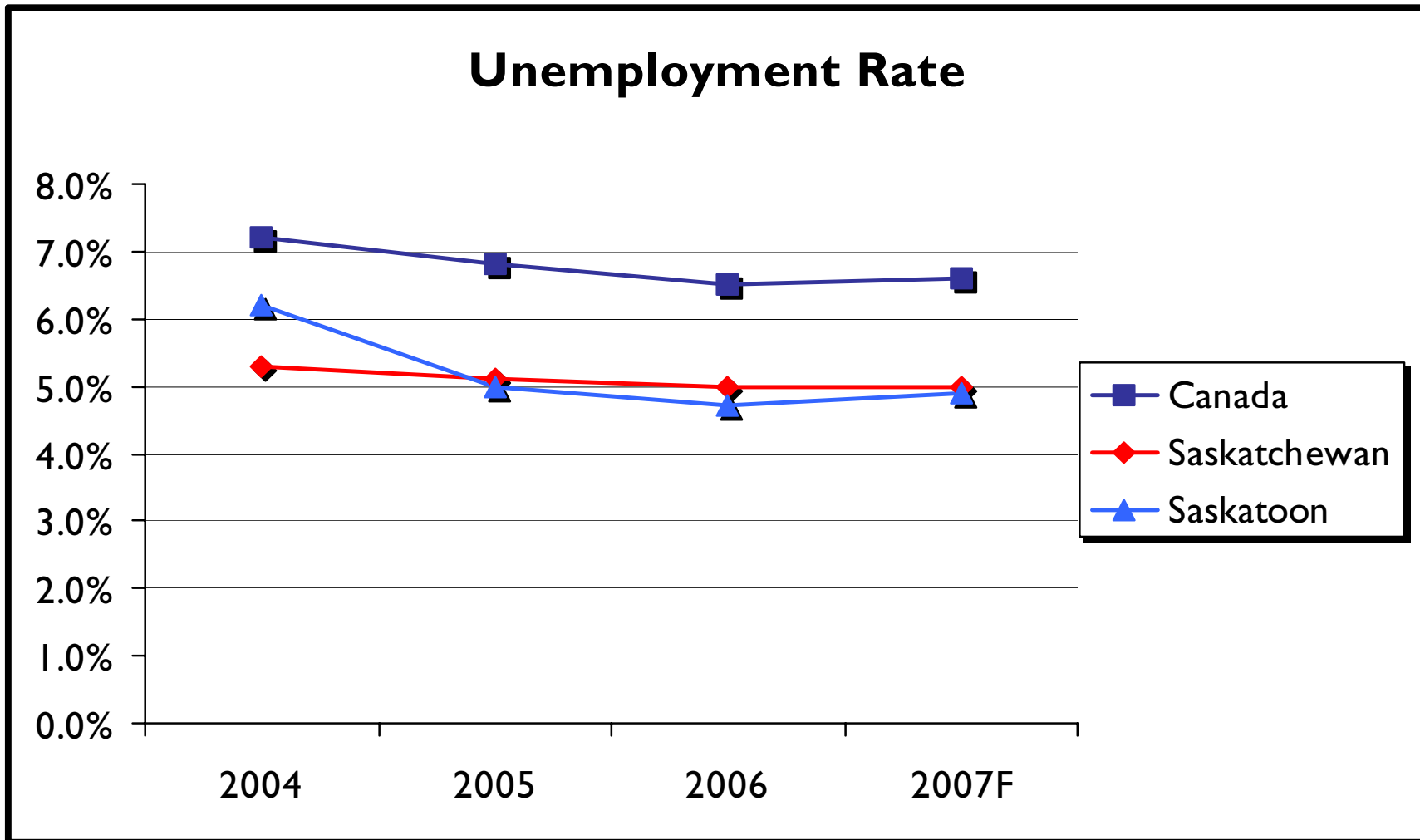




Colliers Canadian Real Estate Review & Forecast

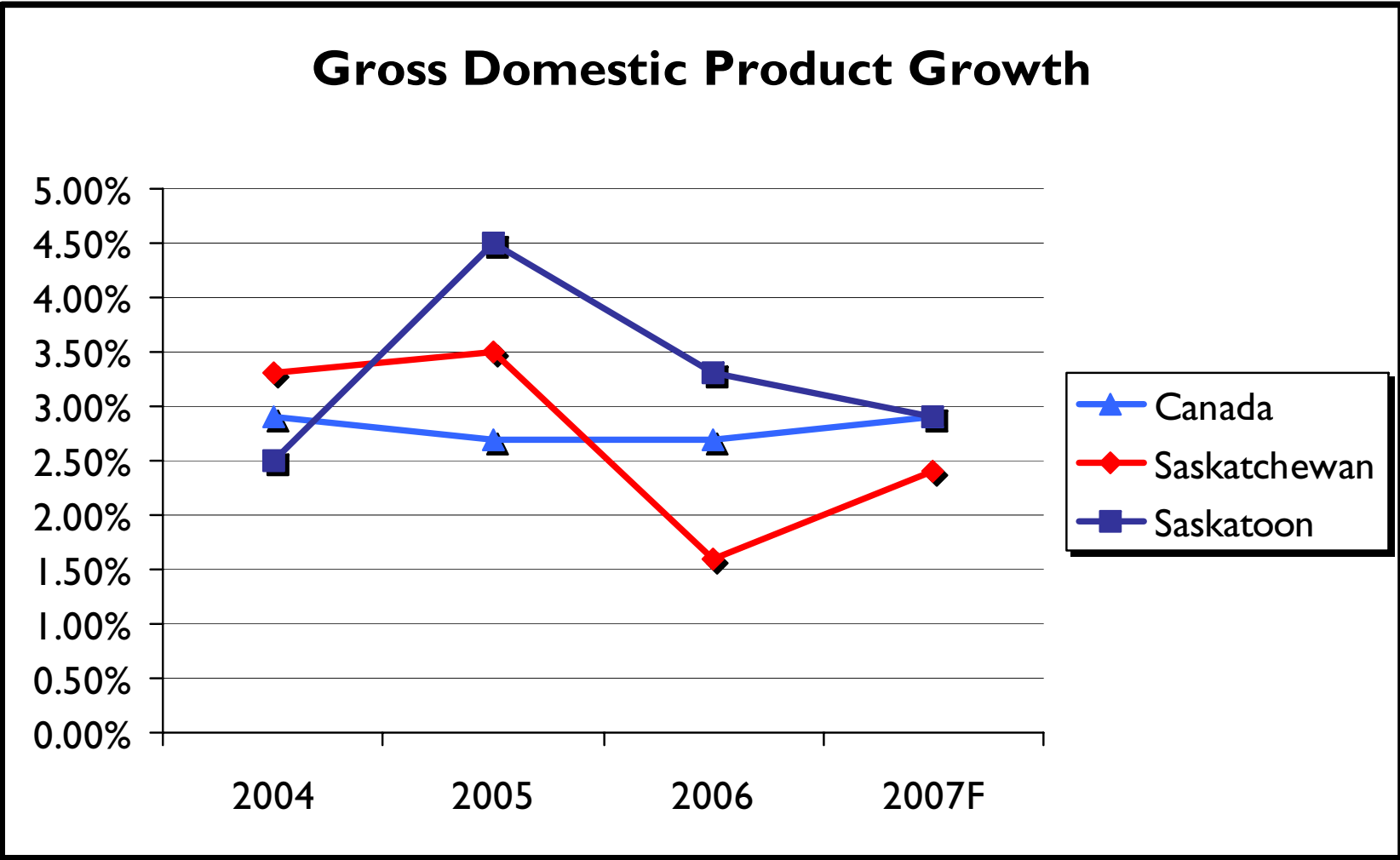
2006 - 2007

Economic Overview



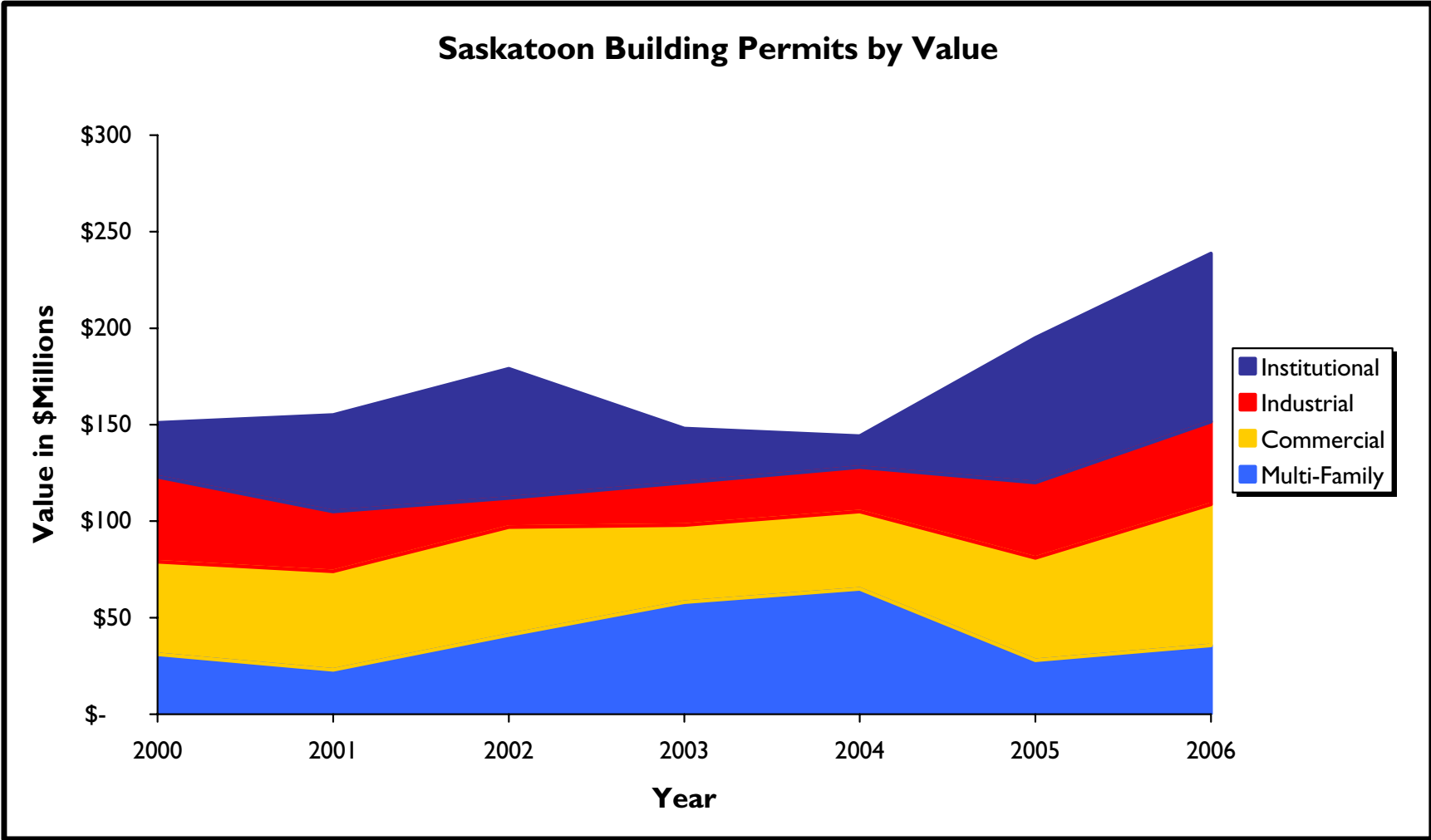
Source: Conference Board of Canada

Economic Overview



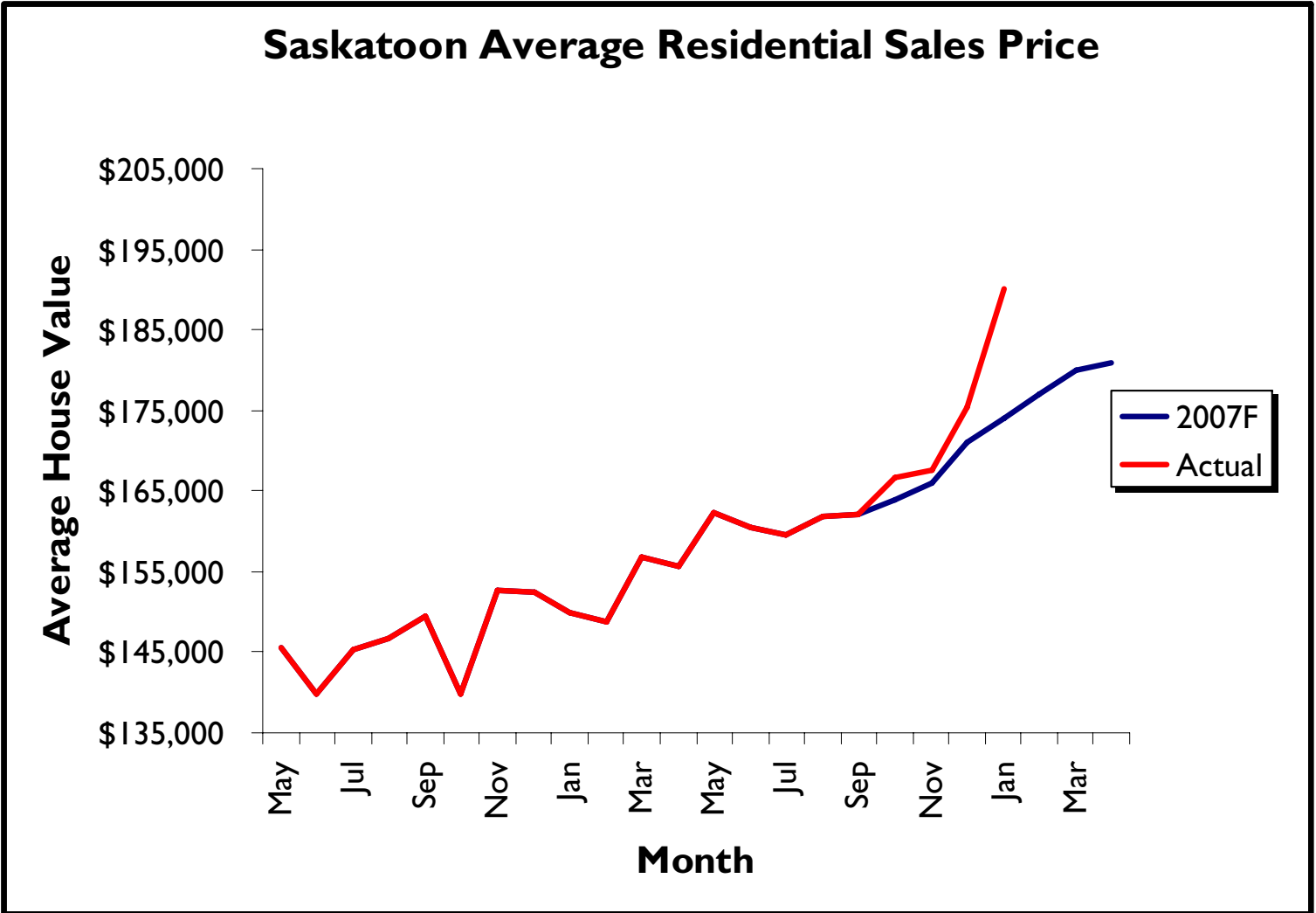
