

The Industrial Report



THE ICR ADVANTAGE

ICR RELEASES Overall Industrial Vacancy for 2008!



Saskatoon, Saskatchewan

2007-2008

www.icrsaskatoon.com

INDEX

Industrial Vacancy & Geographical Breakdown.....**p.2,3,4**
Superior Saskatoon....**p.4**
ICR Gives Back.....**p.5**
ICR On The Move.....**p.5**

WEATHER



THE INDUSTRIAL FORECAST IS BRIGHT IN SASKATOON!

CONTACTS

1 - 3342 Millar Avenue
Saskatoon SK S7K 3Y4
Ph: (306) 933-2929
Fax: (306) 931-0882
industrial@icrsaskatoon.com

100 - 261 First Avenue North
Saskatoon SK S7K 1X2
Ph: (306) 664-6116
Fax: (306) 664-1940
mailbox@icrsaskatoon.com

Web: www.icrsaskatoon.com



933 2929 664 6116



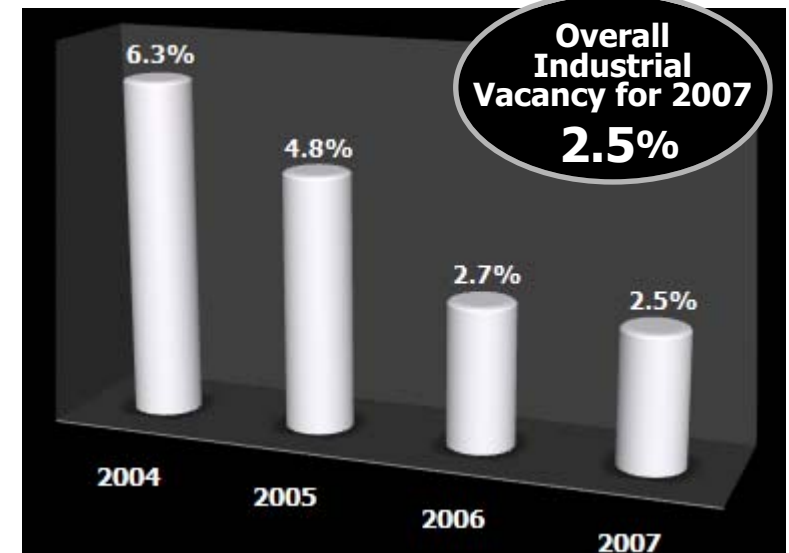
WAITING FOR LAND IN BATTLEFORD, SASK.

The picture above could be mistaken for the scene outside the Saskatoon Land Branch on March 25th, 2008. Take away the buffalo robes and give the old timers a shave and not much has changed. The picture is thought to be taken in the early 1900's after a journey by homesteaders to secure more land for their families. Fast forward >> 100 years to Saskatoon... purchasers also camped out overnight to secure one of the last five industrial parcels on Millar Avenue released to the market. The City Land Branch tendered the lands the previous week by placing them on the open market. They had their hands full, sorting out the entitlements when there wasn't enough land to go around. Several potential buyers went home cold and empty handed. These parcels sold from \$270,000 per acre to a high of \$325,000 per acre. Point of interest: None of the lands offered in the tender located East of the CN Rail line adjacent the Silverwood Golf Course were of interest to potential purchasers. No bids were submitted on these lands.

GIMME LAND - LOTS A LAND!

Saskatoon contains the formula for extremely high economic potential! Saskatoon has ranked in the top five expanding cities in Canada the last five years running! Phenomenal growth rates have been achieved in industrial sectors, fueled by mining, oil & gas, agriculture, biotechnology, metal fabrication, and information technologies.

This explosive growth trend has an increase of approximately 100% over the last three years from \$165,000 per acre toward \$325,000 per acre. Charged up rental rates already ripped through the \$8.75 per square foot barrier of 2007. Lightning strikes Saskatoon's north industrial sector, as it thunders in a unprecedented demand from businesses searching for locations in hub of activity.



