

# Profiling the Opportunity City

An Investor's Guide to the Weyburn Market



Prepared for: Weyburn Regional Economic Development  
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# Welcome to the Opportunity City

Founded in 1898, Weyburn is the tenth-largest city in Saskatchewan. With a population of 11,019 residents, Weyburn is a dynamic and growing community and desirable city to invest, work, and raise a family.

The City's diverse and stable economy provides business and employment opportunities in agriculture, resources and manufacturing, construction, retail and hospitality. Paired with a highly-skilled local workforce and low cost of doing business, Weyburn is an attractive region for investors, employers, and job seekers.



**BUILDING  
PERMITS  
298**

IN THE PAST 5 YEARS

**POPULATION  
11,019**

Cost of living

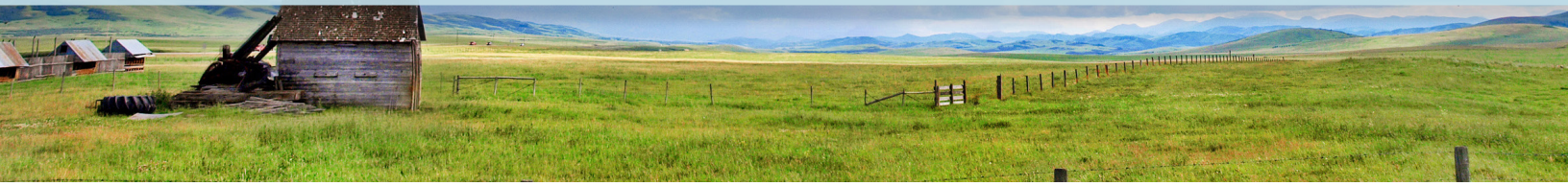
**7%  
BELOW**

THE PROVINCIAL AVERAGE

**LABOUR FORCE  
13,450**

WITHIN A 30 MINUTE  
DRIVE OF WEYBURN

# Why Saskatchewan?



Saskatchewan is well known for its sprawling prairie landscapes and rich natural resources. With a population of 1.2 million people, the province is home to some of the best cities and towns to live in Canada, offering an exceptional balance between life, work, and recreation.

## Highlights

- Saskatchewan has a wealth of diverse resources that contribute to its vibrant and growing economy.
- The province has seen record population, employment, investment, and export growth in the past decade.
- Saskatchewan has made significant efforts over the past number of years to create one of the most competitive business environments in North America.
- The quality of life and affordability of the province provide a unique ability for businesses to attract and retain workers.

## Key Statistics

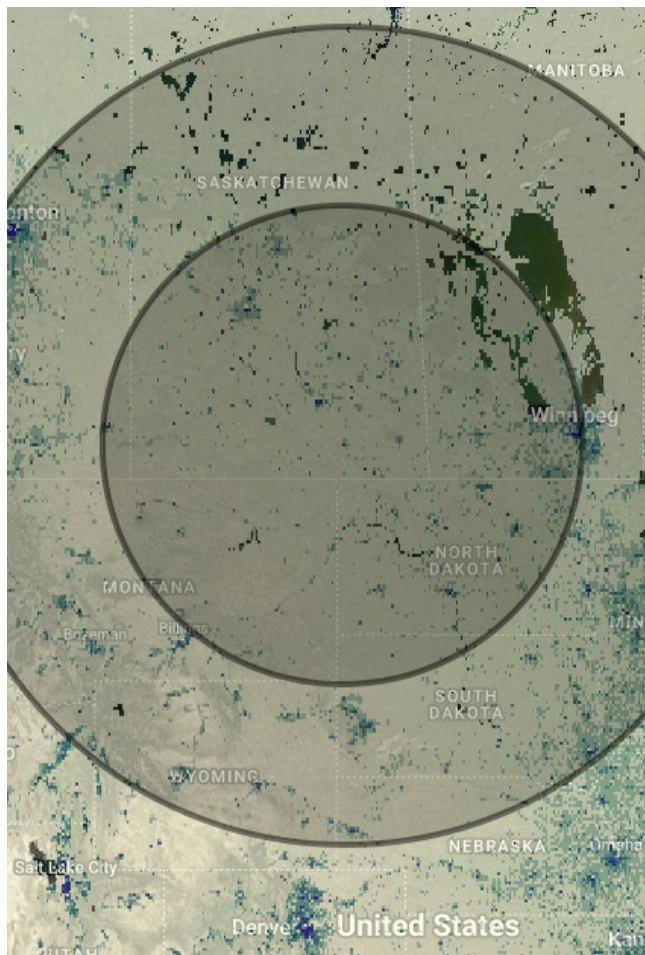
- ***Population: 1.20 million***
- ***GDP: \$77.2 billion CAD***
- ***40% of Canada's cultivated farmland***
- ***2nd largest oil producer in Canada***
- ***World's largest exporter of peas, lentils, and potash***

# Why Weyburn?

Located along the Souris River in the heart of Southeast Saskatchewan, Weyburn is close in proximity (114km) to the provincial capital city of Regina and only 76 km north of the US Border.

It's location provides access to 2.8 million people within a 500 km radius, and with a number of major Canadian centres within an 8 hour drive of the city, Weyburn has access to a population of over 10 million people.

Weyburn's proximity to major Canadian and U.S. markets, along with an effective transportation system, make the city an unmatched setting for business. Weyburn is connected to the Soo Line Railway, the main CP Rail line that connects western Canada to the United States and Mexico.



With a municipal airport just outside the city limits and the Regina International Airport only an hour away, Weyburn residents and businesses enjoy convenient air transportation options.

The newly opened Weyburn Industrial Transload Facility provides options for local businesses to store, test, handle, and transfer materials for transport.

Located within an hour of the Global Transportation Hub, Weyburn businesses benefit from access to world-class transportation and logistics options with the ability to reach 270 million consumers within two days.

The Weyburn Oilfield covers an area over 52,000 acres making it one of the largest enhanced oil recovery operations in Canada. Sitting atop of one of the richest petroleum deposits in North America, large companies continue to advance innovation and development in the Weyburn region.

## Weyburn's Economy at a Glance

*Weyburn's diverse economy is attractive to businesses due to its desirable geographic location, low cost of operation, and strong community relations.*

- Entrepreneurship is on the rise
- Home to four major agriculture implement dealers
- Oil and Gas is a major economic driver
- Four key professional and public sector regional headquarters
- Globally recognized manufacturers



# Dynamic and Growing City

## Population

Over the past 20 years, the population of Weyburn has steadily increased. The City has experienced 16.3% growth between 2001 and 2021, slightly outpacing the Saskatchewan population growth rate of 15.7% in the same time period.

Similar to the rest of Canada, Weyburn is equally split in regards to gender, with the exception of the 65 and over age group which skews more predominately towards women.

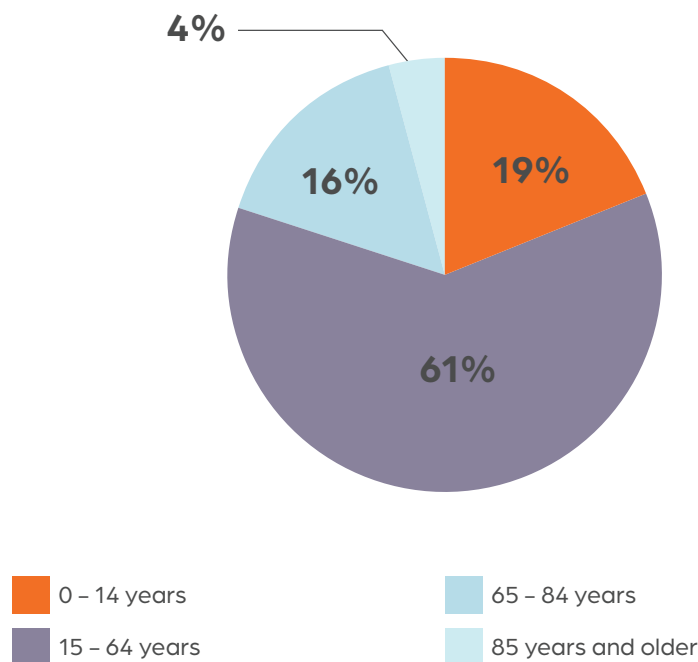
The working age population (age 15 to 64) represented 60.8% of the total population in 2021. Children aged 0 to 14 represent 19% of the total population suggestive of a high proportion of young families choosing to make Weyburn their home.