Source: Conference Board of Canada

Industrial



Source: City of Saskatoon

Economic Overview



Source: Saskatoon Real Estate Board



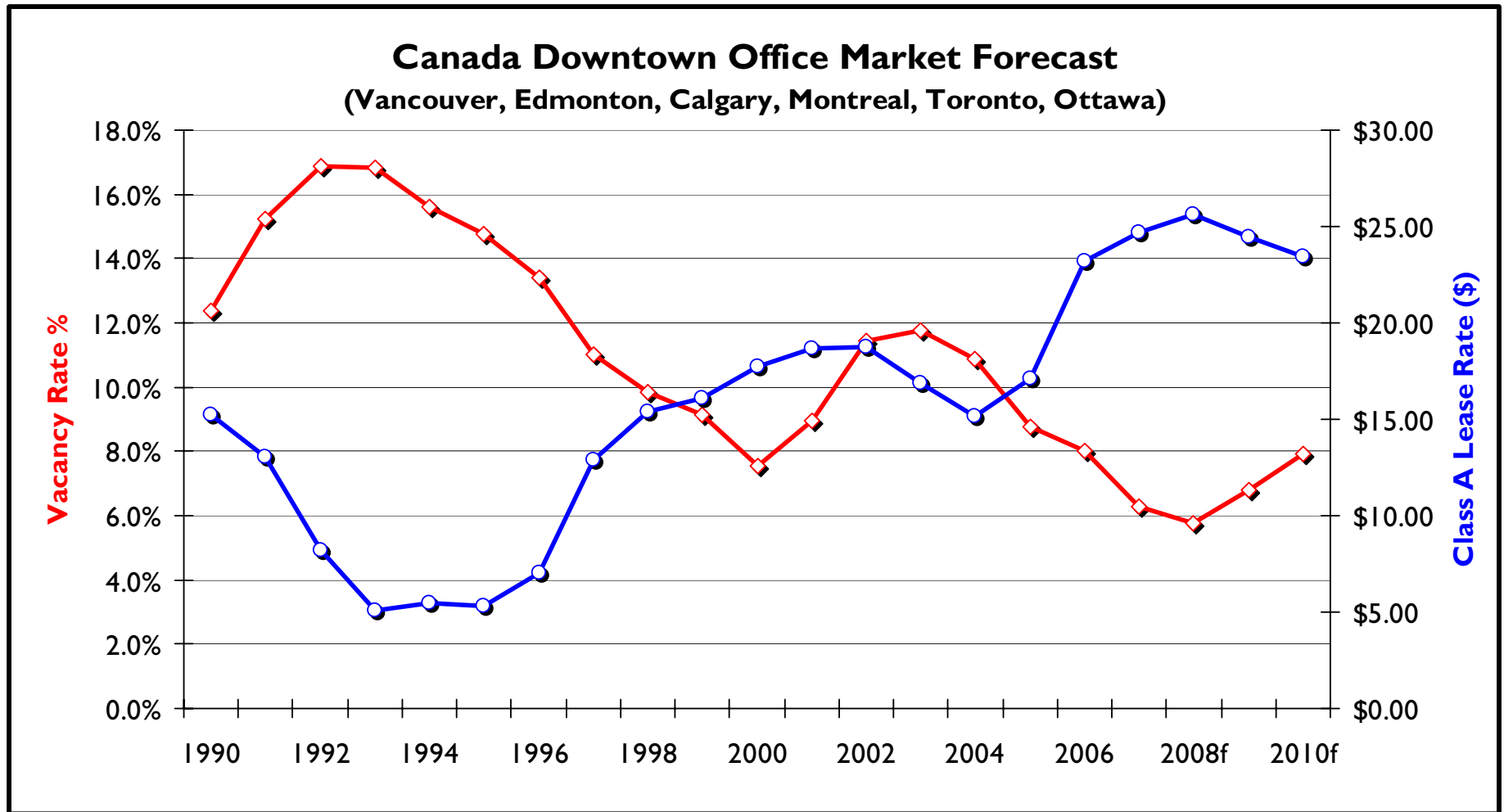


Office

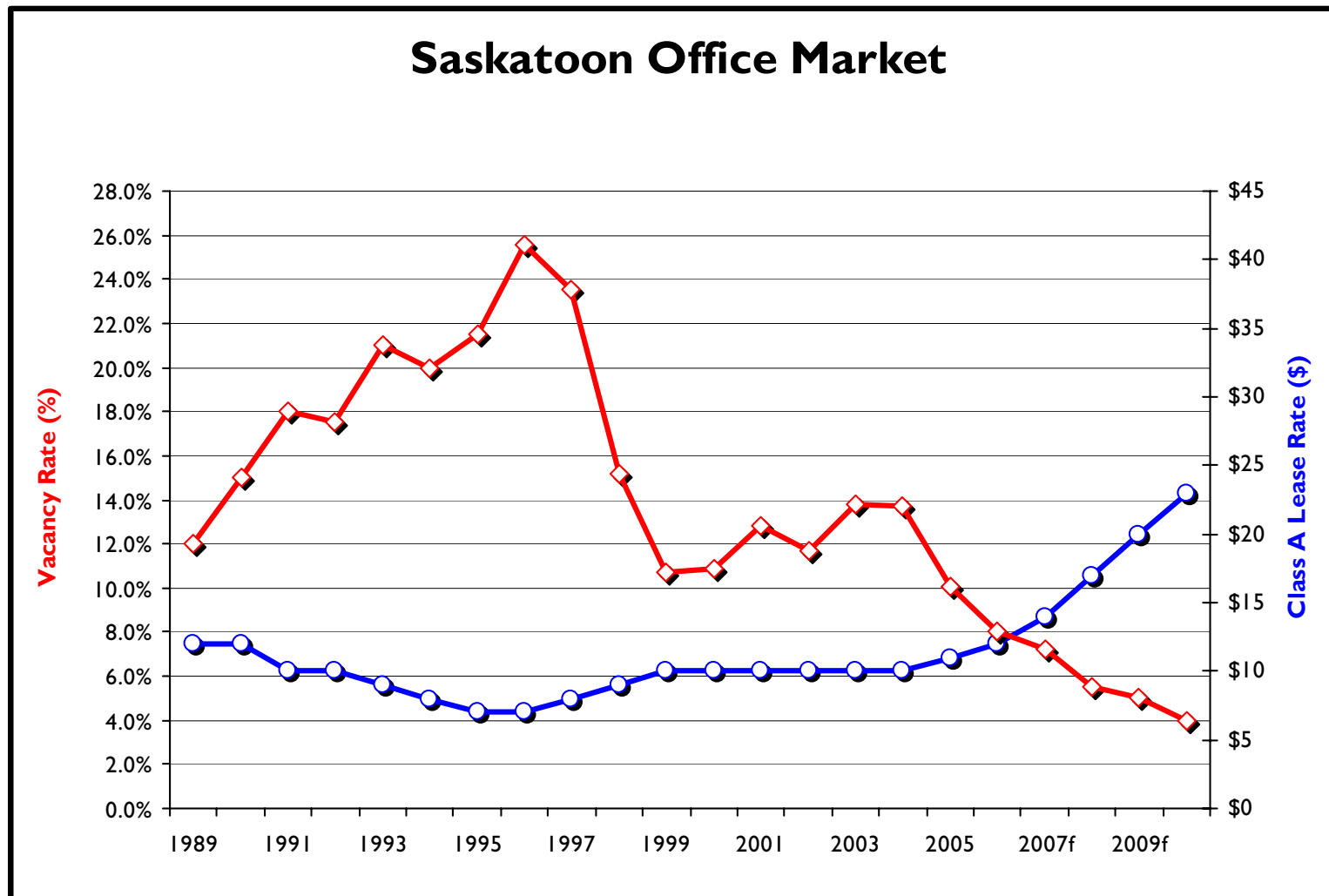
Colliers Canadian Real Estate
Review & Forecast

