking, biking or taking public transit to work. Latte Life residents aren't interested in putting down roots right now: two-thirds of residents have moved in the last five years. These young adults are nightowls who frequent bars, dance clubs and music festivals. Fitness and status conscious, they spring for memberships in health clubs. With their *Concern for Appearance*, they're a strong market for products and services that make them look good.

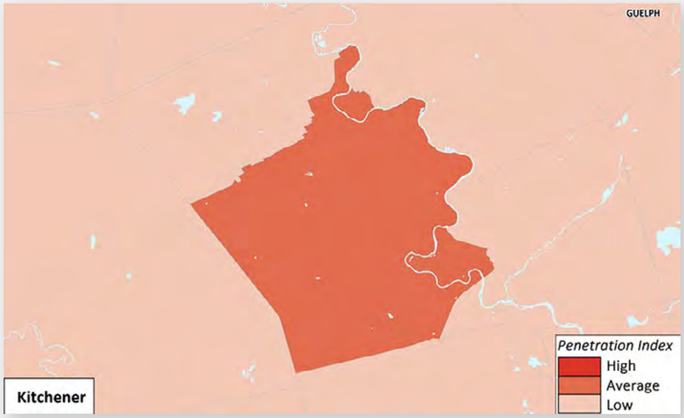
Their incomes may not be high but Latte Life members have the luxury of spending their paycheques solely on themselves. They have high rates for going to the ballet, opera, symphony and art galleries. Many are foodies who enjoy gourmet cooking at home and meeting friends at Thai, Japanese and other Asian restaurants, as well as Starbucks and other coffee shops. These young singles balance their alcohol and cannabis-fueled partying with health-conscious foods, especially organic fruit and veggies. Many like to travel—often to the western provinces and U.S. states—and typically hold down costs by couch surfing with friends and using loyalty program rewards. When travelling locally, they often utilize public transit--an aspect of daily life they look forward to post-COVID. At home, their media inclinations are overwhelmingly digital, and they'll forego traditional cable TV for streaming services like Netflix and Amazon Prime. If they want to listen to a radio station or read a newspaper or magazine, it's typically accessed using their mobile device or computer. Out-of-home advertising might be the best way to reach these out-and-about city dwellers; they notice messages in buses, taxis, subway stations, convenience stores and cinema lobbies.

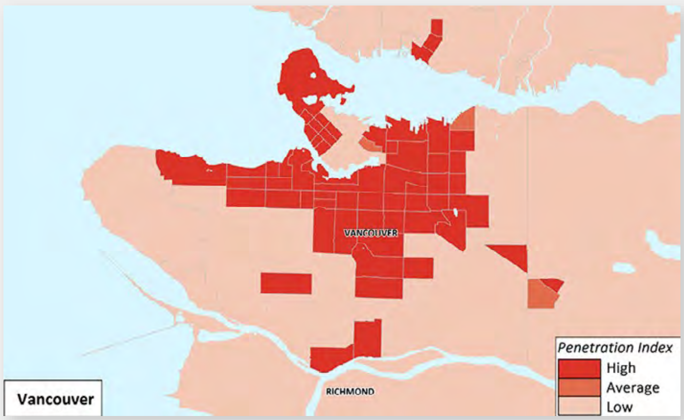
How They Think

The members of Latte Life are progressive, independent and engaged. Committed to *Community Involvement*, they have high rates for being active on social issues, doing volunteer work and getting involved in political campaigns. Supportive of nontraditional and commitment-free relationships, this segment is strong for *Flexible Families* and *Social Learning*. Being young, they often question rules and make decisions without deferring to a boss, parent or other authority figure (*Rejection of Authority*). In their diverse neighbourhoods, they embrace multi-ethnic groups and enjoy experiencing what other cultures have to offer (*Multiculturalism, Culture Sampling*). In the marketplace, they admit that the very act of shopping excites them (*Importance of Aesthetics*), and they enjoy acquiring products in their areas of particular interest, especially those that highlight their individuality and convey affluence (*Consumptivity, Pursuit of Originality, Ostentatious Consumption*). They also prefer brands that have an authentic story (*Brand Genuineness*) and appreciate products that promote health and well-being (*Effort Toward Health*). With their strong *Confidence in Advertising*, they view advertising as a reliable source of information.

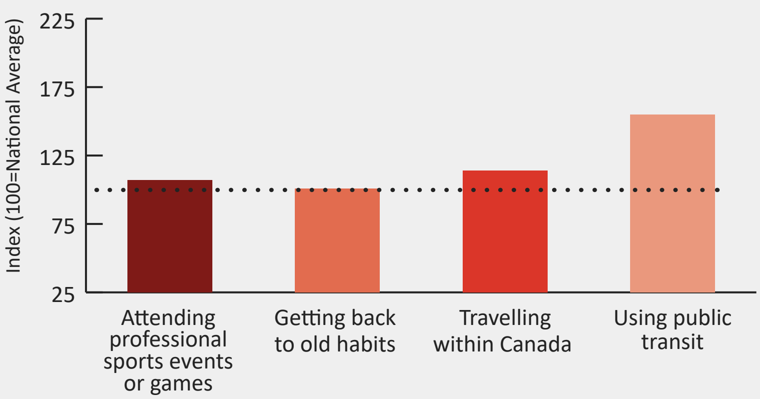
28. LATTE LIFE

Where They Live





Post-Pandemic, Looking Forward To:



How They Live

LEISURE

basketball
gourmet cooking
pubs/sports bars
active in social issues

TRADITIONAL MEDIA

MTV Canada
modern rock radio
Elle Canada
newspaper arts and entertainment section

FOOD/DRINK

organic fruits and vegetables
craft beer
Starbucks
food courts

AUTOMOTIVE

compact premium vehicles
European brands
one car
Mr. Lube

MOBILE

watch YouTube on mobile phone
surf the Internet on mobile phone
access health content on tablet
read e-books/listen to audio books on tablet

SHOPPING

Gap
Hudson Bay
purchase footwear online
grocery store rewards program

INTERNET

read magazines on computer
stream music on computer
use ad blocking software
purchase cosmetics/ skin care online

