



Saskatchewan Real Estate Newsletter

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Saskatchewan Farmland Still in High Demand

Per the Farm Credit Canada (FCC) 2017 farmland values report Saskatchewan farmland led the way with a 10.2% annual increase in value.

Tim Hammond, who started selling farms in 2002, says Saskatchewan farmland is still in strong demand. Earlier in 2018 Hammond listed a 5,700 acre grain operation near Rosetown, SK for \$22.4 million and was surprised at the amount of interest it received. Website analytics from timhammond.ca showed over 800,000 hits from over 27,000 unique visitors while this listing was open. There was interest from local, provincial and out of market buyers with this listing receiving far more interest than from the other smaller sized listings during that period. In May of 2018 the property was no longer available – it was sold.

Supply and demand, low interest rates, industry confidence have all contributed to increased farmland values. It's becoming more and more difficult to find land available for sale in Saskatchewan. When Hammond started selling farms 16 years ago approximately 1 in 10 would sell, now there are 10 buyers for every farm he sells.

Hammond, who normally sells between \$120 and \$150 million worth of farmland per year, is seeing about half as many listings as this time last year.

% Change in farmland values		
Provinces	2017	2016
B.C.	2.7%	8.2%
Alta.	7.3%	9.5%
Sask.	10.2%	7.5%
Man.	5.0%	8.1%
Ont.	9.4%	4.4%
Que.	8.2%	7.7%
N.B.	5.8%	1.9%
N.S.	9.5%	9.1%
P.E.I.	5.6%	13.4%
N.L.	N/A*	N/A*
Canada	8.4%	7.9%

*There was an insufficient number of publicly reported transactions to accurately assess farmland values in Newfoundland and Labrador.

Source: 2017 FC Farmland Values Report

Typically this would indicate less land selling – however often it sells privately before it's even listed. Tenants with right of first refusal are exercising the option to purchase before owners put it to the market, rather than let it get away – even if it means paying asking price. Hammond says that lenders are very busy despite land not being sold through public channels, a situation Hammond has not seen before.

For the full FCC interview with Tim Hammond visit: [Industry confidence seen in rising farmland values](#)



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 Anne Morrow Fort Qu'Appelle, SK (306) 435-6617	 Alex Morrow Fort Qu'Appelle, SK (306) 434-8780	 Dallas Pike South East SK (306) 500-1407	

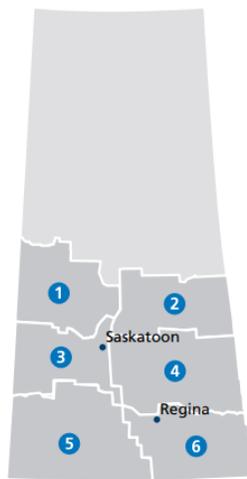
Saskatchewan's Ag Real Estate Professionals

Saskatchewan Farmland Market Overview

Since 1985 Farm Credit Canada (FCC) has monitored the sale of farm properties across Canada using a benchmark system. FCC analyses arms-length sales and adjusts them to the benchmark properties. This system represents the most prevalent soil classes of agriculture soil in each part of the country. As land prices vary across provinces and even regions within provinces FCC measures provincial land value trends on a percentage basis.

The reference value published is derived from the average value of the FCC benchmark properties and the average sales price in each region.

The most up to date FCC report (2017 Farmland Values Report) which covers the period from Jan. 1 to Dec. 31, 2017) was published April 23, 2018.



Saskatchewan farmland regions

Region	% change	Value \$/acre*	Value range**
1 North Western	14.9%	\$1,891	\$600 – \$2,900
2 North Eastern	1.5%	\$1,728	\$700 – \$2,300
3 West Central	16.6%	\$1,925	\$800 – \$2,700
4 East Central	2.2%	\$1,321	\$800 – \$2,200
5 South Western	14.2%	\$1,755	\$700 – \$2,600
6 South Eastern	11.2%	\$1,710	\$800 – \$3,200

*FCC reference value \$/acre.

