

2024 Update on Open Market Land Sale Transactions

ISSUE

With Saskatoon Land's overall commitment to be open and transparent in its business operations, details of open market land sale transactions approved by the Chief Financial Officer in 2024 as well as updates on the leases of select Downtown Event and Entertainment District properties are provided in this report.

BACKGROUND

At its [April 25, 2016](#) meeting, City Council approved amendments to Council Policy No. [C09-033, Sale of Serviced City-Owned Lands](#), to allow the open market with standard terms (open market) sales approach to facilitate additional flexibility in offering serviced multi-unit residential, institutional, industrial and commercial land to market. The process allows Saskatoon Land to negotiate land sale agreements consistent with standard terms approved by the Standing Policy Committee on Finance.

At its [January 23, 2017](#) meeting, City Council approved the open market with standard terms (open market) sales approach as a method for Saskatoon Land to allocate single-unit lots to Eligible Contractors and private purchasers. This method has proven to be beneficial in markets where inventory levels are higher than average and land parcels have not sold for several years after the initial release.

At its [February 8, 2023](#) meeting, Standing Policy Committee on Finance approved the Administration to negotiate and enter into lease agreements at market rates with new and existing tenants of 39 – 23rd Street E, 149 Pacific Avenue and 145 – 1st Avenue N. As part of the approval, Administration committed to providing Standing Policy Committee on Finance with an annual information report which provides an overview of the lease dealings which occurred for these properties. These properties were acquired to support and enhance the development of a Downtown Event and Entertainment District and are being leased in the meantime.

CURRENT STATUS

The open market sales approach has allowed the Administration to consider offers on parcels and realize sales at values reflective of current market conditions.

To ensure market value is received on sales, the Administration looks at comparable sales across the city before bringing a recommendation forward to the Chief Financial Officer. To remain fair and consistent on similar land parcels, Saskatoon Land established a range in which offers could be accepted with a minimum price set. This is done to ensure no one purchaser receives a significantly better price than another on similar lots.

Use of the open market (standard terms) sales approach has resulted in providing the following benefits:

- More flexibility to realize sales in a slower market;
- The ability to weigh unique locational characteristics in final agreed pricing that may not have been accurately reflected in the original list price;
- The ability for potential purchasers to make offers at prices they feel are reflective of the current market value; and
- Additional market valuation data and the ability to receive market intelligence with more interaction with local builders and investors.

DISCUSSION/ANALYSIS

Land Sale Transactions

As shown below, open market sales in 2024 resulted in 54 single-unit lot sales totaling \$8,515,280 among the Kensington and Parkridge neighbourhoods as well as one lot in Montgomery. Two multi-unit parcels in Evergreen sold for a combined total of \$12,676,500 and three multi-unit parcels in Aspen Ridge sold for a combined total of \$5,145,000. One commercial parcel sold for \$2,350,000. Two industrial parcels sold for a combined total of \$1,541,910.

Neighbourhood	Single-Unit (No. of Parcels)	Multi-Unit (No. of Parcels)	Commercial/ Institutional (No. of Parcels)	Industrial (No. of Parcels)	Total Sales
Southwest Industrial	N/A	N/A	N/A	2	\$ 1,541,910
Evergreen	N/A	2	N/A	N/A	\$ 12,676,500
Aspen Ridge	N/A	3	1	N/A	\$ 7,495,000
Kensington	50	N/A	N/A	N/A	\$ 7,950,700
Parkridge	3	N/A	N/A	N/A	\$ 396,580
Montgomery	1	N/A	N/A	N/A	\$ 168,000
Total	54	5	1	2	\$ 30,228,690

The overall price reduction on all open market sales was 8.39% (\$32,995,400 asking; \$30,228,690 sale). The variance is largely attributable to two specific parcels (Parcel SS and Parcel VV, both in the Evergreen neighbourhood). When those two sales are removed, the reduction on all remaining sales was 5.05%. Parcel SS was sold for 13.36% under asking, which was directly attributable to the amount of time the parcel was on the market with no substantial offers and the large size of the parcel (13 acres) resulted in a limited number of potential builders and developers that could feasibly develop out the site. Parcel VV was sold for 10% below asking which, again, was directly attributable to the time the parcel had been on the market as well as the configuration of the parcel. Both parcels had limited interest since their initial release and as such the agreed price was felt to be fair market value for both parties.

Lease Transactions

In addition to the above land transactions, Administration negotiated the lease of three vacant spaces at 39-23rd Street East and two vacant spaces at 149 Pacific Avenue during the 2024 calendar year. Details of the specific tenant leases can be found in Appendix 1. The negotiated rents represent market transaction considering site specific factors such as unit size, unit condition and other limiting terms of the agreements such as the two-year termination clause.

FINANCIAL IMPLICATIONS

Proceeds from the sale of these lands have been deposited into the Neighbourhood Land Development Fund and the net proceeds from the lease payments have been deposited in the Property Realized Reserve.

OTHER IMPLICATIONS

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

NEXT STEPS

Additional information on Saskatoon Land sales and financial outcomes will be reported in the 2024 Annual Report this spring.

APPENDICES

1. 2024 Open Market Sales & Lease Listing

REPORT APPROVAL

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