### Young Community

With a median age of 40, Weyburn's population is 1.6 years younger than the Canadian average.



Weyburn Population Age



Source: Statistics Canada, 2021 Census of Population

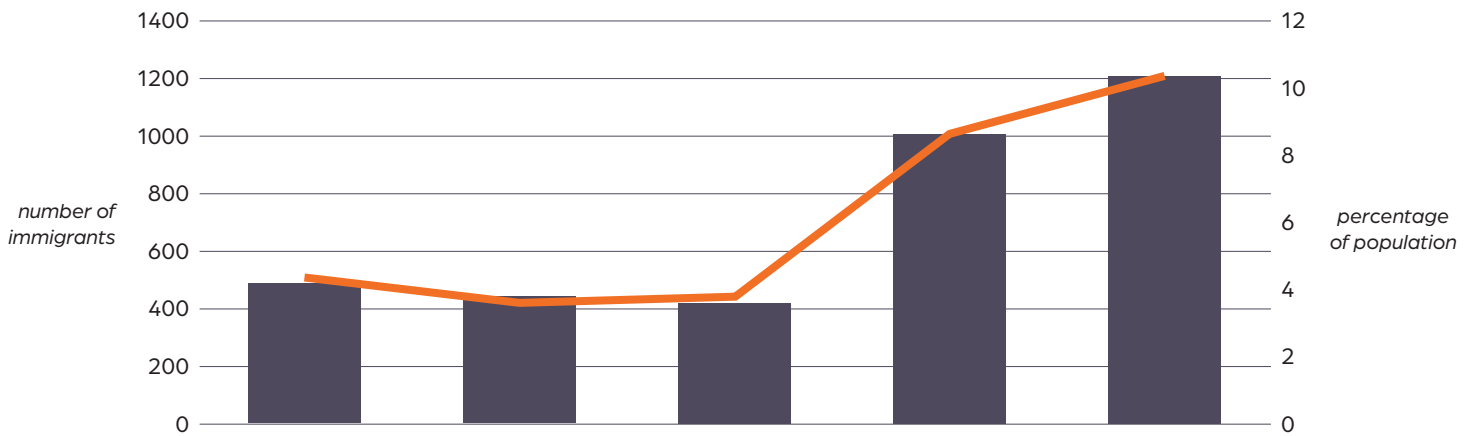
## Diversity

Year over year, people from around the world are attracted to Weyburn, contributing to a vibrant and diverse community.

Weyburn's immigrant population has seen significant growth over the last 20 years, and in 2021 the City was home to over 1,200 foreign-born residents. Comprising only 3.8% of the population in 2011, immigrants now make up 10.4% of the population in Weyburn.

Recent immigrants (arriving between 2016 and 2021) make up 29.3% of the immigrant population in Weyburn which is on pace with immigration statistics across the rest of Saskatchewan.

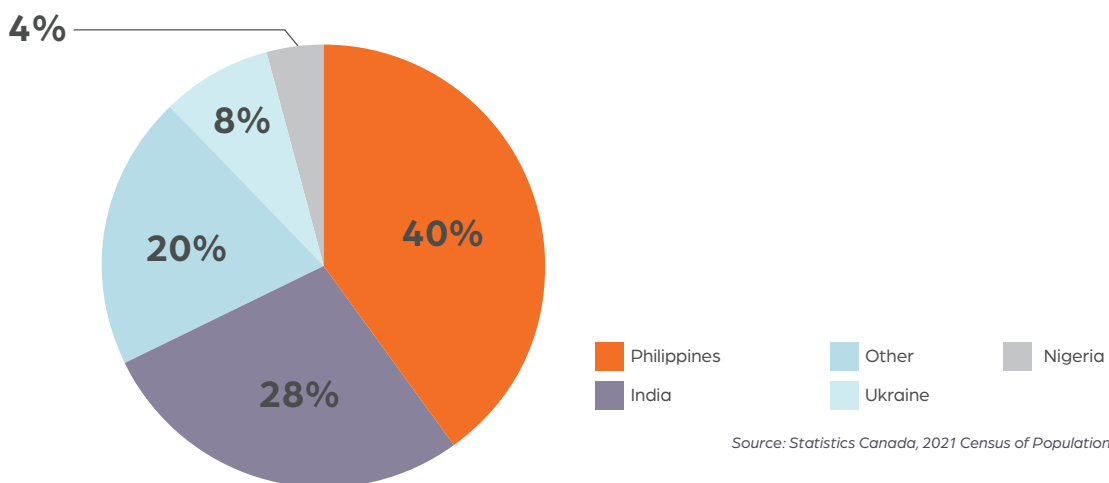
*Immigrant Population in Weyburn*



Source: Statistics Canada, 2021 Census of Population

Recent immigrants are primarily from the Philippines (40.3%), followed by India (27.8%), and Ukraine (8.3%). With the majority of recent immigrants being from Asia, Weyburn's visible minority population is also increasing with 88.9% of all recent immigrants being a visible minority.

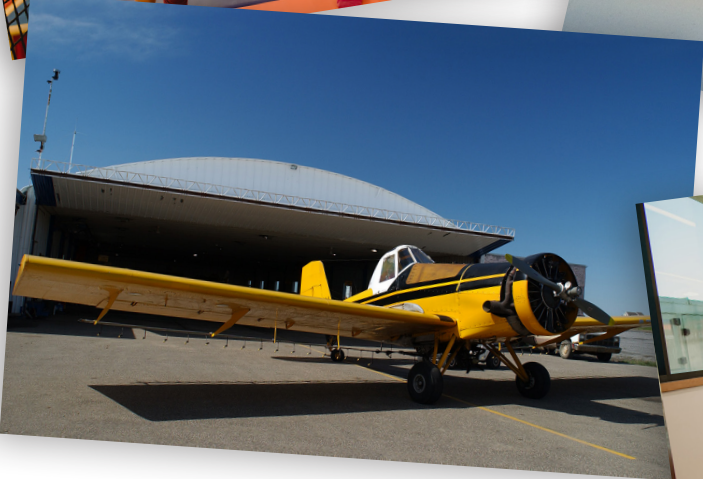
*Birth Place of Recent Immigrants*



Source: Statistics Canada, 2021 Census of Population

# Mobility

36% of Weyburn residents have moved within the past five years. Of those residents, 49% were new residents moving to Weyburn and 51% were moving within the City. Of those that moved into Weyburn, 22% were from out of province, 14% moved to Weyburn from outside of Canada, with the remaining new residents re-locating from within Saskatchewan.