**The value range represents 90% of the sales in each area and excludes the top and bottom 5%.

Source: 2017 FCC Farmland Values Report

FCC has grouped Saskatchewan into 6 distinct regions excluding remote northern Saskatchewan:

1) Northwest and 3) West Central: High year over year price increases (+14.9% for NW and +16.6% for WC) due to limited supply and a highly competitive market. The west central area has the highest reference value per acre at \$1,925 (the reference value published by FCC is derived from the average value of FCC benchmark properties and the average sales price in each region).

5) Southwest and 6) Southeast: Strong year over year increases (+14.2% for SW and +11.2% for SE) due to competitive markets with producers wanting to expand their operations.

2) Northeast and 4) East central: Minimal year over year increases (+1.5% for NE and +2.2% for EC) resulting from uncertainty surrounding a delayed harvest and excess moisture issues in recent years.

Conclusions: Continued strong demand for Saskatchewan farmland. Saskatchewan reference value per acre ranges from \$1,321 to \$1,921 which is still below Alberta (\$2,030 to \$5,461) and Manitoba (\$2,271 to \$4,770). Rising interest rates, variable commodity prices, international trade deals, rail issues are expected to influence demand for land.

***The FCC 2017 Farmland Values Report is provided to help understand the variability in the value of farmland across Canada. This report is not considered a comprehensive appraisal of an individual property and the values contained are not necessarily reflective of all properties within a given market area.

Sales: A noble profession



A profitable business enterprise relies upon the successful sale of a product and/or service. How that transaction takes place is changing in many corporations. There are instances where it's becoming increasingly easier to complete the necessary research, shop for the most favorable price and terms, and make the purchase on-line. There will however always be a place in complex transactions for a professional salesperson.

Am I the right one for the assignment?

As I pointed out in an [earlier blog post](#), there are instances where the client will be better served by engaging someone else. They may be in a position with minimal coaching to complete the task on their own. The skilled salesperson knows it is the quality of the questions that are asked which result in smart solutions. Smart solutions can sometimes include referral to another professional who is in a better position to solve the client's needs.

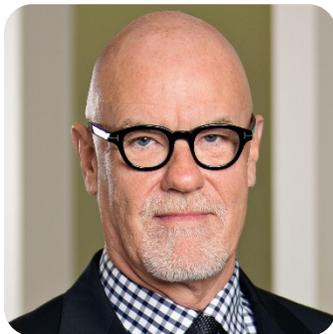
How can I add value to completion of a client's goal?

If I am unable to add value far beyond the cost of my fee, I will not be successful in building long term client relationships. I need to do much more than present the same information to every client. My career satisfaction comes from the different creative strategies I am able to offer as we progress through the transaction process. Advanced salesmanship often involves crafting successful solutions that track a different path from what the client could see.

What is my unique selling proposition?

The odds are that a potential customer will have made contact with a few different salespeople prior to connecting with me. What sets me apart from the rest? What am I and my company doing to demonstrate we're distinct? I speak about a couple of ICR's unique selling propositions in these past blog posts, [My Conflict of Interest](#) and [A "No Door" Policy](#).

There will always be a place for the salesperson who embraces change and has a passion for his or her industry. That salesperson will find that customers become repeat clients and those repeat clients become old friends!



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Spotlight On: Changing North Battleford Downtown

For the last 100+ years, the City of North Battleford has been the largest Saskatchewan community in any direction for 120 km and naturally it has been a hub for retail, sales, servicing, financial services, insurance, healthcare, and recreation. However, as with many rural communities the downtown core has suffered as of late. Vacancy, dilapidated buildings, poor infrastructure have all negatively impacted this area in recent years.

Today: Magic Lantern has broke ground on a new 4 screen movie theatre on the corner of 101st Street and 11th Avenue across from the RBC Tower. This new building will provide much needed rejuvenation into the downtown and is the first theatre to be constructed in the Battlefords in decades. A new retail building is also being constructed along the 1100 block of 102nd Street with Giant Tiger as the anchor tenant. In recent years E & L Construction has built new office buildings for Services Canada and Matrix Law Office across from the Library on the 1400 block of 101st Street. Demolition of several dilapidated buildings including Dollarwise, Marlborough Hotel, and “Pigeon Hotel,” with plans to demolish the former Longhorn Steakhouse and a former pawnshop all have a positive impact on the downtown. The City of North Battleford Underground Pipeline and Asphalt Rehabilitation (UPAR) Program, Downtown Revitalization Plan, and Crime Prevention Through Environmental Design (CPED) initiatives have made the downtown more attractive for investment.