OVERALL INDUSTRIAL VACANCY IN SASKATOON

The Industrial Report



SASKATCHEWAN'S LARGEST COMMERCIAL REAL ESTATE COMPANY



Saskatoon, Saskatchewan

2007-2008

www.icrsaskatoon.com

Saskatoon & Area: Building & Growing

- ACE Manufacturing
- Bayer Crop Science Greenhouses
- Cargill Canola Plant
- CNH Global
- Croatia Industries
- Doepker Industries
- Dymark Industries
- IRD Manufacturing Plant
- JNE Welding
- Livestock Barns
- Maple Leaf Meat Distribution
- NORAC Systems
- PotashCorp-Patience Lake
- Q.A. Structures
- SJ Irvine Fine Foods



Construction Statistics

Saskatoon's industrial area saw a 64% increase in spending on new construction. The surrounding area jumped from \$12 million invested in new construction in 2006 to \$135 million in 2007, an unbelievable 1020% increase.

Industrial Vacancy Rates with Geographical Breakdown

CITY CENTRE & RIVERSDALE INDUSTRIAL AREAS

Areas Locked Up

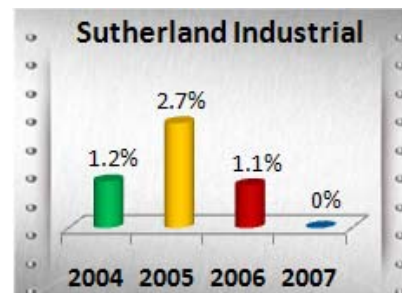
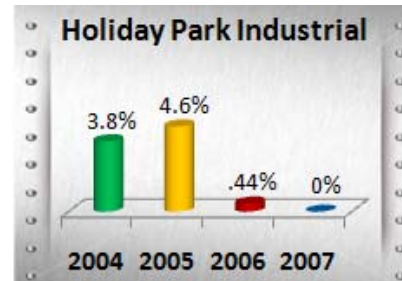
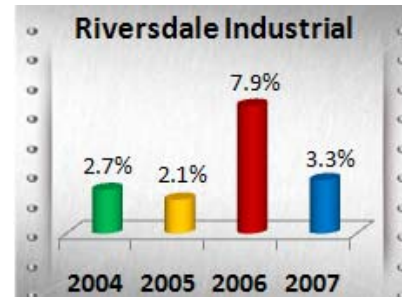
Breathing room is limited when it comes to industrial land pockets in urban congested centres. Vacancy is virtually non-existent, a situation unheard of in recent years in the neighbourhood of Riversdale.

"Geographically it isn't a big area," says agent Jim Woytiuk, "The areas of Riversdale and City Centre have vacancies at an all time low."

"Properties with vacancies for the last four to five years are now occupied, which is statistically reflected for the overall area," adds Jim Woytiuk.

Riversdale has approximately 461,306 square feet of industrial property, having seen a small decline in space with 9,768 square feet demolished this past year.

In the absence of new construction, both City Centre and Riversdale represent challenges with limited land opportunities for additional industrial space.



HOLIDAY PARK & SUTHERLAND INDUSTRIAL AREAS

Vacancy Nil In Holiday Park

Holiday Park has immense potential for future development, hitting a 0% vacancy rate with the current useable industrial space. Holiday Park has diminished only slightly from 741,667 square feet in 2006 to 737,667 square feet having seen the demolition of 4,000 square feet.

"Holiday Park has become even more attractive as city land supply tightens elsewhere and with plans for a south bridge the area is sure to see growth," reports Jayson Elenko, an agent with ICR.

Elenko sees other areas of the city facing similar challenges. In a review of the Sutherland Industrial area, which dipped to .03% vacancy rate, a total of 708,730 square feet in applicable industrial space saw only a slight boost with the construction of 2,400 square feet.

The Industrial Report



"ICR IS COMMITTED TO SERVING OUR CLIENTS. ICR REGISTRANTS, PARTNERS/ SHAREHOLDERS OR EMPLOYEES SHALL NOT COMPETE WITH ICR CLIENTS BY VIRTUE OF THE PURCHASE, SALE, LEASING OR DEVELOPMENT OF COMMERCIAL REAL ESTATE WITHIN SASKATOON."

Saskatoon, Saskatchewan

2007-2008

www.icrsaskatoon.com

CN INDUSTRIAL AREA

Vacancy Deceiving

With 1,542,273 square feet of industrial property, the CN Industrial area is in the mid-range size for Saskatoon's industrial parks.

New construction has provided an additional 22,000 square feet in 2006, but a fluctuating vacancy of 123,273 square feet projects a misleading inflated vacancy rate of 8%.

"It seems like a high vacancy but that vacancy is really isolated to one large property," reflects Ken Kreutzwieser, an ICR agent. "In the past few years that particular building has been occupied by 'month to month tenants', pending the securing of a full-time tenant."