# Living in Weyburn

## Housing

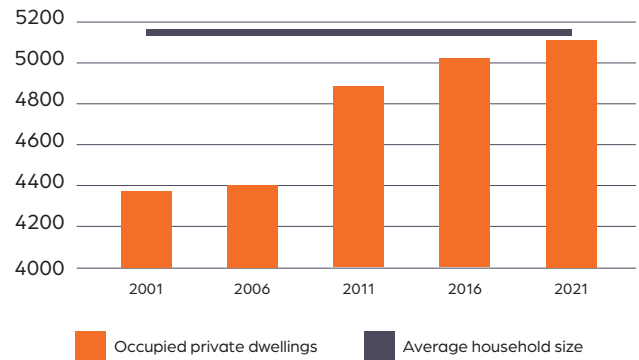
Weyburn's homeownership rate in 2021 was 71% which is slightly above the Saskatchewan average (70.7%) and above both of the provinces census metropolitan areas (Regina and Saskatoon).

Between 2016 and 2021 the percentage of households that spent 30% or more of their income on shelter costs declined from 17.6% to 15.6% suggesting that Weyburn remains an increasingly affordable city to live.

In 2021, there were 5,090 occupied private dwellings in Weyburn with single-detached houses representing 68.4% of all occupied private dwellings in the area.

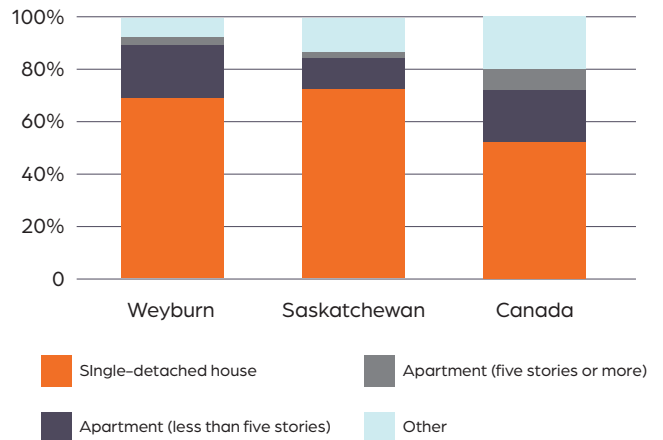
While household size has remained steady over the last 20 years averaging 2.3 persons per household, the number of private dwellings has increased by more than 16% demonstrating consistent population growth in the area.

Number of Occupied Private Dwellings and Average Household Size



Source: Statistics Canada, 2021 Census of Population

Dwelling Structure Type



Source: Statistics Canada, 2021 Census of Population

## Housing Prices

Weyburn enjoys one of the best real estate markets in Saskatchewan. The number of sales year-over-year continue to increase while the average price of homes remains below the provincial average. The average price for a home in Weyburn in 2021 was \$298,000, compared to \$303,000 in Saskatchewan, both significantly below the Canadian average of \$678,000.

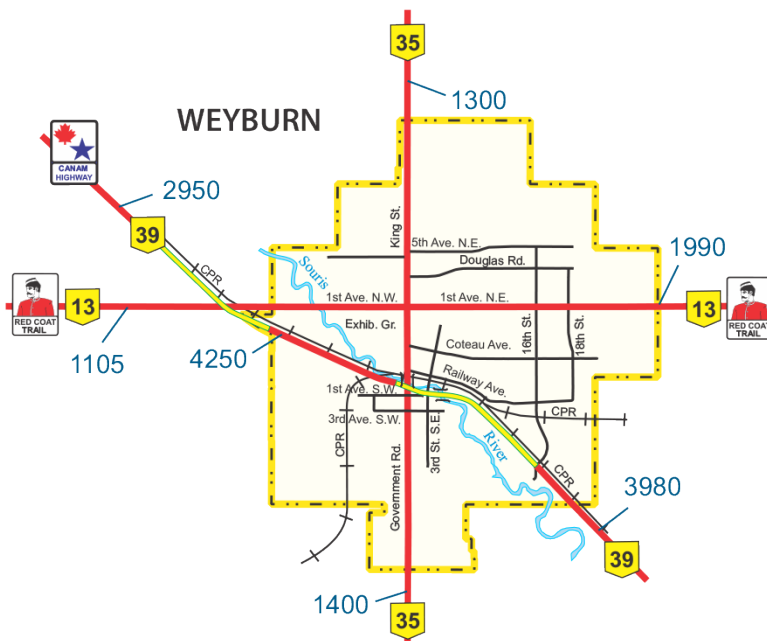
## Traffic

Despite the fact that 86% of Weyburn's workforce are using their private vehicle to get to work, traffic in the area flows smoothly. With an average commuting time of less than 16 minutes, Weyburn's labour force is spending 19% less time than the Saskatchewan labour force and 50% less time than the average Canadian getting to and from work.

*73% of Weyburn's labour force spends less than 16 minutes commuting to and from work.*

Weyburn also benefits from a steady stream of traffic from a number of major highways adjacent to the city:

- Sitting at the intersection of Highway 13 which connects the neighbouring provinces of Alberta and Manitoba, Weyburn sees east-west traffic along the provincial highway.
- Highway 39 is a primary provincial highway that acts as a major trucking and tourism route connecting Saskatchewan to the United States.
- Weyburn is the only city on Highway 35 which forms the initial segment of the CanAm Highway connecting Canada to the United States.



# Working in Weyburn

## Education Levels

55.6% of the Weyburn population aged 25 to 64 have some post-secondary education which is an increase from 47% in 2016. Compared to Saskatchewan and Canada, more Weyburn residents have a high school diploma as their highest educational attainment.

**TOTAL WORKFORCE**

**7,450**

Source: Statistics Canada

**Distribution of the population aged 25 to 64 by highest certificate, diploma or degree, Weyburn [CA], Saskatchewan [PR] and Canada, 2021**

Highest Certificate	Weyburn	Sask.	Canada
No certificate, diploma or degree	9.2	10.8	9.9
High school (secondary school) certificate or diploma	35.4	30.3	23
Non-apprenticeship trades certificate	4.9	4.1	5.4
Apprenticeship certificate	6.6	6.8	4.3
College, CEGEP or other non-university certificate or diploma	19.8	18.8	21.4
University certificate or diploma below bachelor level	3.4	3.4	3.2
Bachelor's degree or higher	20.9	25.8	32.9

Weyburn's workforce relies primarily on apprenticeships (11.5%) and college diplomas (19.8%).

The city's workforce is on par with the provincial and national workforce with the percentage of University degrees below bachelor level, but is slightly lower than Saskatchewan and Canada on the percentage of the population with a bachelor's degree or higher.

# Employment Rate

Despite the impacts of the pandemic on the global workforce, Weyburn’s employment rate has held steady over the past number of years at 63%, higher than both the provincial and national averages.

	Weyburn	Saskatchewan	Canada
<b>Participation Rate</b>	68%	65%	64%
<b>Employment Rate</b>	63%	60%	57%
<b>Unemployment Rate</b>	7.2%	8.4%	10.3%

Source: Statistics Canada, 2021 Census of Population

Of the total employed labour force in Weyburn, 16% of workers are self-employed with the remaining 84% of workers being employees, consistent with the provincial self-employment rate.

# Labour Force by Occupation

Weyburn has a diverse workforce, with representation across all industry sectors identified by Statistics Canada. Generally, participation rates align with the Saskatchewan distribution across sectors with the exception of mining, quarrying, and oil and gas extraction where Weyburn’s participation rate is three times the Saskatchewan rate, indicative of a workforce that continues to be powered by natural resources.