Tomorrow: With construction of the new Magic Lantern Theatre next door, there has been increased pressure to have SLGA liquor store relocated out of the downtown core. There is abundant land located on the north end of the City along Highway #4, and there are retail pad sites available at Terracap – putting the liquor store outside the downtown core. The City of North Battleford tax on vacant buildings has not been as successful in encouraging re-development per their own admission. The addition of benches to the downtown has been unwelcomed by many businesses; and has ultimately made it easier for individuals to loitering and panhandle. Current high mill rates on commercial and industrial property in the City relative to property value do not help matters either. Finally the reputation of the Battlefords as having a high crime rate has negatively impacted the community as a whole including the downtown.

The Battlefords Chamber of Commerce has started the Action Battlefords initiative to spearhead real change in the community. Action Battlefords is aimed to reduce crime, provide positive activities for youth, and change the story of the Battlefords. Action Battlefords works with Battlefords Citizens on Patrol, Big Brothers Big Sisters of the Battlefords, and marketing & communications organizations to push real positive change for the community. Visit www.actionbattlefords.com for more

Beyond interest rates: 4 factors to consider when shopping for a business loan

When you're looking for a [business loan](#), the interest rate is going to be a key consideration. But it's important to negotiate a loan that fits you and your business needs. Here are other issues to consider:

1. Loan term

How long a loan term is the lender willing to offer? Longer terms mean higher borrowing costs and that may be an expense you want to incur in case you run into cash flow problems.

2. Loan size

The percentage of your project's cost that your lender is willing to finance will determine your own investment. It may make sense to diversify your lending relationship with a second bank.

3. Flexibility

Have a frank discussion with your banker about what would happen if you were unable to make scheduled loan repayments. Find out if your bank would let you temporarily suspend principal repayments, if needed.

4. Collateral

You should know what assets you risk losing in case of a default, including personal assets.

An asset as security

The bank will almost always want collateral, which can include your accounts receivable, pledges and liens (equipment and other fixed assets), inventory, real estate, personal guarantees and third-party guarantees.

Many of these considerations have to do with protecting your company's everyday cash—ensuring you can continue to fund the day to day operations of your company.

For more tips, download your free copy of our eBook [How to get a business loan: A guide to preparing a winning loan request](#)



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Apples to Apples: Self-Storage



Self-storage comes in various forms ranging from outdoor storage, indoor storage, mini-storage, climate-controlled storage to name a few. Properties vary, as do prices – and it is important to compare the value offering of each before committing:

- a) Security – Security cameras exist on many storage facilities, ask if they are real or not, and where the footage is stored. Many facilities will have a fenced security compound, does it have a keypad entry point to ensure only active tenants are allowed in? Is there sufficient lighting? Is there on-site management – if so what hours?
- b) Flexibility – What hours will you have access to your belongings? Do you have to call ahead of time – or can you simply stop in? Keypad with individual codes is one of the easiest ways to ensure you have access to your stuff when you need it.
- c) Payment Options – Can you prepay for a specified time period? Are there discounts for longer leases? Can you pay with VISA, Mastercard, Debit, Cheque, E-transfer?
- d) Facilities – Are the units clean and dry? Are units heated or cold storage? Is there sufficient lighting? Are the outdoor stalls clearly marked, graveled/paved?
- e) Items to be stored – Self storage facilities often have items that are not allowed to be stored including: pianos, chemicals, propane tanks, meat, perishable goods, sea cans, refuse for example. Always make sure that you are allowed to store your items before bringing them. Certain items may be stored in heated areas, but are should not be stored in cold storage units.

Checking out a company's website is always a good start, but if you have questions don't hesitate to call.



