

Grasswood Mixed Use Node Market Impact Study

Summary Report



PREPARED FOR
Corman Park - Saskatoon Planning District, May 2016



PIONEERING ENVIRONMENTS

GRASSWOOD Mixed Use Node

Market Impact Study



in collaboration with



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i PREFACE

Cushing Terrell Architecture Inc. (“Cushing Terrell”) and its sub-consultant Preferred Choice Development Strategists (“Preferred Choice”) was commissioned by the R.M. of Corman Park and City of Saskatoon to conduct a Market Impact Study for the approximate 2,800 acre Grasswood Mixed Use Node (“Grasswood Study Area”), located in the R.M. of Corman Park and adjacent to the South East municipal boundary of the City of Saskatoon. The study was carried out over the period May 2015 to May 2016.

The purpose of this project is to conduct a market impact study for development in the Grasswood Study Area that will:

1. identify the amount and type of development (Commercial, Industrial, Residential, Institutional) needed to meet projected growth while ensuring the viability of the Region’s existing markets is not compromised;
2. identify a maximum square footage for commercial development in the Grasswood Study Area;
3. identify a phasing strategy for development in the Grasswood Study Area; and
4. identify requirements for future Market Impact Assessments for proposed new development in the Grasswood Study Area.

First Nation engagement with the English River and Cowessess First Nations was also undertaken in this study to ensure process transparency and compatibility with each respective rights-holders’ long term goals for their lands. The English River First Nation has Reserve status, while the Cowessess First Nation has Treaty Land Entitlement (TLE) lands in the Grasswood Study Area.

Reference material for this report was obtained from, but not limited to; City of Saskatoon, R.M. of Corman Park, Conference Board of Canada, Colliers International, Avison Young, ICR Commercial Real Estate, Des Nedhe Development, Government of Saskatchewan Ministry of Highways & Infrastructure, Smith Travel Research, PKF Consulting Canada, HVS Global Hospitality Services, Environics Analytics, Statistics Canada, International Council of Shopping Centers and Cushing Terrell Architecture Inc.

Cushing Terrell does not warrant that any estimates contained within the study will be achieved over the identified time horizons, but that they have been prepared conscientiously and objectively on the basis of information obtained during the course of this study.

The Cushing Terrell Project Team would like to extend its thanks to the following individuals/ organizations who provided information and feedback throughout the process:

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Cushing Terrell Architecture Inc., May 2016



EXECUTIVE SUMMARY

INTRODUCTION

The Grasswood Study Area is approximately 2,880 acres (1,165 hectare) situated in the R.M. of Corman Park, adjacent to the South Eastern municipal boundary of the City of Saskatoon.

The Grasswood Study Area currently represents a key southern node for future growth in the Region, City and R.M.

Overall, the Grasswood Study Area represents a strong geographic location for a mix of commercial, industrial, institutional and residential land uses. Not only is the Grasswood Study Area near rapidly growing and established residential areas, but it is ideally positioned at the nexus of future major growth to the south and at one of the major highway interchanges that connects Saskatoon to Regina and even Winnipeg, thus enabling ease and access for regional users.

Growth forecasts for the next five-years are forecast to continue at an estimated rate of 2.5% per annum. The City's longer term "*Growing Forward*" project is looking at accommodating a total population of 500,000 within the existing City limits.

BACKGROUND & PLANNING CONTEXT

The Saskatoon North Partnership for Growth (P4G) partnering municipalities comprising the City of Saskatoon, R.M. of Corman Park, Cities of Martensville and Warman and Town of Osler agreed that they needed to develop and adopt a long term view and plan for land use and servicing that is regional in scope for a Regional population of 1 million people.

There are currently a number of potential alternatives currently under review for the planned Saskatoon Freeway alignment, which is a Provincially led initiative.

Where this alignment interfaces with the Grasswood Study Area becomes imperative as traffic, access and visibility will increase at the intersection of the Saskatoon Freeway and Highway 11.

The consolidated Corman Park – Saskatoon Planning District Official Community Plan (OCP) provides the general framework for implementation of planning policy within the Planning District's boundaries. The OCP identifies all future growth on the Future Land Use Map. The map designates future land use districts within the Grasswood Study Area. The most notable is the 660 acre Future Commercial Area that surrounds the Highway 11 and Grasswood Road interchange. Notable policies include:

- Large scale retail establishments comprising over 35,000 sf of floor space on a single site are prohibited.
- Development shall locate in planned nodes at or near key intersections of provincial highways.
- Development shall be directed to locations where existing roads and infrastructure are sufficient to support the development, where minimal road upgrading would be required, and where development costs to Corman Park are minimized.
- Developments shall be located in a manner which minimizes road construction and maintenance.

For the purposes of this study the Consulting Team has identified an optimal or preferred scenario as it relates to future potential land uses in the Grasswood Study Area. The optimal scenario is the Ministry of Transportation's alternative located just south of the intersection of Grasswood Road and Highway 11 but still within the Corman Park - Saskatoon Planning District.



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In May, July, August and September of 2015, and April 2016, Consulting Team members held discussions with Cowessess First Nation with respect to the findings of the Market Impact Study and land use directions as they relate to Cowessess Lands.

Similarly, in May, August and September of 2015, Consulting Team members held discussions with English River First Nations and representatives for their Development entity; Des Nedhe Development. The purpose of these discussions was to hear about their future development plans as well as to inform them of the process and findings of the Market Impact Study and land use directions as they relate to English River Lands.

At the end of the day, a growth strategy for a total population in the region of 1 million residents cannot happen without planning a commensurate level of density, supporting services and employment areas, particularly those areas currently adjacent to the urban boundary of the City. The Market Impact Study findings suggest the Grasswood Study Area should be viewed as an essential and critical node over the next 35 years and beyond that could accommodate part of that future growth.

Over the next 35 years the Grasswood Study Area is forecast to have a potential population of 11,350. This figure would represent only 5.7% of the total new population growth in the entire Census Metropolitan Area (CMA), which is estimated to grow by approximately 196,297 new residents.

RETAIL SUMMARY

Development activity has continued in 2015 and is expected to continue in the coming years. Opportunities for retailers continues to grow as new space enters the market in suburban locations.

Projections estimate that within the next few years there could be as much as 2,700,000 sf of new commercial space developed within Saskatoon.

The bulk of retail growth will take place in new suburban developments where anticipated increases in population will fuel demand for shops and services. By the time many of these reach buildout, the Grasswood Study Area will be poised to become a viable and appropriate location for medium to long term growth.

First and foremost, the Grasswood Study Area's site and locational attributes suggest that the area represents a very strong and compatible area for future retail development ranging from neighbourhood to regional scale retail formats.

Among the Grasswood Study Area's best attributes is the regional accessibility for potentially attracting destination retail users who would need to access populations that could live as far south as Regina or further.

As it stands today, a regional node could only be accomplished if there are no limitations placed on anchor store sizes. Anchor tenants are the essential backbone to creating a regional retail development. Restrictions on anchor store sizes for regional developments run the real risk of losing sought after businesses and tax revenue to less restrictive cities, such as the City of Regina. While large scale destination and regional retail could be considered impactful to communities like Martensville, Warman and Osler, the reality is that the location on the south side of Saskatoon would be a preferred location for any such format and arguably this type of expenditure may already be leaving these smaller communities to regions such as South Edmonton Common etc.

On this basis, any large scale impact would not be significant on communities in the north. Rather, they would have the opportunity to retain spending in the CMA. In other words, there is sufficient demand to be accessed across the City of Saskatoon, R.M. of Corman Park and the CMA even with development in the Grasswood Study Area.



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One cautionary note with respect to retail development in the Grasswood Study Area, which has implications not just on retail, but on other commercial activities is the potential alignment of the future Saskatoon Freeway.

At the time of this report, the alignment has yet to be determined, but the ultimate alignment with Highway 11 will impact the location and scale of retail development, since developers and retailers will want to have the most visible and accessible location, which is often at a major highway interchange.

A location further south could also have negative impacts on English River whose location and retail prospects have a direct relationship with the access and visibility of Grasswood Road.

Demand and land use allocations are thus subject to change, if the future Saskatoon Freeway alignment differs from the assumptions made in this study.

Des Nedhe Development (the development entity of the English River First Nation) are well-positioned to work with developers in the short term and could be the catalyst for retail development. As a Reserve, English River is their own jurisdiction and therefore Planning District Bylaws do not apply, such as the 35,000 sf store size restriction. Limitations do still exist in the form of servicing, which would likely require collaboration with the City and R.M.

Consideration should be given to the fact that the existing 35,000 sf store size bylaw does not apply to the English River First Nation, which means that they could develop larger format retail as part of a regional development. Therefore, it would make for more prudent planning to create a framework to avoid disjointed patterns of development.

Lastly, the role of downtown Saskatoon is important as stated in the City's OCP, Section 6.1 which states a downtown objective to:

Ensure the downtown remains the centre and heart of the financial, administrative, cultural and commercial activities of the City and Region

In this regard, future retail development in the Grasswood Study Area is not expected to comprise the level nor mix of entertainment, food & beverage, or cultural activities that are essential to the vibrancy of a downtown environment. The single biggest determinant for downtown Saskatoon's retail vitality lies in the City's ability to promote and accommodate an increased level of residential density downtown. As long as high density Residential growth takes place in the downtown, retail development in Grasswood will not be impactful. If however, residential growth in the downtown does not take place, the potential impacts of Grasswood would likely be no more than other planned suburban retail developments.

The amount of retail space planned/envisioned for the Grasswood Study Area is considered reasonable over the 35 year time frame presented. In particular, since demand is spread over a longer time frame and phased accordingly, impacts on other areas across the City and Region are viewed as dispersed and minimal.

SUBURBAN OFFICE SUMMARY

As with retail, the Grasswood Study Area's site and locational attributes suggest that the area represents a very strong and compatible area for future suburban office business park development, as part of the establishment of a south employment centre.

Moreover, there is sufficient suburban office demand to be accessed across the City of Saskatoon, R.M. of Corman Park and the CMA even with development in the Grasswood Study Area.

With planned improvements including a major Saskatoon Freeway, the Grasswood Study Area also has the added potential to enhance regional accessibility to and from north of Saskatoon, not to mention Regina to the south.



EXECUTIVE SUMMARY

The degree of suburban office space planned/envisioned for the Grasswood Study Area is considered reasonable over the 35 year time frame presented. In particular, since demand is spread over a longer time frame and phased accordingly, impacts on other areas across the City and Region would be viewed as minimal.

It is however considered very important in the context of the Region that the Grasswood Study Area become a focal point for creating an integrated mix of uses. The P4G Regional Plan, currently underway, is looking at the bigger picture of growth throughout the region, within which the Grasswood Study Area is considered an area of future potential opportunity.

Des Nedhe Development (English River First Nation) are well-positioned to work with developers in the short term and could be the catalyst for early stages of suburban office development.

For the same reasons as for retail, the future Saskatoon Freeway alignment is desired to be as being as close to Grasswood Road and as close to the boundary of the Grasswood Study Area as possible. Demand and land use allocations are thus subject to change, if the future Saskatoon Freeway alignment differs from the assumptions made in this study.

LIGHT INDUSTRIAL SUMMARY

As with all the prospective land uses, the Grasswood Study Area's site and locational attributes suggest that the area represents a very strong and compatible area for future light industrial business park development, as part of the establishment of a south employment area.

Moreover, there is sufficient light industrial demand, particularly in the mid to later years (2030 to 2050) to be accessed across the City of Saskatoon, R.M. of Corman Park and the CMA (including Martensville, Warman and Osler) even with development in the Grasswood Study Area.

With planned improvements including a major Saskatoon Freeway, the Grasswood Study Area also has the added potential to enhance regional accessibility to and from north of Saskatoon, not to mention to Regina to the south, which is a significant factor for goods movement as it relates to the cost of goods, access to employment, etc. A location at the south side of Saskatoon could have synergistic benefits with the connectivity of the Grasswood Study Area with other logistics networks such as the Global Transportation Hub, either by road or rail.

The degree of light industrial space planned/envisioned for the Grasswood Study Area should be viewed as an essential and beneficial component for the R.M. of Corman Park as well as the City of Saskatoon over the next 35 years. In particular, since demand is spread over a longer time frame and phased accordingly, impacts on other areas across the City and Region would be viewed as minimal.

In fact, the potential allocation of industrial land uses in the corridor between Martensville and Saskatoon could pose more of a competitive impact to the Grasswood Study Area than would the reverse.

It is however considered important in the context of the Region that the Grasswood Study Area become a focal point for creating an integrated mix of uses. The Grasswood Study Area and particularly that area along and near to Highway 11 represents a very strong node for light industrial uses that can be yet another pillar towards creating a south employment centre.

Over time, as the City, R.M. and Region grow towards a long term goal of 1 million residents, the need for strategically allocated nodes of employment will be essential for commuting, servicing and goods movement. Moreover, the Saskatoon Freeway and its future tie in with Highway 11 and the nature of the CN Main Line and Branch Line would further support the notion that a node in the south could be well positioned in the context of future regional growth.



EXECUTIVE SUMMARY

Although another employment node is being considered along Highway 16 south also in conjunction with the Saskatoon Freeway, this location is envisioned to have heavy industrial uses, which are not competitive to the light industrial uses recommended for the Grasswood Study Area. Moreover, traffic counts along Highway 11 in Grasswood are 15,000 AADT, while those at the Highway 16 location are less than 7,000 AADT.

For the same reasons as for retail and office, the future Saskatoon Freeway alignment is desired to be as close to Grasswood Road and as close to the boundary of the Grasswood Study Area as possible. Demand and land use allocations are thus subject to change, if the future Saskatoon Freeway alignment differs from assumptions made in this study.

Des Nedhe Development (English River First Nation) are well-positioned to work with developers in the short term and could be the catalyst for light industrial development, in much the same way that they could be for suburban office development.

HOTEL SUMMARY

There is currently a very limited inventory of hotels in the south areas of the City, with the exception of recent openings of two (2) hotels in the Stonebridge neighbourhood and two (2) potential hotels in and around the Stonebridge Centre retail development (Preston Ave and Cornish Road).

The reality of market-driven demand and the overall future planned development of the Grasswood Study Area however suggests that after the current proposed ten (10) hotels enter the Saskatoon market by 2018, the next available time horizon for an approximate 100 to 120-room hotel would most comfortably be 2025, which would be consistent with the potential timing of the Grasswood Study Area's Phase 2 and 3 program.

RESIDENTIAL SUMMARY

Although the overall residential market has shown signs of a slowdown, all signs from CMHC and other sources indicate that the market continues to exhibit overall strength.

In terms of single family residential, this particular segment is forecast to continue as a strong format and in its share of total development projects. Opportunities for the Grasswood Study Area and future single family housing will lie in the ability to provide formats and neighbourhoods that are compatible with the high value and large lot Greenbryre neighbourhood, but allowing for increasing densities as growth transitions further south and as servicing becomes available.

While future single family housing will be in demand, the formats that are expected to garner the most market share will be higher density, more compact lots.

SINGLE FAMILY

If the R.M., City, and other partners in the Region are looking to create a plan and strategy to prepare for a population of 1 million residents over the long term, then areas such as the Grasswood Study Area, which are immediately adjacent to the existing urban boundary should be viewed as having sufficient density and residential critical mass to ensure that the Region can accommodate future growth, without having to go further south where there are numerous acreages and where it is unlikely that these uses will change.

Demand and growth of single family units is projected to grow from 200 units by 2020 to 1,100 by 2030; 2,900 by 2040 and ultimately 5,000 by 2050.

The corresponding population growth in single family dwellings could equate to approximately 500 residents by 2020, growing to 2,650 by 2030; 6,700 by 2040 and potentially 11,350 by 2050.



EXECUTIVE SUMMARY

As with any residential development of this scale, servicing requirements will drive the timing of the project and thus collaboration between the City of Saskatoon, R.M. of Corman Park and potential developers will be critical to setting the stage for single family development.

Further detailed residential zoning will likely be required in time so that residential formats and densities can be evaluated for their compatibility and serviceability, but the envisioned densities for the Grasswood Study Area are intended to allow for neighbourhood growth, similar to that which has taken place in the City of Saskatoon. If the regional growth plan is truly to look towards accommodating a population of 1 million people, then the Grasswood Study Area must be viewed in this way.

While a level of density at six to eight (6 to 8) upa may not be the target for the Grasswood Study Area in the early years, future single family residential components will nonetheless need to graduate up to higher levels of single family density six to eight (6 to 8) units per acre.

As major communities come on stream in the next few years, competition for single family housing is expected to be strong, thereby suggesting that the Grasswood Study Area's single family residential growth will largely ramp up after 2030.

The Grasswood Study Area is well-positioned to garner a conservative, yet fair share of future demand sufficient to warrant feasible support for single family development in the magnitude of 5,000 units by 2050 (in the range of 7 units per acre), accommodating almost 11,350 new residents.

This magnitude of growth is comparable to the growth that has occurred in nearby Stonebridge and is considered to be a necessary magnitude of growth over the next 35 years in the Grasswood Study Area to fulfill the regional vision for a population of 1 million people, particularly given the location and adjacency to the City's existing boundary and its context in the Planning District.

The phasing timeline for development of new single family formats is furthermore strategically timed to provide the requisite demand and support for the identified retail program in the Grasswood Study Area as well as for the potential office and light industrial development program.

MULTI-FAMILY

Realizing the growth dynamics of other developing communities in the City such as Brighton and Kensington as well as downtown, the Grasswood Study Area is not likely to be a prime target for multi-family demand, particularly condominium and rental housing in the near to mid term. Rather, Saskatoon's downtown should be the benefactor and focal point over the next 35 years for intensification and densification of multi-family residential, which will in turn provide a stronger platform of support for downtown shops, services, food & beverage and entertainment functions.

As a result, the ideal target market shares for the Grasswood Study Area reflect a very conservative and realistic outlook whereby a 1.0% market share of future multi-family demand could support approximately 760 units by 2050.

The City's *Growing Forward* project will be the key driver for multi-family density within the existing City boundaries, by increasing density at strategic nodes and along strategic corridors.

Under the phasing time horizons in this study, multi-family could be introduced by the end of 2020 (or sooner as potentially could be the case with Greenbryre's Phase 3 application for townhouses, although this is still under review and subject to approval of text amendments to the Planning District Bylaws).

Similarly, the Silver Sky area west of the Grasswood Study Area, is also proposing multi-family. The level of densities at Silver Sky are envisioned to be higher than in Greenbryre and the Grasswood Study Area, so the level of competitiveness is not as significant, both in timing and format.



EXECUTIVE SUMMARY

By 2030, there could be, cumulative demand for almost 250 multi-family units, growing to 460 units by 2040 and a preliminary target of 760 by 2050.

In terms of multi-family residential, this particular segment is forecast to increase in popularity and in its share of total development projects. Driven by house pricing as well as the affordability for new City residents, multi-family formats such as row homes, townhouses, condominiums and rental apartments will become increasingly more sought after across the City, but increasingly so closer into the City and around the University. As major communities come on stream in the next few years, competition for multi-family housing is expected to be strong.

Most of the higher density multi-family growth should be focused within the City's existing urban areas, particularly in the downtown where future intensification and densification of lands has the potential to provide a significant residential population base that will stimulate demand and support for existing as well as new retail, culture and entertainment in the downtown area.

This level of density will ensure that the downtown is in a strong competitive position as it relates to new retail elsewhere in the City and in the Grasswood Study Area, though the type of retail in the downtown would likely be different in its mix and format than found in other suburban nodes.

The Grasswood Study Area is well-positioned to garner a conservative fair share of future demand sufficient to warrant feasible support for multi-family development, though the target/optimal formats and densities are expected to transition from single family to townhouses, row housing, duplexes and gated adult-oriented communities.

The ideal time horizons for development of new multi-family formats are identified as 2025 to 2050, which would bode well for providing additional market support for the identified retail program in the Grasswood Study Area as well as for the potential office and light industrial programs.

There may be opportunities to revisit the optimal market shares over time, as the market and consumer preferences change, but it is believed that single family housing will be the driving force for the Grasswood Study Area, supplemented by medium density multi-family formats.

LAND USE ALLOCATION

The final stages of the Grasswood Mixed-Use Node Market Impact Study provide a logical sequencing/phasing of the respective land uses to best harness the area's existing developments and other site attributes as well as limitations realizing the inherent challenges that issues such as servicing could provide for development.

The Grasswood Mixed-Use Node Market Impact Study recommends a phasing of land uses with the goal of creating a clustered, mix of compatible land uses culminating in a buildout over the next 35 years and beyond.

- Phase 1 - up to 2020
- Phase 2 - 2020 to 2030
- Phase 3 - 2030 to 2040
- Phase 4 - 2040 to 2050

Phasing is also heavily contingent on several unknown/unconfirmed factors.

These include but are not limited to the proposed Saskatoon Freeway alignment and the subsequent location of the proposed overpass/interchange and the potential for further access/egress improvements to the Highway 11 flyover from Stonebridge to the Grasswood Study Area. This flyover has been designed to accommodate consideration for providing access east of Highway 11 in the future. However, any such improvements beyond that already designed by the City, such as additional on/off ramps would be undertaken at the cost of R.M. of Corman Park and/or Developers. Other significant considerations include regional servicing, construction costs as well as the unpredictability of regional, provincial and national economies.



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The most pressing issue of all of the latter is the location/alignment of the proposed Saskatoon Freeway, which could dramatically alter the locations of commercial and industrial activity, since many of these uses gravitate to major highway interchanges. As an example, this study is cognizant of current land use plans that show a larger area of commercial at the current Grasswood Road location. This is referred to in the R.M. as the Zmanix lands. The land use allocation in this study illustrates a departure in the amount and location of commercial land, which is due to the potential location of the Highway 11 and Saskatoon Freeway interchange and the likelihood that development will want to cluster closer to this interchange. It doesn't preclude commercial happening on the Zmanix lands, but rather the focus on the Zmanix lands would shift to residential in the bigger picture with some commercial that could complement the larger commercial node..