FINANCIAL

mobile wallet
mutual funds in RRSPs
online trading
donate to cultural groups

SOCIAL

WhatsApp
Instagram
LinkedIn
dating platforms

HEALTH

take liquid cold remedy

ATTITUDES

"I believe that young people should be taught to question authority"

"In order to get what I like, I'm prepared to take great risks in life"

"I like sharing major events"

"I often buy things just because they are beautiful, whether or not they are practical"

STRESSED IN SUBURBIA

Middle-income, younger and middle-aged suburban families

S5 MIDDLE-CLASS SUBURBIA

F3 MIDDLE-AGE FAMILIES

Population:
697,726
(1.83% of Canada)

Households:
254,633
(1.69% of Canada)

Average Household Income
$105,873

Average Household Net Worth:
$319,195

House Tenure:
Own

Education:
College/High School

Occupation:
Service Sector/
Blue Collar

Cultural Diversity Index:
Low

Sample Social Value:
Racial Fusion

Who They Are

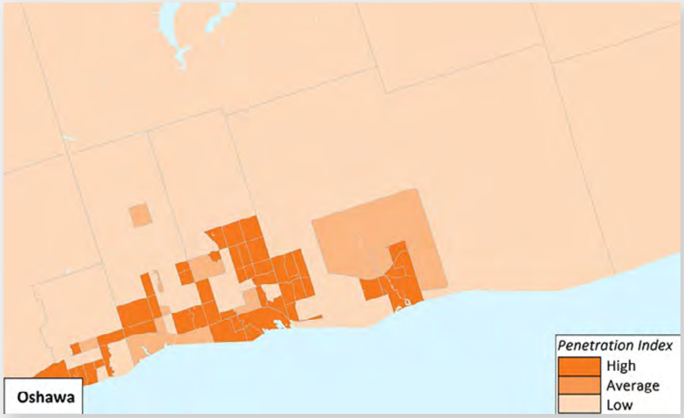
Located in the older suburban neighbourhoods of mostly midsize cities, Stressed in Suburbia offers a portrait of busy, working families in the burbs. Nearly 80 percent of households own their homes, a mix of singles, semis and row houses typically built between 1960 and 2000. An above-average two-thirds are third-plus-generation Canadians. But their streets are hardly homogenous: Households may contain couples, families with children and lone-parent families; maintainers range in age from 25 to 54; and children include toddlers and teenagers. Despite moderate educations that rarely go beyond college, many households enjoy solid midscale incomes thanks to the presence of two wage-earners. Most segment members hold blue-collar or service sector jobs. Given the variety of households in Stressed in Suburbia, top-scoring leisure pursuits range from outdoor sports like cross-country skiing and golf to cultural activities like attending country music concerts and dinner theatres. With their tendency for *Introspection & Empathy*, they seek to understand others in a non-judgmental way, and they score high for donating to cultural, environmental and international organizations.

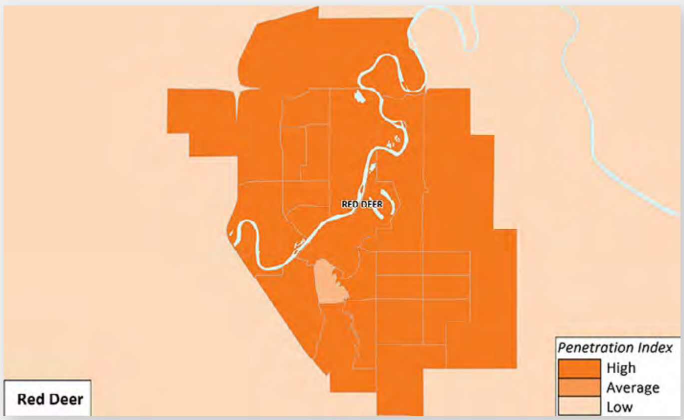
The midscale incomes of Stressed in Suburbia residents afford them casual suburban lifestyles. This is no place for imported luxury cars, white tablecloth restaurants or European vacations. These middle-brow households are more likely to drive domestic pickups, eat at buffets and drive-throughs, and vacation in the Canadian Rockies, preferably using their camper and are looking forward to these kinds of trips once COVID-19 restrictions lift. Mindful of saving money, they stretch their budget by doing their own home improvements and landscaping. And they're unapologetic about their older homes and the usual clutter engulfing active families: multiple dogs, musical instruments, video game consoles and that ultimate gadget, a wearable smart device. Stressed in Suburbia residents look to media for information and entertainment. They're solid fans of TV sitcoms, DIY shows and sports programs typically geared for young males: martial arts, pro wrestling and poker. Their radios play any kind of music as long as it's rock—classic, mainstream or modern. Many families are too busy to sit down and read a newspaper or magazine. But they will go online to play games, clip coupons or browse social media sites like Facebook, Instagram, Snapchat and Twitter.

How They Think

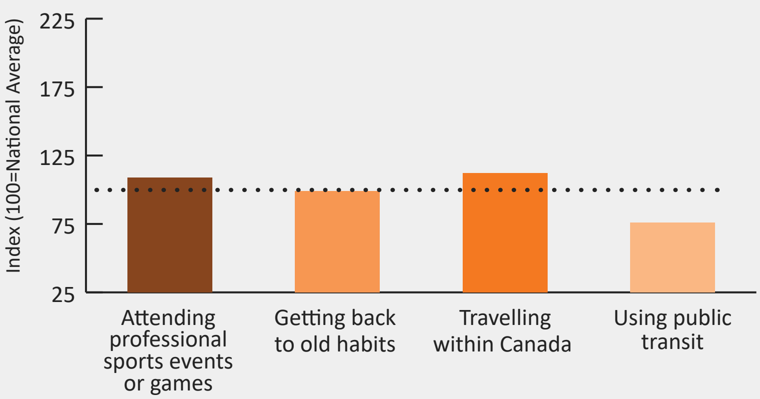
Stressed in Suburbia residents are all about not playing by the rules (*Rejection of Authority*). When it comes to family, they believe in unconventional family structures and diversity in relationships (*Flexible Families, Racial Fusion*). They are proud Canadians for whom Canada represents the land of opportunity where anyone can achieve success, if they only try hard enough (*National Pride, American Dream*). In trying to achieve their goals, they feel pressure to juggle the demands of work and home, and many express a desire to take a break from their daily responsibilities (*Time Stress, Need for Escape*). One way they do this is by seeking an emotional high, which they may achieve by undertaking dangerous activities (*Penchant for Risks*). And though they strive to organize and control the direction of their lives, they are generally optimistic about their futures (*Personal Control, Personal Optimism*). As consumers, they tend to be thoughtful about the ethical and environmental impact of their product choices (*Ethical Consumerism, Ecological Lifestyle*). They make decisions based on emotions rather than rational thought, and change their opinions easily (*Intuition & Impulse*).