Weyburn’s workforce has experienced growth in a few key sectors:

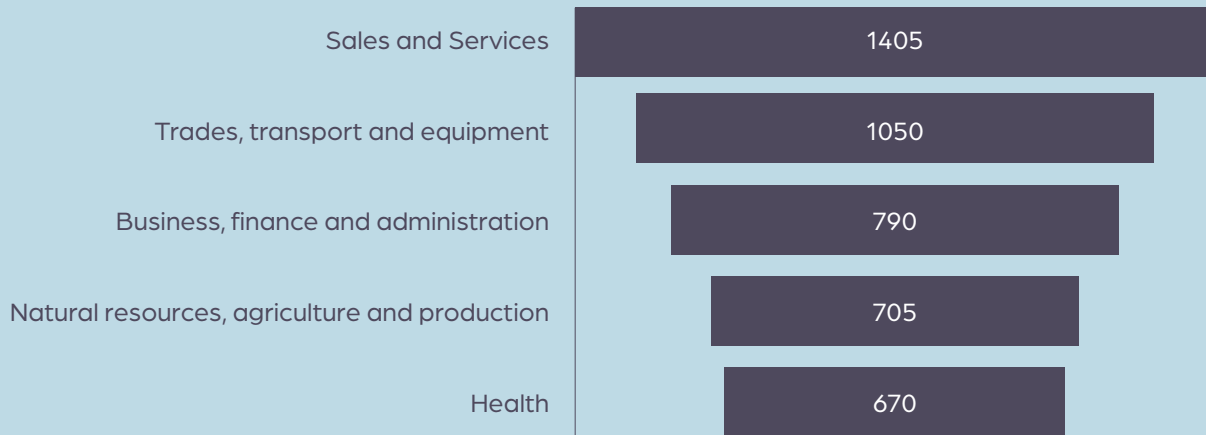
- Health care and social assistance – 2.1%**
- Transportation and warehousing – 1.4%**
- Accommodation and food services – 0.8%**

Agriculture, retail trade, finance and insurance, education and administration sectors also experienced growth in participation rates between 2016 and 2021.

Over half of the employed labour force is employed in one of three broad occupational categories:

- Sales and service 23.6%**
- Trades, transport and equipment operators 17.6%**
- Business, finance and administration 13.2%**

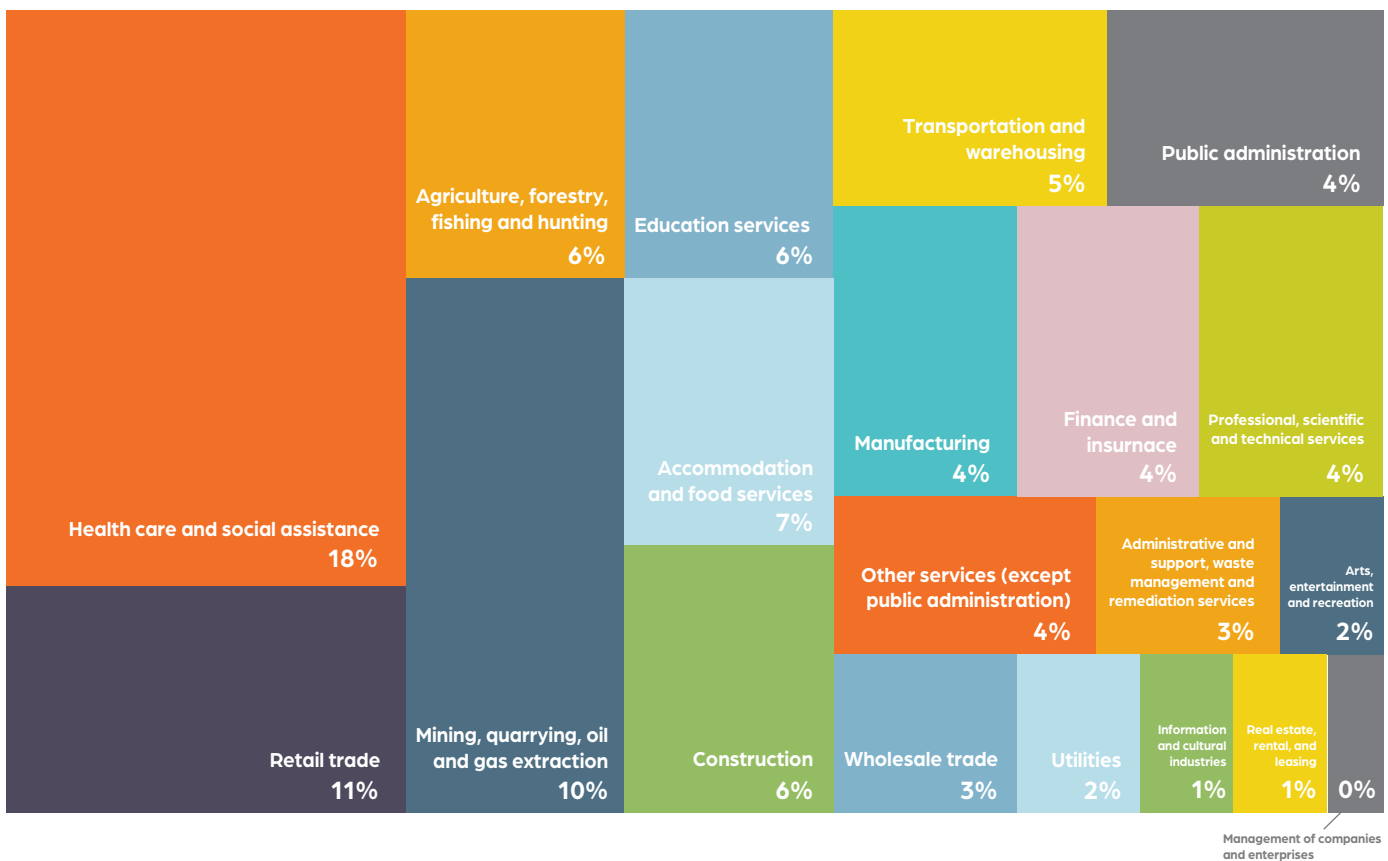
### Top Occupations



Source: Statistics Canada, 2021 Census of Population

## Key Industry Sectors

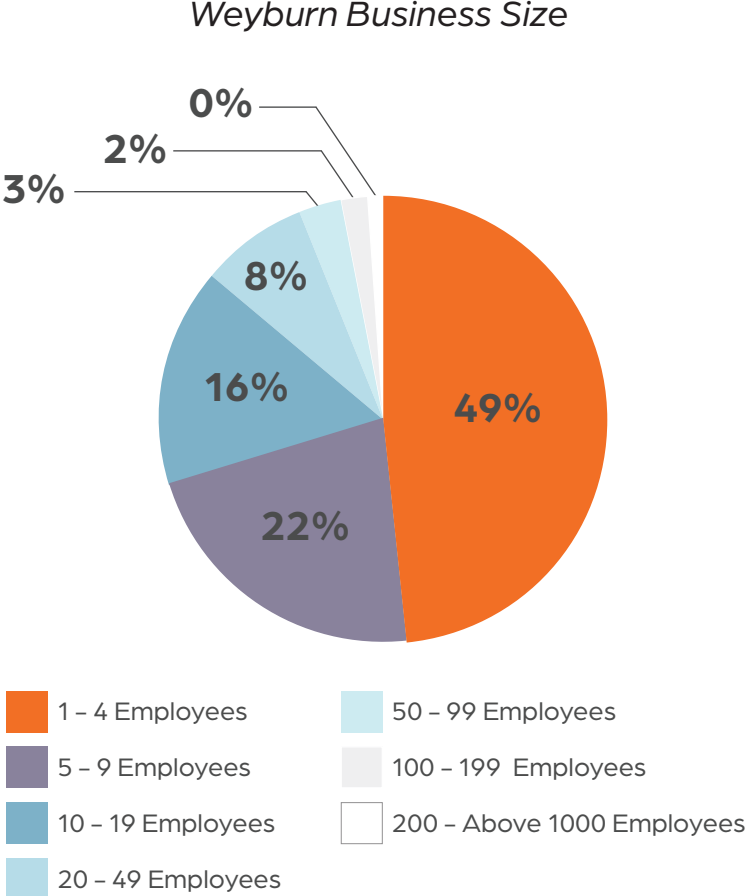
Healthcare, agriculture, and resource sectors are the largest employers in the Weyburn area, with an increasing number of retail, accommodation and food service businesses entering the business landscape.