The land use phasing strategy presented in this study assumes an alignment of the Saskatoon Freeway that is as close to Grasswood Road as possible. The overall phasing strategy for the Grasswood Study Area is also premised on the following considerations:

- Establishing a south employment area for the City, R.M. and Region,
- Creating a compatible mix of commercial and light industrial uses in business park formats connected and buffering adjacent residential areas by a network of passive and recreational green spaces;
- Promoting single family residential development at slightly higher densities emanating from Greenbryre and largely occupying the eastern side of the study area;
- Creating a framework for introducing medium density multi-family formats such as townhomes connected seamlessly and harmoniously with single family development through parks, pathways and trails.

- Costs associated with developing and maintaining any parks, pathways and trails.

The Grasswood Study Area is showing market and population driven demand for approximately 1,752 gross acres by 2050. Conversely, the areas shown in **Figure 1** reveal a total area of 2,153 gross acres that could be developed respecting current property boundaries and quarter sections and excluding "Future Lands beyond 2050".

Therefore, on the basis of the overall demand and land use allocation, by 2050 there is still more land than forecasted demand would require. This means that the full buildout for the Grasswood Study Area, based on supportable market demand, would be beyond the next 35 years.

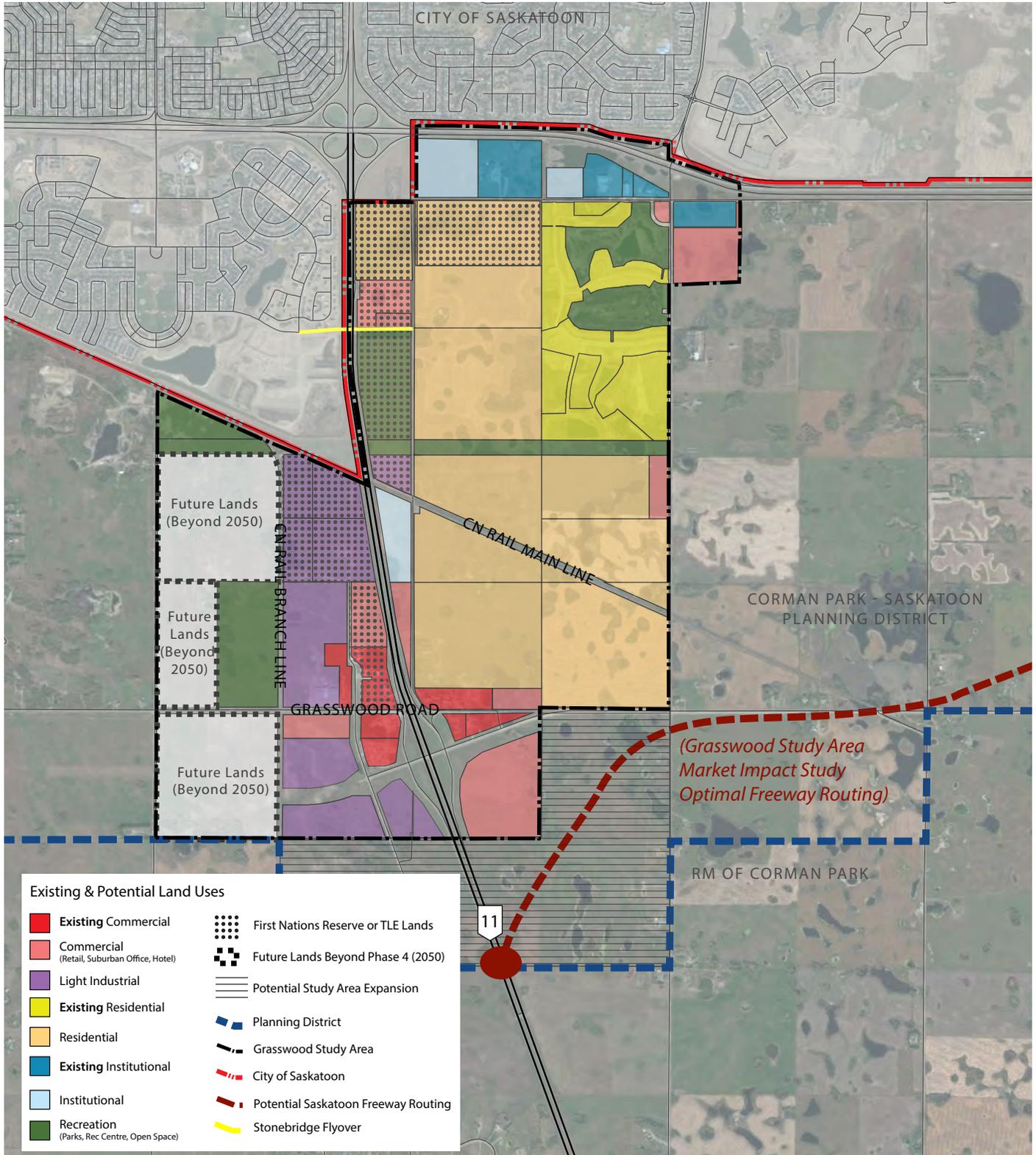
In some respects and for some specific land use categories (Residential, Commercial and Light Industrial) the market shares applied to future demand would need to be more aggressive in order to fully reach buildout by 2050. While a possibility, it could create undesirable impacts in the Region. On this basis, it is recommended and reasonable in the context of the local area and wider region, for the Grasswood Study Area to look to beyond 2050 as its benchmark for buildout.

An important component is the land on the western boundary of the Grasswood Study Area shown as "Future Lands Beyond 2050".

Since a goal of these lands would be to ensure ultimate compatibility of land uses, the future allocation provides flexibility to review demand dynamics for all the land uses in time and appropriately determine their viability and applicability. If the Saskatoon Freeway alignment takes place in the location shown or even pushed south, the area identified as "Potential Study Area Expansion" could be a more appropriate area for future Commercial or Light Industrial land uses, while the western edge of the existing Grasswood Study Area could be residential.

EXECUTIVE SUMMARY

FIGURE 1: GRASSWOOD STUDY AREA - LAND USE SUMMARY (TO 2050 and beyond)





EXECUTIVE SUMMARY

POLICY CONSIDERATIONS

RESIDENTIAL

The residential market analysis provides that lower density single family homes will be in higher demand than multi-family housing in the suburban context. Therefore the regulations as written provide satisfactory standards for anticipated residential growth, but may require a designation for density in the range of six to eight (6 to 8) upa.

Towards the end of the phasing horizon, should servicing be available and demand be met in the form of higher density multi-family housing types, a future consideration could be to establish regulations that would allow for such densities, though it is not considered a priority for the Grasswood Study Area in the near term.

In order to achieve the economics of development, future incremental increases in single family densities should be considered from current levels today, which are in the range of two (2) units per acre. Future densities as Residential could increase to six to eight (6 to 8) units per acre. Over time, densities should be revisited in conjunction with the phasing horizons and as the market shifts in terms of demographics, economics and overall demand.

A combination of minimum separation distances and landscaping treatments for future non-residential uses from country residential areas should be in place to minimize any negative impacts between the land uses.

Although the Grasswood Study Area is referred to as a "Mixed-Use Node", the reality is that the area is not conducive to any large scale or traditional mixed-use, which connotes a higher density vertical urban form. This type of development would be challenging in a suburban location such the Grasswood Study Area, but it is nonetheless worth considering having a potential mixed-use zoning designation in place as a proactive stance to potential developments over the longer term.

Though it is not recommended that a specific mixed-use land use be allocated.

This zoning could allow for the integration of either residential above retail, office above retail or office and residential above retail. This could perhaps take cues from the City of Saskatoon's MX-1 Zoning Designation, although even this form of development can be difficult in an urban setting, let alone in a suburban context like the Grasswood Study Area.

COMMERCIAL

As the Grasswood Study Area develops, and more importantly as the City and Region grow, pressures will be felt to accommodate larger retailers who will be seeking out sites with the traffic counts and regional accessibility provided by the future Saskatoon Freeway, not to mention the visibility already offered along the Highway 11 corridor.

The Planning District should consider eliminating the maximum retail store size regulation in the Grasswood Study Area and consider a requirement that any development project with a total Gross Leasable Area (GLA) exceeding 50,000 sf regardless of whether it is one tenant or multiple tenants, undertake a Retail Impact Assessment.

Any project of this size, up to 50,000 sf is likely to have a small localized trade area and is typically developed in association with a new developing community and thus a new local trade area. Therefore its impact is considered minimal and should not be subject to an impact assessment nor size limitation.

Individual or cumulative retail buildings representing 50,000 sf of GLA or more of a full retail development proposal should require a Retail Impact Assessment, provided by the developer prior to each phase, to ensure the development does not have a major detrimental impact on the trade of existing or committed retail centres and the surrounding area.



EXECUTIVE SUMMARY

Multiple developments less than 50,000 sf that are considered part of a singular master commercial development, should be limited to the first 35,000 sf without a Retail Impact Assessment, after which point a Retail Impact Assessment will be required even if less than 50,000 sf.

Additionally, any development with a total GLA larger than 100,000 sf comprising multiple tenants should present a phasing strategy as part of its Retail Impact Assessment.

A Retail Impact Assessment should be required to look at the market shares for each merchandise category type over a minimum five (5) years as quantified and measured against the forecasted retail sales growth over that same time frame.

A Retail Impact Assessment varies among store types and any impacts would need to show how long it would take competing comparable retailers in a core or primary trading area to recover the lost sales that a new retailer would potentially garner. This would be measured by sales transference.

The challenge of a Retail Impact Assessment however is that there is no set rule for how long a particular retailer can absorb sales transference. Some retailers are better equipped to respond and adapt, while others less so. Also, the majority of retail stores have multiple categories of retail merchandise, varying store sizes and certain retailers have larger trade areas than others.

Any Retail Impact Assessment could therefore be required initially to look at the overall project size and its required market share to justify the overall development or the respective phase being proposed. In so doing the Retail Impact Assessment would examine the current market dynamics as far as existing projects and their respective retail mix, as well as other proposed or approved projects.

Economics aside, to which developers are very cognizant, the market will almost always be in a check-and-balance situation. The Planning District does not need a restrictive size Bylaw to manage impacts, when it can utilize a Retail Impact Assessment Study to achieve a more effective quantification of impacts.

English River First Nation with its Reserve status is not subject to any District Bylaws that would require adherence to the Planning District's 35,000 sf store size Bylaw.

English River could attract a large format tenant, dependent on meeting the servicing requirements for such a development.

In the event English River attracted a significant retail development, such a move could render the Planning District's Zoning Bylaw redundant in the Grasswood Study Area. More critically, it could create a pattern of land use that might not be in the best interest of long term planning in the Grasswood Study Area.

If the objective of the Bylaw is to ensure minimal impacts on retail in the City, then the mere fact that English River, or even Cowessess if they transferred their lands to Reserve status, could add large retail formats the impacts can't be managed.

If however, the Bylaw is amended per the considerations in this document, then a more cohesive pattern of development could be allocated in a location more appropriate for and less impactful on the long term future growth of the region, rather than in a potentially scattered pattern.

The reality of the Saskatoon Freeway and Highway 11 suggests the Grasswood Study Area should have a Regional Retail node to protect and attract retail to the City; retail that would otherwise locate in less restrictive jurisdictions, namely the City of Regina.



EXECUTIVE SUMMARY

The Grasswood Study Area and in particular the location as shown in the Land Use Plan represents a location that could fit well with a tenants' regional or provincial growth strategy requiring trade area population support at not only a community scale, but a wider region, as evidenced in markets like Edmonton and Calgary where major new periphery highways have stimulated regional retail growth opportunities at major interchange locations.

INDUSTRIAL DISTRICTS

The areas in the Grasswood Study Area Land Use Plans designated for future "business" (Urban Commercial, Urban Light Industrial) are intended to represent less intensive development so that they are more compatible with adjacent or nearby residential uses.

The language and standards of the industrial zoning districts are satisfactory and complementary to the land use and phasing recommendations in this study.

Any future light industrial uses should be buffered from adjacent residential neighbourhoods by extensive setbacks as well as landscaping, berming, and other visual and sound barriers.

Light Industrial uses should be phased and not allowed to be scattered throughout the Grasswood Study Area.

Consideration could be given to including additional industrial zoning to cover agri-business industrial land uses.

Consideration could be given to creating a zoning similar to the City of Saskatoon's IB Zoning as an Industrial Business District, which "is to facilitate business and light industrial activities that are seeking a high quality, comprehensively planned environment"

This could be a very compatible zone for the western interface of the Grasswood Study Area.

FIRST NATIONS

The following represents considerations for ongoing dialogue and communication with First Nations rights-holders in the Grasswood Study Area. Given the Reserve status of English River and the potential for Cowessess to consider Reserve status for their lands, policy directions would be well-served by continuing the ongoing engagement of the First Nations as it relates to long term planning, including land uses, transportation and servicing.

The Planning District should continue to work with Cowessess and English River First Nations to explore further infrastructure development plans and partnerships for the Grasswood Study Area.

The Planning District should continue to advise and engage the Cowessess and English River First Nations Leadership and Administration of relevant planning initiatives pertinent to the Grasswood Study Area.

The Planning District should ensure that information regarding the Grasswood Market Impact Study, Saskatoon North Partnership for Growth (P4G), City of Saskatoon's "Growth Plan to Half a Million", and other relevant planning initiatives be shared with Cowessess and English River First Nations as deemed appropriate.



INTRODUCTION

REPORT STRUCTURE

In accordance with the Terms of Reference, this Executive Summary Report is presented in the following sections:

Section 1 - Location Context:

Assesses and documents the study area's context, guiding documents and influential developments.

Section 2- Retail Market & Demand:

Assesses and documents the local and regional retail inventory as well as potential future competitive nodes. Provides market share sensitivities and recommendations for the appropriate and optimal retail floorspace demand and land use requirements, as well as potential compatible development formats for future zoning.

Section 3 - Suburban Office Market & Demand

Assesses and documents the suburban office market inventory and performance metrics. Provides market share sensitivities and recommendations for the appropriate and optimal suburban office floorspace demand and land use requirements.

Section 4 - Light Industrial Market & Demand:

Assesses and documents the light industrial market inventory and performance metrics. Provides market share sensitivities and recommendations for the appropriate and optimal light industrial floorspace demand and land use requirements, as well as potential compatible/preferred development formats for future zoning.

Section 5 - Hotel Market & Demand:

Assesses and documents the Saskatoon hotel market inventory and performance metrics. Provides market share sensitivities and recommendations for the appropriate and optimal hotel demand and land use requirements.

Section 6 - Residential Market & Demand:

Assesses and documents the single and multi-family residential market performance of the Census Metropolitan Area (CMA). Provides market share sensitivities and recommendations for the appropriate amount of single and multi-family residential demand and land use requirements by utilizing demographics and density assumptions.

Section 7- Land Use Allocation & Phasing:

Provides a visual and tabular summary of the Grasswood Study Area's optimal land uses and land requirements, based on forecasted demand as well as the potential development formats as allocated over four (4) phasing horizons leading to 2050.

Section 8 - Policy Considerations:

Provides a series of recommendations and considerations to help guide and shape land uses over time in the Grasswood Study Area respecting challenges, opportunities, impacts, adjacent land uses, current stakeholder interests and overall best planning practices.

1 LOCATION CONTEXT

1.1 REGIONAL CONTEXT

The Grasswood Study Area is approximately 2,880 acres (1,165 hectare) situated in the R.M. of Corman Park, adjacent to the South Eastern municipal boundary of the City of Saskatoon.

The Grasswood Study Area currently represents a key southern node for future growth in the Region, City and R.M. as shown in **Figure 1.1**.

Saskatoon is located in the central area of the Province along Highway 16 between Edmonton and Winnipeg. It is the 17th largest CMA in Canada.

The Grasswood Study Area has the potential to tap into a regional population in the range of 450,000 that reside in the province, for whom Saskatoon is the major service centre. The City is located approximately 260 kilometres north of Regina and two and a half hours in terms of drive time. Prince Albert, a city of just over 35,000 in population is the next closest city to Saskatoon, 140 kilometres to the northeast, or an approximate one and a half hour drive.

Due to its location, Saskatoon acts as an integral regional commercial city, attracting companies to locate their regional and head offices. It serves many surrounding communities in terms of retail and accommodation, as well as health and education services. Its strategic location along Highways 11 and 16 allows Saskatoon to be a central hub for transportation, as well as the movement and distribution of goods between Western Canada, Eastern Canada and the northern United States.

The Grasswood Study Area is strategically located on Highway 11, the key transportation corridor between the cities of Saskatoon and Regina. The Grasswood Study Area is connected to the Canadian National railroad east-west mainline corridor and a collector north-south rail corridor. The area will soon be served by the proposed Saskatoon Freeway, which will circumnavigate the City of Saskatoon and connect Highway 11 to Highway 16, further connecting the north and south areas of the City's periphery and wider region. The ongoing public process for the Saskatoon Freeway is being led by the Ministry of Highways and Infrastructure.

1.2 LOCAL SITE CONTEXT

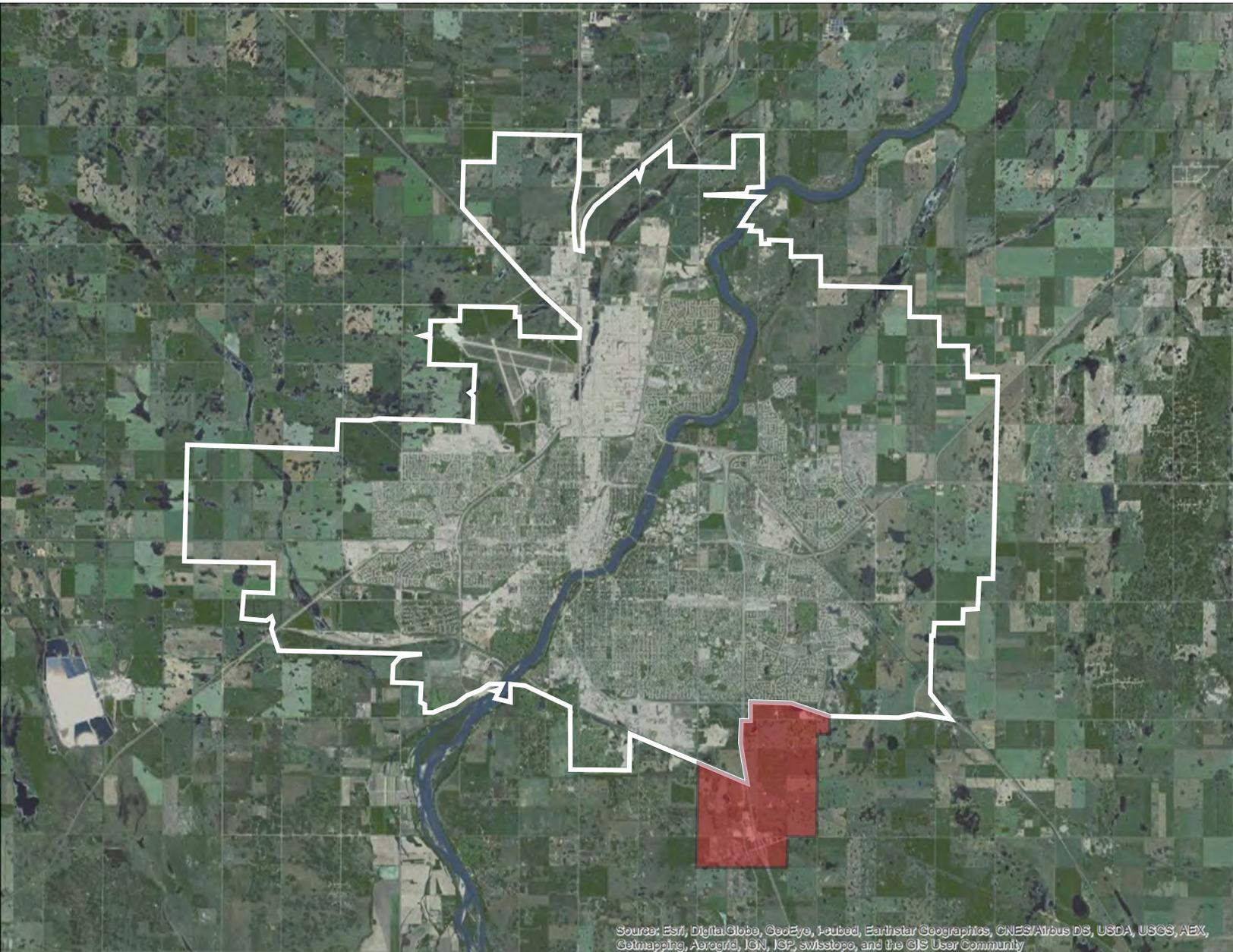
Overall, the Grasswood Study Area represents a strong geographic location for a mix of commercial, industrial, institutional and residential land uses.

Not only is the Grasswood Study Area near rapidly growing and established residential areas, but it is ideally positioned at the nexus of future major growth to the south and at one of the major highway interchanges that connects Saskatoon to Regina and even Winnipeg, thus enabling ease and access for regional users.

1.3 POPULATION SUMMARY

Saskatoon is a medium-sized city with approximately 255,000 residents as of 2014 (City of Saskatoon). Population has steadily risen since 2001 when the City was just over 193,000 residents. From 2006 to 2011, the City of Saskatoon experienced rapid growth, averaging a growth rate around 2.5% per annum.

Figure 1.1
GRASSWOOD STUDY AREA REGIONAL LOCATION



Source: Esri, DigitalGlobe, GeoEye, IGN, GeoEye, Leica, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

1

Growth forecasts for the next five-years are forecast to continue at an estimated rate of 2.5% per annum. The City's longer term "Growing Forward" project is looking at accommodating a total population of 500,000 within the existing City limits.

The Saskatoon North Partnership for Growth (P4G) partnering municipalities comprising the City of Saskatoon, R.M. of Corman Park, Cities of Martensville and Warman and Town of Osler agreed that they needed to develop and adopt a long term view and plan for land use and servicing that is regional in scope for a Regional population of 1 million people.

In order to establish a framework for quantifying the commercial and industrial demand for the Grasswood Study Area, it is useful to delineate and quantify the Census Metropolitan Area (CMA) from which residents and employees will be sourced.