Where They Live





Post-Pandemic, Looking Forward To:



How They Live

LEISURE
local arenas/rec centres
crafts
country music concerts
pets

TRADITIONAL MEDIA
DIY
Nat Geo Wild
album rock/classic rock radio
Today's Parent

FOOD/DRINK
canned fish/seafood
cheese crackers
flavoured coffee
fast casual restaurants

AUTOMOTIVE
domestic brands
pickup trucks
SUVs
vehicles bought used

MOBILE
e-book readers
recipe apps
shop online on mobile phone
discount coupons on mobile phone

SHOPPING
Joe Fresh
Old Navy
Sport Check
single-serve coffeemakers

INTERNET
auction sites
stream music on computer
purchase groceries online
purchase tickets to sporting events online

FINANCIAL
mortgages
personal overdraft protection
online trading RESPs
term life insurance

SOCIAL
Snapchat
Pinterest
Twitter
read news feed daily on Facebook

HEALTH
use gel caps for headache pain relief

ATTITUDES
"It is important to me that people admire the things I own"

"It is important to me to regularly get away from all responsibilities and burdens"

"Generally speaking, I feel that I don't really have any goals in life"

"I would never buy products from a company if I knew that they tested their products on animals"

47

SOCIAL NETWORKERS

Young diverse singles in city apartments

U3 YOUNG URBAN CORE

Y1 VERY YOUNG SINGLES & COUPLES

Population:
340,140
(0.89% of Canada)

Households:
193,252
(1.29% of Canada)

Average Household Income
$59,120

Average Household Net Worth:
$228,072

House Tenure:
Rent

Education:
University/High School

Occupation:
Service Sector/
White Collar

Cultural Diversity Index:
High

Sample Social Value:
Consumptivity

Who They Are

The youngest of all the segments, Social Networkers is a transient world of diverse singles living in older or recently built city apartments. With two-thirds of residents unattached, it is also the most single, contributing to the emergence of single-person households as the most common living arrangement in Canada. In these crowded neighbourhoods found in two dozen large cities, more than 45 percent of maintainers are under 35 years old. More than 90 percent live in apartments—typically high-rise buildings. Social Networkers are ethnically diverse, with 50 percent of the population identifying as visible minorities, including Chinese, South Asians, blacks and Filipinos. With their mixed educations—ranging from high school to university—they hold jobs in education, the arts, science and sales. And though household incomes are low, these residents have time and promising careers on their side. For now, however, the above-average cost of downtown real estate keeps this group renting and mobile; two-thirds have moved in the last five years, but you'll usually find them at bars, dance clubs, film festivals and food and wine shows. The marketing messages they respond to reflect their non-stop *Pursuit of Intensity*.

A kind of urban bohemia, Social Networkers is known for its buzzy energy. Residents take advantage of the lively cultural scene, frequenting art galleries, cinemas, operas and music festivals. For these image-conscious twenty-somethings, exercise is a religion, and they work out faithfully at fitness clubs or join pick-up soccer, baseball and hockey matches. As COVID-19 restrictions lift, these singles are looking forward to getting back to their active lives, especially going to the gym, partying and dating. With all this activity, Social Networkers residents don't spend much downtime in their apartments. They spend less than $100 a week on groceries, and except for storing energy bars, a six-pack of Moosehead beer and leftovers from an online food delivery, their kitchens are rarely used. Indeed, many residents are on a first-name basis with servers at their local pizzeria, taco stand and Starbucks. That on-the-go lifestyle affects media patterns, with many relying on their mobile phones for Internet access to music, podcasts, news and search engines. These social media mavens bounce between YouTube, Instagram, Twitter, Snapchat and the latest blog sensation. Although they have ignored direct mail for years, they can't help noticing advertising they see on their streets and at public transit sites.

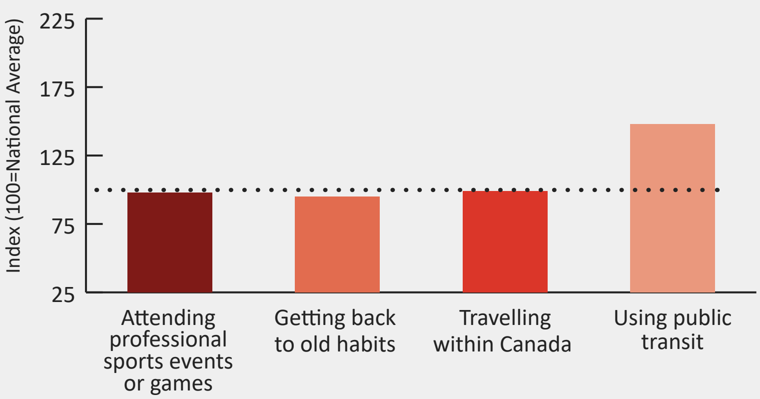
How They Think

The young, urban denizens of Social Networkers are socially progressive, anti-establishment and willing to take risks to get what they want (*Rejection of Authority, Penchant for Risk*). They believe that young people should be treated like adults (*Equal Relationship with Youth*), and they support *Sexual Permissiveness*. Strong on *Multiculturalism*, they welcome immigrants and seek to learn from diverse cultures (*Culture Sampling*). And though they take pride in their ability to go with the flow (*Adaptability to Complexity*), they sometimes express feelings of alienation from society (*Anomie-Aimlessness*). Eager to be admired and stand out from the crowd, they demonstrate their individuality with their sense of style (*Need for Status Recognition, Pursuit of Originality*). And many express a *Joy of Consumption* as they track down the latest tech toy or coolest experience (*Pursuit of Novelty*). In the marketplace, Social Networkers consumers typically research products before making a purchase (*Discriminating Consumerism*), and they're willing to pay more for brands that symbolize affluence or those with a compelling and authentic story (*Ostentatious Consumption, Brand Genuineness*). They don't hesitate to take to social media to share their purchase experience with their friends (*Consumption Evangelism*).