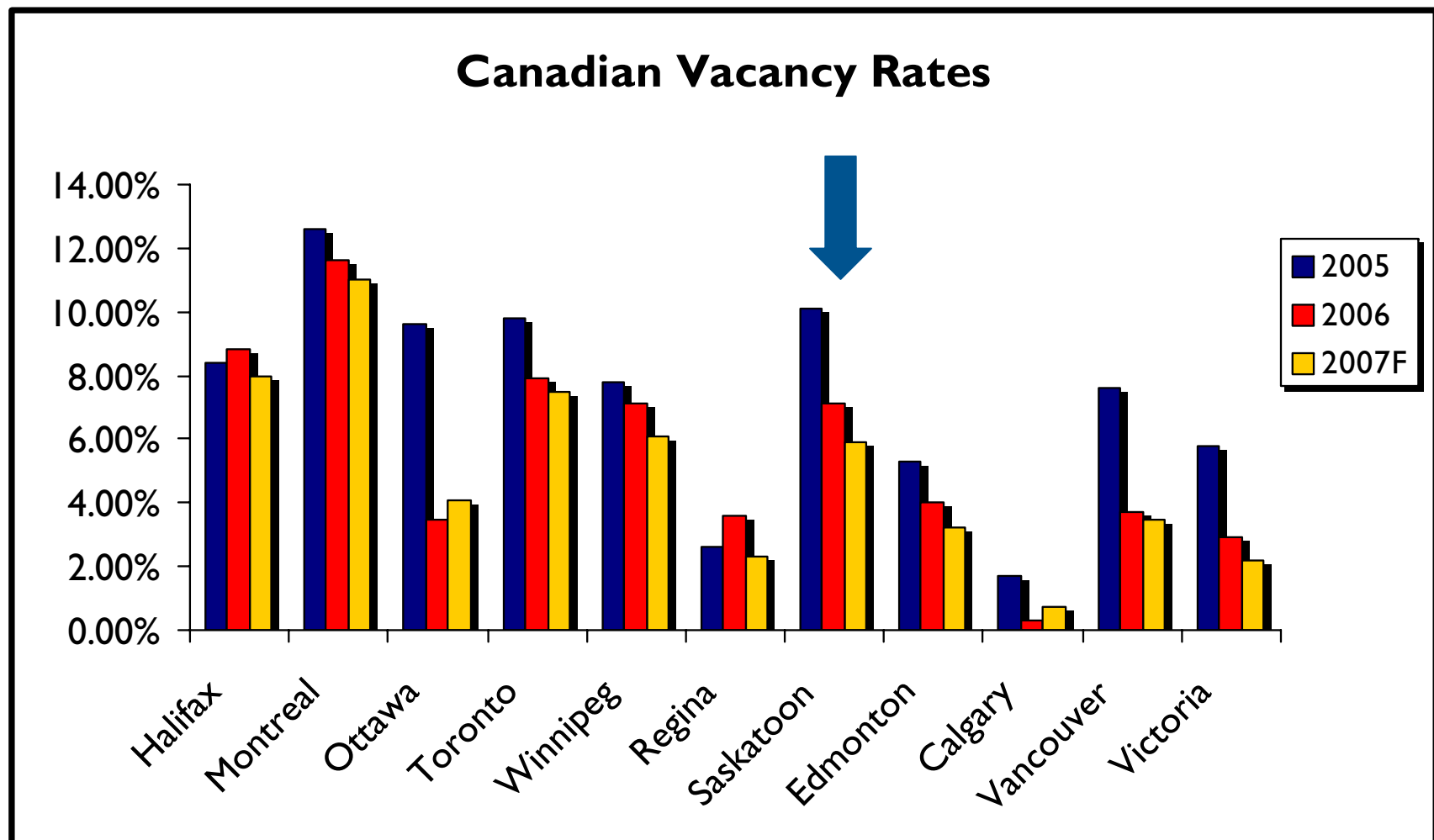
National Snapshot	2006	Change
Inventory	412.5M SF	↑
Vacant Space	31.7M SF	↓
Vacancy Rate	7.7%	↓
Net Absorption	9.8M SF	↓
Under Construction	14.5M SF	↑

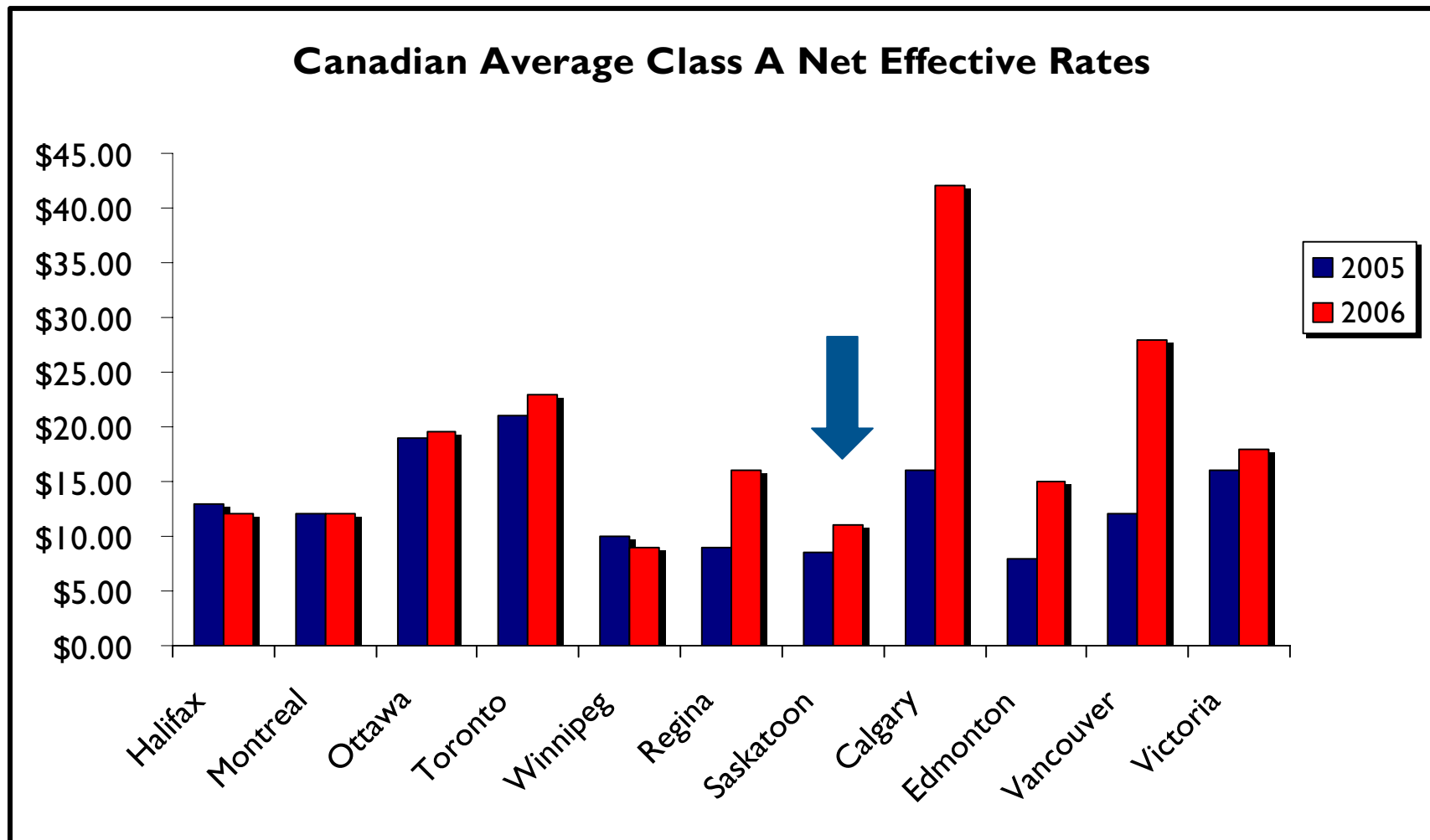
Office



Office







Saskatoon Lessons Learned/Forecast

- Existing tenant expansion drove healthy growth downtown
- Demand is coming from resource sector and related services
- 7.1% vacancy is the lowest vacancy on record for Saskatoon
- Rents rising but below national averages and level to justify new supply
- 2007 may see substantial rent increases in downtown – may exceed \$15 P.S.F. Net