For the purposes of this study, the "Future Saskatoon Census Metropolitan Area Population Estimates" documentation has been used as recognized by the City of Saskatoon and R.M. of Corman Park and which is being used by P4G.

The purpose of using CMA population estimates is that it allows for projections over the long term, to 2050.

The CMA area includes communities such as Martensville, Warman and Osler as well as the R.M. of Corman Park and City of Saskatoon.

The intent of these projections is to provide a rough estimate of when the CMA will reach population planning thresholds of 300,000, 400,000 and 500,000.

The data contained in these projections is also being used in the concurrent P4G Regional Plan and therefore for consistency of data inputs the Cushing Terrell methodology utilizes these forecasts.

Below are the range of growth scenarios prepared by the City of Saskatoon.

Grouping	Rates of Growth	
City & Rural	Low	City 2.0% / Rural 3.0%
City & Rural	Medium	City 2.5% / Rural 3.5%
City & Rural	High	City 3.0% / Rural 4.0%
CMA	Low	CMA 2.5%
CMA	Medium	CMA 3.0%
CMA	High	CMA 3.5%

Although there were a variety of population scenarios prepared, population growth forecasts (which have a baseline starting population from 2013 Statistics Canada) have the CMA growing at an average annual rate of 2.5% per annum, which was considered as the low scenario for the CMA. The low scenario utilized in this study will allow for pragmatic forecasts and can better be adjusted and monitored over time if and as population milestones are met or exceeded.

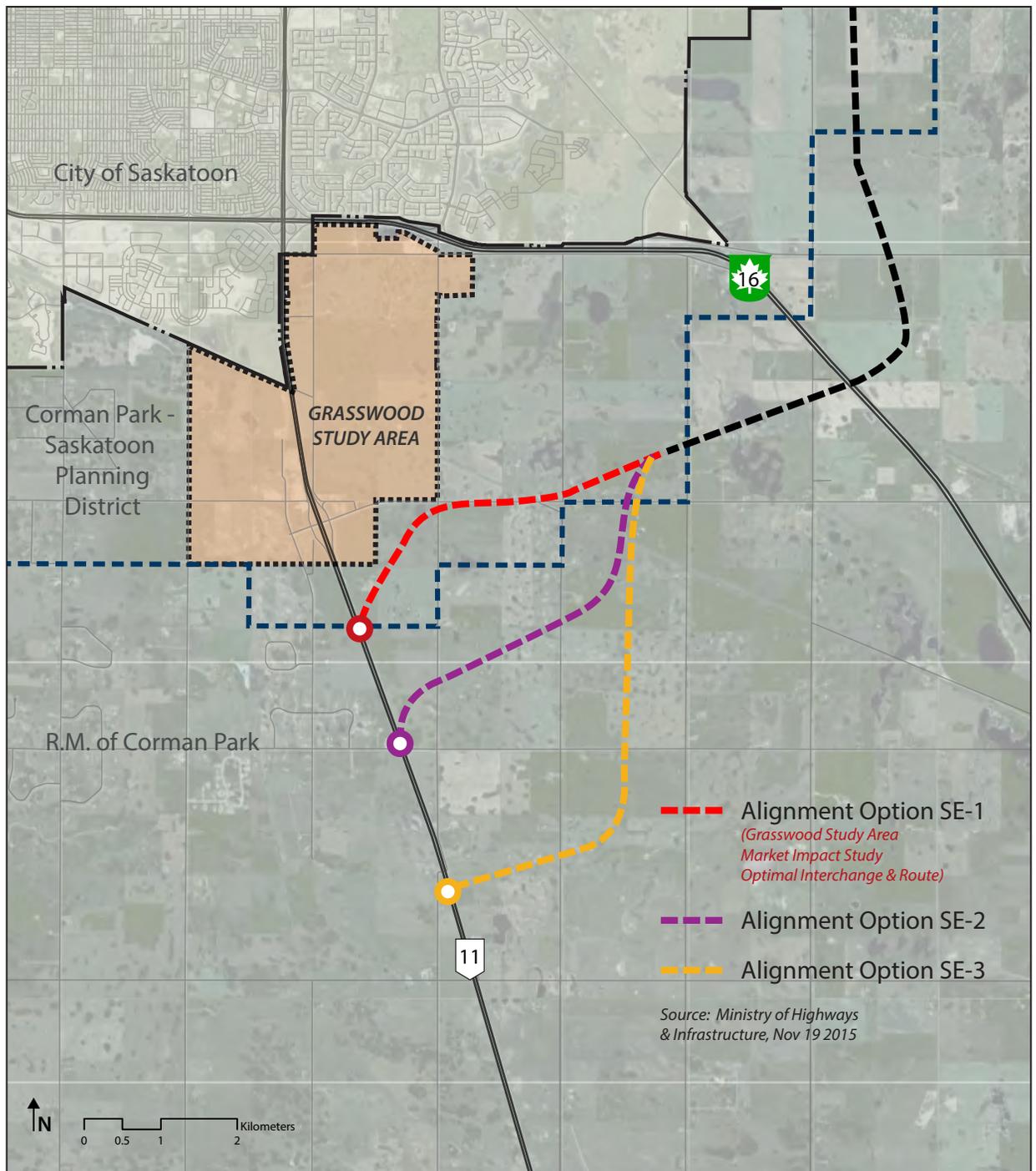
Under the CMA 2.5% scenario, the CMA could reach a population of 500,000 by 2035.

1.4 SASKATOON FREEWAY

Figure 1.2 illustrates a number of potential alternatives currently under review for the planned Saskatoon Freeway alignment, which is a Provincially led initiative. Where this alignment interfaces with the Grasswood Study Area becomes imperative as traffic, access and visibility will increase at the intersection of the Saskatoon Freeway and Highway 11.

¹ Conference Board of Canada, Provincial Outlook Economic Forecast Winter 2015

Figure 1.2
SASKATOON FREEWAY ALIGNMENT - PROPOSED ALTERNATIVES
 (Route alignments and interchanges are under review and subject to change)



1

This location will be a preferred site for a range of large format regional commercial and industrial users for whom visibility, regional access and high traffic volume are essential.

Any alignment that would shift the potential interchange further south could have the undesired impact of shifting targeted land uses out of the Grasswood Study Area. Not only could this have a negative impact on existing land owners (e.g. English River First Nation), but the servicing implications resulting from speculative development could also be costly, particularly for the R.M., if leapfrog development patterns are allowed to occur.

For the purposes of this study the preferred scenario (which is the preferred scenario of the Consulting Team) is the alternative located just south of the intersection of Grasswood Road and Highway 11 but still within the Corman Park - Saskatoon Planning District, shown as the red dashed line on **Figure 1.2**.

1.5 EXISTING LAND USE POLICIES

Official Community Plan

The consolidated Corman Park – Saskatoon Planning District Official Community Plan (OCP) provides the general framework for implementation of planning policy within the Planning District’s boundaries. The OCP identifies all future growth on the Future Land Use Map. The map designates future land use districts within the Grasswood Study Area. The most notable is the 660 acre Future Commercial Area that surrounds the Highway 11 and Grasswood Road interchange.

Notable policies include:

- Large scale retail establishments comprising over 35,000 sf of floor space on a single site are prohibited.
- Development shall locate in planned nodes at or near key intersections of provincial highways.
- Development shall be directed to locations where existing roads and infrastructure are sufficient to support the development, where minimal road upgrading would be required, and where development costs to Corman Park are minimized.
- Developments shall be located in a manner which minimizes road construction and maintenance.

The current permitted zoning is either Arterial Commercial or Rural Convenience Commercial, although this study will look at refining these designated land uses with terminology more compatible with the envisioned positioning of the Grasswood Study Area.

Arterial Commercial is intended for medium and large scale commercial activities that “*provide goods and services not customarily associated with urban commercial developments to the travelling public*” (OCP Page 28).

Rural Convenience Commercial includes smaller scale convenience commercial activities that serve a rural residential population and “*provide for the basic convenience needs of a local rural population to minimize automobile dependence*” (OCP Page 28). Current policy indicates any change to the OCP Future Land Use Map or other policies requires a concept plan.

Zoning Bylaw

The Corman Park – Saskatoon Planning District Zoning Bylaw provides land use regulations and design standards for development within the Planning District. There are five zoning districts within the Grasswood Study Area:

- D-Agricultural 1 (DAG1)
- D-Country Residential 1 (DCR1)
- D-Country Residential 5 (DCR5)
- D-Recreational 1 (DREC1)
- D-Arterial Commercial 1 (DC1)

Of particular influence is that large scale retail establishments comprising over 35,000 sf of floor space on a single site are prohibited under the current Zoning Bylaw.

Commercially-zoned lands are located primarily at the very strategic intersection of Highway 11 and Grasswood Road. The English River First Nation Reserve accommodates many of the existing commercial uses and has plans for accommodating future growth as part of their Grasswood Junction Master Plan.

P4G

P4G is a collaboration between the Cities of Martensville, Warman, Saskatoon, the R.M. of Corman Park and the Town of Osler. The Saskatoon North Partnership for Growth (P4G) Regional Plan *“will establish a coordinated approach to matters related to the physical, social, or economic circumstances of the Saskatoon Region that may affect the development of the Region as a whole”*. The P4G regional planning process, is ongoing and scheduled to be complete by June 2016.

1.6

FIRST NATION RIGHTS HOLDER ENGAGEMENT

Cowessess First Nation

In May, July, August and September of 2015, Consulting Team members held discussions with Cowessess First Nation with respect to the findings of the Market Impact Study and land use directions as they relate to Cowessess Lands.

Current Chief & Council have expressed a desire to see commercial development on the Cowessess Treaty Land Entitlement (TLE) property in the Grasswood Study Area. Under the TLE, lands are subject to the District Bylaws until such time as their land is designated as Reserve status.

Cowessess are looking at developing 5 acres for their own commercial development, of the 139 they currently own. Though the timing of development may not be in the immediate near term, Cowessess nonetheless is interested in a portion of their land being zoned as commercial.

As with other development projects in the Grasswood Study Area, infrastructure in the area is important. As such, Cowessess is considering investment in services which could tie-in with City of Saskatoon if possible. Improvements to the existing service road are desired to connect with the new Stonebridge flyover, which is primarily designed for movement of traffic to/ from the east in the future, but could provide opportunities for commercial development on Cowessess lands.

1

English River First Nation

In May, August and September of 2015, Consulting Team members held discussions with English River First Nations and representatives for their Development entity; Des Nedhe Development. The purpose of these discussions was to hear about their future development plans as well as to inform them of the process and findings of the Market Impact Study and land use directions as they relate to English River Lands.

Des Nedhe Development is the development corporation for the English River First Nation and continues to work at developing English River land in the Grasswood Study Area. This particular project is called Grasswood Junction. The Reserve property for English River was assembled over the last decade comprising 134 acres, of which 20 is developed and 114 is undeveloped, with the sole intent to stimulate economic and business development.

Accordingly, the property is being developed with a long term view and vision as shown in the Grasswood Junction Master Plan (refer to inset in **Figure 1.8**).

There is approximately 82,000 sf of building space currently at Grasswood Junction. The project features a small component of retail, office space and some light industrial space, and is fully leased out. There is interest in developing additional retail, food, office space, light industrial, and hotels.

English River has had high level discussions with the regarding improvements at Highway 11 to English River Lands. It is recommended that English River be actively involved in the Saskatoon Freeway discussions with the Ministry of Highways & Infrastructure which is Provincial Infrastructure regarding future possible connections to the English River Reserve lands dependent upon the final alignment of the Saskatoon Freeway at Highway 11.

Development of utility services for the area for water and sewer is important to further growth for English River and other property owners in the Grasswood Study Area.

Therefore, English River is interested in further water and sewer utility service development or tie-ins. English River recently began an engineering study to identify in more detail the servicing needs to meet their future plans, particularly for waste water.

Figure 1.3
COWESSESS FIRST NATION TLE



2 RETAIL MARKET & DEMAND

2.1 RETAIL OVERVIEW

The dynamics of the overall retail market as well as the sub market within which the Grasswood Study Area is located provides critical indicators as to the performance of the retail sector and moreover the magnitude of future demand.

The retail inventory reflects current and proposed retail centres/nodes, such that the Grasswood Study Area could be positioned and phased relative to competitive influences today and in the future. Ultimately, each new retail development would need to be tested to ensure feasibility and impacts are reasonable. **Figure 2.1** provides a visual context of the existing major retail nodes.

The competitive influences of major retail nodes across the City must be considered to understand how the retail sector functions and its implications on the timing and development staging for the Grasswood Study Area.

Saskatoon's growing population has accelerated the pace of new residential subdivisions which has resulted in significant development of retail space in the suburban market. In fact, strong population growth and a diverse economy continue to fuel the City's retail market as interest from retailers gains momentum. In the early months of 2015 vacancy increased 3.3%, while upwards of 156,000 sf were absorbed as of year end 2014; this trend continued in the early months of 2015, whereby retail year-to-date absorption (as of Q1 2015) was estimated to be 143,750 sf².

Since 2001, the City's retail inventory has grown from an estimated 8.8 million sf to 11 million in 2015. During this same time, the City has not had a vacancy higher than 4.1% despite this increase of over 2.2 million sf of retail space.

Moreover, the population during this same time frame 2001 to 2015 grew by approximately 57,000 (204,400 to 261,290). These variables paint a picture of a very strong, resilient and healthy retail market.

The City of Saskatoon's total retail inventory currently sits at approximately 11 million sf equating to an estimated 42 sf of total retail space per capita (based on a City population estimate of 260,000). This figure is consistent with most urban markets, particularly those that attract a wider regional market whereby data from the International Council of Shopping Centers reveals this range to fall in the 40 to 50 sf per capita range or even as high as 60 sf. Historically, according to data from Colliers International, the City of Saskatoon has hovered around the 45 to 50 sf per capita range.

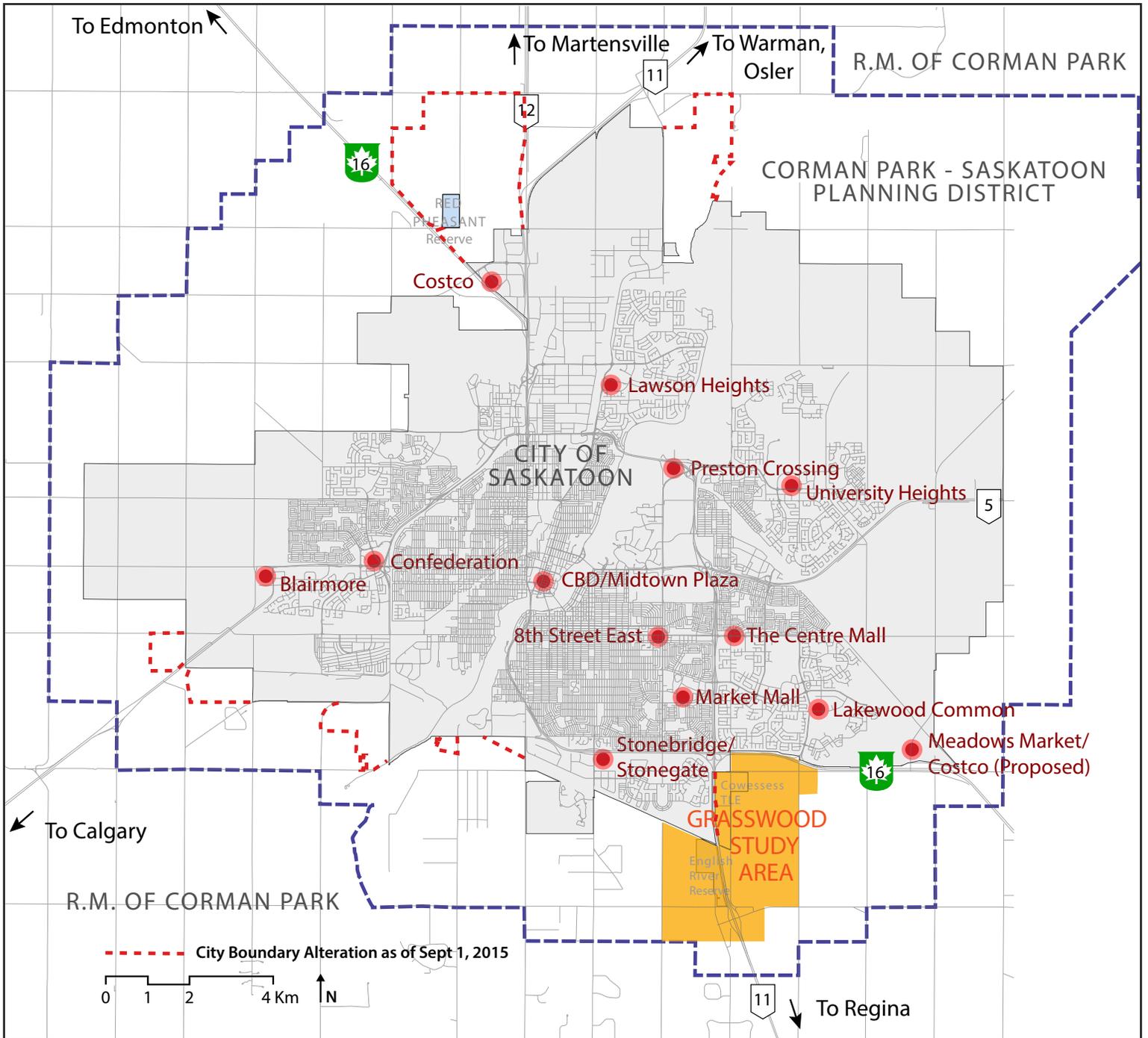
Saskatoon's Retail Sector is very resilient and healthy in terms of inventory, vacancy and lease rates. It is consistently reported by the retail brokerage community (Colliers, ICR Commercial Real Estate) that retailers are looking for high quality newer spaces that are increasingly becoming harder to find as a result of a shortage of supply and resulting high lease rates, combined with obsolete spaces. Any new retail space is typically leased before the end product is built. Conversely, current vacancies in the market are most often found in older, under performing or obsolete retail space.

The latter trend is not isolated to any one particular class of retail (i.e. Neighbourhood, Community, Power Centre, Regional Enclosed), but rather is found across all formats. According to both ICR and Colliers, retail vacancy in the City of Saskatoon is in the range of 3.0%, suggesting pent up demand whereby a healthy and balanced retail market may have a vacancy in the range of 4% - 6%.

² Source: ICR Saskatoon Spring 2015 Retail Survey

2

Figure 2.1
GRASSWOOD STUDY AREA AND OTHER MAJOR RETAIL COMMERCIAL DEVELOPMENTS



2.2

CMA RETAIL DEMAND

With an understanding of the current market supply in place, the next step of the analysis is to quantify and forecast the future retail demand in terms of floorspace and land requirements and the appropriate/reasonable timing of such demand to ensure that the local and overall market is not impacted by development in the Grasswood Study Area.

For the purposes of forecasting the retail demand, this study utilized the following data inputs, which are all applied using the CMA as the defined market ⁴:

1. **Employment** - which is a forecast based methodology to 2020 that applies a typical floorspace ratio per employee to forecasted employment growth in retail related categories.
2. **Historic Absorption** - which is a fact-based method that uses the past 6 years of available data as an input for forecasting to 2020.
3. **Space Per Capita Ratio** - which is a fact-based method that measures the current retail inventory as applied against the population base. Using this figure and applying to forecasted population growth allows for estimates of demand to be forecast to 2050.

To account for the fact that almost all new space will be in some form of modern organized shopping format, a figure of 30 sf per capita was used, since the figure of 42 sf for the City includes ALL retail such as older streetfront and obsolete retail.

The final step is to then allocate the forecasted demand into potential retail development formats/zoning that can then be sensitized by site utilization ratios to determine the amount of land required over time.

For the purposes of the Grasswood Study Area, the timeline for the demand forecasts corresponds with four (4) phases as follows:

- Phase 1 - up to 2020
- Phase 2 - 2021 to 2030
- Phase 3 - 2031 to 2040
- Phase 4 - 2041 to 2050

2.3

GRASSWOOD RETAIL FLOORSPACE DEMAND

Referring to **Table 2.1**, cumulative annual retail demand for the CMA (which includes Martensville, Warman and Osler) is forecast to grow from 283,000 sf in 2016 to over 1.0 million by 2020, eventually surpassing 3.0 million by 2025 and ultimately 13 million sf by 2050. Demand forecast is based on population growth in the CMA growing at 2.5% from 315,000 residents in 2016 to 347,000 by 2020; 393,000 by 2025 and ultimately 730,000 by 2050.

Therefore, as much as demand forecasts can be developer and tenant driven, they also have a direct and necessary correlation to population growth, which ultimately will allow for future growth to be managed based on whether population growth rates are not met, met or exceeded.

The Grasswood Study Area is but one of many areas in the wider region including the City of Saskatoon itself but also Martensville, Warman and Osler that will be looking to “tap” into the cumulative demand.

2

Table 2.1

GRASSWOOD STUDY AREA OPTIMAL RETAIL DEMAND BY MARKET SHARE & PHASE

Grasswood Feasible Cumulative Retail Market Share of New Retail Demand								
	PHASE 1 2015 - 2020		PHASE 2 2020 - 2030		PHASE 3 2030 - 2040		PHASE 4 2040 - 2050	
	2015	2020	2025	2030	2035	2040	2045	2050
Saskatoon CMA Cumulative Annual Demand (sf)	264,802	1,048,465	3,027,093	4,578,249	6,333,239	8,318,850	10,565,387	13,107,136
Grasswood Study Area Market Share of Retail CMA Demand	0.0%	6.0%	8%	8%	10%	10%	10%	8%
Cumulative Grasswood Study Area Feasible Retail (sf)	-	62,908	242,167	366,260	633,324	831,885	1,009,362	1,009,362

Therefore, in order to ensure that the Grasswood Study Area does not negatively or adversely impact other essential retail areas planned, under construction or proposed (e.g. Holmwood Suburban Centre), a market share sensitivity is applied that respects the region-wide growth dynamics and ultimately the need for balanced growth throughout the Region. The market share approach is specifically used to provide estimates that won't have a negative impact on existing or proposed developments.