Source: Statistics Canada, 2021 Census of Population

# Business Size

Nearly half of all businesses in Weyburn have less than 5 employees and two thirds of local businesses have less than 10 employees.



Source: Statistics Canada, 2021 Census of Population

## Income

In 2020, the median household income in Weyburn was **\$82,000** which is on par with Saskatchewan and Canada.

**73%** of Weyburn households earn more than **\$50,000** annually. Of Weyburn households:

- **52%** earn more than **\$80,000** annually;
- Approximately 40% earn more than **\$100,000**; and,
- **18%** have an annual income over **\$150,000**

In Saskatchewan, **51%** of households have an income over **\$80,000**.

Over the past 5 years, despite the global pandemic, the median household income in Weyburn continued to grow by .85% annually (compound annual growth rate). This steady growth is in stark contrast to Estevan, a close neighbour, which experienced a 4% decrease in household income over the same five-year period.

### **Weyburn's Household Income Relative to:**

Moose Jaw: 109%

Yorkton: 106%

Saskatchewan: 100%

Regina: 91%

Estevan: 85%

### **House Price to Median Income Ratio**

Saskatoon: 3.72

Swift Current: 3.39

Regina: 3.12

Yorkton: 2.61

Moose Jaw: 2.58

**Weyburn: 2.43**

Estevan: 2.31

Developed using data from the Multiple Listing Service®, The Saskatchewan REALTORS Association tracks changes in home prices by comparing levels at a point in time with price levels in a reference period.

According to the MLS® HPI, the benchmark home price in Weyburn in January 2019 was **\$198,900**. This was a **12%** decrease from January 2015.

Benchmark home prices across similar sized Saskatchewan cities decreased at a rate of 14% during that same period.

Lower housing prices coupled with consistent growth in income make Weyburn a desirable market for home buyers looking for affordable housing options and higher levels of discretionary income.

### **Benchmark House Prices Relative to Weyburn (2019)**

Moose Jaw: 98%

Yorkton: 102%

Estevan: 112%

Swift Current: 133%

Regina: 141%

Saskatoon: 159%



# ***Tax Advantages***

Weyburn is the fourth lowest for commercial taxation among Saskatchewan cities, and lowest in southeastern Saskatchewan, making it an appealing and affordable place for business.

Furthering Weyburn's attractiveness as an affordable place to live, the City's residential property tax rate remains the second lowest in Saskatchewan.

In addition to low property taxes, the City of Weyburn and RM of Weyburn offer tax incentive programs that may be of interest to potential investors:

## ***Weyburn Builds (City of Weyburn)***

Designed to encourage property owners to renovate or make improvements to exteriors of aging houses or new construction in the mature areas of the city. Grants and property tax reductions are both incentives offered as part of the program. The program supports economic growth within the community and encourages the use of local materials and labour.

## ***Commercial Incentive Program (City of Weyburn)***

Created for businesses, the Commercial Incentive program applies to façade and site improvements, new construction and vacant buildings. Offering rebates and tax abatements, the program is intended to attract and retain businesses, promote a strong economy and support the expansion of businesses to create employment opportunities.

## ***Commercial/Industrial Bare Land Tax Exemption (RM of Weyburn)***

Providing opportunities for tax exemptions on bare land for up to five years, the Commercial/Industrial Bare Land Tax Exemption is intended to encourage new development within the Municipality, provide incentives to businesses who create employment in the area, and contribute to economic development and growth within the region.





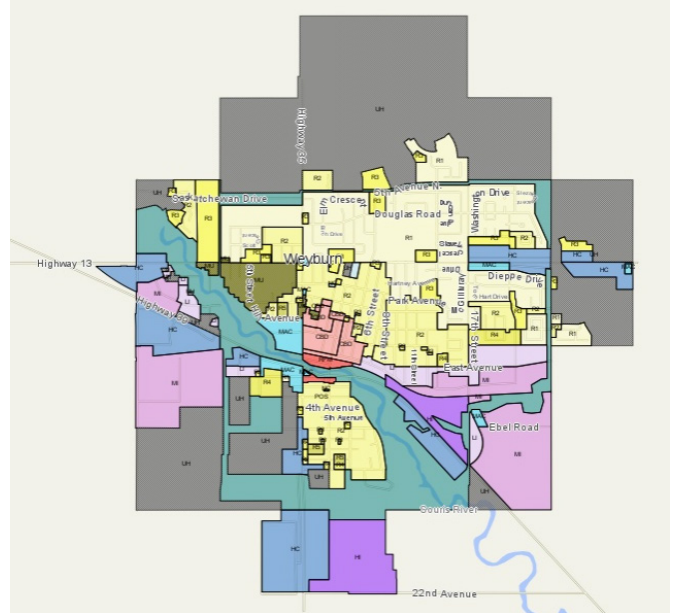
# Zoning and Development

## Zoning and Development

Surrounded by residential (yellow) and parks and open space (green), Weyburn's Central Business District (red) is the core of the community and is comprised of residential, office, commercial, cultural and institutional facilities.

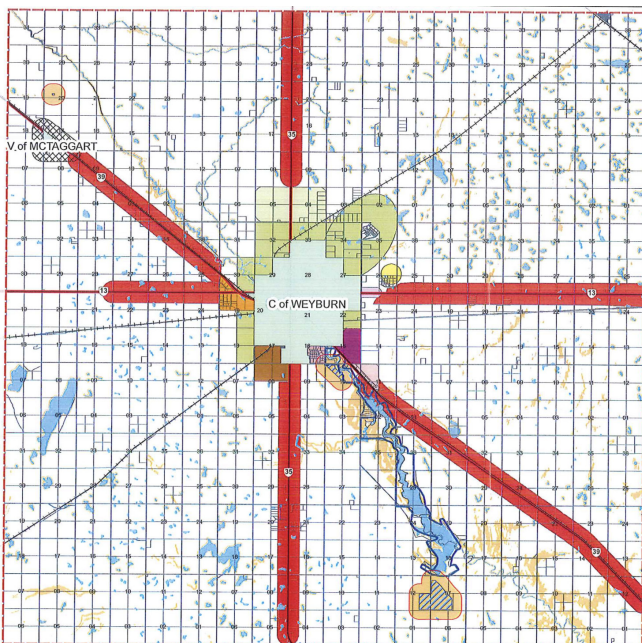
Existing commercial and industrial lands make up a large portion of the southern perimeter of the City as indicated in pink, purple, and blue on the map.

The grey sections on the map represent urban holding for future development.



Source: City of Weyburn, Community Map

Weyburn has approximately **1,640** acres of land available for future commercial and residential development. Commercial and industrial lots are available in various areas of the City and larger development areas are also available in the southwest and southeast corners of the City.



Beyond the city borders, the RM has identified several opportunities for future commercial and industrial land use within its **839** square kilometre land base.

Medium and long-term commercial development opportunities have been identified to the southeast of the City as indicated in pink on the RM map, while long-term industrial lands have been allocated along the southwest (brown).

Significant opportunity exists for development in future study areas (green) within the RM as well as growth areas for future country residential development (light green).

# Local Business Sentiment

While available data provides a compelling picture of the opportunities in Weyburn, the best indication of the local business environment is to hear directly from local businesses. We surveyed business owners over a two-month period through a Business Sentiment Survey to gain their insights. With 50 responses received spanning a broad range of business categories, we are confident that the results are representative of the business community in Weyburn.