47. SOCIAL NETWORKERS

Where They Live

Post-Pandemic, Looking Forward To:



How They Live

LEISURE
nightclubs/bars
baseball
sci-fi movies
culinary/food and wine tours

TRADITIONAL MEDIA
TV music videos
MTV Canada
jazz radio
newspaper arts and entertainment sections

FOOD/DRINK
energy drinks
soy-based products
Mexican restaurants
online food delivery

AUTOMOTIVE
imported subcompacts
Mazda
2018 model year
one car

MOBILE
read magazines on mobile phone
use mobile phone as method of payment
purchase products on mobile phone
career/job search on tablet

SHOPPING
Zara
Loblaws
Shoppers Drug Mart
candy/chocolate stores

INTERNET
read e-books
play games online
purchase movies online
online dating

FINANCIAL
mobile wallet
pay minimum on credit cards each month
condo insurance
personal investments under $20,000

SOCIAL
Instagram
SnapChat
WhatsApp
200-299 friends on social media networks

HEALTH
take liquid cold remedy

ATTITUDES

"I like to be immediately informed of new products and services so that I can use them"

"From time to time, I'd like to do things that are dangerous or forbidden, just for the sake of the risk and the sensation"

"It is important to me that people admire the things I own"

"I always keep informed about the latest technological developments"

ON THEIR OWN AGAIN

Diverse city seniors in apartment rentals

U2 URBAN OLDER

M2 MATURE SINGLES & COUPLES

Population:
458,696
(1.20% of Canada)

Households:
276,631
(1.84% of Canada)

Average Household Income
$64,201

Average Household Net Worth:
$336,156

House Tenure:
Rent

Education:
Mixed

Occupation:
Service Sector/
White Collar

Cultural Diversity Index:
High

Sample Social Value:
Fear of Violence

Who They Are

Located in cities across Canada, On Their Own Again consists of older singles living in high-rise apartments. Nearly 60 percent live alone—highest among all segments. And almost 30 percent of residents are over 65, with one in ten a widowed individual. Fewer than half are still in the labour force, but with over 45 percent of adults having attended college or a university, those still working hold white-collar and service sector jobs in sales, administrative support and real estate. Although incomes are downscale, pensions boost household net worth and provide an economic cushion. In On Their Own Again, nearly 80 percent of households rent apartments, and an overwhelming number of them live in older buildings. Many are newcomers, with half having moved in the past five years and a disproportionate number coming from China, the Philippines and the U.K. Nearly 40 percent of residents are first-generation Canadians; almost 20 percent are second-generation. With their unpretentious lifestyle, residents like to escape the routine by going to a casino, community theatre or movie drama. Many respond to marketing messages that appeal to their support for the value *Ethical Consumerism*.

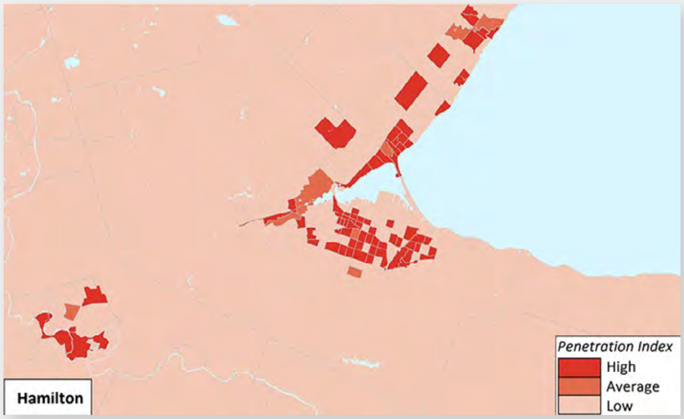
The older members of On Their Own Again have settled into sedentary routines. They pursue few sports or fitness activities at above-average rates, and they typically spend their leisure time reading, watching TV and listening to music. Many are active in their communities as volunteers on local issues. With their tight finances, they make ends meet using coupons, buying store brands and shopping at bulk food stores. Budgeting about $100 a week for groceries, they patronize discount chains like Food Basics and No Frills. On Their Own Again households are disinclined to acquire the latest tech devices: In an era of smart refrigerators, their latest appliance purchase was a basic coffee maker. Where they excel is in their consumption of traditional media. They read newspapers from cover to cover and regularly pick up magazines like *Canadian Living, Good Times* and *Reader's Digest*. On TV, they watch game and talk shows during the day and entertainment news programs at night. With below-average ownership of tablets and mobile phones, they're light Internet fans, using their computers for mostly practical applications: purchasing products, downloading coupons and reading restaurant reviews. Due to residing primarily in cities, this segment is looking forward to using public transit again once the COVID-19 pandemic is over.

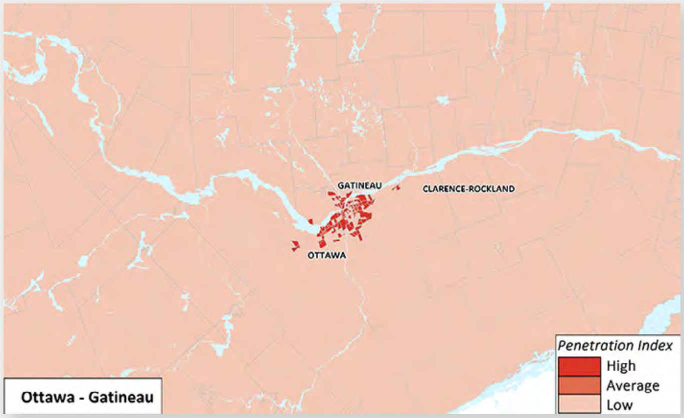
How They Think

As in many senior segments, On Their Own Again members hold some typically conservative values, such as love of country (*National Pride*) and a strong sense of *Duty* to put others ahead of themselves. But they're also progressive in their acceptance of non-traditional definitions of family, diversity within families and society, as well as open marriages (*Flexible Families, Global Consciousness, Sexual Permissiveness*). In essence, they're comfortable bucking societal norms (*Rejection of Orderliness*). Yet they're a cautious group, expressing *Financial Concern Regarding the Future* and the need for everyone to pitch in to protect the environment (*Ecological Concern*). These seniors have learned not to be judgmental and to rely on reason and logic rather than their emotions (*Introspection & Empathy, Emotional Control*). In the marketplace, they can be a tough sell and they always consider price before making a purchase (*Importance of Price*). But they're not above purchasing a product simply for its beauty, reflecting perhaps their desire to exercise their creative talents (*Importance of Aesthetics*). While they may appreciate artisans, they don't believe small companies can deliver high-quality products (*Skepticism Toward Small Business*).