Rather the Grasswood Study Area will need to ramp up its demand over time and as is often the case, 'development spurs development' and therefore, it is reasonable to assume that market shares will start slow, then ramp up to a point of stabilization as the area reaches buildout and as other competing nodes also develop elsewhere in the City and Region.

This pattern is shown in **Table 2.1**, which utilizes a market share approach whereby conservative rates (6.0% of all demand) are used in the latter stages of Phase 1 culminating in feasible demand in the order of 60,000 sf to 80,000 sf by 2020.

In conjunction with expected growth and necessary servicing in the Grasswood Study Area, the next phase of development towards the end of Phase 2 could see the introduction of community scale retail (perhaps on First Nation Land) in the order of 50,000 sf to 75,000 sf as well as the early stages of a regional format retail cluster in the range of 250,000 sf. These levels of demand would require market shares in the range of 8% to 2030.

At this point in the phasing time frame, (2030) the market shares could increase marginally to 10% thus allowing the Grasswood Study Area to reach a regional critical mass in Phases 3 and 4 whereby retail demand could feasibly grow to a cumulative magnitude of 830,000 sf by 2040 and ultimately 1.0 million sf by 2045. Upon reaching a stabilized floorspace of almost 1.0 million sf, the market shares would then start to decline as the project may no longer need to add space, although the market could dictate a review of demand in time.

Table 2.2 illustrates a summary of the envisioned retail development program, by format and reveals a breakdown of floorspace for neighbourhood retail totalling 100,000 sf, community retail totalling 150,000 sf and regional retail totalling 750,000 sf.

Table 2.2

GRASSWOOD STUDY AREA LAND USE ALLOCATION SUMMARY BY FORMAT

GRASSWOOD STUDY AREA	Demand Allocation (SF or units)	Site Utilization / Density (upa)	Acres Required	Hectares Required
Retail				
Neighbourhood Retail	100,000	0.35	6.6	2.7
Community Retail	150,000	0.30	11.5	4.6
Regional Retail	750,000	0.25	68.9	27.9
Total	1,000,000	0.26	86.9	35.2

Table 2.3

GRASSWOOD STUDY AREA LAND USE ALLOCATION BY FORMAT & PHASE

GRASSWOOD STUDY AREA		PHASE 1 TO YEAR 2020			PHASE 1
		Phase 1 0-5 years	Acres Required	Hectares Required	
Retail					PHASE 1
Neighbourhood Retail	60,000	3.9	1.6		
Community Retail					
Regional Retail					
Total	60,000	3.9	1.6		
GRASSWOOD STUDY AREA		PHASE 2 TO YEAR 2030			PHASE 2
		Phase 2 5-15 years	Acres Required	Hectares Required	
Retail					PHASE 2
Neighbourhood Retail					
Community Retail	50,000	3.8	1.5		
Regional Retail	250,000	23.0	9.3		
Total	300,000	26.8	10.8		
GRASSWOOD STUDY AREA		PHASE 3 TO YEAR 2040			PHASE 3
		Phase 3 15-25 years	Acres Required	Hectares Required	
Retail					PHASE 3
Neighbourhood Retail					
Community Retail	100,000	7.7	3.1		
Regional Retail	350,000	32.1	13.0		
Total	465,000	39.8	16.1		
GRASSWOOD STUDY AREA		PHASE 4 TO YEAR 2050			PHASE 4
		Phase 4 25-35 years	Acres Required	Hectares Required	
Retail					PHASE 4
Neighbourhood Retail	40,000	2.6	1.1		
Community Retail					
Regional Retail	150,000				
Total	190,000	2.6	1.1		

2

2.4 GRASSWOOD LAND USE ALLOCATION

Having determined the optimal and feasible retail floorspace demand, the next step as shown in **Tables 2.2 & 2.3** is to allocate the floorspace demand into land use allocation. To do this, each of the phases is broken down into the respective retail development formats that are most likely to be needed and in demand within the Grasswood Study Area.

The Grasswood Study Area overall will need/have a strong residential component and therefore it will be important to have neighbourhood and community scale shops and services to fulfill the needs of new and existing local area residents. However, the locational attributes of the Grasswood Study Area with Highway 11 accessibility and visibility will favour the introduction of regional-serving retail. Accordingly, each of the respective retail formats (neighbourhood, community and regional) each have slightly differing degrees of site utilization/density.

By applying industry standards for site utilization, **Tables 2.2 & 2.3** reveal the amount of net developable land area (i.e. excluding roads, landscaping etc.) that would be required in the Grasswood Study Area. **Table 2.2** summarizes the land use allocation at buildout, which is estimated at 2045. The retail program comprised of neighbourhood, community and regional retail formats would require approximately 90 acres/35 hectares of new additional land (i.e. beyond that which currently exists today).

2.5 SUMMARY & IMPLICATIONS

Development activity has continued in 2015 and is expected to continue in the coming years. Opportunities for retailers continues to grow as new space enters the market in suburban locations.

Projections estimate that within the next few years there could be as much as 2,700,000 sf of new commercial space developed within Saskatoon³.

The bulk of retail growth will take place in new suburban developments where anticipated increases in population will fuel demand for shops and services. By the time many of these reach buildout, the Grasswood Study Area will be poised to become a viable and appropriate location for medium to long term growth.

First and foremost, the Grasswood Study Area's site and locational attributes suggest that the area represents a very strong and compatible area for future retail development ranging from neighbourhood to regional scale retail formats.

Among the Grasswood Study Area's best attributes is the regional accessibility for potentially attracting destination retail users who would need to access populations that could live as far south as Regina or further.

As it stands today, in the Grasswood Study Area a regional node could only be accomplished if there are no limitations placed on anchor store sizes. Anchor tenants are an essential backbone to creating a regional retail development. Restrictions on anchor store sizes for regional developments run the real risk of losing sought after businesses and tax revenue to less restrictive cities, such as the City of Regina. While large scale destination and regional retail could be considered impactful to communities like Martensville, Warman and Osler, the reality is that the location on the south side of Saskatoon would be a preferred location for any such format and arguably this type of expenditure may already be leaving these smaller communities to regions such as South Edmonton Common etc.

³ Source: *Colliers Saskatoon Retail Report, Y/E 2014*

On this basis, any large scale impact would not be significant on communities in the north. Rather, they would have the opportunity to retain spending in the CMA. In other words, there is sufficient demand to be accessed across the City of Saskatoon, R.M. of Corman Park and the CMA even with development in the Grasswood Study Area.

One cautionary note with respect to retail development in the Grasswood Study Area, which has implications not just on retail, but on other commercial activities is the potential alignment of the future Saskatoon Freeway.

At the time of this report, the alignment has yet to be determined, but the ultimate alignment with Highway 11 will impact the location and scale of retail development, since developers and retailers will want to have the most visible and accessible location, which is often at a major highway interchange. A location further south could also have negative impacts on English River whose location and retail prospects have a direct relationship with the access and visibility of Grasswood Road.

Demand and land use allocations are thus subject to change, if the future Saskatoon Freeway alignment differs from the assumptions made in this study.

Des Nedhe Development (the development entity of the English River First Nation) are well-positioned to work with developers in the short term and could be the catalyst for retail development. As a Reserve, English River is their own jurisdiction and therefore Planning District Bylaws do not apply, such as the 35,000 sf store size restriction. Limitations do still exist in the form of servicing, which would likely require collaboration with the City and R.M.

Consideration should be given to the fact that the existing 35,000 sf store size bylaw does not apply to the English River First Nation, which means that they could develop larger format retail as part of a regional development. Therefore, it would make for more prudent planning to create a framework to avoid disjointed patterns of development.

Lastly, the role of downtown Saskatoon is important as stated in the City's OCP, Section 6.1 which states a downtown objective to:

Ensure the downtown remains the centre and heart of the financial, administrative, cultural and commercial activities of the City and Region

In this regard, future retail development in the Grasswood Study Area is not expected to comprise the level nor mix of entertainment, food & beverage, or cultural activities that are essential to the vibrancy of a downtown environment. The single biggest determinant for downtown Saskatoon's retail vitality lies in the City's ability to promote and accommodate an increased level of residential density downtown. As long as high density residential growth takes place in the downtown, retail development in Grasswood will not be impactful. If however, residential growth in the downtown does not take place, the potential impacts of Grasswood would likely be no more than other planned suburban retail developments.

The amount of retail space planned/envisioned for the Grasswood Study Area is considered reasonable over the 35 year time frame presented. In particular, since demand is spread over a longer time frame and phased accordingly, impacts on other areas across the City and Region are viewed as dispersed and minimal.

3 SUBURBAN OFFICE MARKET & DEMAND

3.1 OFFICE OVERVIEW

Following the general decline in employment following the reduction in oil prices, Saskatoon has further slid toward the bottom of its ten-year office cycle.

2015 is expected to be an important year as Saskatoon's office market continues to adjust to new office market realities, most notably vacancy rates that the City hasn't faced in many years.

Saskatoon continues to feel the effects of a cooler office market. According to Colliers International, Saskatoon's downtown vacancy has risen to 14.83% in Q2 2015, significantly higher than the rate seen in Q2 2014 (6.86%).

After a several-year period of very low vacancy, Saskatoon is now being forced to adjust to a sudden increase in available space.

While businesses continue to move and expand, they are doing so at a much more measured pace.

The combined forces of new construction and natural resources companies scaling back or altogether leaving has created a significant issue for landlords while providing opportunities for tenants to negotiate more favourable terms.

In contrast to downtown, Saskatoon's suburban office market has experienced tremendous growth recently as employers continue to move to suburban areas and as office condominiums have become a popular format for smaller businesses.

While market conditions have affected suburban office space, the lack of space and the amount of interest from tenants has created a very different market.

The overall vacancy rate for suburban space is 13.5% compared to almost 15% downtown. However the suburban rate is not due to tenants leaving, but rather because tenants are upgrading to the new space that has been entering the market. Most of this new space is highly desirable and tends to lease shortly after completion.

Table 3.1
SUBURBAN OFFICE MARKET PERFORMANCE INDICATORS
(Source: Colliers International Q2 2015 Saskatoon Office Market Report)

Market Indicators Relative to prior period	Market Q2 2014	Market Q2 2015	Market Q2 2015 Trend
VACANCY	12.97%	13.40%	↑
NET ABSORPTION	(25,010)	28,065	↑
NEW SUPPLY	144,000	68,000	↓
RENTAL RATE	\$21.00	\$21.00	↔

Downtown office space should be protected to allow for new space to be developed in an effort to retain and attract office users downtown for whom suburban locations may not be preferred.

While suburban office space makes up less than 1.5 million sf of the total office space, suburban office space absorption has outperformed the downtown as revealed in **Table 3.1**.

Overall expectations by Colliers International are that the suburban vacancy rate will remain low as most of the new space under construction has been pre-leased and is very popular with tenants due to a number of factors such as access, parking and the quality of product.

It is this sentiment that particularly bodes well for the Grasswood Study Area as it determines the appropriate and feasible amount of office space. Despite the much larger availabilities in the downtown, suburban office space will remain a draw for a number of tenants.

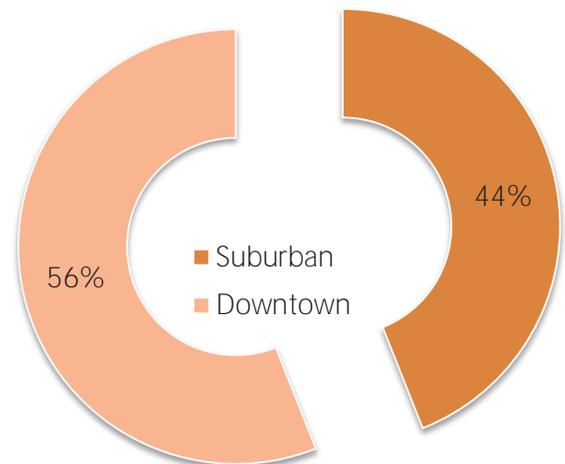
Even though Saskatoon does not have a policy in place like the City of Regina with respect to the ratio of downtown to suburban office space, there is nonetheless a sensitivity to the impacts that too much suburban office space can have on downtown.

However as the Region grows, suburban office space should be considered as a prerequisite for establishing well balanced employment centres and for managing commuter travel patterns in the face of growth. For that reason, the Grasswood Market Impact Study will only look at forecasting suburban office demand by maintaining the current ratio of 44% suburban office space over the forecast horizon (refer to **Figure 3.1**). By using this approach, downtown office demand can be preserved at its current ratio of 56%.

Figure 3.1
CITY OF SASKATOON RATIO OF SUBURBAN TO DOWNTOWN OFFICE SPACE

(Source: ICR Commercial Real Estate)

National ratio 49% : 51%



3

3.2 CMA SUBURBAN OFFICE DEMAND

Forecasting demand for office applies a similar “triangulation” methodology to that which was used for retail. However, an additional step taken for office demand recognizes the significant difference that exists between suburban and downtown office space. Furthermore, it is acknowledged that there is and should be a sensitivity to ensuring that the downtown office space is not impacted by too much suburban office space.

Therefore, for the purposes of the Grasswood Impact Study, the blended average of office demand is further reduced and isolated to the suburban office space level by applying the current ratio of suburban to downtown office space (refer to **Figure 3.1**). As such, any market shares that are applied to future demand are only assumed to be market shares of suburban office space and therefore do not impact downtown office space.

The final step is to then allocate the forecasted demand into potential office development formats/zoning that can then be sensitized by site utilization ratios to determine the amount of land required over time. As outlined, the office space is considered to be suburban in nature and moreover may not be freestanding, but could also be associated within retail and/or light industrial land uses as part of an integrated mix of uses.

The recommendation here is that the Grasswood Study Area, as opposed to a vertical mixed-use project is rather an integrated “mix” of horizontal land uses that creates a framework for the optimal development of a south employment centre.

For the purposes of the Grasswood Study Area, the timeline identified for the demand forecasts corresponds with four (4) phases as follows:

- Phase 1 - up to 2020
- Phase 2 - 2021 to 2030
- Phase 3 - 2031 to 2040
- Phase 4 - 2041 to 2050

Utilizing these phasing time horizons does not discount the potential for the phases to be expedited or pushed back, but since they are driven largely by the forecasted CMA population growth forecasts (at 2.5% per annum), the forecasting does allow for evaluations or checks-and-balances to be undertaken to make sure that demand is in step with the appropriate growth dynamics and thus ensures that any impacts can be minimized or prepared for.

3.3 GRASSWOOD SUBURBAN OFFICE FLOORSPACE DEMAND

Cumulative annual suburban office demand for the CMA (which includes Martinsville, Warman and Osler) is forecast to grow from 75,000 sf in 2016 to over 300,000 by 2020, eventually surpassing 670,000 by 2025 and ultimately approaching 3.0 million sf by 2050. The longer term demand forecast is based on population growth in the CMA growing at 2.5% from 315,000 residents in 2016 to 347,000 by 2020; 393,000 by 2025 and ultimately 730,000 by 2050.

Therefore, as much as demand forecasts can be developer and tenant driven, they also have a direct and necessary correlation to population and resulting employment growth, which ultimately will allow for future growth to be managed based on whether population growth rates are not met, met or exceeded.

Table 3.2

GRASSWOOD STUDY AREA OPTIMAL OFFICE DEMAND BY MARKET SHARE & PHASE

Grasswood Feasible Cumulative Office Market Share of New Suburban Office Demand								
	PHASE 1 2015 - 2020		PHASE 2 2020 - 2030		PHASE 3 2030 - 2040		PHASE 4 2040 - 2050	
	2015	2020	2025	2030	2035	2040	2045	2050
Saskatoon CMA Cumulative Annual Demand (sf)	30,977	306,288	671,553	1,015,673	1,405,013	1,845,516	2,343,904	2,907,785
Grasswood Study Area Market Share of Office Demand	0%	10%	12%	12%	15%	15%	17%	17%
Cumulative Grasswood Study Area Feasible Office (sf)	-	30,629	80,586	121,881	210,752	276,827	398,464	494,323

The Grasswood Study Area is but one of many areas in the wider region including the City of Saskatoon itself, such as Holmwood but also Martensville, Warman and Osler that will be looking to “tap” into the cumulative demand. Holmwood represents an important east employment centre for the City and Region and will have a component of suburban office, likely in a combination of business park and freestanding formats.

Therefore, in order to ensure that the Grasswood Study Area does not negatively or adversely impact other suburban office areas planned, under construction or proposed, a market share sensitivity is applied that respects the region-wide growth dynamics and ultimately the need for balanced growth throughout the Region.

The Grasswood Study Area and particularly that area near Highway 11 represents a very strong area for a cluster of suburban office-related uses that could be one pillar towards creating a south employment area as the City, R.M. and Region grow.

This does not preclude the potential for another potential employment centre node in the South East, which also would be in the best interest of long term regional planning.

This pattern is shown in **Table 3.2**, which utilizes a market share approach whereby conservative rates (10% of all demand) are used in the latter stages of Phase 1, which could amount to 30,000 to 40,000 sf. Of note, is that this feasible demand bodes well

for supporting the near term development vision of Des Nedhe Development (English River First Nation - Grasswood Junction project) who themselves are looking at developing a second office building on their lands. Essentially, the market study supports this, given the existing cluster of uses and available services.

With an increasing market share of suburban office demand growing from 10% to 17% the Grasswood Study Area could grow to 120,000 sf by 2030; to 275,000 by 2040 and just under 500,000 by 2050.

In the near term beyond Des Nedhe, demand for suburban office is not forecast to be overwhelmingly strong. Over time as the Region grows and the Grasswood Study Area reaches potential buildout by around 2050, or when the CMA reaches a population of approximately 730,000 the office components of the Grasswood Study Area could become more entrenched as part of a mix of uses.

Overall, for the 35 year period 2015 to 2050 the average market share for attaining the suburban office growth as envisioned would be in the 13% range, which would still leave a significant amount of suburban office demand on the table for other regional and suburban locations to garner.

Table 3.3 summarizes the envisioned office development program, by format and reveals a breakdown of suburban office floorspace which could feasibly be accommodated in a business park format.

3.4

3

GRASSWOOD LAND USE ALLOCATION

Having determined the optimal and feasible suburban office floorspace demand, the next step as shown in **Tables 3.3 & 3.4** is to allocate the floorspace demand into land use allocation.

By applying an industry standard for site utilization which is generally accepted for suburban business park formats, **Tables 3.3 & 3.4** reveal the amount of net developable land area (i.e. excluding roads, landscaping etc) that would be required in the Grasswood Study Area.

Table 3.3 summarizes the land use allocation at buildout, which is estimated at 2050. The suburban office program comprising predominantly business park formats, seamlessly integrated amongst retail and/or light industrial uses would require approximately 29 acres/11 hectares of new additional land (i.e. beyond that built today).

3.5 SUMMARY & IMPLICATIONS

As with retail, the Grasswood Study Area's site and locational attributes suggest that the area represents a very strong and compatible area for future suburban office business park development, as part of the establishment of a south employment centre.

Moreover, there is sufficient suburban office demand to be accessed across the City of Saskatoon, R.M. of Corman Park and the CMA even with development in the Grasswood Study Area.

With planned improvements including a major Saskatoon Freeway, the Grasswood Study Area also has the added potential to enhance regional accessibility to and from north of Saskatoon, not to mention Regina to the south.

The degree of suburban office space planned/envisioned for the Grasswood Study Area is considered reasonable over the 35 year time frame presented. In particular, since demand is spread over a longer time frame and phased accordingly, impacts on other areas across the City and Region would be viewed as minimal.

It is however considered very important in the context of the Region that the Grasswood Study Area become a focal point for creating an integrated mix of uses. The P4G Regional Plan, currently underway, is looking at the bigger picture of growth throughout the region, within which the Grasswood Study Area is considered an area of future potential opportunity.

Des Nedhe Development (English River First Nation) are well-positioned to work with developers in the short term and could be the catalyst for early stages of suburban office development.

For the same reasons as for retail, the future Saskatoon Freeway alignment is desired to be as being as close to Grasswood Road and as close to the boundary of the Grasswood Study Area as possible. Demand and land use allocations are thus subject to change, if the future Saskatoon Freeway alignment differs from the assumptions made in this study.

Table 3.3

GRASSWOOD STUDY AREA OFFICE LAND USE ALLOCATION SUMMARY BY FORMAT

GRASSWOOD STUDY AREA	Demand Allocation (SF or units)	Site Utilization / Density (upa)	Acres Required	Hectares Required
Office				
Suburban Business Park	500,000	0.40	28.7	11.6
Total	500,000	0.40	28.7	11.6

Table 3.4

GRASSWOOD STUDY AREA OFFICE LAND USE ALLOCATION BY FORMAT & PHASE

GRASSWOOD STUDY AREA	PHASE 1 TO YEAR 2020		
	Phase 1 0-5 years	Acres Required	Hectares Required
Office			
Suburban Business Park	30,000	1.7	0.7
Total	30,000	1.7	0.7

PHASE 1

GRASSWOOD STUDY AREA	PHASE 2 TO YEAR 2030		
	Phase 2 5-15 years	Acres Required	Hectares Required
Office			
Suburban Business Park	100,000	5.7	2.3
Total	100,000	5.7	2.3

PHASE 2

GRASSWOOD STUDY AREA	PHASE 3 TO YEAR 2040		
	Phase 3 15-25 years	Acres Required	Hectares Required
Office			
Suburban Business Park	155,000	8.9	3.6
Total	155,000	8.9	3.6

PHASE 3

GRASSWOOD STUDY AREA	PHASE 4 TO YEAR 2050		
	Phase 4 25-35 years	Acres Required	Hectares Required
Office			
Suburban Business Park	215,000	12.3	5.0
Total	215,000	12.3	5.0

PHASE 4



4 LIGHT INDUSTRIAL MARKET & DEMAND

4.1 LIGHT INDUSTRIAL OVERVIEW

Due to abundant supply, slowing demand and a softening commodities market, new industrial construction continues to decrease. Rents have decreased through early 2015 as tenants become more and more difficult to find.

Net absorption was estimated at nearly zero in early 2015, while in 2014 about 300,000 sf of new industrial space was absorbed.

Like the office market, the 2015 industrial market is expected to continue to experience new realities including higher vacancy rates for newly developed space, particularly that built on speculation.