Of the businesses that responded, **81%** are located within the City of Weyburn, **16%** are located within the RM of Weyburn, and **3%** are located outside of the City and RM.

The majority of businesses responding (**46%**) employ less than 10 staff members.

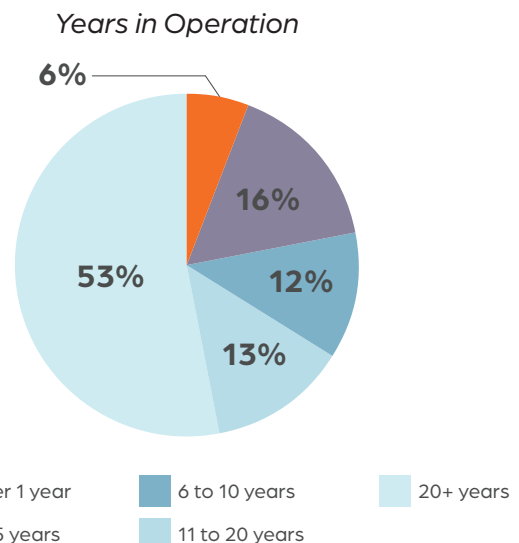
Of all the businesses that responded, **53%** have been in business for more than 20 years.

Weyburn's business landscape is a balance of new (less than 10 years) and well-established businesses, suggestive of strong community support for longstanding businesses and a welcoming audience for new businesses to the area.

**58%** of businesses that responded have plans to expand within the next 5 years, indicating that the business community is thriving in the area.

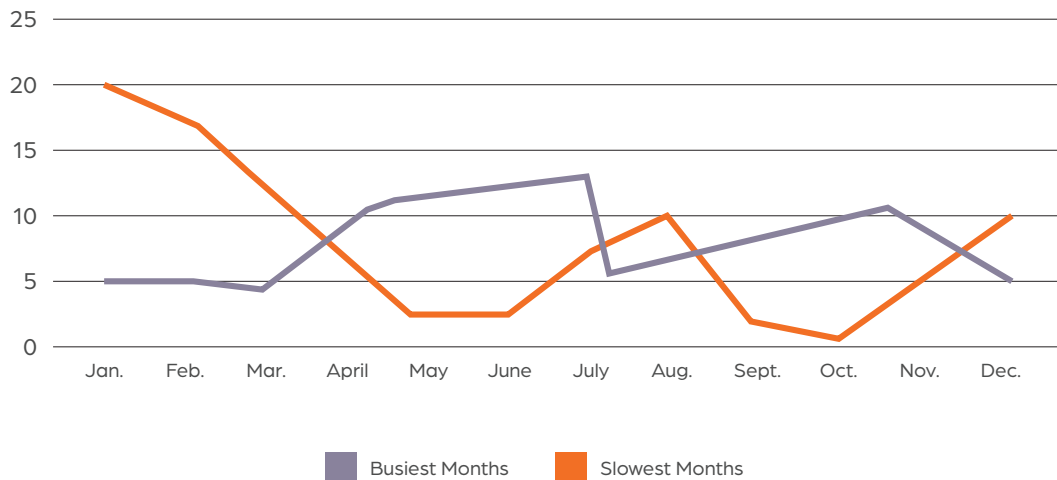
**97%** of businesses plan to retain their location within the Weyburn area, with only one business reporting plans to move to a new location in Saskatchewan.

Further supporting the sentiment that businesses in the area are doing well, **71%** of respondents reported that sales met or exceeded expectations in 2022.



Source: Statistics Canada, 2021 Census of Population

### Business Seasonality



#### When asked to rank the following aspects of Weyburn in order of importance

1. Population Growth
2. Infrastructure
3. Safety
4. Investment Attraction
5. Cleanliness
6. Character/Sense of Place
7. Events
8. Parking
9. Traffic

Many Weyburn businesses operate out of relatively old buildings, with **60%** of businesses reporting occupying a building that is over 25 years old. However, **73%** reported some level of business improvements being completed in their space in the last 5 years which implies investment and renewal in infrastructure. Further, **65%** of businesses own the space their business occupies, which aligns with the investment in older buildings being made by building owners.

The average rental cost in larger centres in Saskatchewan is approximately \$20 per square foot.

**72%** of businesses in Weyburn reported less than **\$15 per square** foot in rental costs making Weyburn an affordable location for business.

It is no surprise that parking is near the bottom of the list in terms of importance to businesses. When asked to rate aspects of local parking, **96%** of respondents reported satisfaction with the cost of parking, **86%** reported that parking is available in good or very good proximity to their destination, and **78%** felt that parking is easy to spot or find at their destination.

While higher on the list of priorities, safety does not appear to be a current concern among business owners with **92%** of respondents reporting that they feel Weyburn is very safe and **100%** indicating that Weyburn is as safe, or safer than other similar communities.

When asked to rank Weyburn’s economic growth relative to other similar communities, **82% of respondents felt that Weyburn’s economy was growing** at the same rate or faster. Those that felt like other communities were experiencing higher rates of growth, shared the sentiment that it was due to economic diversification efforts, or more of a focus on attracting businesses to the area.



# Survey of Household Spending

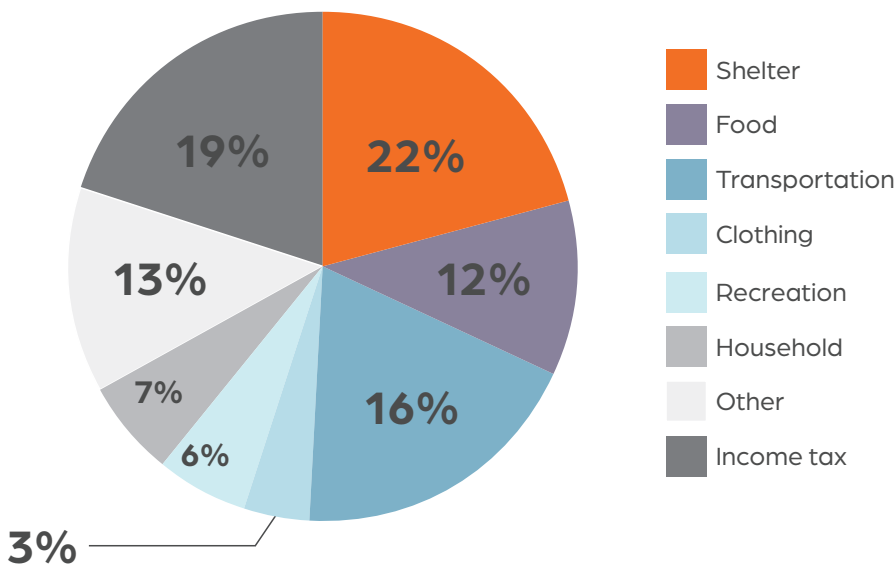
The Survey of Household Spending (SHS) is a national survey conducted by Statistics Canada to gather information on the spending habits of Canadians and measure changes in spending patterns. The survey is conducted biannually, with the most recent published data being from 2019.

Household consumption data is reported by Statistics Canada at a provincial level. Household size and income data from the 2021 Census were used to conceptualize spending for a typical Weyburn household. Provincial household spending was also adjusted to reflect **Weyburn's average household size, 2.3 residents**, which is effectively .2 persons less than the Saskatchewan average household.