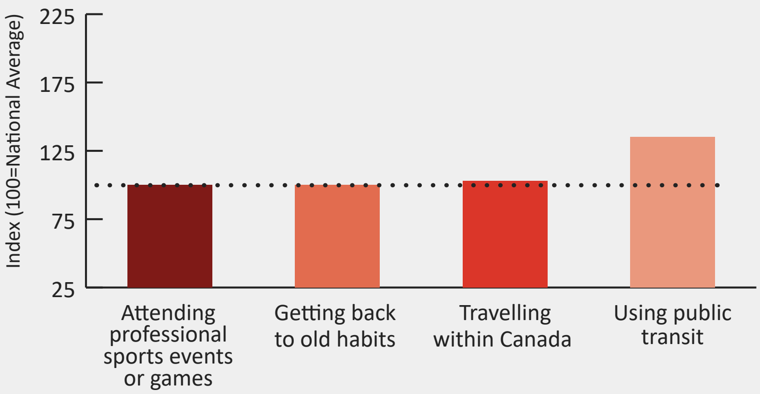
51. ON THEIR OWN AGAIN

Where They Live





Post-Pandemic, Looking Forward To:



How They Live

LEISURE

read e-books/listen to audiobooks
specialty movie theatres/IMAX
casinos
write to public officials

TRADITIONAL MEDIA

daytime talk shows
Reader's Digest
big band music radio
all newspaper sections

FOOD/DRINK

processed cheese
instant coffee
non-branded/private label/ store brands
Pizza Pizza

AUTOMOTIVE

domestic compacts
domestic intermediates
Petro Canada
one car

MOBILE

share links with friends on mobile phone
listen to music or audio content on mobile phone
public transit apps
health/fitness/diet apps

SHOPPING

Shoppers Drug Mart
Loblaws
Giant Tiger
home health care stores

INTERNET

read e-books on computer
food/recipes sites
play games on computer
access restaurant guides/reviews on computer

FINANCIAL

RRIFs
tax preparation service
personal property/ contents insurance
donate to political organizations

SOCIAL

Instagram
Twitter
subscribe to brand channel on YouTube
dating platforms

HEALTH

use a hearing aid

ATTITUDES

"It is very important to me to have a more intense and more spiritual inner life"

"Looking at my finances in the coming years, I think they will improve"

"I prefer people who, whatever happens, do their duty"

"I often buy things just because they are beautiful, whether or not they are practical"

52

FRIENDS & ROOMIES

Young, diverse lower-middle-income city dwellers

U5 YOUNGER URBAN MIX

Y2 YOUNGER SINGLES & COUPLES

Population:
692,628
(1.82% of Canada)

Households:
349,766
(2.33% of Canada)

Average Household Income
$70,319

Average Household Net Worth:
$204,072

House Tenure:
Rent

Education:
University/High School

Occupation:
Service Sector/
White Collar

Cultural Diversity Index:
High

Sample Social Value:
Introspection & Empathy

Who They Are

One of the largest segments, Friends & Roomies attracts mostly young singles and single-parent families to neighbourhoods in cities like Calgary, Edmonton, Winnipeg and Victoria. More than a third of maintainers are younger than 35, more than half under 44. A majority of the households contain single, divorced or separated individuals. With mixed educational achievement—from high school to university degrees—members hold a variety of predominantly service sector and white-collar jobs. Incomes are below average, and over three-quarters are renters, mostly in low-rise units. In this transitional segment, more than 60 percent of Friends & Roomies households moved in the past five years. Today, nearly 40 percent of the population are first-generation Canadians, typically black, Filipino and South Asian immigrants who identify as visible minorities. These young people are able to turn modest incomes into active social lives, enjoying bars, nightclubs and community theatres at high rates. And many like to shop—especially online—for video games, movies and music. In their diverse neighbourhoods, they enjoy *Culture Sampling*, incorporating the cultural influences of other groups into their lives.

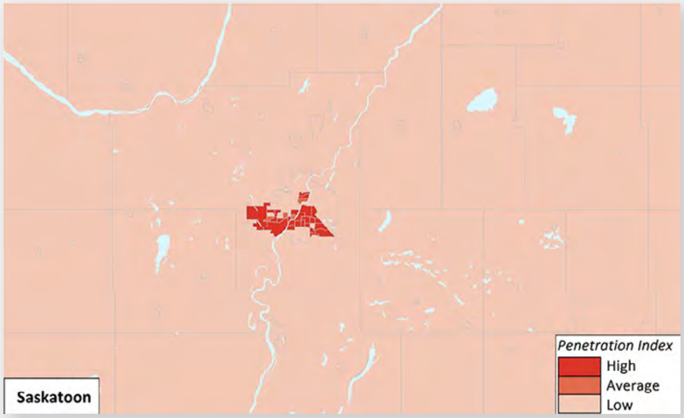
The residents of Friends & Roomies find their entertainment on their streets and social media networks. Young and looking for romance, they frequent dance clubs, health clubs, art galleries and sporting events and play team sports, such as soccer, hockey and curling. In weekly grocery runs, they shop less for traditional meals than after-work grazing, picking up meat snacks, pretzels and chocolate granola bars. They prefer to grab meals on the run instead, patronizing Starbucks and Second Cup, as well as Burger King and Wendy's. In the marketplace, they have their favourite brands—clothes from Joe Fresh and the Gap, books from Chapters/Indigo—and they shop both in-store and online using their mobile phones and computers. They also turn to their phones to access news, listen to music and podcasts, play games and stream movies and TV shows. Fluent in social media, they have high rates for using Instagram, Snapchat, Reddit and dating platforms. They've long ago cut the cord on cable TV and landline phones, but out-of-home digital screens in convenience stores, transit shelters and pubs can still catch their eye. Since the COVID-19 pandemic reduced social gathering and interactions, this segment has shown a significant increase in social media consumption.