Saskatoon is seeing higher vacancy rates in the industrial market. According to Colliers International⁴, Saskatoon's industrial vacancy is up to 5.98% in Q1 2015, 1.5% higher than the rate seen in Q1 2014 (6.9%). There are 19 new industrial buildings totalling about 175,000 sf in Saskatoon, and about 70% of this space was currently available as of Q1 2015. Vacancy rates for existing space was 4.0% in early 2015. In total, about 1,187,000 sf of industrial space is currently available in the City.

Despite the decline in lease rates and increase in vacancies, certain niche industrial formats continue to be under served in the Saskatoon market. According to Colliers, industrial condos accounted for five of the seven buildings transacted in Q1 2015. In their Q1 2015 Industrial Market Survey, ICR points out that bays smaller than 2,000 sf as well as formats larger than 80,000 sf were under served in Q1 2015.

Fully serviced land values in Saskatoon are still more affordable than other Western Canadian cities. The approximately 30 acres of industrial land inside the City of Saskatoon is largely located in the Matrix Business Park Phase 4 and Marquis Industrial Phase 9.

Overall expectations by Colliers International are that the industrial market will experience a slower year in which the sector will have to adjust to new market realities. New construction will continue through 2015, adding somewhere between 400,000 sf and 800,000 sf of industrial space. Vacancy will rise based on current absorption rates. Until construction activity slows, rental rates will continue to decline.

Table 4.1
INDUSTRIAL MARKET PERFORMANCE INDICATORS
(Source: Colliers International Saskatoon Q1 2015 Industrial Market Report)

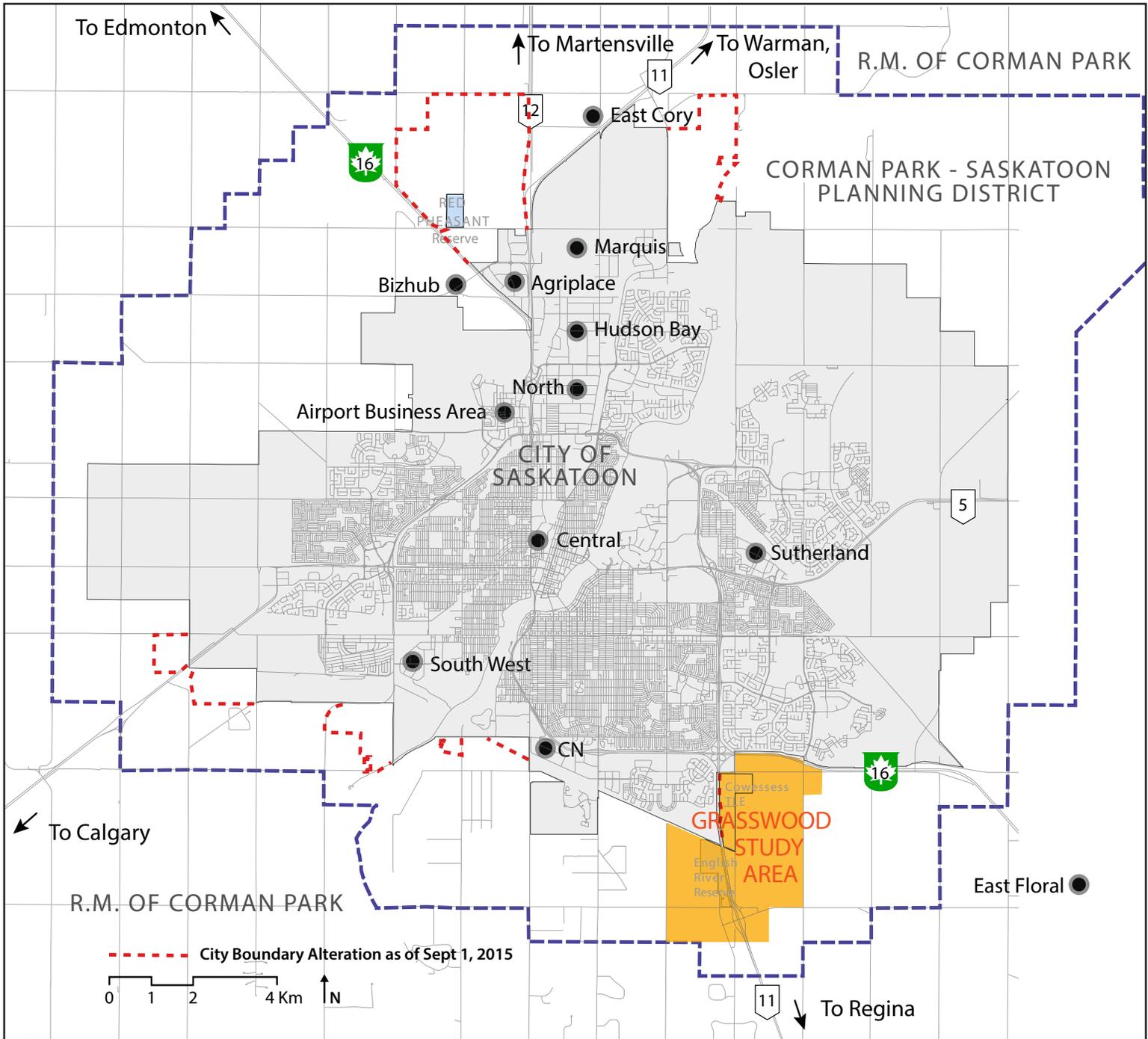
SASKATOON OVERVIEW

	Q3 2014	Q1 2015	TREND
Industrial Inventory*	21,751,000	21,926,916	↑
Net Absorption	260,000	(2,000)	↓
Vacancy Rate	5.10 %	6.00 %	↑
Average Net Rent**	\$ 10.52	\$ 10.00	↓
Average Additional Rent	\$ 3.50	\$ 3.50	→

*1300 industrial buildings were surveyed in Saskatoon** Asking Net Rent is calculated using a weighted average

⁴Colliers - Q1 2015 Saskatoon Industrial Market Report

Figure 4.1
GRASSWOOD STUDY AREA AND OTHER MAJOR INDUSTRIAL NODES



4

4.2 CMA LIGHT INDUSTRIAL DEMAND

Forecasting demand for industrial applies a similar “triangulation” methodology to that which was used for retail and office. However an additional step taken for industrial, as it was for office demand, recognizes the significant difference that exists between heavy and light industrial formats. Furthermore, it is acknowledged that given the nature of residential development in the local area, such as in Greenbryre, Grasswood Estates, Stonebridge, etc. that heavy industrial uses are not a desired nor compatible land use for the Grasswood Study Area.

Therefore, for the purposes of the Grasswood Study Area, the blended average of industrial demand is further reduced and isolated to reflect only light industrial space by applying an estimated ratio of heavy to light industrial space, which for the purposes of this study is estimated at 50:50 though this could be subject to change.

In so doing, any market shares that are applied to future demand are only assumed to be market shares of light industrial space that would be less impactful on the surrounding and adjacent residential lands. That said, the interface between even light industrial uses, which are envisioned to comprise low density business park formats without significant outdoor storage, is still an essential factor to consider when allocating and orienting buildings and lands.

The final step is to then allocate the forecasted demand into potential light industrial development formats/zoning that can then be sensitized by site utilization ratios to determine the amount of land required over time.

For the purposes of the Grasswood Study Area, the timeline identified for the demand forecasts corresponds with four (4) phases as follows:

- Phase 1 - up to 2020
- Phase 2 - 2021 to 2030
- Phase 3 - 2031 to 2040
- Phase 4 - 2041 to 2050

Utilizing these phasing time horizons does not discount the potential for the phases to be expedited or pushed back, but since they are driven largely by the forecasted CMA population growth forecasts (at 2.5% per annum), the forecasting does allow for evaluations or checks-and-balances to be undertaken to make sure that demand is in step with the appropriate growth dynamics and thus ensures that any impacts can be minimized or prepared for.

In conjunction with residential, light industrial uses are expected to be a significant land use node for generating a concentration of long-term employment opportunities.

4.3 GRASSWOOD LIGHT INDUSTRIAL FLOORSPACE DEMAND

Cumulative annual light industrial demand for the CMA (which includes Martensville, Warman and Osler) is forecast to reach 1.7 million sf by 2020, eventually surpassing 3.7 million by 2025 and ultimately approaching 16.0 million sf by 2050. The demand forecast are based on population growth in the CMA growing at 2.5% from 315,000 residents in 2016 to 347,000 by 2020; 393,000 by 2025 and ultimately 730,000 by 2050.

Table 4.2

GRASSWOOD STUDY AREA OPTIMAL LIGHT INDUSTRIAL DEMAND BY MARKET SHARE & PHASE

Grasswood Feasible Cumulative Industrial Market Share of New Light Industrial Demand

	PHASE 1 2015 - 2020		PHASE 2 2020 - 2030		PHASE 3 2030 - 2040		PHASE 4 2040 - 2050	
	2015	2020	2025	2030	2035	2040	2045	2050
Saskatoon CMA Cumulative Annual Demand (sf)	359,003	1,736,746	3,783,866	5,722,811	7,916,549	10,398,563	13,206,733	16,383,921
Grasswood Study Area Market Share of LIGHT Industrial Demand	0%	7%	10%	10%	12%	14%	15%	17%
Cumulative Grasswood Study Area Feasible Industrial (sf)	-	119,835	378,387	569,420	949,986	1,469,317	1,981,010	2,768,883

Light industrial land uses represent one of the most important segments to the growth of the Region. Areas such as the corridor between Martensville and the City of Saskatoon could itself become an area of future industrial activity.

The Grasswood Study Area is however an emerging node in the wider region that needs to be considered for its role as an employment area in the south.

Within the City of Saskatoon, Holmwood and the South West Sector represent equally important future employment areas for the City and Region and they too will have a component of light industrial land use, likely in a combination of business park and freestanding formats. In the case of the South West Sector, the industrial land uses will nonetheless contain heavier formats, not considered compatible in Grasswood. Holmwood and Grasswood indeed have similar goals for the establishment as a horizontal cluster and mix of uses.

Therefore, in order to ensure that the Grasswood Study Area does not negatively or adversely impact other existing, planned, or proposed areas (e.g. Holmwood, South West Sector), a market share sensitivity is applied that respects the region-wide growth dynamics and ultimately the need for balanced growth throughout the Region.

The Grasswood Study Area and particularly that area along and near to Highway 11 represents a very strong node for light industrial uses that can be yet another pillar towards creating a south employment centre. Over time, as the City, R.M. and Region grow towards a long term goal of 1 million residents, the need for strategically allocated nodes of employment will be essential for commuting, servicing and goods movement. Moreover, the Saskatoon Freeway and its future tie in with Highway 11 and the nature of the CN Main Line and Branch Line would further support the notion that a node in the south could be well positioned in the context of future regional growth.

This market share model is ONLY applying market shares to light industrial space (i.e. does not include heavy industrial).

Table 4.2, which utilizes a market share approach whereby market share rates of 7% of all demand are used in the latter stages of Phase 1, which could amount to 120,000 sf by 2020. Of note, is that this feasible demand bodes well for supporting the near term development vision of the Des Nedhe Development (English River First Nation) who themselves are proposing light industrial uses in the northern part of their lands, where the possibility of utilizing the adjacent north-south rail line could be of value for potential user groups.

Table 4.3

GRASSWOOD STUDY AREA LIGHT INDUSTRIAL LAND USE ALLOCATION SUMMARY BY FORMAT

GRASSWOOD STUDY AREA	Demand Allocation (SF or units)	Site Utilization / Density (upa)	Acres Required	Hectares Required
Industrial				
Light Industrial	870,000	0.40	49.9	20.2
Medium Industrial	900,000	0.35	59.0	23.9
AgriBusiness Industrial	1,000,000	0.25	91.8	37.2
Total	2,770,000	0.32	200.8	81.3

Table 4.4

GRASSWOOD STUDY AREA LIGHT INDUSTRIAL LAND USE ALLOCATION BY FORMAT & PHASE

GRASSWOOD STUDY AREA	PHASE 1 TO YEAR 2020		
	Phase 1 0-5 years	Acres Required	Hectares Required
Industrial			
Light Industrial	120,000	6.9	2.8
Medium Industrial			
AgriBusiness Industrial			
Total	120,000	6.9	2.8
GRASSWOOD STUDY AREA	PHASE 2 TO YEAR 2030		
	Phase 2 5-15 years	Acres Required	Hectares Required
Industrial			
Light Industrial	150,000	8.6	3.5
Medium Industrial	300,000	19.7	8.0
AgriBusiness Industrial			
Total	450,000	28.3	11.5
GRASSWOOD STUDY AREA	PHASE 3 TO YEAR 2040		
	Phase 3 15-25 years	Acres Required	Hectares Required
Industrial			
Light Industrial	300,000	17.2	7.0
Medium Industrial	200,000	13.1	5.3
AgriBusiness Industrial	400,000	36.7	14.9
Total	900,000	67.1	27.2
GRASSWOOD STUDY AREA	PHASE 4 TO YEAR 2050		
	Phase 4 25-35 years	Acres Required	Hectares Required
Industrial			
Light Industrial	300,000	17.2	7.0
Medium Industrial	400,000	26.2	10.6
AgriBusiness Industrial	600,000	55.1	22.3
Total	1,300,000	98.5	39.9

PHASE 1

PHASE 2

PHASE 3

PHASE 4



Essentially, the market study supports this, given the existing cluster of uses though servicing considerations do exist. Servicing is most certain to be a key driver for accommodating the magnitude of light industrial demand, which is furthermore why the near term growth prospects could likely fall within the areas near to English River, though even this could be a challenge if urban services are required.

With an increasing market share growing from 10% to 17%, the Grasswood Study Area could grow to 570,000 sf by 2030, to 1.5 million by 2040 and over 2.7 million sf by 2050.

Overall, for the 35 year period 2015 to 2050 the average market share for attaining the light industrial growth as envisioned would be in the 11% range, which would still leave a significant amount of demand on the table for other regional and suburban locations to garner.

Essentially, for the Grasswood Study Area to become entrenched as a key node, it will need to be aggressive in attracting light industrial uses, which are expected to continue being the lifeblood of the Region.

Demand for light industrial is likely to be most competitive in the CMA over the short to mid term, with areas such as Saskatoon South West Sector, Holmwood and Martensville being more service-ready.

Therefore, the bulk of the light industrial demand is forecast to come on stream in Phase 4 (2040 to 2050), with some initial smaller phases introduced in earlier time frames as servicing becomes available.

This more spread out approach further minimizes the perceived impact of these more aggressive market shares.

As the Saskatoon Freeway gets closer to reality, the development prospects for the Grasswood Study Area will correspondingly increase, assuming that the Saskatoon Freeway interchange is close to the Grasswood Study Area.

Table 4.3 summarizes the envisioned light industrial development program, by format and reveals a breakdown of light industrial floorspace which would most feasibly be accommodated in a business park format.

4.4

GRASSWOOD LAND USE ALLOCATION

Having determined the optimal and feasible light industrial floorspace demand, the next step as shown in **Tables 4.3 & 4.4** is to allocate the floorspace demand into land use allocation.

By applying an industry standard for site utilization for the various light industrial formats, **Tables 4.3 & 4.4** reveal the amount of net developable land area (i.e. excluding roads, landscaping, etc) that would be required in the Grasswood Study Area over the four (4) designated phasing horizons.

Table 4.3 summarizes the land use allocation to the year 2050. The light industrial program which could also include agri-business, or non-intensive medium industrial formats would require approximately 200 acres/81 hectares of new additional land, beyond that which is currently built today.

4.5

SUMMARY & IMPLICATIONS

As with all the prospective land uses, the Grasswood Study Area's site and locational attributes suggest that the area represents a very strong and compatible area for future light industrial business park development, as part of the establishment of a south employment area.

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Moreover, there is sufficient light industrial demand, particularly in the mid to later years (2030 to 2050) to be accessed across the City of Saskatoon, R.M. of Corman Park and the CMA (including Martensville, Warman and Osler) even with development in the Grasswood Study Area.

With planned improvements including a major Saskatoon Freeway, the Grasswood Study Area also has the added potential to enhance regional accessibility to and from north of Saskatoon, not to mention to Regina to the south, which is a significant factor for goods movement as it relates to the cost of goods, access to employment, etc. A location at the south side of Saskatoon could have synergistic benefits with the connectivity of the Grasswood Study Area with other logistics networks such as the Global Transportation Hub, either by road or rail.

The degree of light industrial space planned/ envisioned for the Grasswood Study Area should be viewed as an essential and beneficial component for the R.M. of Corman Park as well as the City of Saskatoon over the next 35 years. In particular, since demand is spread over a longer time frame and phased accordingly, impacts on other areas across the City and Region would be viewed as minimal.

In fact, the potential allocation of industrial land uses in the corridor between Martensville and Saskatoon could pose more of a competitive impact to the Grasswood Study Area than would the reverse.

It is however considered important in the context of the Region that the Grasswood Study Area become a focal point for creating an integrated mix of uses.

The Grasswood Study Area and particularly that area along and near to Highway 11 represents a very strong node for light industrial uses that can be yet another pillar towards creating a south employment centre. Over time, as the City, R.M. and Region grow towards a long term goal of 1 million residents, the need for strategically allocated nodes of employment will be essential for commuting, servicing and goods movement. Moreover, the Saskatoon Freeway and its future tie in with Highway 11 and the nature of the CN Main Line and Branch Line would further support the notion that a node in the south could be well positioned in the context of future regional growth.

Although another employment node is being considered along Highway 16 south also in conjunction with the Saskatoon Freeway, this location is envisioned to have heavy industrial uses, which are not competitive to the light industrial uses recommended for the Grasswood Study Area. Moreover, traffic counts along Highway 11 in Grasswood are 15,000 AADT, while those at the Highway 16 location are less than 7,000 AADT.

For the same reasons as for retail and office, the future Saskatoon Freeway alignment is desired to be as close to Grasswood Road and as close to the boundary of the Grasswood Study Area as possible. Demand and land use allocations are thus subject to change, if the future Saskatoon Freeway alignment differs from assumptions made in this study.

Des Nedhe Development (English River First Nation) are well-positioned to work with developers in the short term and could be the catalyst for light industrial development, in much the same way that they could be for suburban office development.

5 HOTEL MARKET & DEMAND

5.1 HOTEL MARKET

The Saskatchewan Hotel Market continues to be one of the best performing in the country. In particular, the City of Saskatoon and the City of Regina both had occupancies well above 70% in 2012 and 2013.

With the opening of long needed hotels in both Saskatoon and Regina the annualized occupancy has dropped to 71% in Saskatoon and 67% in Regina in 2014 ⁵. The current and forecasted performance metrics for Saskatoon's hotel sector are as follows (Western Canada benchmark in parentheses):

	2014	2015
Occupancy	71% (65%)	67% (65%)
ADR	\$146 (\$141)	\$149 (\$146)
RevPAR	\$104 (\$92)	\$99 (\$95)

Saskatoon's total hotel inventory is comprised of 4,008 rooms (as of mid-year 2015).

In the past two years, two new hotels have been added to the City's overall inventory totaling 241 rooms. Both of these two new hotels are located in the North Sector (Courtyard and Mainstay Suites) in proximity to the airport.

Over the next three years approximately 918 new rooms are forecast to enter the market. This future inventory accounts for 22% of the total inventory, as it exists today.

This suggests the market will be stretched thin over the next 2-3 years and that any new hotel entrant would need to have a strong location and brand affiliation.

5.2 SASKATOON HOTEL DEMAND

Citywide timing for a new hotel, given the current inventory proposed to come on stream, would be between 2020 and 2025, at which time there could be demand for approximately 530 new hotel rooms in the City.

In time, as the City continues to grow and in particular as the Grasswood Study Area begins to establish a foothold with retail, suburban office and light industrial demand generators, a hotel opportunity/opportunities could become more viable. In the short term however, a hotel is seen to be a challenge for the Grasswood Study Area given the limited critical mass of demand generators in the immediate area and servicing.

Over the past few years, supply and demand for hotels has been strong in Saskatoon, largely because of the under served nature and older stock that categorized the inventory over the past 10 to 20 years. Over the past few years this has begun to change for the better in Saskatoon, though anecdotal perspectives suggest the hotel market still needs to be improved.

5.3 GRASSWOOD HOTEL ROOM DEMAND

On the basis of the Grasswood Study Area preparedness and existing land uses, it is reasonable to assume that market shares will start very conservatively, then escalate as other demand generators are introduced.

Accordingly, **Table 5.1** illustrates a more sensitized market share approach that suggests that the earliest that a hotel is likely to be supported would be 2025, with further hotel opportunities being feasible in 2035 and 2045 respectively.

⁵ PKF Consulting Canada Western Canada Outlooks 2015.

Table 5.1

GRASSWOOD STUDY AREA OPTIMAL HOTEL DEMAND BY MARKET SHARE & PHASE

Grasswood Feasible Cumulative Hotel Market Share of New Hotel Demand								
	PHASE 1 2015 - 2020		PHASE 2 2020 - 2030		PHASE 3 2030 - 2040		PHASE 4 2040 - 2050	
	2015	2020	2025	2030	2035	2040	2045	2050
Saskatoon Cumulative Annual Demand (Rooms)	0	368	789	1,270	1,820	2,450	3,171	3,996
Grasswood Study Area Market Share of Hotel Demand	0%	10%	15%	15%	20%	20%	17%	14%
Cumulative (Hotel Rooms)	-	37	118	190	364	490	545	545

In other words, every decade a new hotel could be introduced in the Grasswood Study Area in conjunction with and assuming that the continued buildout of other commercial and light industrial land uses progresses as envisioned, but not until the latter stages of Phase 2 (i.e. 2025 and beyond).

In total, by 2050, the Grasswood Study Area could have in the range of 550 hotel rooms.

5.4 GRASSWOOD LAND USE ALLOCATION

Having determined the reasonable and feasible hotel room demand, the next step as shown in **Tables 5.2 & 5.3** is to allocate hotel room demand into an approximate floorspace and corresponding land use allocation. To translate room demand into floorspace, an industry average of 650 sf per room was applied resulting in an estimated total floorspace in the magnitude of 360,000 sf.