NORTH INDUSTRIAL AREA

Additional Land To Expand

Saskatoon's largest industrial park, the north end, encompasses 6,097,184 square feet of assorted industrial property. The City released land for tender this month furthering Millar Avenue north, as well as parcels in the Marquis Industrial Area.

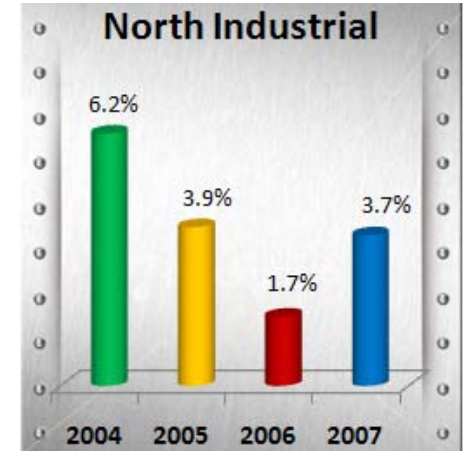
"We expect that the city land tender will not meet the demand for the industrial area," says agent Jayson Elenko, "and we could see a spin on rental rates as a result of this shortage."

Fellow agent Stacy Dybvig agrees, "The lack of industrial product and cost of new construction is causing

rental rates and prices to rise. But the current overall lower operating costs for business, compared to other larger centres in Western Canada, makes the area attractive for businesses to relocate to Saskatoon."

The area is bustling and surely there is no immediate end in sight to the demand for space. With a vacancy of 222,800 square feet in primarily obsolete and inferior properties, any useable available space, in addition to 156,000 square feet of new construction in 2007, is expected to move fast.

"We have seen existing business expand and new business absorb any available vacancies in the area when they do come up," says Josh Walchuk.



OUT OF SPACE??
We can help!
 Call ICR (306) 933-2929

BIZHUB, CORMAN PARK & YELLOWHEAD INDUSTRIAL AREAS

Saskatoon's three outlying industrial areas of BizHub, Corman Park and Yellowhead continue to flourish in the expanding market for industrial land use.

BizHub announced Fall of 2007 that 25% of its phase one development had been sold. When complete, the area will feature paved roads, professional landscaping and architectural input into protecting the park's appearance.

"It's a great location with lots of

opportunity," says agent Todd Butler. "There is a lot of traffic on a national highway... together with the nicely laid out development plans; the area is really attractive."

BizHub is looking to attract companies involved in transportation, manufacturing, distribution, agricultural retail and wholesale. BizHub developers expect phase one owners to take possession this spring.

The nearby smaller Yellowhead Industrial Area, located on the busy

Yellowhead Highway north of Saskatoon, is another logical option for industrial businesses looking to move into the ever-expanding surrounding area of Saskatoon.

Corman Park industrial area has been a well-established area for industrial businesses to locate and continues to be an affordable option for owner-operator users.

"These lightly serviced lots can be purchased for a very reasonable price," says Todd Butler, ICR agent.

The Industrial Report



THE ICR ADVANTAGE



Saskatoon, Saskatchewan

2007-2008

www.icrsaskatoon.com

SASKATOON'S DEVELOPMENT IS SUPERIOR!



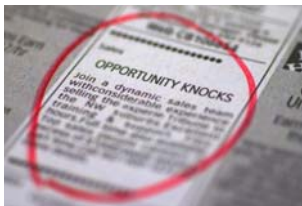
Saskatoon has ranked in the top five expanding cities in Canada the last five years running. This exciting city has outpaced all other western cities with a GDP growth of 4.9%.

The housing market prices have skyrocketed for homeowners.

Stories run rampant about buyers who offer 5, 10 & 20% above list price, only to lose out to a higher bidder.

Employment Booms

With an increase of 8,000 jobs in 2007, Saskatoon experienced an increase of 6.3% in employment opportunities. Total employment for the city is estimated at 135,100 people, with the city contributing 58.7% of overall job growth in the province. The unemployment rate has decreased to 4.0%.



All paths lead to Saskatoon

December 18th, 2007 - Saskatoon Airport Authority announced it had received its one-millionth passenger in a calendar year. Throughout the year the airport reported record numbers of travelers at a 9% increase from 2006. Restoration of runways are planned for summer of 2008.