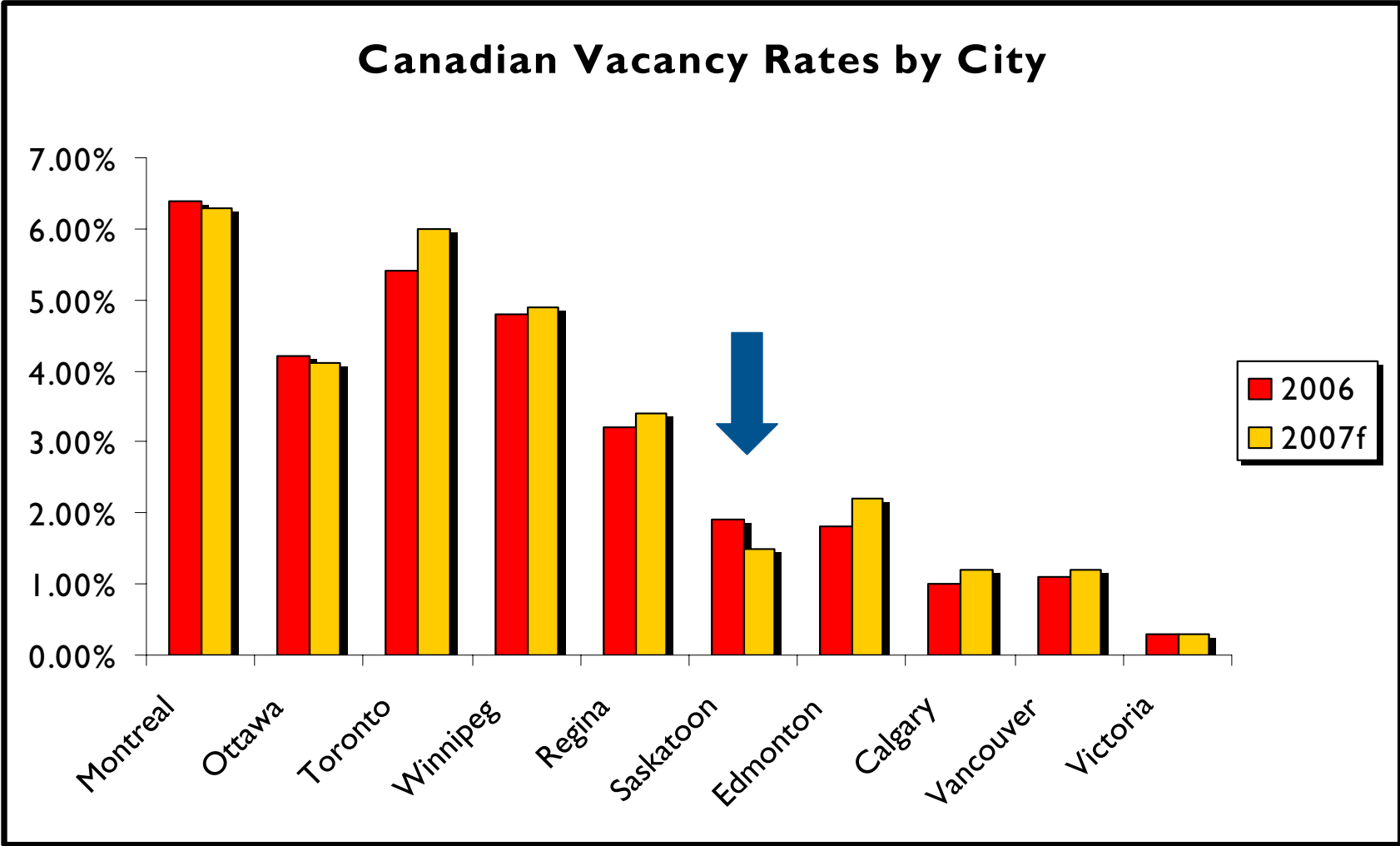
Industrial

Colliers Canadian Real Estate Review & Forecast

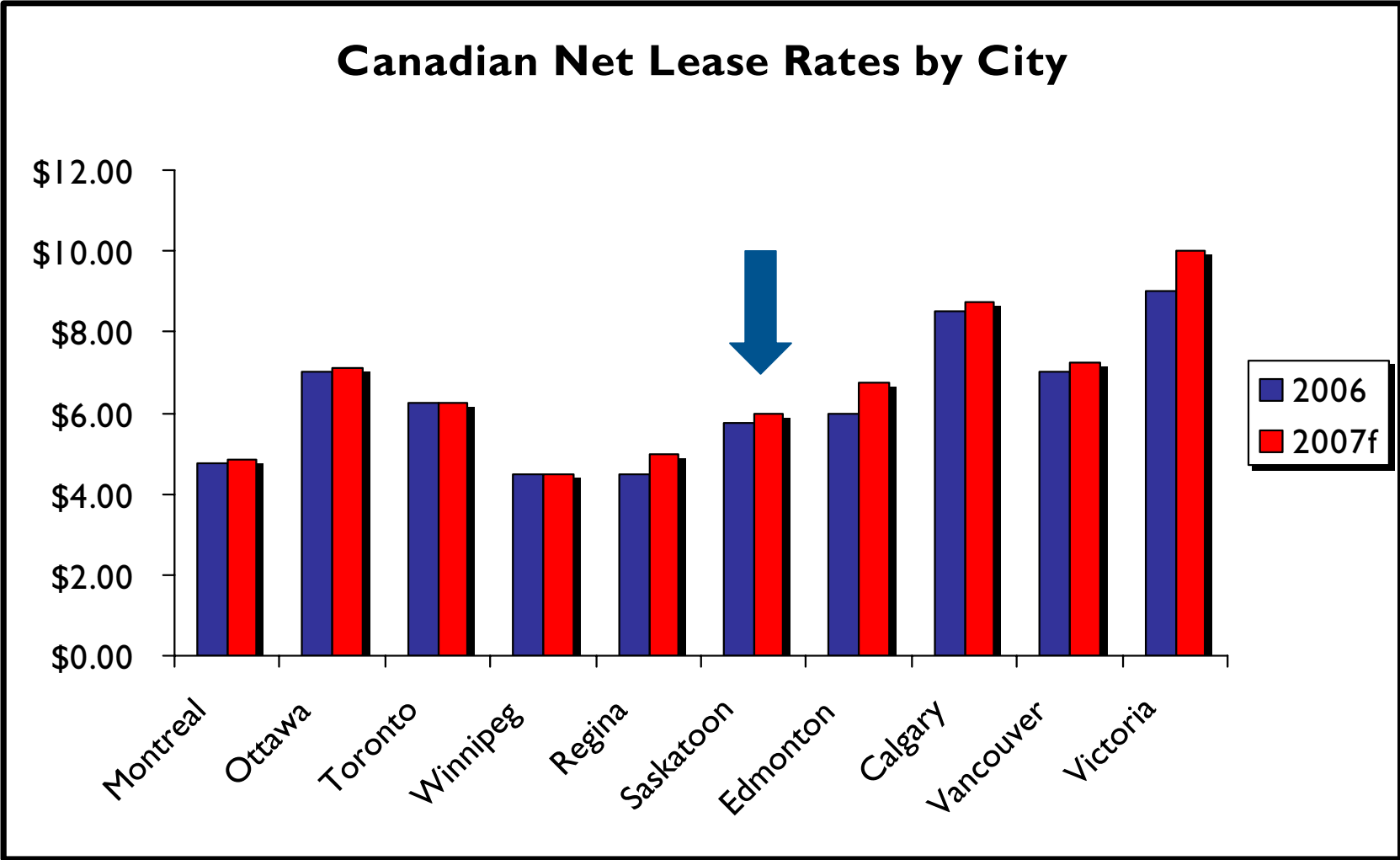
Industrial

National Snapshot	2006	Change
Inventory	1.49B SF	↑
Vacant Space	67.5M SF	↓
Vacancy Rate	4.53%	↓
Net Absorption	26.2M SF	↑
Under Construction	20.5M SF	↓