## Household Spending

The four largest spending categories represent **69%** of a households total spending

Household Spending



**Weyburn's Median Household Income**

**\$82,000**

**Weyburn Household's with income \$80,000 and over**

**52%**

Shelter: **22%**

Income Tax: **19%**

Transportation: **16%**

Food: **12%**

## Shelter

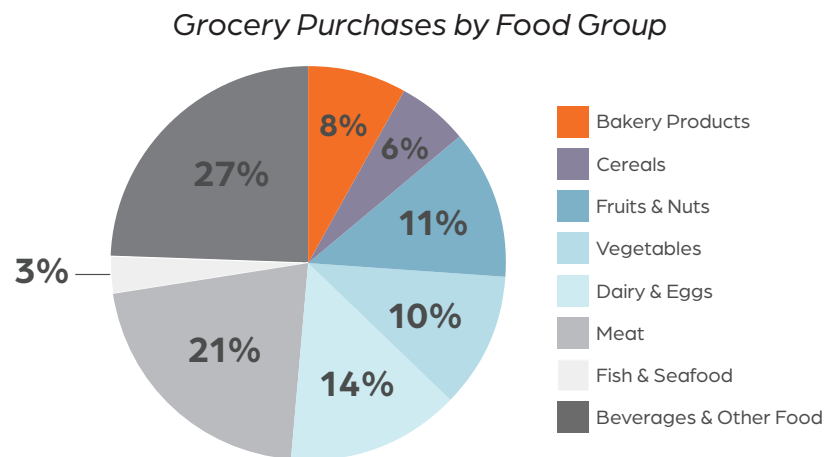
Shelter includes rent and mortgage payments, utilities, and property taxes for both primary and other accommodations (such as a cabin). **The average annual spend on shelter expenses is \$17,881 per household.**

## Transportation

The average Weyburn household spends **\$12,916 on transportation** annually. This includes both private (**\$11,884**) and public (**\$1,032**) transportation options with private transportation comprising **92%** of the average household's transportation expenses.

## Food

Food expenditures total approximately **\$9,594** annually for the average Weyburn household. This is divided between store purchases (**\$7,123**) and restaurant purchases (**\$2,471**) with restaurant food purchases accounting for **25%** of total food expenditures.



Source: Statistics Canada, 2021 Census of Population

Food purchased from stores is further broken down and categorized by food groups. Meat, beverages and other food represent nearly half (**48%**) of the total grocery spend. Fruits & nuts and vegetables represent **22%**, dairy and eggs **14%**, bakery and cereals **12%**, and fish and seafood **3%** of the total grocery bill.

Food expenditures combined represent a **\$49** million market annually.

## Clothing

Clothing expenditures are divided into three main categories: women and girls (ages 14 years and over), men and boys (ages 14 years and over), and children's wear (under 14 years of age).

Women's and girls' wear collectively accounts for **38%** of the total expenditure on clothing and accessories, while men's and boys' wear accounts for **25%** and children's wear accounts for **17%**. Accessories including athletic footwear, watches and jewellery and cloth diapers as well as clothing material and services account for the remaining **20%** of clothing-related expenditures.

**The total clothing market is estimated at \$13.7 million annually.**

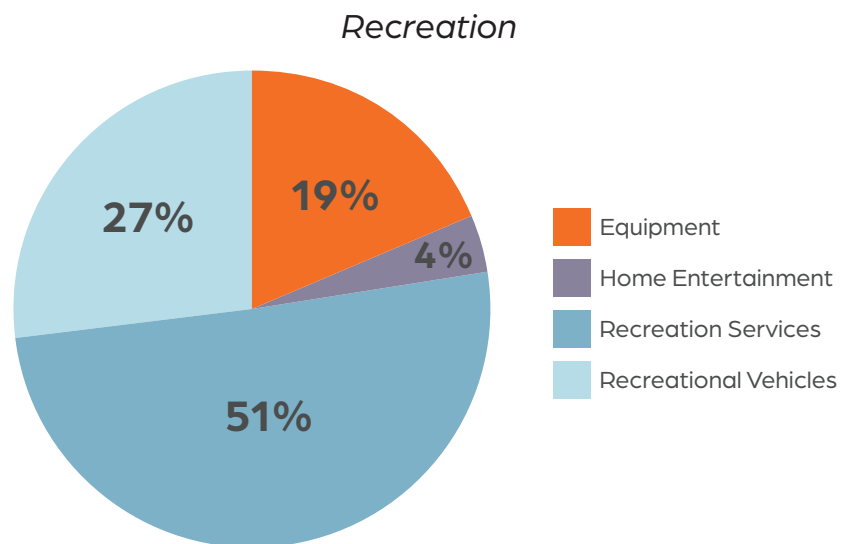
## Recreation

Recreation represents a **\$25 million market** in Weyburn with the average household spending **\$5,041** on recreation-related expenditures per year.

Recreation services make up half (**51%**) of recreation expenses and are comprised of entertainment expenses (movie tickets etc.), use of recreation facilities (ie. gym memberships), and package trips.

Equipment covers expenses related to sports and athletic equipment, children's toys, video games, arts and craft materials, computer equipment, and photography which collectively represent **19%** of recreation expenses.

Recreational vehicles including purchase and operation account for **27%** of expenditures.

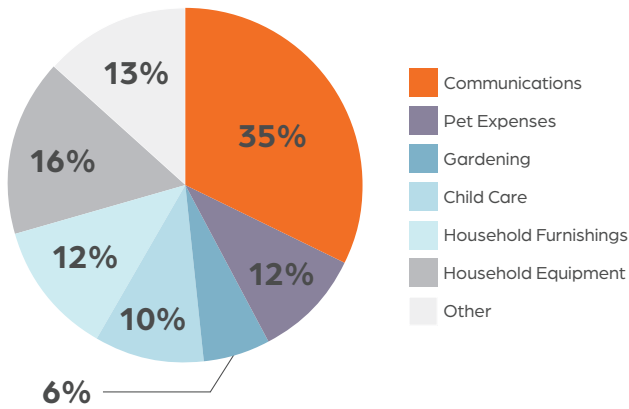


Source: Statistics Canada, 2021 Census of Population

## Household Operations

Household Operations is a broad category of expenditures including: communications, pet expenses, gardening supplies, childcare, household furnishings and equipment, and other expenses.

Household Operations, Furnishings, & Equipment



Source: Statistics Canada, 2021 Census of Population

Cell phones and internet (communications), cost the average Weyburn household **\$2,647** per year, representing the largest category of household operations expenses.

Household equipment (16%) and furnishings (12%) combined account for nearly 30% of spending, while pet (12%), gardening (6%) and childcare (10%) expenses account for 28% of expenses combined.

13% of household operations expenses have been categorized as other and include domestic and custodial services, cleaning supplies and equipment, paper, plastic and foil supplies, other supplies and services related to furnishings and equipment.

Collectively, the category represents a **\$40 million market**.

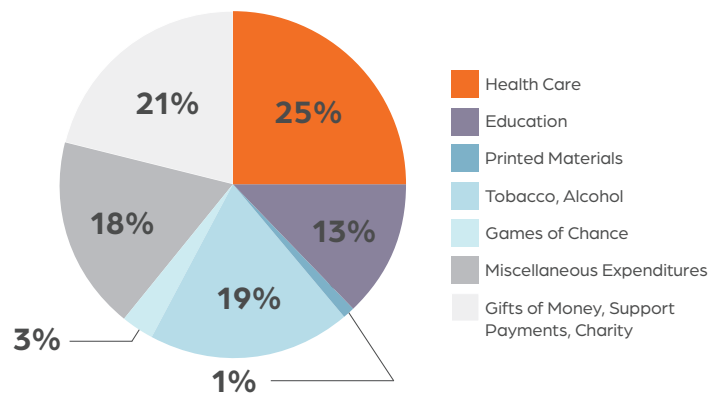
## Other Expenditures

Other household expenditures represent 13% of spending of an average Weyburn household. This category is comprised of seven spending categories that represent a total market of **\$54 million annually**.