By applying industry standards for site utilization in a suburban context, **Tables 5.2 & 5.3** reveal the amount of net developable land area (i.e. excluding roads, landscaping, etc) that would be required in the Grasswood Study Area.

Table 5.2 summarizes the land use allocation at buildout, which is estimated to be 2050, the hotel program would require approximately 17 acres/7 hectares of new additional land (i.e. beyond that which currently exists today).

5.5 SUMMARY & IMPLICATIONS

There is currently a very limited inventory of hotels in the south areas of the City, with the exception of recent openings of two (2) hotels in the Stonebridge neighbourhood and two (2) potential hotels in and around the Stonebridge Centre retail development (Preston Ave and Cornish Rd).

The reality of market-driven demand and the overall future planned development of the Grasswood Study Area suggests that after the current proposed ten (10) hotels enter the Saskatoon market by 2018, the next available time horizon for an approximate 100 to 120-room hotel would most comfortably be 2025, which would be consistent with the potential development timing of the Grasswood Study Area's Phase 2 and 3 program.

Table 5.2

GRASSWOOD STUDY AREA LAND USE ALLOCATION SUMMARY BY FORMAT

GRASSWOOD STUDY AREA	Demand Allocation (SF or units)	Site Utilization / Density (upa)	Acres Required	Hectares Required
Hotel	360,000	0.50	16.5	6.7
Total	360,000	0.50	16.5	6.7

Table 5.3

GRASSWOOD STUDY AREA LAND USE ALLOCATION BY FORMAT & PHASE

GRASSWOOD STUDY AREA	PHASE 1 TO YEAR 2020			PHASE 1
	Phase 1 0-5 years	Acres Required	Hectares Required	
Hotel				PHASE 1
Total				
GRASSWOOD STUDY AREA	PHASE 2 TO YEAR 2030			PHASE 2
	Phase 2 5-15 years	Acres Required	Hectares Required	
Hotel	80,000	3.7	1.5	PHASE 2
Total	80,000	3.7	1.5	
GRASSWOOD STUDY AREA	PHASE 3 TO YEAR 2040			PHASE 3
	Phase 3 15-25 years	Acres Required	Hectares Required	
Hotel	100,000	4.6	1.9	PHASE 3
Total	100,000	4.6	1.9	
GRASSWOOD STUDY AREA	PHASE 4 TO YEAR 2050			PHASE 4
	Phase 4 25-35 years	Acres Required	Hectares Required	
Hotel	180,000	8.3	3.3	PHASE 4
Total	130,000	8.3	3.3	

6 RESIDENTIAL MARKET & DEMAND

6.1 SINGLE-FAMILY MARKET SUMMARY

Saskatoon's single family starts, which consist of detached units are projected to reach 1,425 units in 2015, down 9.6% from the 1,577 units initiated in 2014 ⁶.

Rising new home inventory and completions outpacing absorption prompted a slower pace of housing starts in early 2015, as have slower employment growth and lower net migration.

Absorptions continuing to lag completions will prompt a slower pace of initiating new projects. As a result, single-family starts are forecast to moderate to 1,400 units in 2016.

Even though the market for single family and residential overall may have cooled from its record years, southern sub-markets continues to be a strong location for single family housing within the context of the City and Region overall.

6.2 MULTI-FAMILY MARKET SUMMARY

The Grasswood Study Area is not envisioned to be a high density multi-family area comprised of apartments and condominium properties. However, multi-family housing also includes lower density formats that include townhomes, row housing, duplexes as well as gated adult-oriented communities. It is these latter formats that may be of consideration for the longer term development in the Grasswood Study Area. In the short term, residential densities and demand are largely expected to be for single family dwellings.

Saskatoon's multi-family starts, which consist of semi-detached units, row houses, townhomes and apartments, are projected to reach 1,575 units in 2015 ⁶, down 19.4% from 1,954 in 2014, a 32-year high. A slower pace in employment growth and lower net migration are expected to moderate multi-family starts in Saskatoon in 2015. Lower-priced options will however see increased demand.

With absorptions continuing to lag completions, the inventory of complete and unabsorbed multi-family units for the ownership market stood at 404 in August, up 58% from August 2014. As a result, multi-family starts are forecast to moderate to 1,550 units in 2016 .

6.3 TRADE AREA SINGLE FAMILY RESIDENTIAL DEMAND

With the development of Greenbryre already establishing a foothold in the northern tracts of the Grasswood Study Area, it will be important to ensure that future residential development does not impact nor create a perceived conflict with these higher end, larger lot houses.

That said, the Grasswood Study Area has the potential to create additional single family housing at increasing density levels capable of creating a compatible and complete community. Densities that are currently in the two to three units per acre (2 - 3 upa) will likely need to be increased to six to eight (6 - 8) upa in order to ensure that the single family units can be serviced and marketed appropriately.

Total single family housing demand in the CMA will increase from over 5,700 units in 2015 to almost 83,200 units by 2050, housing in the range of 190,000 residents.

⁶CMHC Housing Market Outlook, Saskatoon CMA, Spring 2015.

6.4

GRASSWOOD SINGLE FAMILY MARKET SHARE

If the R.M., City, and other partners in the Region are looking to create a plan and strategy to prepare for a population of 1 million residents over the long term, then areas such as the Grasswood Study Area, which are immediately adjacent to the existing urban boundary should be viewed as having sufficient density and residential critical mass to ensure that the Region can accommodate future growth, without having to go further south where there are numerous acreages and where it is unlikely that these uses will change.

Table 6.1 applies a market share approach to forecasted single family demand. As projects like Brighton, Kensington, Rosewood and others come on stream, the most realistic and practical scenario for single family residential development, on a market share basis, is provided in **Table 6.1** which shows an escalating market share from 3% in the early stages of the Grasswood Study Area and settling at 6% market shares over the project horizon.

This trend could result in demand and growth of single family units from 200 units by 2020 to 1,100 by 2030; 2,900 by 2040 and ultimately 5,000 by 2050.

The corresponding population growth in single family dwellings could equate to approximately 500 residents by 2020, growing to 2,650 by 2030; 6,700 by 2040 and potentially 11,350 by 2050.

As with any residential development of this scale, servicing requirements will drive the timing of the project and thus collaboration between the City of Saskatoon, R.M. of Corman Park and potential developers will be critical to setting the stage for single family development.

Further detailed residential zoning will likely be required in time so that residential formats and densities can be evaluated for their compatibility and serviceability, but the envisioned densities for the Grasswood Study Area are intended to allow for neighbourhood growth, similar to that which has taken place in the City of Saskatoon. If the regional growth plan is truly to look towards accommodating a population of 1 million people, then the Grasswood Study Area must be viewed in this way.

6.5

GRASSWOOD SINGLE FAMILY LAND USE ALLOCATION

Having determined the optimal and feasible single family residential demand, the next step as shown in **Tables 6.2 & 6.3** is to allocate the residential unit demand into the land requirements.

By applying a residential single family density assumption of seven (7) upa to the forecasted 5,000 units, the identified single family residential demand in total by 2050 could require up to 735 acres or 300 hectares of land (excluding roads and landscaping).

Table 6.2 summarizes the land use by phase or time horizon and reveals that single family residential development will effectively take off after 2030, which is when projects such as Brighton, Rosewood and Kensington will likely reach their buildout.

In the lead up years 2020 to 2030, the Grasswood Study Area is expected to continue to grow, pending servicing at conservative rates, emanating outward from the Greenbryre community.

6

Table 6.1

GRASSWOOD STUDY AREA OPTIMAL SINGLE FAMILY RESIDENTIAL DEMAND BY MARKET SHARE & PHASE

	PHASE 1 2015 - 2020		PHASE 2 2020 - 2030		PHASE 3 2030 - 2040		PHASE 4 2040 - 2050	
	2015	2020	2025	2030	2035	2040	2045	2050
Trade Area Cumulative Demand (units)	5,707	19,759	33,899	36,733	46,330	57,156	69,377	83,198
Grasswood Marketshare	0%	1%	3%	3%	4%	5%	6%	6%
Cumulative Grasswood Feasible Single Family Residential Units	-	198	1,017	1,102	1,853	2,858	4,163	4,992
Estimated Cumulative Grasswood Population	0	489	2,475	2,646	4,390	6,680	9,600	11,360

6.6 TRADE AREA MULTI-FAMILY RESIDENTIAL DEMAND

Although multi-family demand comprises a variety of formats ranging from duplex to condominiums, the envisioned directions for the Grasswood Study Area for multi-family will ultimately be predicated by market economics and serviceability and compatibility with the development vision. However, for the purposes of this study, the multi-family components are largely envisioned to comprise townhomes, rancher style or duplex style housing, as commonly found in adult-oriented gated communities.

Condominiums or rental apartments, such as in Stonebridge are not envisioned to be a compatible or preferred residential component for the Grasswood Study Area given the existing and targeted residential densities. The necessary balance for the Grasswood Study Area will ultimately lie in providing a transition and stepping of density from that which exists today to slightly higher densities for multi-family that could reach a maximum of eight to 10 (8 - 10) units per acre.

As the Grasswood Study Area grows towards buildout and in particular beyond the 2030 time frame, there may be a rationale to revisit density assumptions, but for the purposes of forecasting land uses at this time, densities for multi-family should not be too high. There will eventually be a need and price point for residential formats between single family and condominiums.

Total multi-family housing demand in Saskatoon is forecast to increase from over 3,700 units in 2015 to almost 76,000 units by 2050, housing in the range of 173,000 residents.

6.7 GRASSWOOD MULTI-FAMILY MARKET SHARE

Realizing the growth dynamics of other developing communities in the City such as Brighton and Kensington as well as downtown, the Grasswood Study Area is not likely to be a prime target for multi-family demand, particularly condominium and rental housing in the near to mid term.

As a result, the ideal target market shares for the Grasswood Study Area reflect a very conservative and realistic outlook whereby a 1.0% market share of future multi-family demand could support approximately 760 units by 2050.

Table 6.2

**GRASSWOOD STUDY AREA SINGLE FAMILY RESIDENTIAL
LAND USE ALLOCATION SUMMARY BY FORMAT**

GRASSWOOD STUDY AREA	Demand Allocation (SF or units)	Site Utilization / Density (upa)	Acres Required	Hectares Required
Single Family Residential	5,000	6.80	735.7	298.0
Total	5,000	6.80	735.7	298.0

Table 6.3

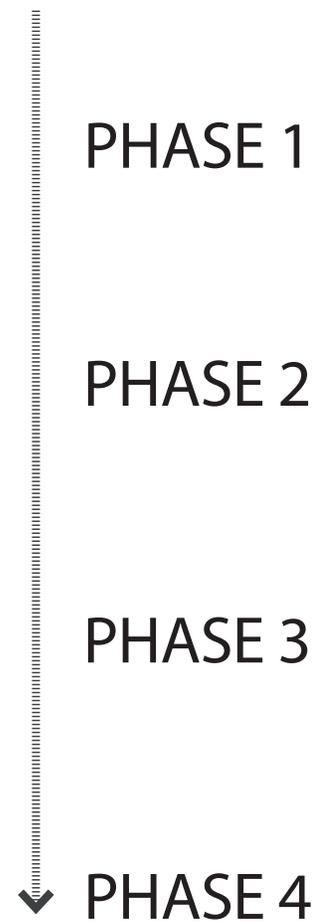
**GRASSWOOD STUDY AREA SINGLE FAMILY RESIDENTIAL
LAND USE ALLOCATION BY FORMAT & PHASE**

GRASSWOOD STUDY AREA	PHASE 1 TO YEAR 2020		
	Phase 1 0-5 years	Acres Required	Hectares Required
Single Family Residential	200	50.0	20.3
Total	200	50.0	20.3

GRASSWOOD STUDY AREA	PHASE 2 TO YEAR 2030		
	Phase 2 5-15 years	Acres Required	Hectares Required
Single Family Residential	900	128.6	52.1
Total	900	128.6	52.1

GRASSWOOD STUDY AREA	PHASE 3 TO YEAR 2040		
	Phase 3 15-25 years	Acres Required	Hectares Required
Single Family Residential	1,800	257.1	104.1
Total	1,800	257.1	104.1

GRASSWOOD STUDY AREA	PHASE 4 TO YEAR 2050		
	Phase 4 25-35 years	Acres Required	Hectares Required
Single Family Residential	2,100	300.0	121.5
Total	2,100	300.0	121.5



6

The City's *Growing Forward* project will be the key driver for multi-family density within the existing City boundaries, by increasing density at strategic nodes and along strategic corridors.

Under the phasing time horizons in this study, multi-family could be introduced by the end of 2020 (or sooner as potentially could be the case with Greenbryre's Phase 3 application for townhouses, although this is still under review and subject to approval of text amendments to the Planning District Bylaws). Similarly, the Silver Sky development, west of the Grasswood Study Area, is also proposing multi-family. The level of densities at Silver Sky are envisioned to be higher than in Greenbryre and the Grasswood Study Area, so the level of competitiveness is not as significant, both in timing and format.

By 2030, there could be, in conjunction with further single family development, cumulative demand for almost 250 multi-family units, growing to 460 units by 2040 and reaching a preliminary target of 760 by 2050.

6.8 GRASSWOOD MULTI-FAMILY LAND USE ALLOCATION

Having determined the optimal and feasible single family residential demand, the next step as shown in **Tables 6.5 & 6.6** is to allocate the multi-family residential unit demand into the land requirements.

By applying a residential multi-family density assumption of ten (10) upa to the forecasted 750 units, the identified multi-family residential demand in total by 2050 could require up to 75 acres or 30 hectares of land (excluding roads and landscaping).

Table 6.5 summarizes the land use by phase or time horizon and reveals that multi-family residential development will effectively take off after 2030, which is when projects such as Brighton, Rosewood and Kensington could likely reach their buildout, though downtown Saskatoon will likely still be in the midst of its densification evolution.

In the lead up years 2020 to 2030, the Grasswood Study Area is expected to continue to grow, pending servicing at conservative rates, emanating outward from the Greenbryre community.

6.9 SUMMARY & IMPLICATIONS

Although the overall residential market has shown signs of a slowdown, all signs from CMHC and other sources indicate that the market continues to exhibit overall strength.

In terms of single family residential, this particular segment is forecast to continue as a strong format and in its share of total development projects.

The sensitivities for the Grasswood Study Area and future single family housing will lie in the ability to provide formats and neighbourhoods that are compatible with the high value and large lot Greenbryre neighbourhood, but allowing for increasing densities as growth transitions further south and as servicing becomes available.

While future single family housing will be in demand, the formats that are expected to garner the most market share will be higher density more compact lots.

Table 6.4

GRASSWOOD STUDY AREA MULTI-FAMILY RESIDENTIAL DEMAND BY MARKET SHARE & PHASE

Grasswood Study Area Feasible Cumulative Multi-Family Units								
	PHASE 1 2015 - 2020		PHASE 2 2020 - 2030		PHASE 3 2030 - 2040		PHASE 4 2040 - 2050	
	2015	2020	2025	2030	2035	2040	2045	2050
Trade Area Cumulative Demand (units)	3,654	12,601	21,971	24,809	34,525	46,042	59,712	75,961
Grasswood Marketshare	0%	0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Cumulative Grasswood Feasible Multi-Family Residential Units	-	0	220	248	345	460	597	760
Estimated Cumulative Grasswood Population	0	0	535	596	818	1,076	1,377	1,729

Table 6.5

GRASSWOOD STUDY AREA MULTI-FAMILY RESIDENTIAL LAND USE ALLOCATION SUMMARY BY FORMAT

GRASSWOOD STUDY AREA	Demand Allocation (SF or units)	Site Utilization / Density (upa)	Acres Required	Hectares Required
Multi-Family Residential	750	10.00	75.0	30.4
Total	750	10.00	75.0	30.4

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Table 6.6
GRASSWOOD STUDY AREA MULTI-FAMILY
LAND USE ALLOCATION BY FORMAT & PHASE

GRASSWOOD STUDY AREA	PHASE 1 TO YEAR 2020		
	Phase 1 0-5 years	Acres Required	Hectares Required
Multi-Family Residential			
Total			

PHASE 1

GRASSWOOD STUDY AREA	PHASE 2 TO YEAR 2030		
	Phase 2 5-15 years	Acres Required	Hectares Required
Multi-Family Residential			
	200	20.0	8.1
Total	200	20.0	8.1

PHASE 2

GRASSWOOD STUDY AREA	PHASE 3 TO YEAR 2040		
	Phase 3 15-25 years	Acres Required	Hectares Required
Multi-Family Residential			
	250	25.0	10.1
Total	250	25.0	10.1

PHASE 3

GRASSWOOD STUDY AREA	PHASE 4 TO YEAR 2050		
	Phase 4 25-35 years	Acres Required	Hectares Required
Multi-Family Residential			
	300	30.0	12.2
Total	75	30.0	12.2

PHASE 4



While this may not be the target for the Grasswood Study Area in the early years, future single family residential components will nonetheless need to graduate up to higher levels of single family density six to eight (6 to 8) units per acre.

As major communities come on stream in the next few years, competition for single family housing is expected to be strong, thereby suggesting that the Grasswood Study Area's single family residential growth will largely ramp up after 2030.

The Grasswood Study Area is well-positioned to garner a conservative, yet fair share of future demand sufficient to warrant feasible support for single family development in the magnitude of 5,000 units by 2050 (in the range of 7 units per acre), accommodating almost 11,350 new residents.

This magnitude of growth is comparable to the growth that has occurred in nearby Stonebridge and is considered to be a necessary growth over the next 35 years in the Grasswood Study Area to fulfill the regional vision for a population of 1 million people, particularly given the location and adjacency to the City's existing boundary and its context in the Planning District.

The phasing timeline for development of new single family formats is furthermore strategically timed to provide the requisite demand and support for the identified retail program in the Grasswood Study Area as well as for the potential office and light industrial development program.

In terms of multi-family residential, this particular segment is forecast to increase in popularity and in its share of total development projects. Driven by house pricing as well as the affordability for new City residents, multi-family formats such as row homes, townhouses, condominiums and rental apartments will become increasingly more sought after across the City, but increasingly so closer into the City and around the University.

As major communities come on stream in the next few years, competition for multi-family housing is expected to be strong.

The Grasswood Study Area is well-positioned to garner a conservative fair share of future demand sufficient to warrant feasible support for multi-family development, though the target/optimal formats and densities are expected to transition from single family to townhouses, row housing, duplexes and gated adult-oriented communities.

Ideal time horizons for development of new multi-family formats are identified as 2025 to 2050, which would bode well for providing additional market support for the identified retail program at the Grasswood Study Area as well as for the potential office and light industrial programs.

There may be opportunities to revisit the optimal market shares over time, as the market and consumer preferences change, but it is believed that single family housing will be the driving force for the Grasswood Study Area, supplemented by medium density multi-family formats.

7 LAND USE ALLOCATION & PHASING

7.1 INTRODUCTION

The final stages of the Grasswood Mixed-Use Node Market Impact Study provide a logical sequencing/phasing of the respective land uses to best harness the area's existing developments and other site attributes as well as limitations realizing the inherent challenges that issues such as servicing could provide for development.

As stated in the South East Concept Plan background report, which largely encompasses the Grasswood Study Area; *"there are significant costs, as noted, to developing the regional infrastructure needed to implement the Concept Plan and enable future development. Further work will be needed to confirm the infrastructure, estimate its costs, and develop a funding model (such as enhanced servicing agreement fees) to pay for it."*

Similar to the South East Concept Plan, the Grasswood Mixed-Use Node Market Impact Study recommends a phasing of land uses with the goal of creating a clustered, horizontal mix of compatible land uses culminating in a buildout over the next 35 years.

- Phase 1 - up to 2020
- Phase 2 - 2020 to 2030
- Phase 3 - 2030 to 2040
- Phase 4 - 2040 to 2050

Phasing is also heavily contingent on several unknown/unconfirmed factors.

These include but are not limited to the proposed Saskatoon Freeway alignment and the subsequent location of the proposed overpass/interchange and the potential for further access/egress improvements to the Highway 11 flyover from Stonebridge to the Grasswood Study Area.

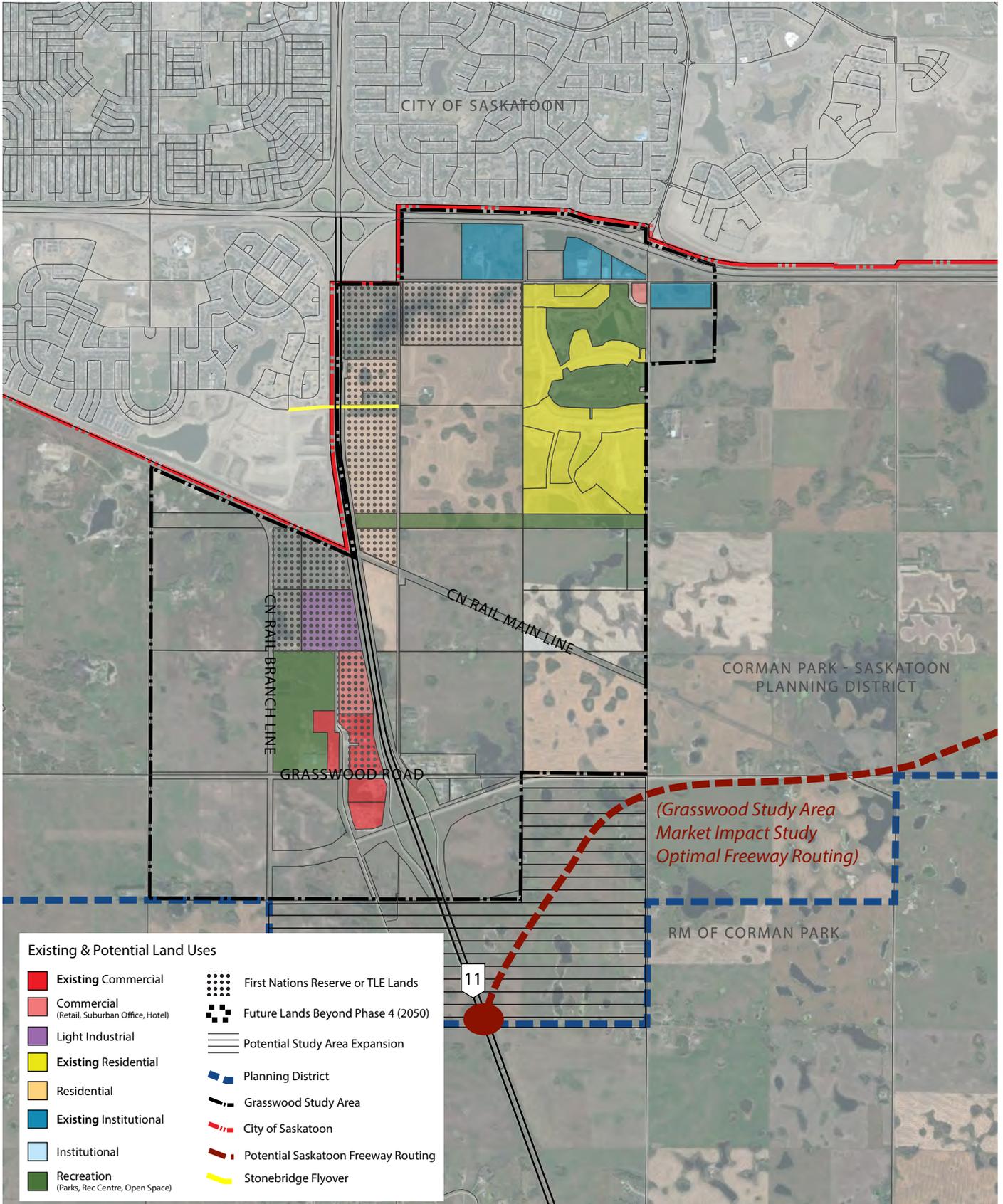
This flyover has been designed to accommodate consideration for providing access east of Highway 11 in the future. However, any such improvements beyond that already designed by the City, such as additional on/off ramps would be undertaken at the cost of R.M. of Corman Park and/or Developers. Other significant considerations include regional servicing, construction costs as well as the unpredictability of regional, provincial and national economies.