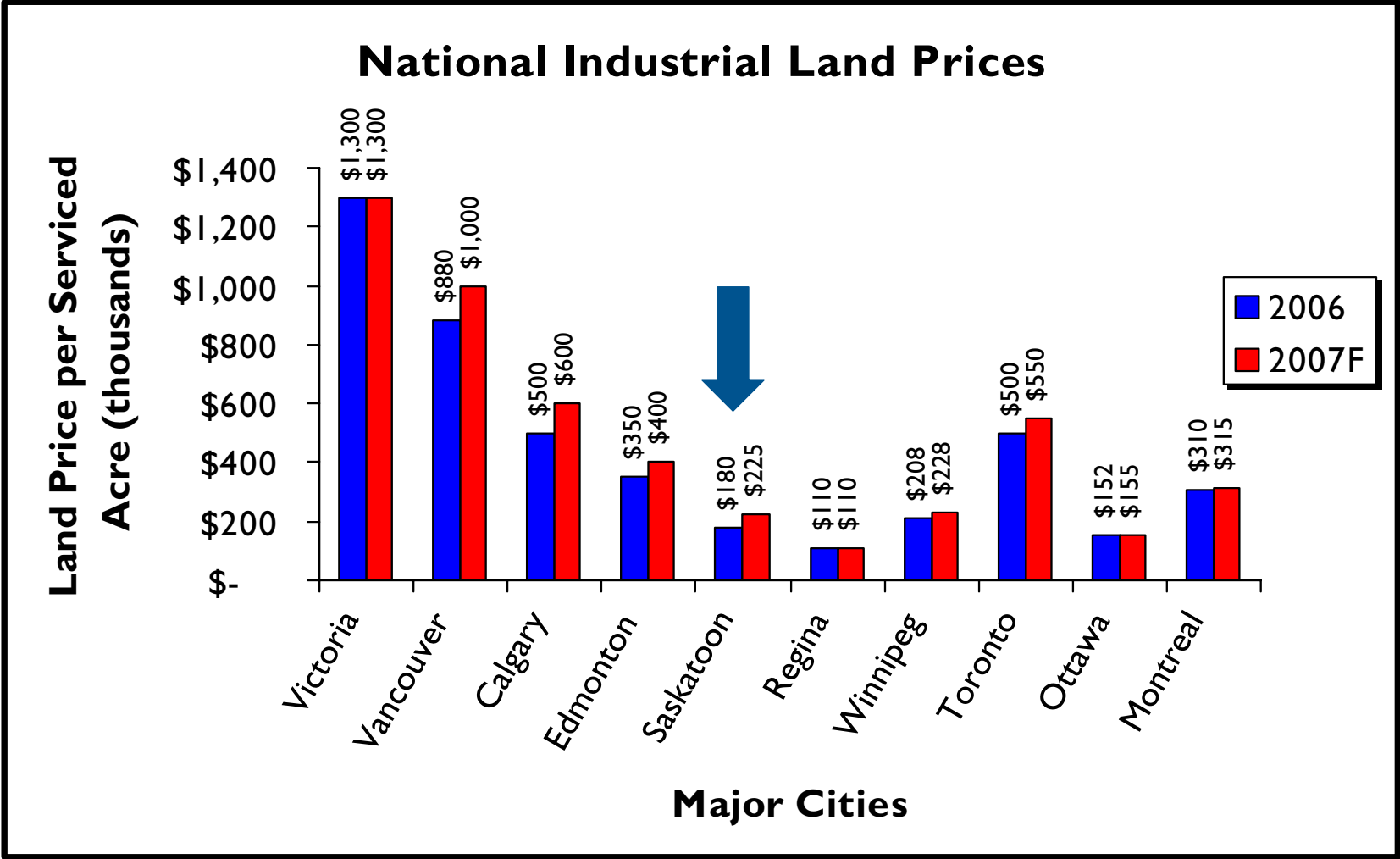
Industrial



Industrial



Industrial



Saskatoon Lessons Learned/Forecast

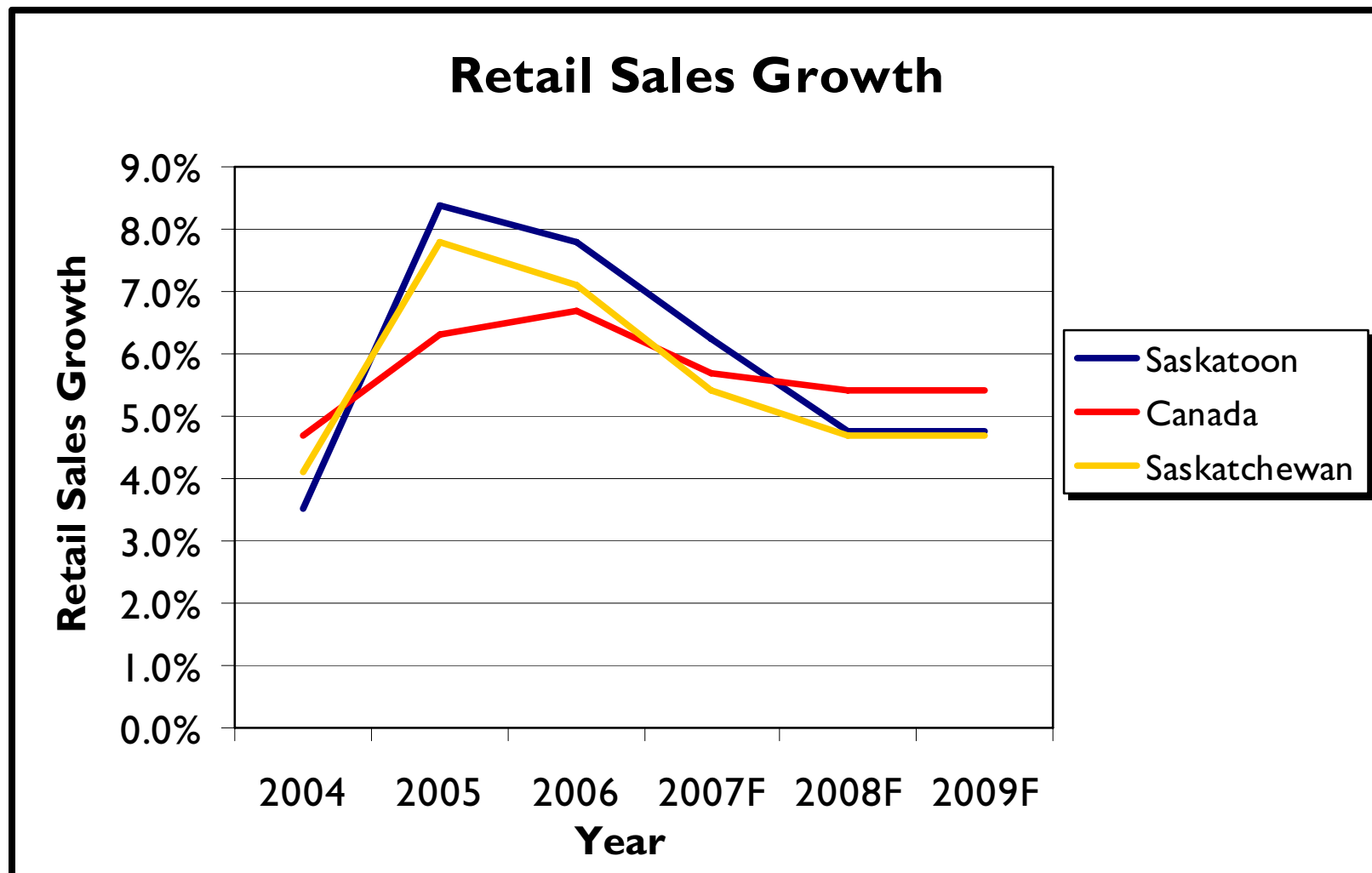
- LAND, LAND, LAND
- Demand focused on tenants purchasing their own buildings
- Land prices rising due to rising servicing costs and shortage of available land
- Limited new supply and strong demand will place upward pressure on existing building rents
- Speculative construction will begin in 2007/2008



Retail

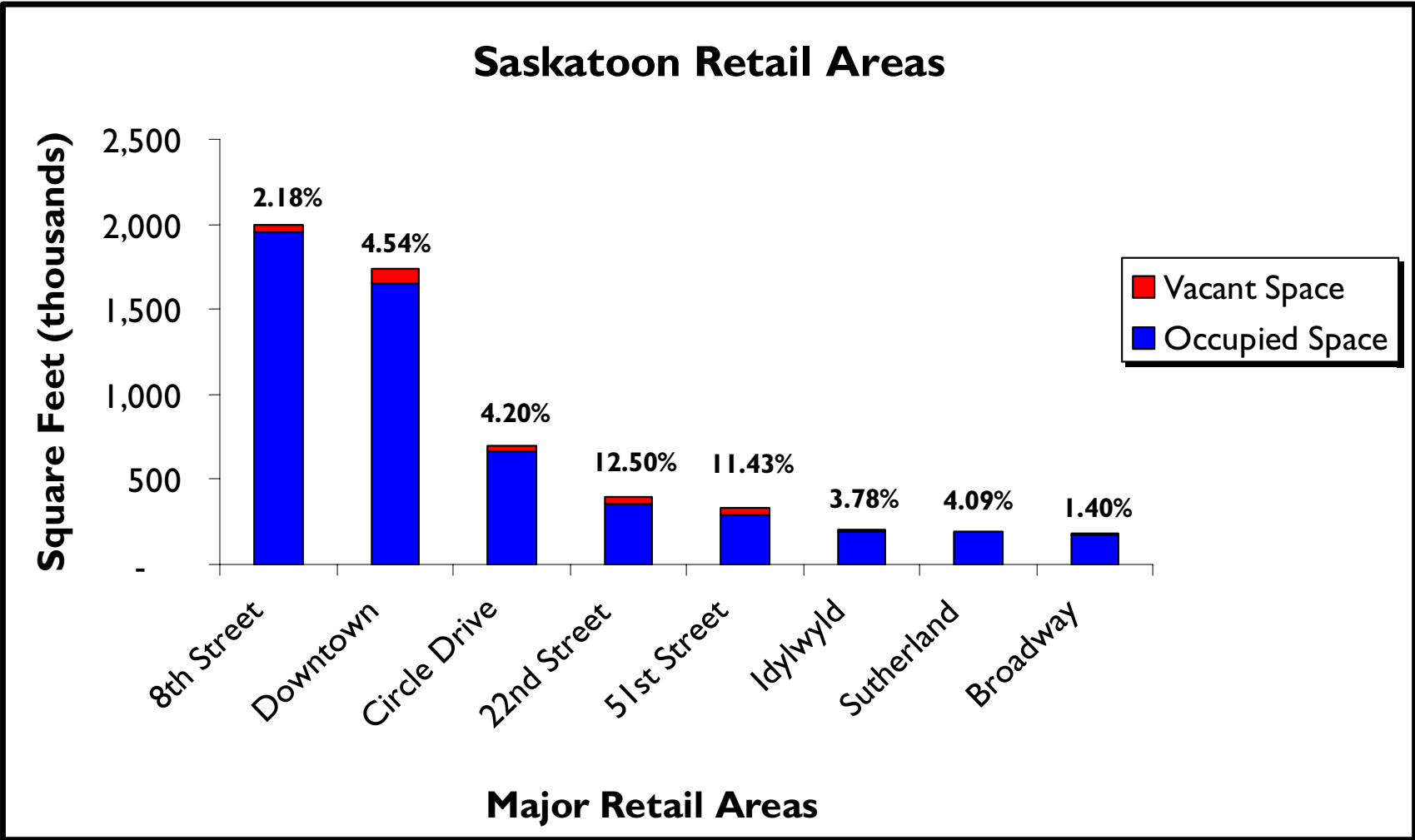
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Retail