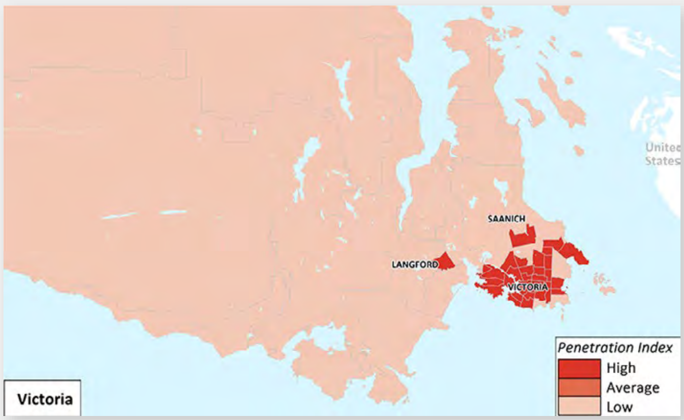
How They Think

The members of Friends & Roomies are liberal, tech-savvy and comfortable in their urban scene. They tend to be tolerant of non-traditional families (*Flexible Families*), think young people should have the same freedom as adults (*Equal Relationship with Youth*) and are open-minded about romantic relationships (*Sexual Permissiveness*). Living in diverse communities, they believe ethnic groups should retain their traditions rather than assimilate into the dominant culture (*Multiculturalism*), and they accept diversity within families (*Racial Fusion*). These independent young adults question authority and the need to play by the rules, indulge in risk-taking to get ahead and consider violence as simply a fact of life (*Rejection of Authority, Penchant for Risk, Acceptance of Violence*). With many feeling like they never have enough time to get everything done each day (*Time Stress*), they express a *Need for Escape* from their daily routines. But overall they're confident in their ability to handle the complexities of modern life (*Adaptability to Complexity*). They do their research to make sure the products they're considering are worthwhile, especially those in their areas of particular interest (*Discriminating Consumerism, Consumptivity*).

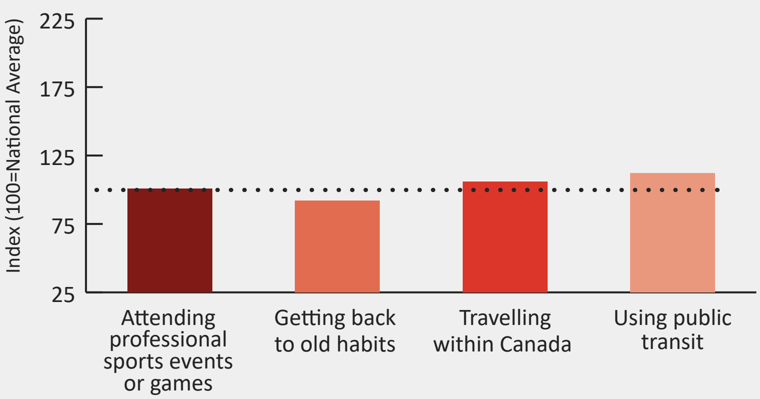
52. FRIENDS & ROOMIES

Where They Live





Post-Pandemic, Looking Forward To:



How They Live

LEISURE
nightclubs/bars
art galleries/IMAX
movies/science centres
adventure sports
pro basketball

TRADITIONAL MEDIA
TV sci-fi/fantasy dramas
Comedy Network
classic hits radio
newspaper arts and entertainment sections

FOOD/DRINK
chocolate granola bars
fruit drinks
Starbucks
Chinese restaurants

AUTOMOTIVE
one car
under $15,000 spent on vehicle
Toyota
2017-2019 model years

MOBILE
listen to radio/podcasts on mobile phone
watch TV on mobile phone
banking/finance apps
research products and services on mobile phone

SHOPPING
Joe Fresh
London Drugs
Chapters/Indigo
second-hand stores

INTERNET
use food delivery services
streaming videos online
play online games on computer
purchase music online

FINANCIAL
mobile/e-payment for purchases
condo insurance
spend less than $100 on credit cards/month
donate to cultural groups

SOCIAL
Reddit
Instagram
Snapchat
Twitter

HEALTH
use herbal garlic supplements

ATTITUDES
"Young people should be taught to question authority"

"From time to time, I like to do things that are dangerous or forbidden, just for the sake of the risk and sensation"

"I often buy things just because they are beautiful, whether or not they are practical"

"Teenagers should have the same freedoms as adults"

SILVER FLATS

Mature suburban singles and couples

S6 OLDER SUBURBAN

M2 MATURE SINGLES & COUPLES

Population:
205,720
(0.54% of Canada)

Households:
122,188
(0.81% of Canada)

Average Household Income
$61,400

Average Household Net Worth:
$255,418

House Tenure:
Rent & Own

Education:
Mixed

Occupation:
Service Sector/
White Collar

Cultural Diversity Index:
Low

Sample Social Value:
Utilitarian Consumerism

Who They Are

Silver Flats is the oldest segment, a collection of suburban neighbourhoods found mostly around large and midsize cities. Home to a mix of third- and second-generation Canadians, nearly half the maintainer population is over 65 years old and two-thirds are retired. No segment has a greater concentration of widows and widowers: 15 percent, or three times the national average. While incomes are downscale, many Silver Flats households are financially sound thanks to modest pensions, government transfers and tidy nest eggs. In their apartments and condos, they enjoy quiet hobbies like reading books, bird-watching, knitting, making crafts and collecting coins and stamps. They can afford to go to sporting events to watch professional baseball, football and golf. And many like to keep fit, taking fitness classes, rowing and fitness walking. With their advancing age, many Silver Flats members make an *Effort Toward Health* so they can enjoy their retirement years. They also score high for the value *Propriety*, reflected in their courteous and respectful attitude towards others.