Battleford Mini-Storage

10'x10', 10'x20' and Outdoor Storage
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Office Hours M-F (9-5)

September 2018 Pricing

10'x10' (100 sq.ft.) (\$100/month+GST)

10'x20' (200 sq.ft.) (\$143/month+GST)

Outdoor Storage (\$30/month+GST)

NEW: Heated basement storage available at 1322-100th Street, North Battleford 227 to 437 square feet

from \$120 to \$145/month+GST.

**Prepayment Discounts – 5% discount on 6 months, 10% discount on 12 months*



Spotlight On: Kindersley Mall

The Kindersley Mall, located at 608-12th Avenue East, is an enclosed community mall located along Highway #7 which runs east-west through Kindersley. Originally constructed in 1982, and totalling over 143,000 square feet, the Kindersley mall has served as a regional destination for decades and is the largest community mall within a 200 km radius.

In late 2017 the Kindersley Mall was acquired by Strahlen Acquisitions Inc. in a portfolio sale including 44 retail properties across Canada for \$703.5 million. Strahlen was aware that the Extra Foods grocery store was closing, but the Kindersley Home Hardware Building centre closing reportedly came as a surprise. In addition to the loss of anchor tenants, the mall has suffered loss of local tenants who have opted to move into strip mall type buildings outside the Kindersley mall.

In recent months however, Kindersley Peavy Mart has announced that they will be moving from their current location at 101 Railway Avenue into the Kindersley Mall. Peavy Mart will reportedly have 40,331 square feet on the east side of the mall. The new owners of the mall were hoping to replace the grocery store space, vacant since Extra Foods left – and appear to have done so with Buy-Low Foods. Buy-Low Foods is a Canadian owned company owned by the Jim Pattison Group and will reportedly have 29,775 square feet on the west side of the mall. Strahlen Capital Corp indicated that they have spent \$3 million in renovations and plan on spending an additional \$3-4 million in the next 2 years. Per Strahlen the mall has 19 spaces for lease ranging from 50 to 8520 square feet.



The Kindersley Mall's current vacancy challenge is not unique. There has been little in terms of enclosed mall construction across the country in recent decades, with new power centres, online shopping, and high rental/operating costs contributing to a changing retail environment. Profitability of large international retailers such as Sears, American Apparel, Target, Aeropostale to name a few have all negatively affected enclosed malls. Furthermore loss of anchor tenants often gives existing tenants more leverage in negotiating lower leases or even breaking leases.

Looking to larger metropolitan centres, the Lawson Heights Mall in Saskatoon actually demolished part of the building after Target left, with the remaining space redeveloped into a Safeway grocery store. Midtown Plaza Saskatoon now faces the challenge of leasing up the former 160,000 square foot space formerly leased to Sears – with the space likely to be subdivided by multiple businesses.

The Canadian Retail market is everchanging and it remains a challenge for property owners to attract and retain tenant.



NEWLY PRICED!

1422-109th Street North Battleford

\$189,900 MLS® SK737745

5 Bedrooms, 3 Bathrooms

- 3 units that have been renovated
- Single detached garage in the backyard
- 2 - 2 bedrooms units & 1 studio unit



Kandice Tomaz, Realtor®
306-481-6111

MLS#	SK737745
Asking Price	\$199,900 \$189,000 As of October 2
Type	One Storey w/ 2 basement suites
Year Built	1968
Sq.Ft	1,120
Basement	Full – Finished (2 br suite, 1 br suite, shared utility/laundry)
Bedrooms	Main= 2 Basement = 2 bedroom suite and 1 bedroom suite
Bathrooms	3
Garage	Single detached
Extras	Fence, garage door opener, 3 x fridge, stove

Excellent opportunity for investors, first time home buyers or buyers looking to have rent pay their mortgage! The main floor unit is 2 bedrooms and has its own laundry. There is a spacious living room and kitchen. The basement has a 2 bedroom unit and a studio unit both with large windows throughout. There's are two furnaces, both recently replaced, two separate laundry areas, 2 panel boxes and most flooring and paint throughout has just been replaced. Units could rent for \$1,100 on main, \$900 for basement and \$700 for studio suite. [Click HERE for more!](#)