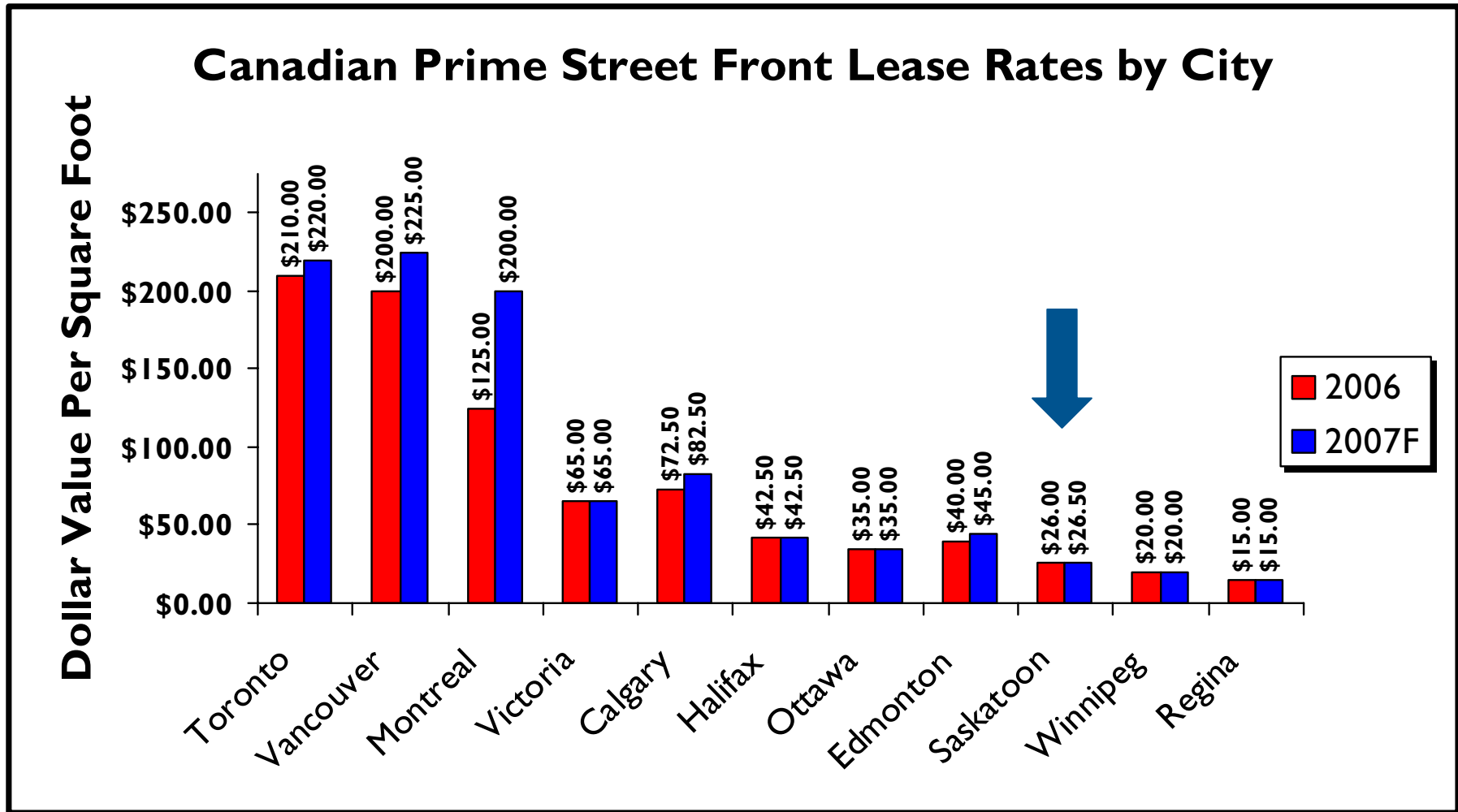


Source: Conference Board of Canada

Retail



Retail



Saskatoon Lessons Learned/Forecast

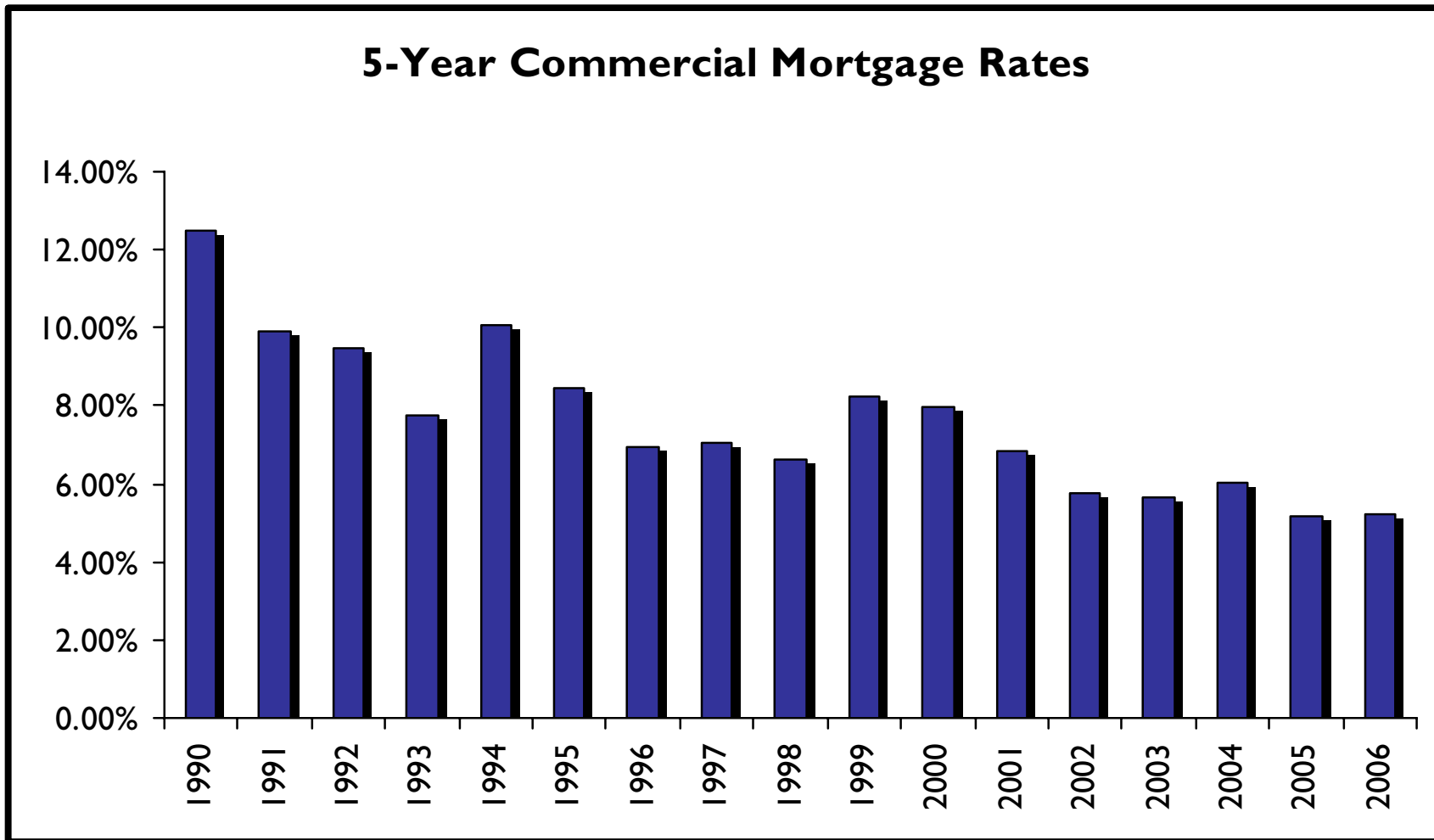
- Saskatoon's retail sales continue to lead the country
- Retail construction in Saskatoon could reach 1.3M SF in the next 2-3 years.
- Stonegate 430,000 SF is under construction – high demand from national retailers
- Rising land and construction costs are pushing rental rates to new highs