The most pressing issue of all of the latter is the location/alignment of the proposed Saskatoon Freeway, which could dramatically alter the locations of commercial and industrial activity, since many of these uses gravitate to major highway interchanges.

The land use phasing strategy presented in this study assumes an alignment of the Saskatoon Freeway that is as close to Grasswood Road as possible. The overall phasing strategy for the Grasswood Study Area is also premised on the following considerations:

- Establishing a south employment area for the City, R.M. and Region,
- Creating a compatible mix of commercial and light industrial uses in business park formats connected and buffering adjacent residential areas by a network of passive and recreational green spaces;
- Promoting single family residential development at slightly higher densities emanating from Greenbryre and largely occupying the eastern side of the study area;
- Creating a framework for introducing medium density multi-family formats such as townhomes connected seamlessly and harmoniously with single family development through parks, pathways and trails.
- Costs associated with developing and maintaining any parks, pathways and trails.

Figure 7.1
GRASSWOOD STUDY AREA - PHASE ONE LAND USES
2015 TO 2020



7

7.2

PHASE ONE LAND USE SUMMARY

Phase 1 land uses are premised around building upon that which exists today thus minimizing a scattered development pattern. It is also premised on potential efficiencies from clustering with existing uses and the potential availability of some levels of servicing from the City, the R.M. as well as partnerships involving a variety of land owners/developers including English River and Cowessess should be encouraged for maximizing servicing opportunities. The patterns of land use also recognize development proposals for Greenbryre Phase 3 as well as Grasswood Junction. These projects could occur in isolation regardless of any Saskatoon Freeway alignment and thus are considered viable in the short term.

Figure 7.1 depicts the land uses as further summarized in **Table 7.1**. **Table 7.1** provides a comparison of the area measurements visually depicted in **Figure 7.1** (which respect current property boundaries and includes existing developed properties) and reconciles those against future new land uses as determined by demand in the Market Impact Study.

Demand forecasts do not include existing 271 gross acres of developed properties. Therefore, removing the existing developed from market demand yields a difference of 70 acres between the demand forecasts and that which is shown in **Figure 7.1**.

Phase 1 is premised on market demand for 274 gross acres of development by 2020, of which almost 60 acres or 22% could be Residential. Retail and Light Industrial would represent small components that could build on the existing development already occurring on the English River First Nation Reserve.

Table 7.1
GRASSWOOD STUDY AREA -
PHASE ONE LAND USE SUMMARY

Phase 1 LAND USE BASED ON AREAS SHOWN ON LAND USE MAP			
PROPOSED LAND USE	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	235.5	188.4	38%
Light Industrial	35.7	28.6	6%
Commercial (Retail, Suburban Office, Hotel)	69.3	55.4	11%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	199.0	179.1	32%
Institutional	75.2	60.2	12%
TOTAL	614.7	511.7	100%

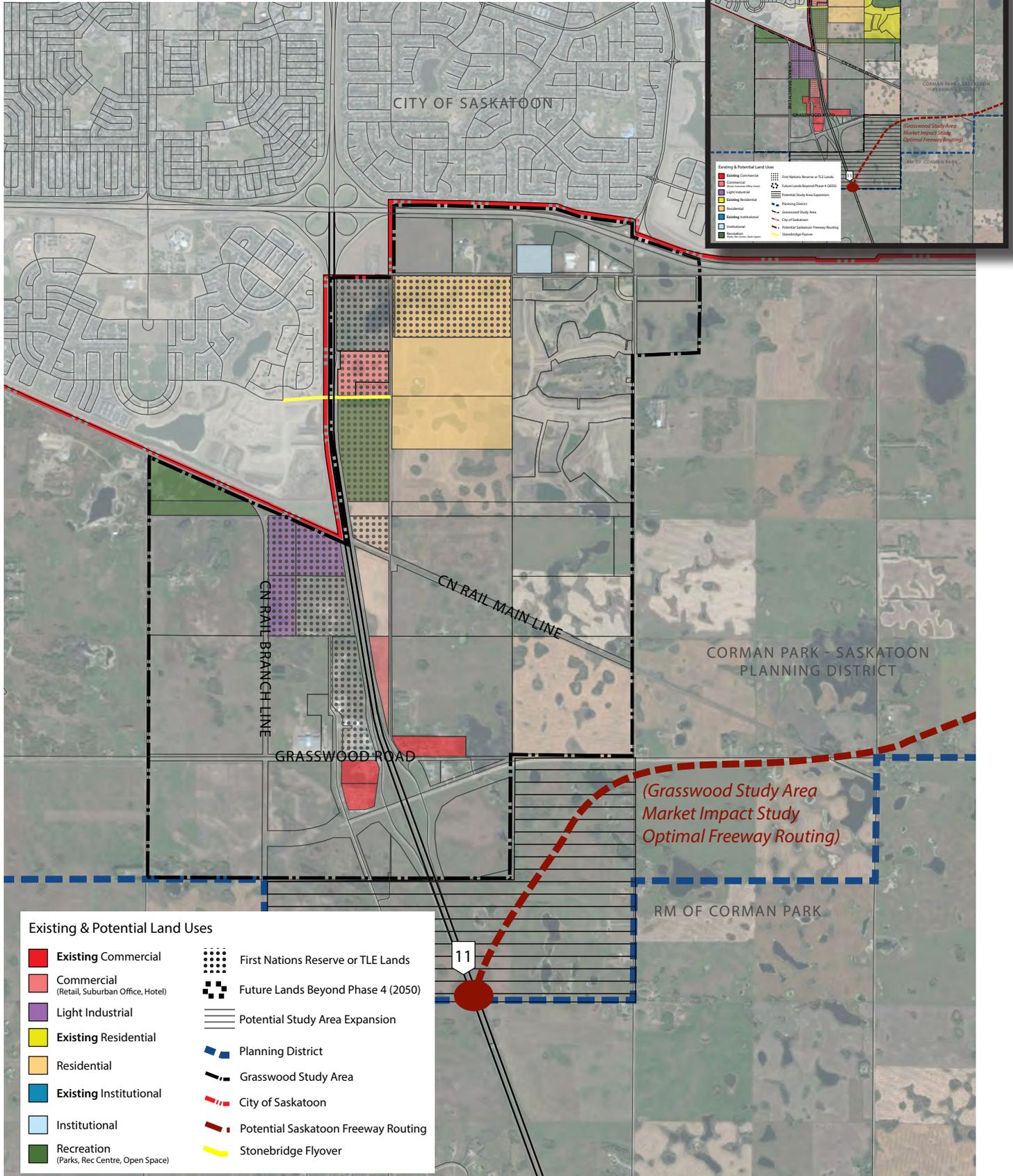
Note: Includes existing developed properties (-271 gross acres / -220 net acres)

Phase 1 LAND USE BASED ON DEMAND FORECASTS & ALLOCATION			
LAND USE DEMAND	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	60.0	50.0	22%
Light Industrial	8.3	6.9	3%
Commercial (Retail, Suburban Office, Hotel)	6.8	5.7	2%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	199.0	179.1	73%
Institutional	-	-	0%
TOTAL	274.1	241.6	100%

Note: DOES NOT include existing developed properties

To assist in the reconciliation process, the areas in the diagram have had an estimated figure of 20% applied to create a net developable area so as to be consistent with how the market demand figures are presented (as net figures).

Figure 7.2
**GRASSWOOD STUDY AREA- PHASE TWO LAND USES
 2020 TO 2030**



7

7.3 PHASE TWO LAND USE SUMMARY

Phase 2 land uses build upon Phase 1 in maintaining a clustered progressive development pattern (refer to inset map which shows cumulative Phases 1 & 2 land uses), and continuing to realize potential efficiencies from clustering with existing uses. Residential land uses could continue to occur in conjunction with the buildout of Greenbryre.

The flyover from Stonebridge (over Highway 11) was part of the original Stonebridge neighbourhood design and could accommodate a future extension into the Grasswood Study Area. However the costs would be borne by the R.M. and/or developers/land owners. Also, any access off of Highway 11 would be a provincial responsibility. As such and assuming future improvements, Phase 2 includes potential retail development on the Cowessess lands to take advantage of the new flyover and realize Cowessess' goals for commercial development on their lands. The size of this retail development in the order of ten (10) acres or less would largely fulfill the need to provide neighbourhood/ community scale retail for the residents within the Grasswood Study Area, as well as those in the South Eastern area of Stonebridge, realizing not to be too large to impact new retail at Preston Ave/Cornish Road.

Light industrial land uses are envisioned to cluster and take advantage of the north-south CN Branch Line. Retail uses will be highly contingent upon the Saskatoon Freeway alignment, do not dominate Phase 2 and will likely ramp up if/when the Saskatoon Freeway alignment takes place.

Phase 2 is premised on market demand for 443 gross acres by 2030 of new land comprising 40% (179 acres) of Residential and 10% (43 acres) of Commercial and the initial stages 8% (34 acres) of Light Industrial.

**Table 7.2
GRASSWOOD STUDY AREA -
PHASE TWO LAND USE SUMMARY**

Phase 2 LAND USE BASED ON AREAS SHOWN ON LAND USE MAP			
PROPOSED LAND USE	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	222.5	178.0	49%
Light Industrial	61.2	49.0	14%
Commercial (Retail, Suburban Office, Hotel)	54.0	43.2	12%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	102.7	92.4	23%
Institutional	11.0	8.8	2%
TOTAL	451.4	371.4	100%

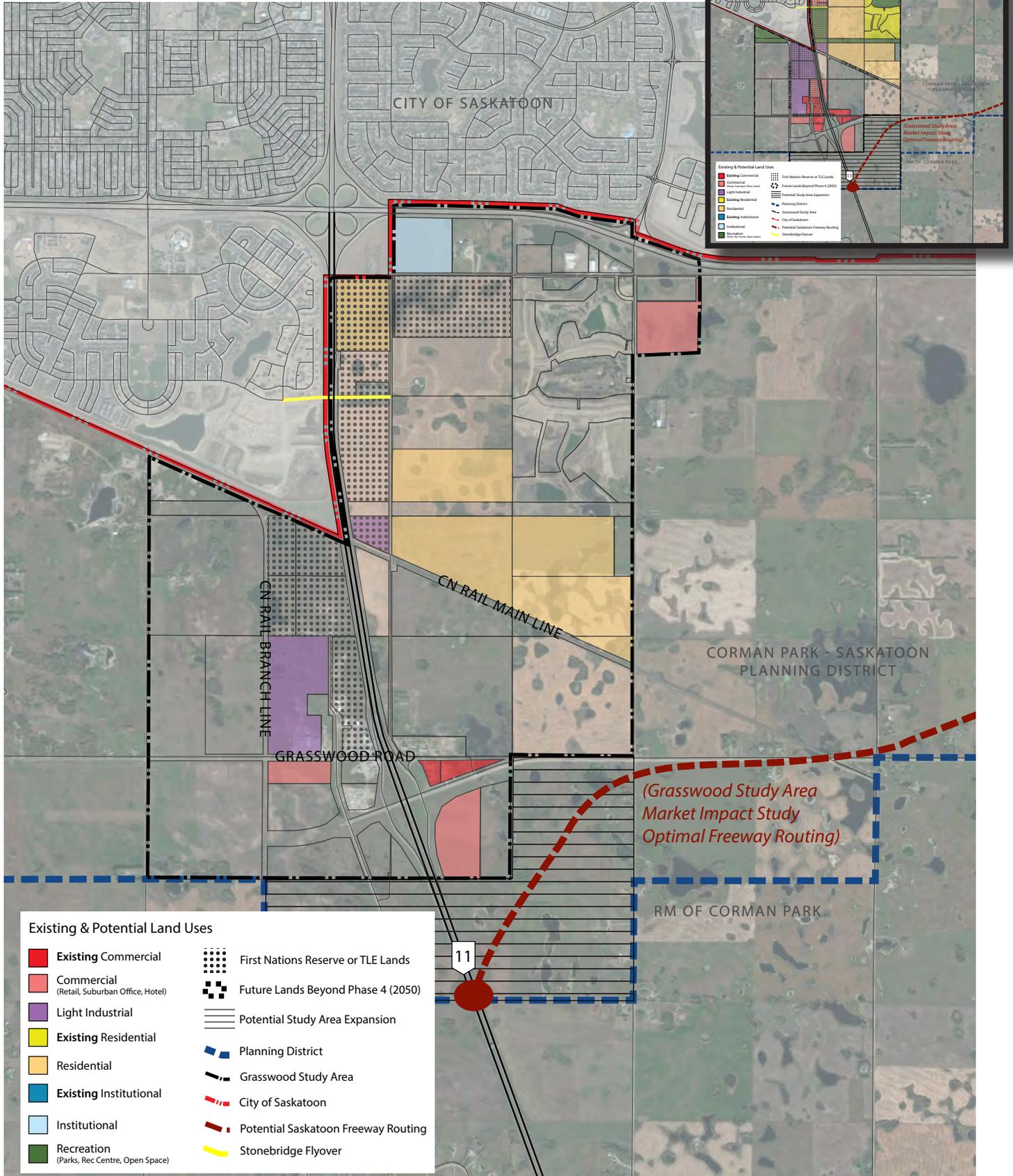
Note: Includes existing developed properties

Phase 2 LAND USE BASED ON DEMAND FORECASTS & ALLOCATION			
LAND USE DEMAND	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	178.3	148.6	40%
Light Industrial	33.9	28.3	8%
Commercial (Retail, Suburban Office, Hotel)	43.4	36.2	10%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	180.4	162.4	41%
Institutional	6.7	6.1	2%
TOTAL	442.8	381.5	100%

Note: DOES NOT include existing developed properties

To assist in the reconciliation process the areas in the diagram have had an estimated figure of 20% applied to create a net developable area so as to be consistent with how the market demand figures are presented (as net figures).

Figure 7.3
**GRASSWOOD STUDY AREA - PHASE THREE LAND USES
 2030 TO 2040**



7

7.4 PHASE THREE LAND USES SUMMARY

Phase 3 land uses continue to cluster around previous phases, particularly residential, but Phase 3 also provides the early introduction of regional retail (e.g. large format anchored retail) in the south edge of the study area, taking advantage of the optimal and preferred Saskatoon Freeway alignment, if implemented as shown and by that time. If the timing of the Saskatoon Freeway takes longer, then the introduction could also be longer.

Residential uses may now warrant the provision of lower density multi-family formats (e.g Townhomes or Duplexes) or smaller lot single family dwellings including Cowessess' northern lands. The overall development would be envisioned as part of a planned neighbourhood type development.

Institutional land uses, though not market driven are expected to include uses such as Churches, Recreation Centres or Schools and will be clustered around or near existing similar uses.

Light Industrial land uses could continue clustering and take advantage of the CN rail branch line as well as on the southern most Cowessess lands. At this point, the relocation and constructing a new ice rink or recreational facility) to the west side of the tracks would help to set the stage for a transition between light industrial and future land uses west of the Grasswood Study Area as well as a potential strip of Retail along Grasswood Road to serve the Light Industrial uses.

Table 7.3 compares area measurements visually depicted in **Figure 7.3** to the land use requirements based on demand forecasts.

Phase 3 illustrates an estimated 490 gross acres of development, with a large share of Residential taking place in this phase (339 acres) accounting for 69% of the development. However, both the Light Industrial and Commercial now begin to accelerate and could account for 16% and 13% respectively of the land use.

Table 7.3
GRASSWOOD STUDY AREA-
PHASE THREE LAND USE SUMMARY

Phase 3 LAND USE BASED ON AREAS SHOWN ON LAND USE MAP			
PROPOSED LAND USE	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	436.9	349.5	65%
Light Industrial	83.4	66.7	12%
Commercial (Retail, Suburban Office, Hotel)	110.3	88.2	17%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	-	-	0%
Institutional	37.0	29.6	6%
TOTAL	667.6	534.1	100%

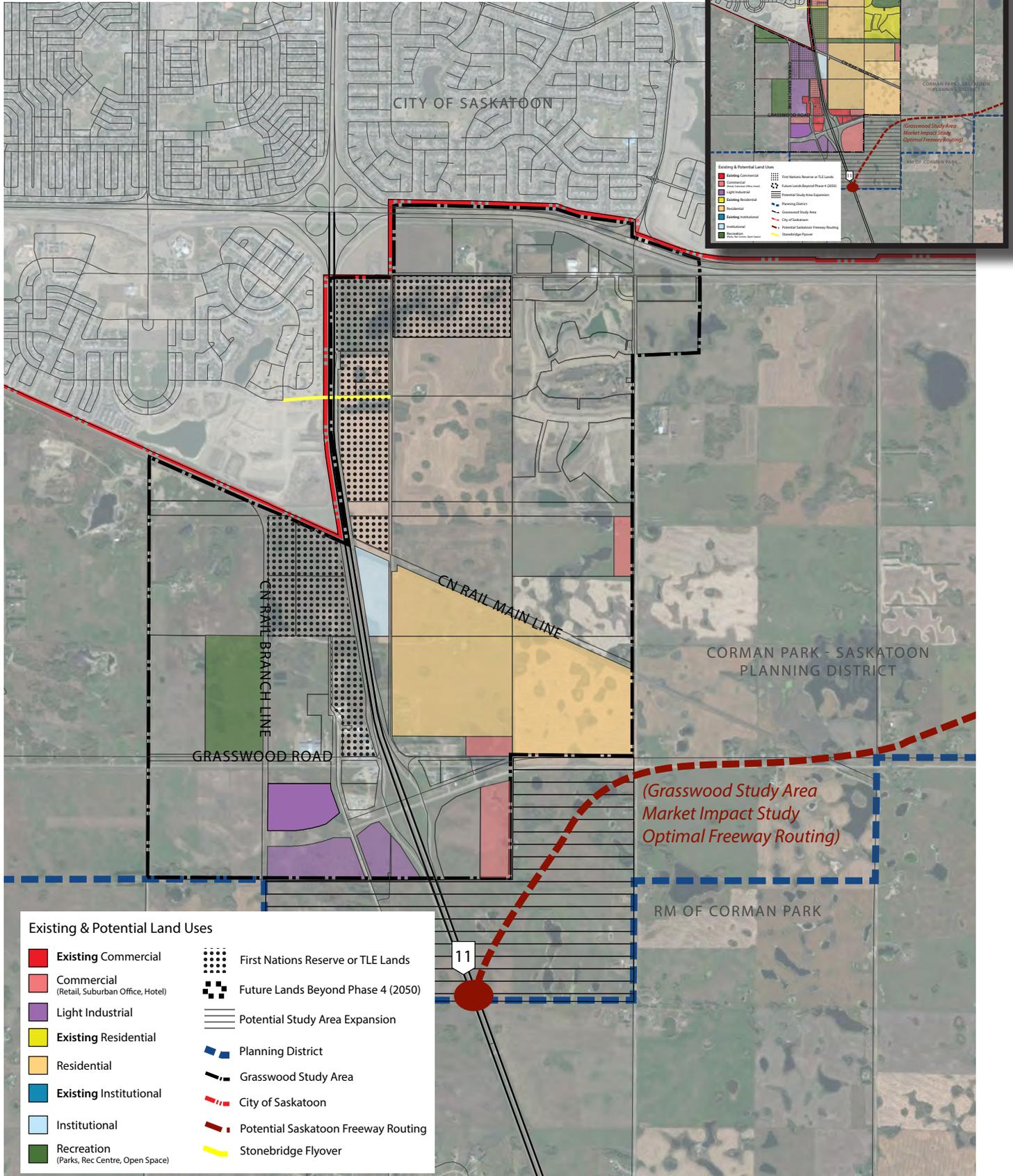
Note: Includes existing developed properties

Phase 3 LAND USE BASED ON DEMAND FORECASTS & ALLOCATION			
LAND USE DEMAND	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	338.6	282.1	69%
Light Industrial	80.5	67.1	16%
Commercial (Retail, Suburban Office, Hotel)	63.9	53.3	13%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	-	-	0%
Institutional	6.7	6.1	1%
TOTAL	489.7	408.6	100%

Note: DOES NOT include existing developed properties

To assist in the reconciliation process the areas in the diagram have had an estimated figure of 20% applied to create a net developable area so as to be consistent with how the market demand figures are presented (as net figures).