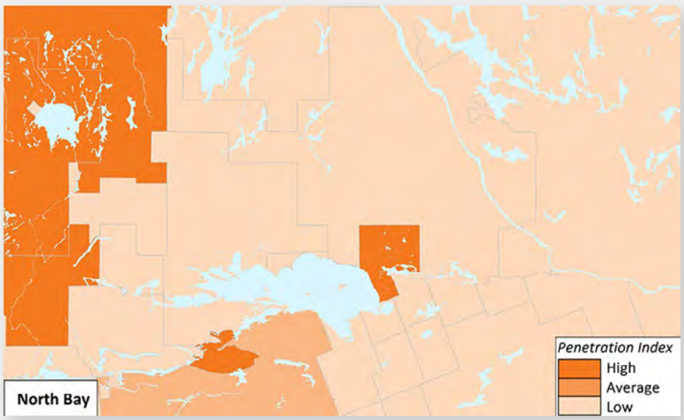
Despite its older adults and aging neighbourhoods, Silver Flats boasts wide-ranging and sometimes contrary behaviours and preferences. Residents buy clothes at both Joe Fresh and Value Village. Popular leisure pursuits include visiting city gardens and playing bingo as well as motorcycling, hunting and going to the ballet. Service minded, they volunteer their help on social issues and donate to charities. But cash flow can be a concern, so these households shop at discount grocery stores and try to supplement their income at casinos. Unable to afford pricey cultural events, they turn to television for entertainment, with high rates for watching soaps, talk shows, crime dramas and sports like golf and figure skating. They're fans of radio, enjoying everything from big band and oldies to new country and adult contemporary music. And they like to pore over newspapers, reading them from cover to cover in their easy chairs, along with magazines featuring gardening and entertainment. Admitting that "technology intimidates me," they're only moderate Internet surfers, using their computers to download coupons and access home décor- and health-related content. Since the COVID-19 pandemic reduced social gathering and interactions, this segment has shown a significant increase in magazine consumption.

How They Think

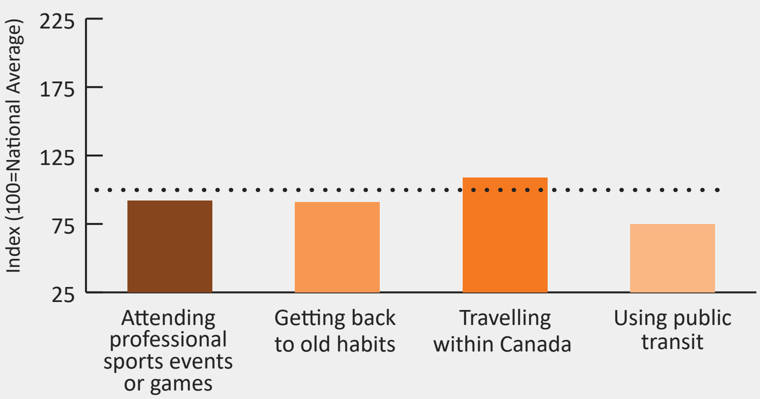
The residents of Silver Flats are a determined group, setting difficult goals and drawing on their reason and logic to achieve them (*Personal Challenge, Emotional Control*). Traditional in their outlook, they're strong on *Religiosity* and weak on *Sexual Permissiveness*. They believe in putting the needs of others first and working hard to get ahead (*Duty, Work Ethic*). Although they tend to be strict about following society's rules and obeying authority figures, they try to adopt a non-judgmental attitude in dealing with others (*Obedience to Authority, Introspection & Empathy*). As second- and third-generation Canadians, they have a strong sense of *National Pride* though they're also interested in what other cultures have to offer (*Multiculturalism*). To Silver Flats residents, defending the environment is less important than creating jobs and growing the economy, and they're not willing to pay more for environmentally friendly products (*low on Ecological Concern*). With their *Financial Concern Regarding the Future*, they choose products for their value and functionality, not their aesthetics or novelty (*Importance of Price, Utilitarian Consumerism*).

53. SILVER FLATS

Where They Live



Post-Pandemic, Looking Forward To:



How They Live

LEISURE
fitness walking
rowing
community theatres
casinos

TRADITIONAL MEDIA
CTV News Channel
TV figure skating
country radio
newspaper editorials

FOOD/DRINK
processed cheese
fruit drinks
grocery store take-out
breakfast style restaurants

AUTOMOTIVE
domestic intermediate cars
Dodge
one car
auto clubs

MOBILE
use camera on mobile phone
auction site on tablet
read e-books on tablet
access health content on tablet

SHOPPING
Joe Fresh
Shoppers Drug Mart
second-hand stores
discount grocery stores

INTERNET
health sites
read food recipes on computer
purchase groceries online
use telephone directory online

FINANCIAL
savings accounts
personal property insurance
GICs
donate to Canadian charities

SOCIAL
play games with others online almost daily
Facebook
share a blog post or article on Twitter
dating platforms

HEALTH
received seasonal flu shot in last year

ATTITUDES

"Young people should be taught to obey authority"

"It is important that the country should hold a strong position in the world"

"Looking at my finances in the coming years, I think they will get worse"

"I have my favourite brand and I normally stick to it"

67 JUST GETTING BY

Younger, low-income city singles and families

U5 YOUNGER URBAN MIX

Y2 YOUNGER SINGLES & COUPLES

Population:
708,515
(1.86% of Canada)

Households:
360,871
(2.40% of Canada)

Average Household Income
$47,731

Average Household Net Worth:
$107,187

House Tenure:
Rent

Education:
Grade 9/High School/ College

Occupation:
Service Sector/ Blue Collar

Cultural Diversity Index:
Low

Sample Social Value:
Financial Concern Regarding the Future

Who They Are

The most economically challenged of all segments, Just Getting By is home to younger, low-income singles and single-parent families located in large cities like London, St. Catharines, Windsor and Halifax. In their dense neighbourhoods, nearly 45 percent of maintainers are under 45 years old. More than half are single, divorced or separated, and over a third are lone-parent families, typically with younger children. Residents tend to be third-plus-generation Canadians with low education levels and low-level jobs in sales, the services, trades and manufacturing. Most households can only afford to rent units in older low-rise apartment buildings or own inexpensive single-detached houses. But being young and mobile has its advantages: more than half moved in the past five years with the hope of climbing the socioeconomic ladder. Surveys show a desire to improve their prospects in the popularity of online courses and management training programs. Without deep pockets, they engage in low-cost activities like going to parks, city gardens and auto shows. In this segment, budget-conscious residents score high for the value *Importance of Price*.

