

# 2023 Annual Financial Report – Saskatoon Land

## ISSUE

This report and the 2023 Saskatoon Land Annual Report (Appendix 1) provides an update on Saskatoon Land's revenues and activities during 2023, including highlights of inventory levels, sales, financial performance and benefits of the City of Saskatoon's (City) Land Development Program. The Annual Report also highlights key accomplishments of Saskatoon Land.

## BACKGROUND

To maintain transparency in its operations, Saskatoon Land has been producing the Annual Report for several years. Starting in 2017, additional financial reporting has been included to increase transparency and measure performance.

## CURRENT STATUS

Saskatoon Land continues to deliver financial returns for the City. Land sales totaled \$57.7 million in 2023, resulting in a gross margin of \$21.5 million, or 37%, and total net earnings of \$22.5 million on a consolidated basis which includes development and leasing activities as well as operating expenses.

Saskatoon Land is committed to supporting City Council and its' Administration in achieving many of the goals and priorities outlined in the Strategic Plan. Net revenues provide additional funding for the City to invest in what matters, reducing reliance on property taxes and supporting City Council priorities. In 2023, a further \$3.9 million in net proceeds was allocated to the BRT Funding Plan. At the October 4, 2023 Standing Policy Committee on Finance received and approved the [Neighbourhood Land Development Fund Allocation of Profits](#). To date, \$143.5 million in net proceeds from the sale of property in Hampton Village, Willowgrove, Evergreen, and Rosewood have been made available for City Council to allocate to various civic projects.

## DISCUSSION/ANALYSIS

### 2023 Consolidated Statement of Earnings

The Consolidated Statement of Earnings (within Appendix 1) is an abstract of key Saskatoon Land revenues and activities during 2023.

Saskatoon Land's gross sales was \$57.7 million in 2023, down by \$19.2 million from 2022. Saskatoon Land's single-unit inventory began the year at 258 lots and issued a single lot draw consisting of 39 lots in the Kensington Neighbourhood in order to draw down existing inventory levels. Year-end inventory closed at 218 lots available for sale, consisting of two care home lots in each Aspen Ridge and Brighton, 97 lots in Kensington and 117 lots in Parkridge.

The decrease in gross sales in 2023 was largely due to a reduction of single unit lot sales. Saskatoon Land delayed the release of Phase 7 in Aspen Ridge primarily because of higher lending/mortgage rates that were prevalent in the market throughout 2023. The

reduction in single unit sales was offset by having one of the best industrial sales years in Saskatoon Land history.

### 2023 Operating Earnings

The Operating Statement of Earnings (within Appendix 1) shows revenue from administration fees on land sales and leases totaling \$7.6 million, a decrease of \$1.4 million from 2022. The decrease is largely attributable to lower sales resulting in a decrease in admin fees collected by Saskatoon Land.

Operating expenses totaled \$2.8 million in 2023. This was down \$1.9 million from 2022 which is primarily due to lower-than-expected sales, resulting in lower contribution to reserves. Saskatoon Land utilized the Land Operations Reserve to cover a portion of the transfer to the capital project created for the leasehold improvements of their new office space in Civic Square East slated to open in 2024.

Overall operations net earnings totaled \$4.8 million, an increase of \$400,000 from 2022. Of the \$4.8 million, \$2.45 million in net earnings generated from city-owned property was transferred to general revenue.

Additional details on the Operating Statement of Earnings are provided in the notes section within Appendix 1.

Further information on significant accomplishments throughout 2023 is provided in Appendix 1.

### **OTHER IMPLICATIONS**

There are no privacy, legal, social, financial, or environmental implications identified.

### **NEXT STEPS**

No further action is required.

### **APPENDICES**

1. 2023 Saskatoon Land Annual Report

### **REPORT APPROVAL**

Written by: Matt Noordhof, Finance and Sales Manager  
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Approved by: Clae Hack, Chief Financial Officer