Figure 7.4
**GRASSWOOD STUDY AREA - PHASE FOUR LAND USES
 2040 TO 2050**



7

7.5 PHASE FOUR LAND USE SUMMARY

Phase 4 land uses are envisioned to represent the near buildout stage of the Grasswood Study Area, though it is expected that ultimate buildout will occur beyond 2050, particularly along the western boundary of the Grasswood Study Area.

Similarly, residential would still be dominated by single family, but could include complementary lower density multi-family formats nearer to and along Grasswood Road. The timeframe for this would fall near the end of the 35 year horizon in the time frame 2045 to 2050 and even beyond.

The remaining pieces of land use are a small component of neighbourhood scale retail along the eastern side of the Grasswood Study Area, which could bode well for potential additional residential that could occur to the east of the Grasswood Study Area. Additionally, the second phases of Regional Retail could be introduced to fulfill the critical mass at a regional node with a facing development as part of the Zmanix lands.

Phase 4 is premised on adding over 545 acres of new land to the year 2050. In Phase 4, Residential and Light Industrial become the dominant land uses, accounting for 73% (396 acres) and 22% (118 acres) respectively.

The Saskatoon Freeway alignment will have an impact on the Light Industrial allocation. Light Industrial land uses are very often driven by the ease and accessibility for regional goods movement, which is a development pattern and trend often associated near Highway interchanges. This has proven to be the case in cities like Edmonton and Calgary, among a host of others. **Figure 7.4** shows a potential Study Area expansion which would be contingent upon the Saskatoon Freeway alignment. This is an area that could have future Light Industrial value, but is currently beyond the scope of this study.

Table 7.4
GRASSWOOD STUDY AREA -
PHASE FOUR LAND USE SUMMARY

Phase 4 LAND USE BASED ON AREAS SHOWN ON LAND USE MAP			
PROPOSED LAND USE	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	222.5	178.0	59%
Light Industrial	84.4	67.5	22%
Commercial (Retail, Suburban Office, Hotel)	33.8	27.0	9%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	12.0	10.8	3%
Institutional	24.3	19.4	6%
TOTAL	377.0	302.8	100%

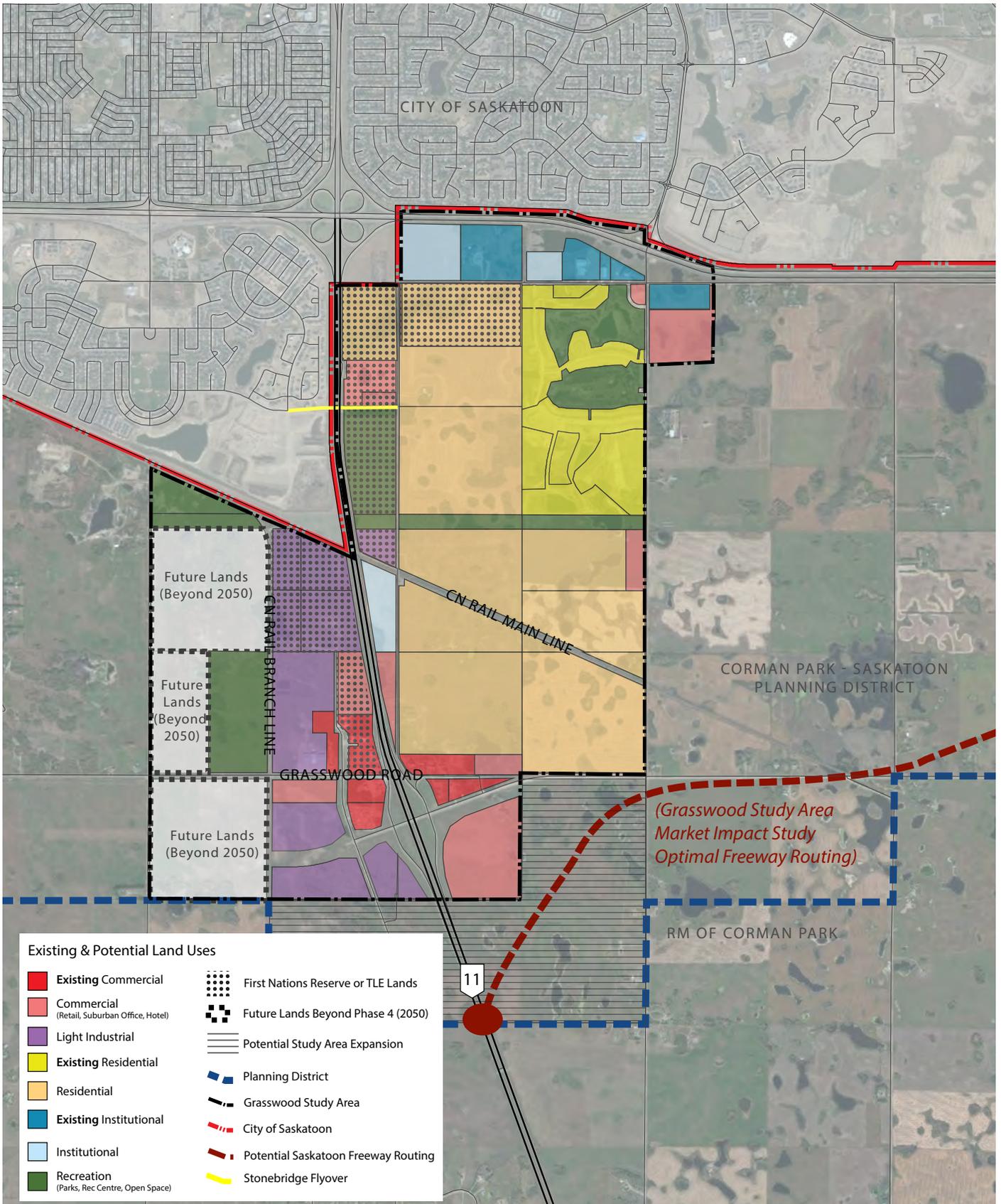
Note: Includes existing developed properties

Phase 4 LAND USE BASED ON DEMAND FORECASTS & ALLOCATION			
LAND USE DEMAND	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	396.0	330.0	73%
Light Industrial	118.3	98.5	22%
Commercial (Retail, Suburban Office, Hotel)	27.9	23.2	5%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	-	-	0%
Institutional	3.4	3.1	1%
TOTAL	545.5	454.8	100%

Note: DOES NOT include existing developed properties

To assist in the reconciliation process the areas in the diagram have had an estimated figure of 20% applied to create a net developable area so as to be consistent with how the market demand figures are presented (as net figures).

Figure 7.5
GRASSWOOD STUDY AREA - LAND USE SUMMARY (2050 and beyond)



7

7.6 LAND USE SUMMARY

The Grasswood Study Area is showing market and population driven demand for approximately 1,752 gross acres by 2050. Conversely, the areas shown in **Figure 7.5** reveal a total area of 2,153 gross acres that could be developed respecting current property boundaries and quarter sections, and excluding “Future Lands beyond 2050”.

Therefore, on the basis of the overall demand and land use allocation, by 2050 there is still more land than forecasted demand would require. This means that the full buildout for the Grasswood Study Area, based on supportable market demand, would be beyond the next 35 years.

In some respects and for some specific land use categories (Residential, Commercial and Light Industrial) the market shares applied to future demand would need to be more aggressive in order to fully reach buildout by 2050. While a possibility, it could create undesirable impacts in the Region. On this basis, it is recommended and reasonable in the context of the local area and wider region, for the Grasswood Study Area to look to beyond 2050 as its benchmark for buildout.

An important component is the land on the western boundary of the Grasswood Study Area shown as “Future Lands Beyond 2050”. Since a goal of these lands would be to ensure ultimate compatibility of land uses, the future allocation provides flexibility to review demand dynamics for all the land uses in time and appropriately determine their viability and applicability. If the Saskatoon Freeway alignment takes place in the location shown or even pushed south, the area identified as “Potential Study Area Expansion” could be a more appropriate area for future Commercial or Light Industrial land uses, while the western edge of the existing Grasswood Study Area could be residential.

**Table 7.5
GRASSWOOD STUDY AREA-
LAND USE SUMMARY**

LAND USE to 2050 BASED ON AREAS SHOWN ON LAND USE MAP			
PROPOSED LAND USE	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	1,117.4	893.9	52%
Light Industrial	264.7	211.8	12%
Commercial (Retail, Suburban Office, Hotel)	267.4	213.9	12%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	356.4	320.8	17%
Institutional	147.5	118.0	7%
TOTAL	2,153.4	1,758.4	100%

Note: Includes existing developed properties

LAND USE to 2050 BASED ON DEMAND FORECASTS & ALLOCATION			
LAND USE DEMAND	Gross Area (acres)	Net Developable (acres)	% of Total Area
Residential	972.9	810.7	56%
Light Industrial	240.9	200.8	14%
Commercial (Retail, Suburban Office, Hotel)	142.0	118.4	8%
Passive & Active Recreation (Parks, Rec Centre, Open Space)	379.4	341.5	22%
Institutional	16.8	15.3	1%
TOTAL	1,752.0	1,486.6	100%

Note: DOES NOT include existing developed properties

To assist in the reconciliation process the areas in the diagram have had an estimated figure of 20% applied to create a net developable area so as to be consistent with how the market demand figures are presented (as net figures).

8

LAND USE POLICY CONSIDERATIONS

8.1 INTRODUCTION

The following considerations are intended to provide guidance as to where existing land use regulations could be revised, maintained, removed or otherwise changed to accommodate the proposed land use program and phasing plans presented in this study. Considerations are presented by each general land use category, and the existing regulations referenced are the Corman Park - Saskatoon Planning District Zoning Bylaw dated November 5, 2014.

8.2 RESIDENTIAL DISTRICTS

Existing Regulations

There are five “Country Residential” zones in the Planning District. District County Residential (DCR) Residential standards vary from large acreages (DCR1) to smaller rural clustered residential development (DCR5). Each DCR has complementary uses which are typically low-density or low-intensity uses such as care facilities, community facilities or recreational uses, or telecommunications and infrastructure buildings. Residential standards only allow for detached single family homes, however secondary and accessory dwelling units are discretionary, contingent upon specific circumstances.

Considerations

The residential market analysis provides that lower density single family homes will be in higher demand than multi-family housing in the suburban context. Therefore the regulations as written provide satisfactory standards for anticipated residential growth, but may require a designation for density in the range of six to eight (6 to 8) upa.

Towards the end of the phasing horizon, should servicing be available and demand be met in the form of higher density multi-family housing types, a future consideration could be to establish regulations that would allow for such densities, though it is not considered a priority for the Grasswood Study Area in the near term.

In order to achieve the economics of development, future incremental increases in single family densities should be considered from current levels today, which are in the range of two (2) units per acre. Future densities as Residential could increase to six to eight (6 to 8) units per acre. Over time, densities should be revisited in conjunction with the phasing horizons and as the market shifts in terms of demographics, economics and overall demand.

A combination of minimum separation distances and landscaping treatments for future non-residential uses from country residential areas should be in place to minimize any negative impacts between the land uses.

Although the Grasswood Study Area is referred to as a “Mixed-Use Node”, the reality is that the area is not conducive to any large scale or traditional mixed-use, which connotes a higher density vertical urban form.

This type of development would be challenging in a suburban location such the Grasswood Study Area, but it is nonetheless worth considering having a potential mixed-use zoning designation in place as a proactive stance to potential developments over the longer term. Though it is not recommended that a specific mixed-use land use be allocated.

This zoning could allow for the integration of either residential above retail, office above retail or office and residential above retail. This could perhaps take cues from the City of Saskatoon's MX-1 Zoning Designation, although even this form of development can be difficult in an urban setting, let alone in a suburban context like the Grasswood Study Area.

Zoning could be explored to accommodate multi-family housing at density levels that would allow for townhomes, row houses and gated adult-oriented communities (e.g. 10 to 20 upa), but not at a density level for apartments or condominiums (e.g. 20 to 35 upa).

8.3 COMMERCIAL DISTRICTS

Existing regulations

The Planning District has three zones that accommodate commercial uses: D-Business District (DB), D-Arterial Commercial 1 (DC1) and R-Rural Convenience Commercial (DC2). The DC1 district is employed at the Grasswood commercial node located at the northwest corner of Grasswood Road and Highway 11.

Large format retailers in excess of 35,000 sf of floor space on a single site are not currently permitted in the Planning District.

Considerations

As the Grasswood Study Area develops, and more importantly as the City and Region grow, pressures will be felt to accommodate larger retailers who will be seeking out sites with the traffic counts and regional accessibility provided by the future Saskatoon Freeway, not to mention the visibility already offered along the Highway 11 corridor.

The Planning District should consider eliminating the maximum retail store size regulation in the Grasswood Study Area.

The Planning District should consider a requirement that any development project with a total floor space exceeding 50,000 sf regardless of whether it is one tenant or multiple tenants, undertake a Retail Impact Assessment.

The figure of 50,000 sf has been determined on the basis that a typical grocery anchored neighbourhood development is likely to have a grocery anchor in the range 30,000 sf to 45,000 sf plus have an additional 10,000 sf of small CRU space as part of an ancillary development.

Any project of this size, up to 50,000 sf is likely to have a small localized trade area and is typically developed in association with a new developing community and thus a new local trade area. Therefore its impact is considered minimal and should not be subject to an impact assessment nor size limitation.

For larger anchor tenants, Saskatoon's past fifteen (15) year history has proven statistically that the introduction of new retail projects, many of which have been anchored by tenants larger than 35,000 sf have not adversely impacted the retail sector in the City or CMA. It is acknowledged that the City took a measured approach using Impact Assessments to ensure that growth wasn't detrimental. There were however no restrictions on store sizes and as such the Impact Assessments proved to be the key to ensuring balanced growth.

A single retail building of 35,000 sf, is no more of a threat than is a multi-tenant development of the same size. It is more important to examine the composition of the mix/tenant, which is what a Retail Impact Assessment should provide.

The City already has a requirement for a Retail Impact Assessment to be prepared before each phase of a retail development and this tool in and of itself is sufficient to mitigate and ensure impacts are at a minimum.

The City of Saskatoon's retail sector has grown by over 2.2 million sf since 2001. During this same time frame the population of the City grew by almost 57,000 residents. This equates to a per capita ratio of 39 sf, which itself is below the City's current ratio of 42 sf per capita.

Also, during this time, overall retail vacancy of the City never reached higher than 4.1%. Retail vacancy is one of the primary statistics for measuring a healthy retail environment and a vacancy rate of less than 5% is considered healthy in an urban market.

Therefore, even with the addition of 2.2 million sf of new retail space over the past 15 years, which does not include repositioned assets such as Confederation Mall or Midtown Plaza, or the Mall at Lawson Heights, Saskatoon's retail environment has improved and not been hindered by growth. Furthermore, areas like Broadway and 8th Street have redefined their position in the market, whereby Broadway is stronger today than it was before projects like Preston Crossing came into the market and despite the fears that a project like Preston Crossing would have on the retail market.

Most if not all of the new major developments since 2001 (Preston Crossing, University Heights, Blairmore, Stonebridge, Stonegate, Lakewood, etc) have had major anchor components larger than 35,000 sf in size.

The Market Impact Study identifies a total of 1.0 million sf over the next 35 years with a corresponding population growth in the City alone of approximately 256,000 sf. The resulting space per capita ratio equates to only 3.9 sf per capita, which is significantly below the City average today and the average of the per capita that the City has experienced over the period 2001 to 2015.

If the City's population grows by 2.0% per annum over the next 35 years, the new population could support almost 10 million sf of new retail space using the historic ratio of 39 sf per capita that has proven to be consistent and positive to the City's overall retail environment.

There will always be impacts and casualties as a city grows and adds to its retail inventory, but these will not be prevented even with a restrictive store size Bylaw in place.

Moreover, the Grasswood Study Area will not be able to develop retail in the order of 1.0 million sf without having any anchor tenants larger than 35,000 sf. If the Bylaw as constructed today continues, the Grasswood Study Area will at most be able to accommodate a Grocery anchored community-scale shopping centre and potentially 2 neighbourhood nodes. And even a grocery store at 40,000 sf with a localized trade area, would not be permitted under current zoning.

8

The reality of the Saskatoon Freeway and Highway 11 suggests the Grasswood Study Area should have a Regional Retail node to protect and attract retail to the City; retail that would otherwise locate in less restrictive jurisdictions, namely the City of Regina. The Grasswood Study Area and in particular the location as shown in the Land Use Plan represents a location that could fit well with a tenants' regional or provincial growth strategy requiring trade area population support at not only a community scale, but a wider region, as evidenced in markets like Edmonton and Calgary where major new periphery highways have stimulated regional retail growth opportunities.

The City of Regina owns approximately 200 acres (Hawkstone Lands) in the north that are zoned and ready to attract large format and destination tenants for whom either the south side of Saskatoon or north side of Regina are considered target locations.

The commercial regulations should adequately provide for a range sizes and formats of retail uses. However, individual or cumulative retail buildings representing 50,000 sf of Gross Leasable Area (GLA) or more of a full retail development proposal should require a Retail Impact Assessment, provided by the developer prior to each phase, to ensure the development does not have a major detrimental impact on the trade of existing or committed retail centres and the surrounding area.

Multiple developments less than 50,000 sf that are considered part of a singular master commercial development, will be limited to the first 35,000 sf without a Retail Impact Assessment, after which point a Retail Impact Assessment will be required if less than 50,000 sf.

Additionally, any development with a total GLA larger than 100,000 sf comprising multiple tenants should present a phasing strategy as part of its Retail Impact Assessment.

A Retail Impact Assessment should be required to look at the market shares for each merchandise category type over a minimum five (5) years as quantified and measured against the forecasted retail sales growth over that same time frame.

A Retail Impact Assessment varies among store types and any impacts would need to show how long it would take competing comparable retailers in a core or primary trading area to recover the lost sales that a new retailer would potentially garner. This would be measured by sales transference.

The challenge of a Retail Impact Assessment however is that there is no set rule for how long a particular retailer can absorb sales transference. Some retailers are better equipped to respond and adapt, while others less so. Also, the majority of retail stores have multiple categories of retail merchandise, varying store sizes and certain retailers have larger trade areas than others.

Any Retail Impact Assessment could therefore be required initially to look at the overall project size and its required market share to justify the overall development or the respective phase being proposed. In so doing the Retail Impact Assessment would examine the current market dynamics as far as existing projects and their respective retail mix, as well as other proposed or approved projects.

Economics aside, to which developers are very cognizant, the market will almost always be in a check-and-balance situation. The Planning District does not need a restrictive size Bylaw to manage impacts, when it can utilize a Retail Impact Assessment Study to achieve a more effective quantification of impacts.

English River First Nation with its Reserve status is not subject to any District Bylaws that would require adherence to the Planning District's 35,000 sf store size Bylaw. English River could attract a large format tenant, dependent on meeting the servicing requirements for such a development.

In the event English River attracted a significant retail development, such a move could render the Planning District's Zoning Bylaw redundant in the Grasswood Study Area. More critically, it could create a pattern of land use that might not be in the best interest of long term planning in the Grasswood Study Area.

If the objective of the Bylaw is to ensure minimal impacts on retail in the City, then the mere fact that English River, or even Cowessess if they transferred their lands to Reserve status, could add large retail formats the impacts can't be managed. If however, the Bylaw is amended per the considerations in this document, then a more cohesive pattern of development could be allocated in a location more appropriate for and less impactful on the long term future growth of the region, rather than in a potentially scattered pattern.

The Planning District should also recognize and implement Canadian industry standard definitions and criteria for retail projects as prepared by the International Council of Shopping Centers, titled "*Canadian Retail Real Estate Standard. A Framework for Shopping Center and Other Retail Format Definitions*". (refer to **Background Document Appendix A** for the full ICSC publication).

8.4 INDUSTRIAL DISTRICTS

Existing Regulations

Two industrial zones allow for a range of manufacturing and related uses. DM1 District is intended for industrial uses where nuisance odors, sights or noises do not extend beyond the boundaries of the site.

DM2 is intended to accommodate uses on sites large enough to mitigate potentially negative impacts of noxious activities or nuisances. DM2 land uses are not considered appropriate for the Grasswood Study.

Considerations

The areas in the Grasswood Study Area Land Use Plans designated for future "business" (Urban Commercial, Urban Light Industrial) are intended to represent less intensive development so that they are more compatible with adjacent or nearby residential uses.

The language and standards of the industrial zoning districts are satisfactory and complementary to the land use and phasing recommendations in this study.

Any future light industrial uses should be buffered from adjacent residential neighbourhoods by extensive setbacks as well as landscaping, berming, and other visual and sound barriers.

Light Industrial uses should be phased and not allowed to be scattered throughout the Grasswood Study Area.

Consideration could be given to including additional industrial zoning to cover agri-business industrial land uses.

Consideration could be given to creating a zoning similar to the City of Saskatoon's IB Zoning as an Industrial Business District, which "is to facilitate business and light industrial activities that are seeking a high quality, comprehensively planned environment"

This could be a very compatible zone for the western interface of the Grasswood Study Area.

8.5 FIRST NATIONS

The following represents considerations for ongoing dialogue and communication with First Nations rights-holders in the Grasswood Study Area. Given the Reserve status of English River and the potential for Cowessess to consider Reserve status for their lands, policy directions would be well-served by continuing the ongoing engagement of the First Nations as it relates to long term planning, including land uses, transportation and servicing.

The Corman Park - Saskatoon Planning District should continue to work with Cowessess and English River First Nations to explore further infrastructure development plans and partnerships for the Grasswood Study Area.

The Corman Park - Saskatoon Planning District should continue to advise and engage the Cowessess and English River First Nations Leadership and Administration of relevant planning initiatives pertinent to the Grasswood Study Area.

The Corman Park - Saskatoon Planning District should ensure that information regarding the Grasswood Market Impact Study, Saskatoon North Partnership for Growth (P4G), City of Saskatoon's "Growing Forward", and other relevant planning initiatives be shared with Cowessess and English River First Nations as deemed appropriate.

GRASSWOOD Mixed Use Node

Market Impact Study



in collaboration with