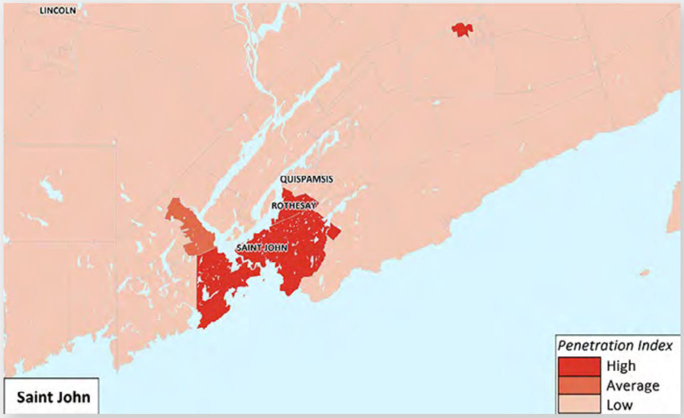
The young singles and families in Just Getting By pursue a youthful lifestyle on a budget. Their wide-ranging leisure activities include billiards and bowling, motorcycling and going to nightclubs. Nearly everyone in this segment shops at discount grocery, clothing and department stores; Walmart is a particular favourite. While dinner at a fancy restaurant may be a stretch, residents frequently patronize popular chains like Taco Bell, Burger King and Swiss Chalet. For a little excitement, they'll go to a casino, video arcade or horse race. At home, these on-the-go young people make a relatively light media audience. Their highest-rated TV shows include teen dramas, music videos and extreme sports, and their radios are tuned to stations that play dance, hip hop and classic rock music. While they rarely pick up a daily newspaper, they enjoy reading entertainment and celebrity magazines. Having cut their landlines years ago, they're increasingly turning to their mobile phones as their preferred media device. Overall they're still a mixed new media market, going online for selective activities, such as playing games, shopping and dating. Since the beginning of the COVID-19 pandemic, this segment has increased their consumption of digital magazines and newspapers.

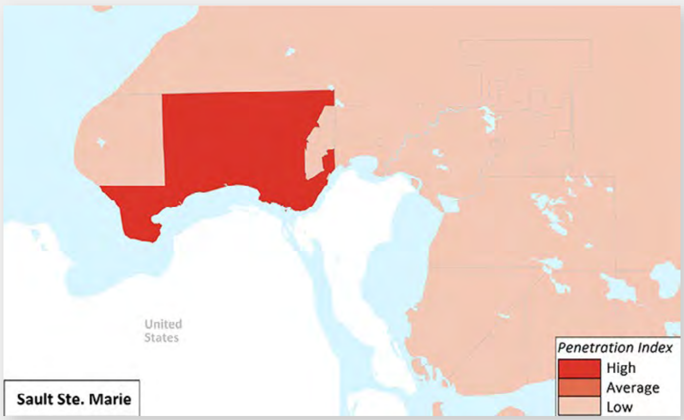
How They Think

In their downscale neighbourhoods, the members of Just Getting By are accepting of *Multiculturalism* and diversity of the family (*Racial Fusion, Flexible Families*). Rather than being guided by reason and logic, they often make decisions based on feelings and emotions, and many are willing to take risks in order to get what they want in life (*Penchant for Risk*). They believe that getting involved in the political process is necessary to correct social inequalities and are interested in doing so (*Social Learning*). Not surprisingly, they have significant *Financial Concern Regarding the Future*, but they also feel threatened by life's uncertainties, intimidated by technological change and sense that they're at the mercy of forces beyond their control (*Technological Anxiety, Fatalism*). As a result, some express a *Need for Escape* from their routine and the confines of society's traditional moral code (*Rejection of Orderliness*). In the marketplace, Just Getting By consumers choose practicality over status in their purchase decisions and believe small businesses are more committed to ethical practices than large companies (*Utilitarian Consumerism, Confidence in Small Business*).

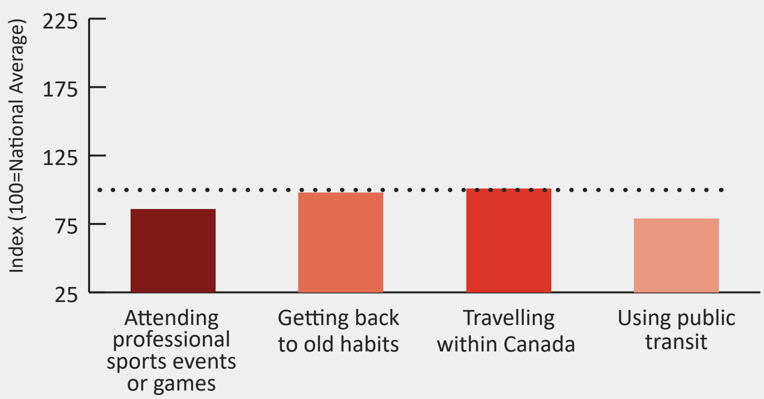
67. JUST GETTING BY

Where They Live





Post-Pandemic, Looking Forward To:



How They Live

LEISURE

billiards
nightclubs/bars
craft shows
parks/city gardens

TRADITIONAL MEDIA

TV teen dramas
TV mixed martial arts
classic rock radio
entertainment/celebrity magazines

FOOD/DRINK

processed cheese
value-priced domestic beer
grocery store take-out
buffet restaurants

AUTOMOTIVE

domestic intermediate cars
one car
under $15,000 spent on vehicle
2000-2009 model years

MOBILE

video apps
play games on mobile phone
research products and services on mobile
discount coupons on tablet

SHOPPING

discount grocery stores
craft supply stores
Shoppers Drug Mart
second-hand stores

INTERNET

beauty/fashion sites
music streaming on computer
online dating
Amazon Prime Video

FINANCIAL

mobile e-payment for purchases
changed financial institution in last year
less than $10,000 in investments/savings
use tax preparation services

SOCIAL

Twitter
YouTube
Snapchat
dating apps

HEALTH

take back pain relievers 6+ times/month

ATTITUDES

“No matter what I do, I have a lot of trouble changing the course of events that affect me”

“I have enough trouble taking care of myself without worrying about the needs of the poor”

“New technologies are causing more problems then they are solving”

“Young people should be taught to question authority”