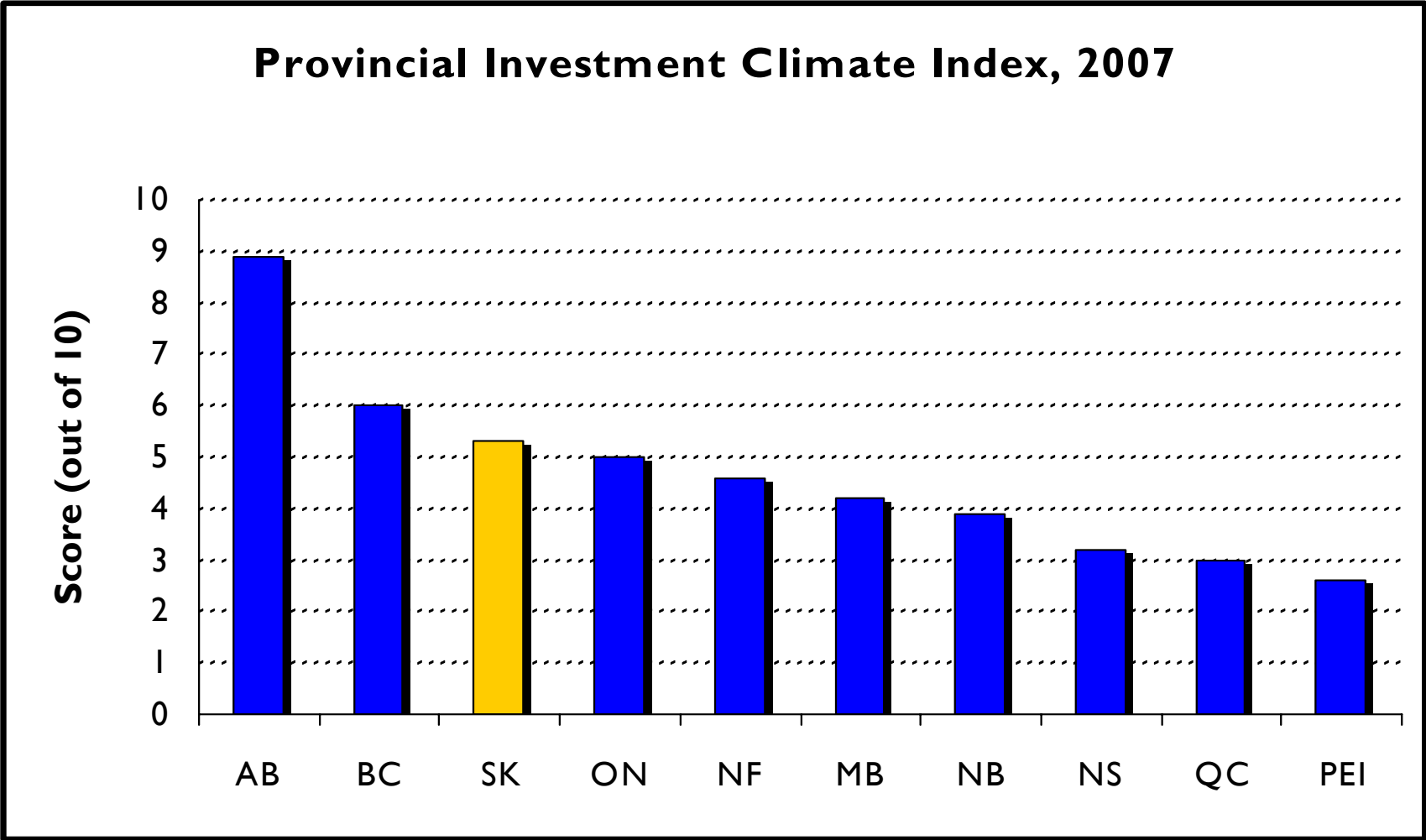
Investment

Colliers Canadian Real Estate Review & Forecast

Investment

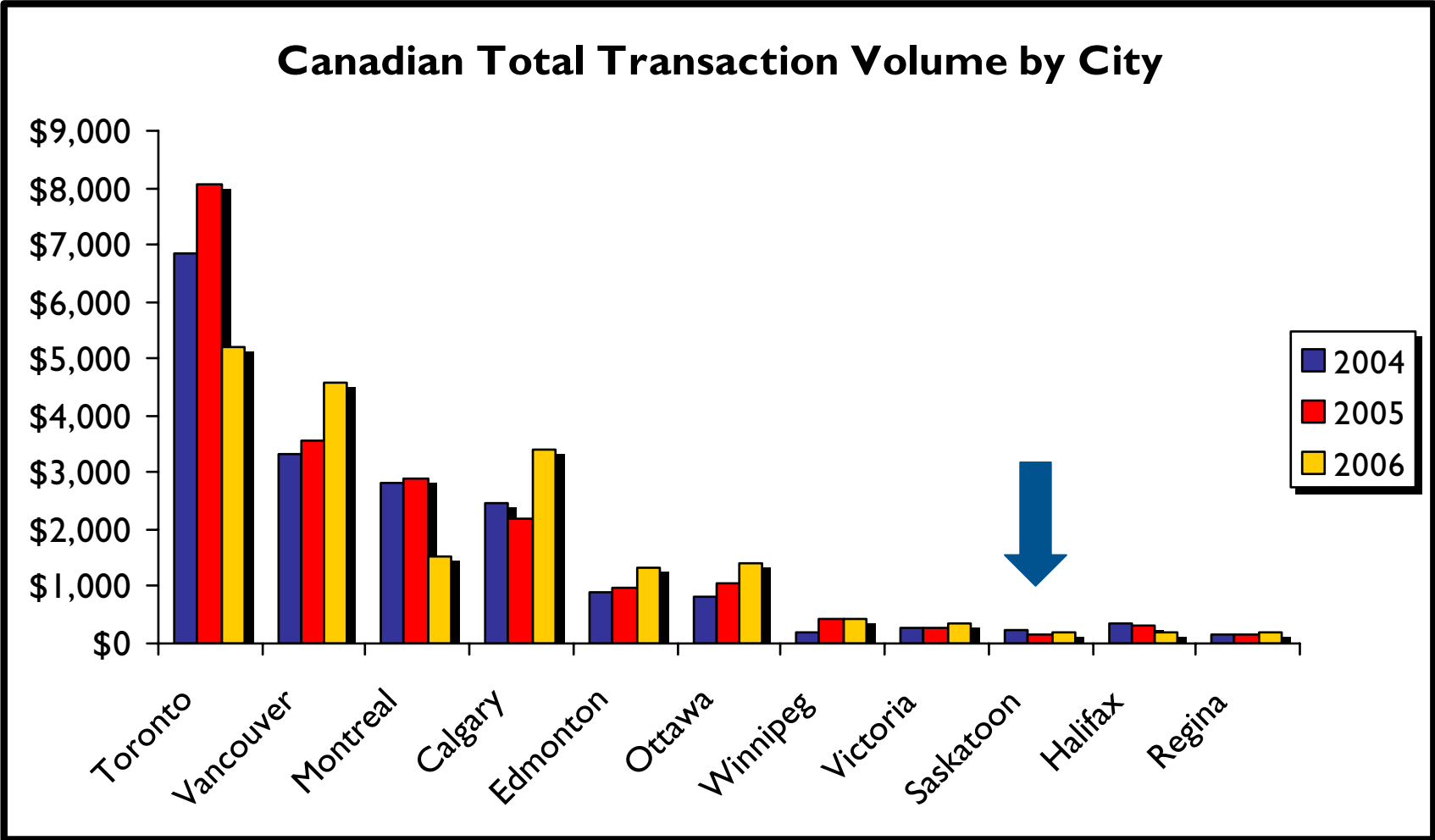


Investment

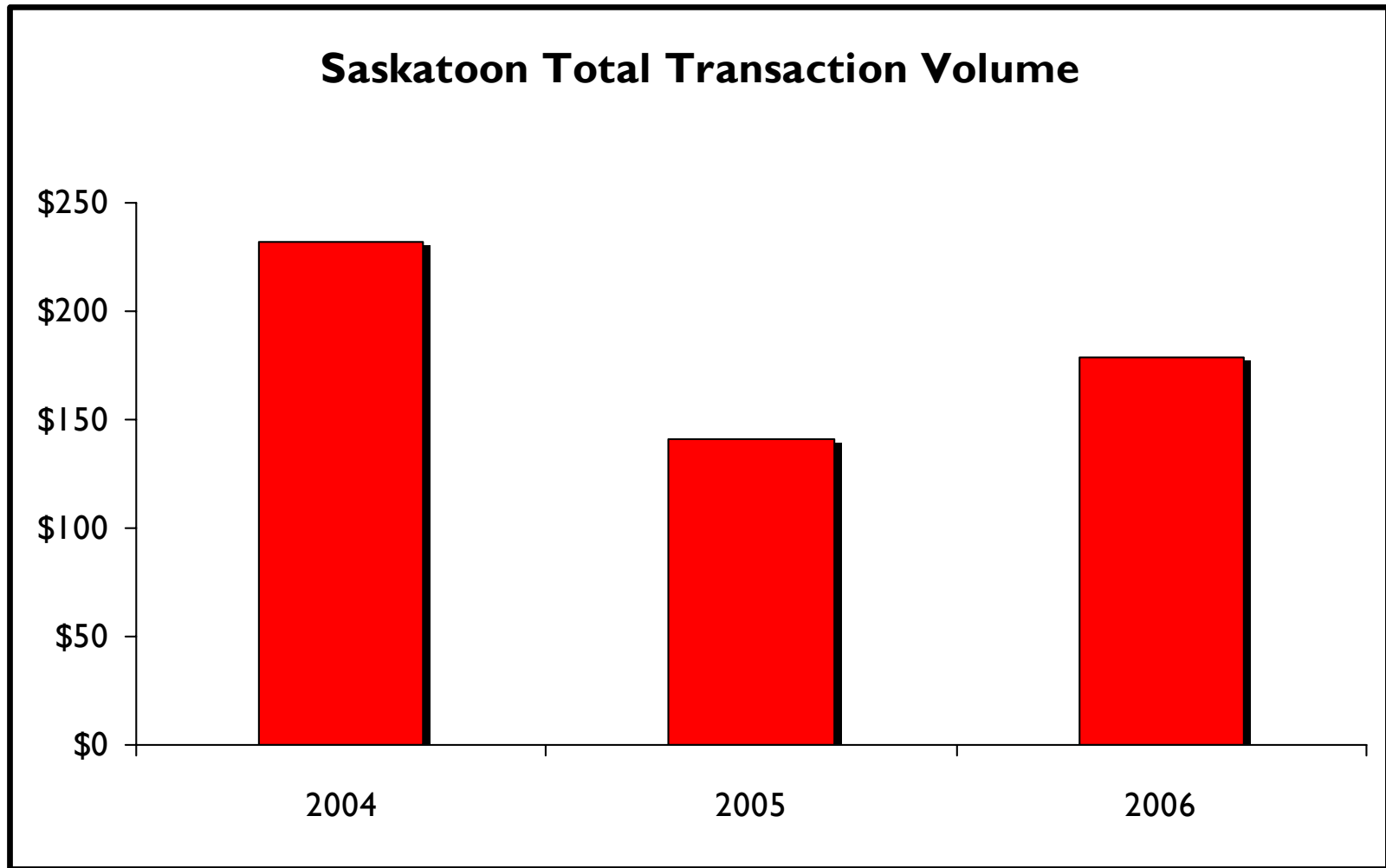


Source: The Fraser Institute

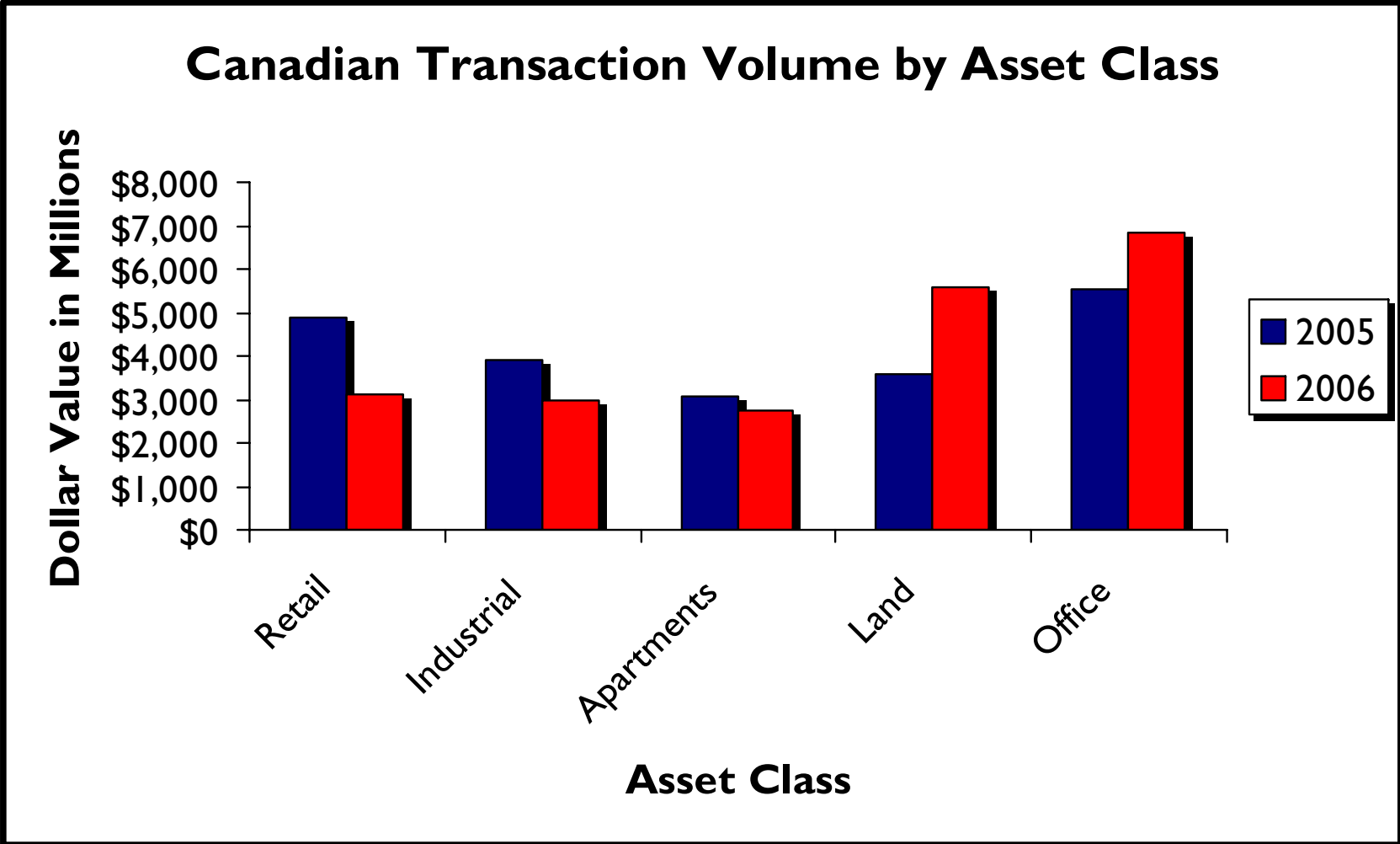
Investment



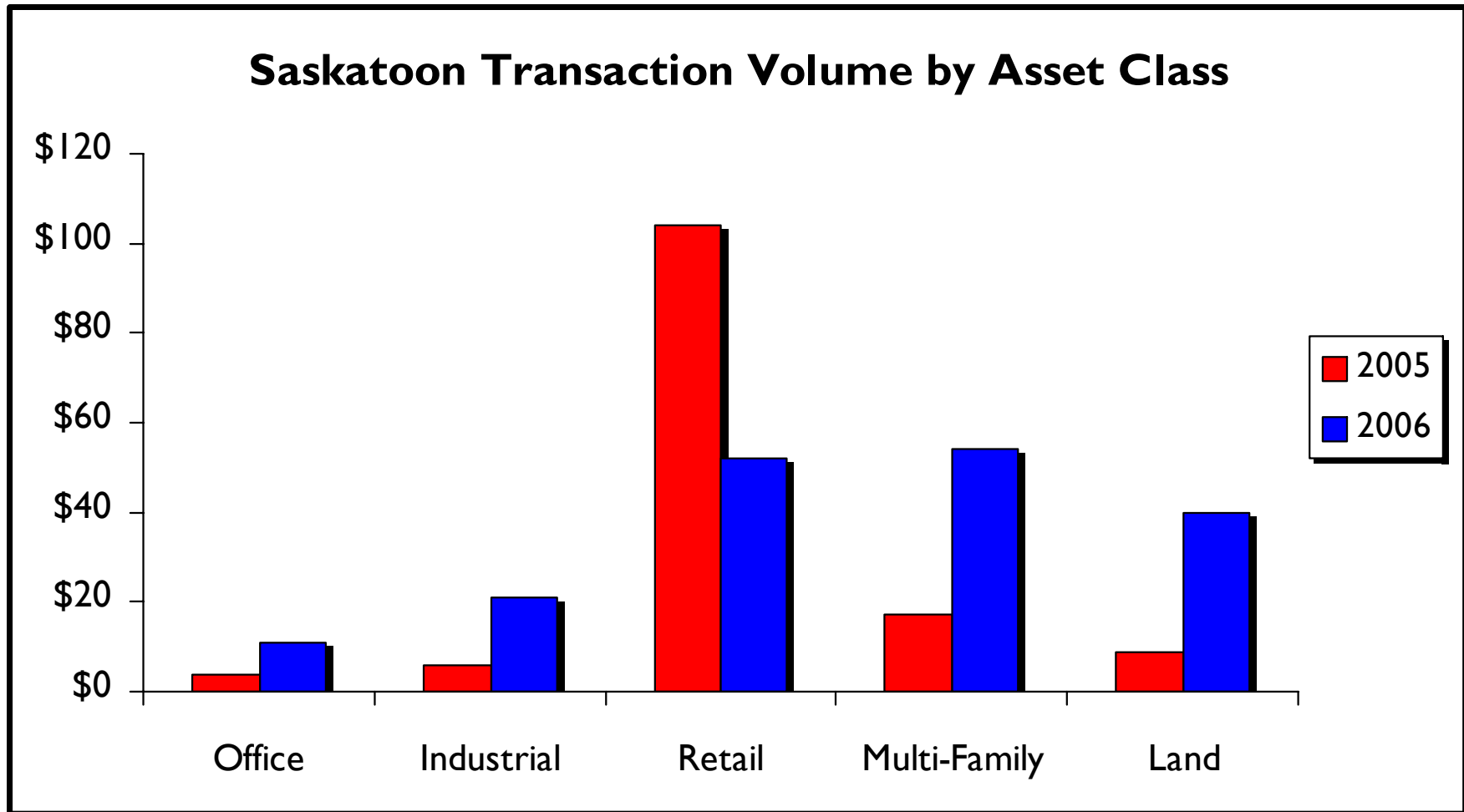
Investment



Investment

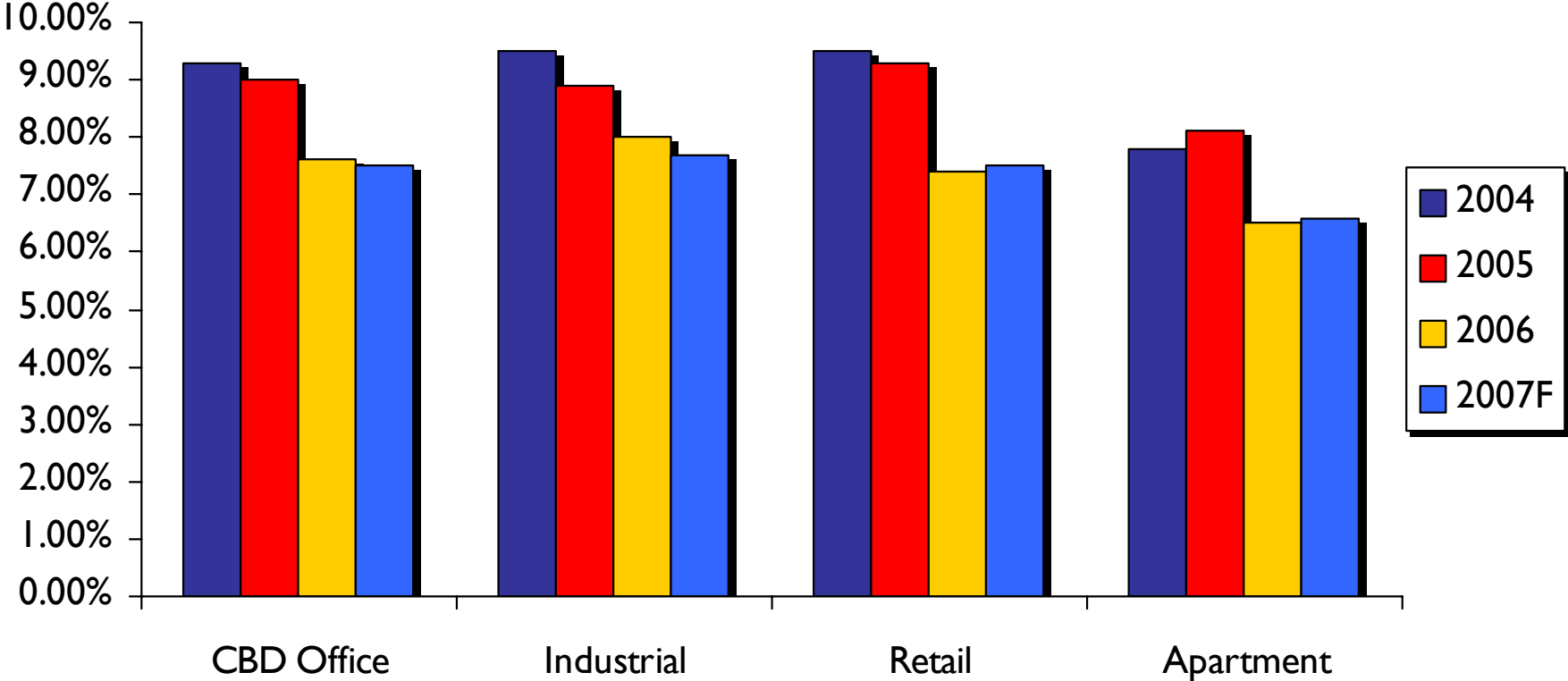


Investment



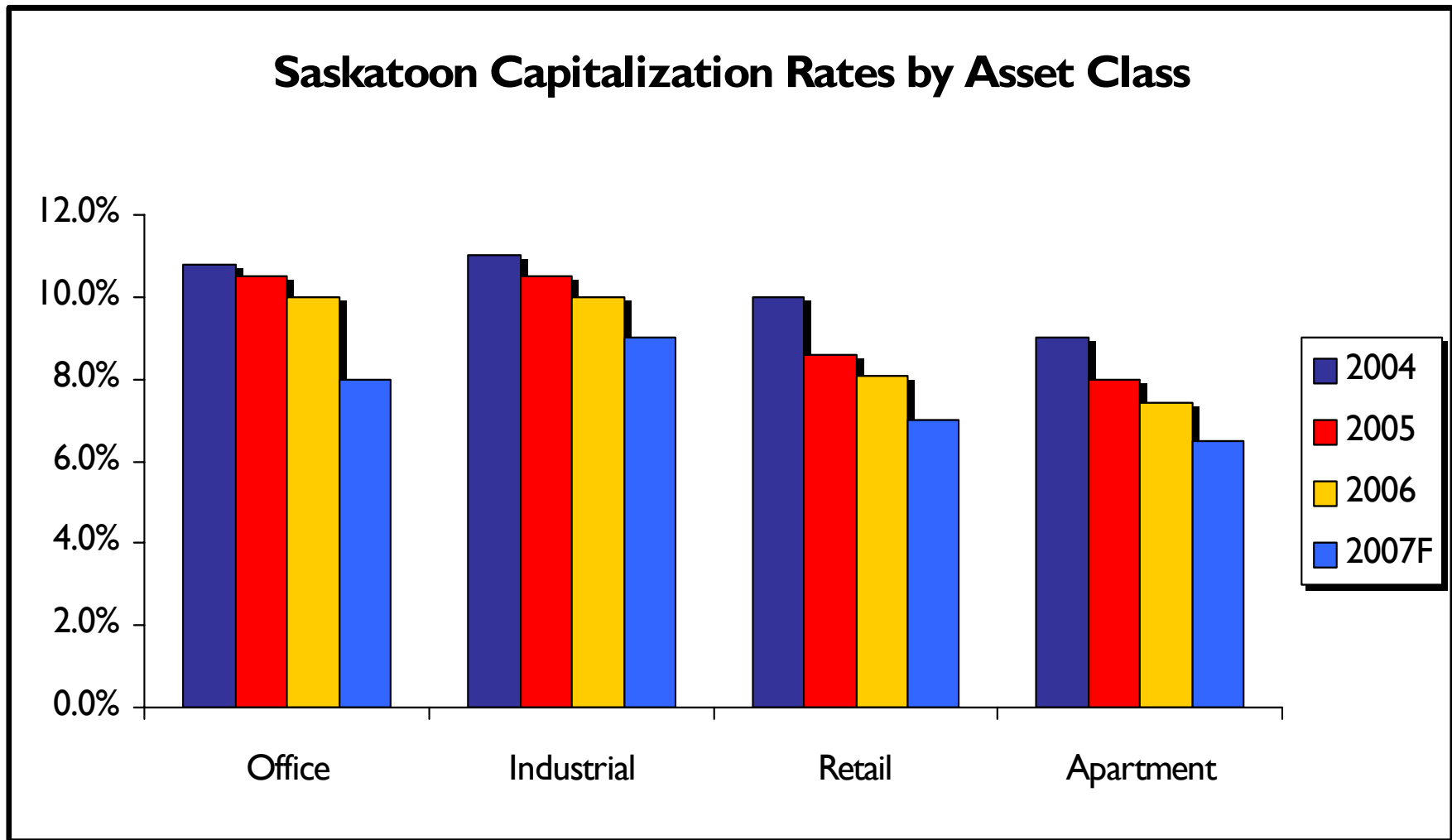
Investment

Canadian Average Capitalization Rates by Asset Class



Investment

Saskatoon Capitalization Rates by Asset Class



Investment

River City Centre

Sunstone Holdings

April 2006

\$22.9M

1121 McKercher Drive

Jastek Ventures

January 2006

\$12.75M (\$62,500/unit)

Royal Centre

Whiterock REIT

September 2006

\$8.7M

Marquis Towers, et al.

Weisner

November 2006

\$24.9M

Circle 8 Centre

Westfield REIT

April 2006

\$16.6M

Saskatoon Lessons Learned/Forecast

- Interest in Saskatoon continues to grow
- Land has emerged as a leading investment choice
- Local investors have to compete with aggressive regional and national players
- Prices are going to go higher in all asset classes



Thank You

www.colliers.com/saskatoon

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