AGRIPLACE & AIRPORT INDUSTRIAL AREAS

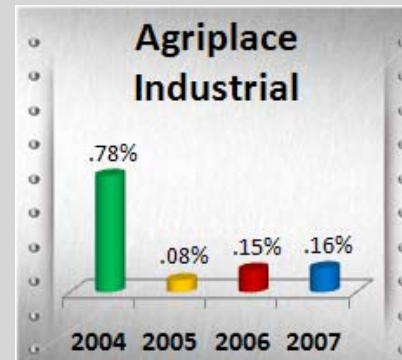
Unprecedented Construction

New construction and continued redevelopment is creating a buzz in the Agriplace and Airport Industrial areas.

In absence of demolition in 2007, a total of 100,000 square feet of new construction was added to the existing 1,564,500 square feet in the Agriplace Industrial area.

"In Agriplace there's unprecedented construction which started in 2007 and will continue well into 2008," says John Kachur, ICR agent.

New construction was absent in the Airport Industrial area for 2007 with a carryover from the previous years totalling 2,055,800 square feet. Consequentially, only a small window of vacancy exists of 4,000 square feet.



"The airport area is undergoing significant changes with the proposed redevelopment of McNab Park and the continued development of residential housing

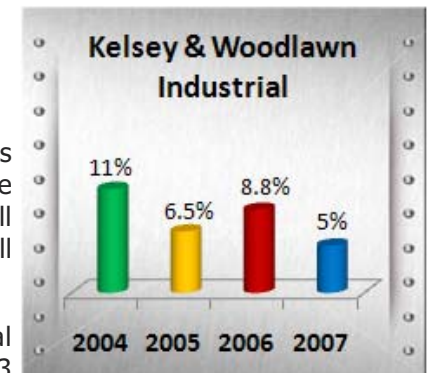
in Hampton Village." With less than 1% vacancy in both areas, "Tenants are in a position where the only option may be new construction," adds Kachur.

KELSEY/WOODLAWN INDUSTRIAL AREA

Vacancy On The Decrease

While the majority of the City has seen record low vacancy rates, the area of Kelsey/Woodlawn still provides limited opportunity to fill previously vacated space.

The Kelsey/Woodlawn Industrial area has approximately 1,471,713 square feet, with construction adding 40,000 square feet this past year. The vacancy rate continues to decrease from 8.75% in 2006 to 5% this year.



The Industrial Report



ICR COMMERCIAL REAL ESTATE



Saskatoon, Saskatchewan

2007-2008

www.icrsaskatoon.com

ICR GIVES BACK!

It's Official!

ICR has confirmed the date of August 5th, 2008 for its annual Charity Classic Golf Tournament. We look forward to another great turnout and ideal weather conditions this year. The ICR Charity Classic 2008 Tournament will once again be located at The Willows Golf & Country Club. This tournament has raised over \$160,000.00 for Muscular Dystrophy and various charities to date. Highlights for the 2007 Charity Classic included a visit from the Saskatchewan Roughrider cheerleaders. Our tournament format is somewhat unique - it involves a five man handicap scramble, an independent scorekeeper, and team members to regulate the rules of participation.

Unfortunately, one of the major tournament organizers, Doug Wyatt and his wife, Carolyn were involved in a serious accident this past winter while traveling to Phoenix, Arizona. Thankfully, they are now back in Canada, we wish them a speedy and healthy recovery! The tournament is usually sold out well in advance, if you want to register for this year's tournament you can go online to ICR Saskatoon's website (www.icrsaskatoon.com) and fill out your application. Golfers must have a handicap. As always we wish to express the hard work of our excellent support team without whom this tournament would not happen. Stay tuned...

ICR CHARITY GOLF CLASSIC



courtesy of Scotiabank

ICR NORTH IS ON THE MOVE...

After 12 years ICR North announced today it has outgrown its current location on 3342 Millar Avenue.

The company will move its north office location to North 48 on the corner of Millar and 48th Street. Ron Ritchie, a managing partner for ICR states, "Our people are hanging from the rafters, we need space!" With the growth of the industrial sector ICR has tripled its size and has brought on additional sales and support staff to meet the growth. We chose North 48 for its great exposure and easy access to Saskatoon's economic engine, the North Industrial area. "With the market being so tight we are



fortunate to be a part of this quality development" says Mr. Ritchie. ICR will be moving to their new home this summer.

"We have been begging local developers to get started on specific projects but sometimes you're too close to the forest to see the trees," says Phill Elenko, managing partner at the downtown office. "There are people who refuse to believe the growth that we are experiencing... that doesn't stop growth it just leaves more for the believers."