Health care represents the largest spend in the category with 25% being divided between direct health care expenditures and health insurance premiums.

Tobacco, alcohol and, non-medical cannabis represent 19% of household spending and a **\$10.3 million market** in Weyburn.

Other Household Expenditures



Source: Statistics Canada, 2021 Census of Population

Alcohol purchased from stores accounts for 71% of the average **\$1,078 consumed annually** by the average Weyburn household.



# Forecasting

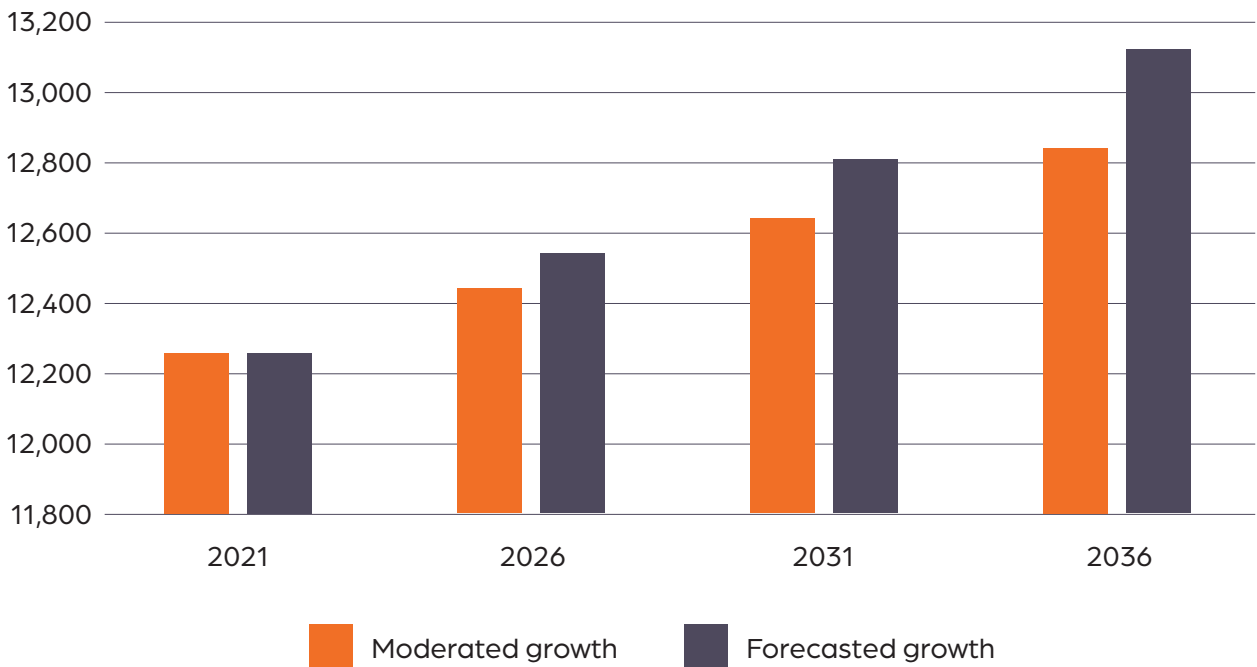
## Future Population

Between **2010 and 2016** the population of Weyburn **grew by nearly 400** people, or **3.3%**. In the five-year period between **2016 and 2021** population growth slowed to **1.6%** adding an **additional 192** people.

Using the **10-year average growth rate of 2.45%**, Weyburn's population is estimated to grow by an additional **853** residents by **2036**.

A more modest forecast, using the most recent **5-year growth rate**, predicts that the population will reach **12,842** by **2036** (an increase of **595** people).

*Population Forecast*



Source: Statistics Canada, 2021 Census of Population



## Future Household Spending

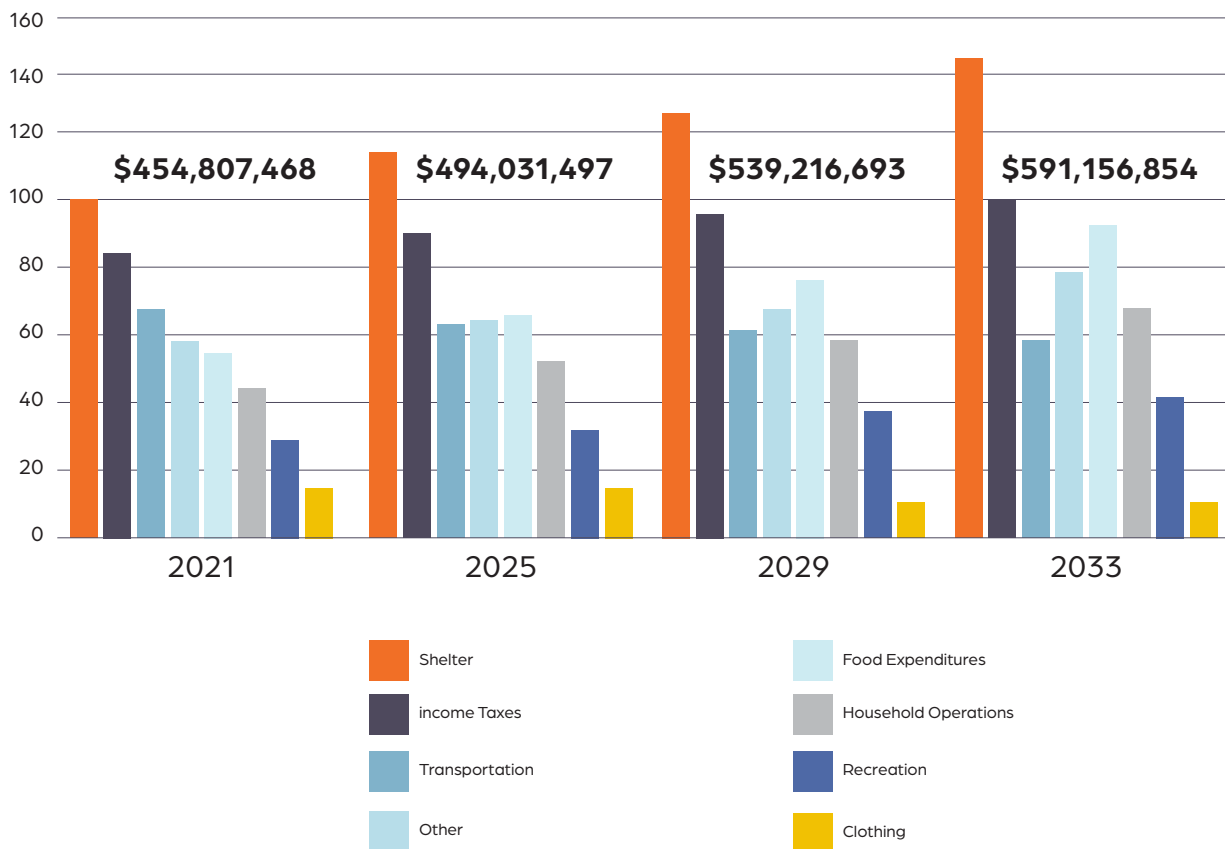
This section aims to forecast future household spending in Weyburn. Forecasted expenditures are intended to be forward-looking statements and are not guarantees of future performance. Forecasts are based on historical spending between 2015 and 2019.

With the intent of offering realistic future estimates, forecasted information is presented both based on the five-year average growth rate, as well as a moderated forecast (50% of the forecasted growth).

In 2019, Saskatchewan's Consumer Price Index was 1.7% which is on par with the projected growth of expenditures in Weyburn of 1.7% annually.

While variations exist in individual spending categories, overall spending in Weyburn is forecast to increase at a consistent rate from \$454 million in 2021 to over \$591 million by 2033.

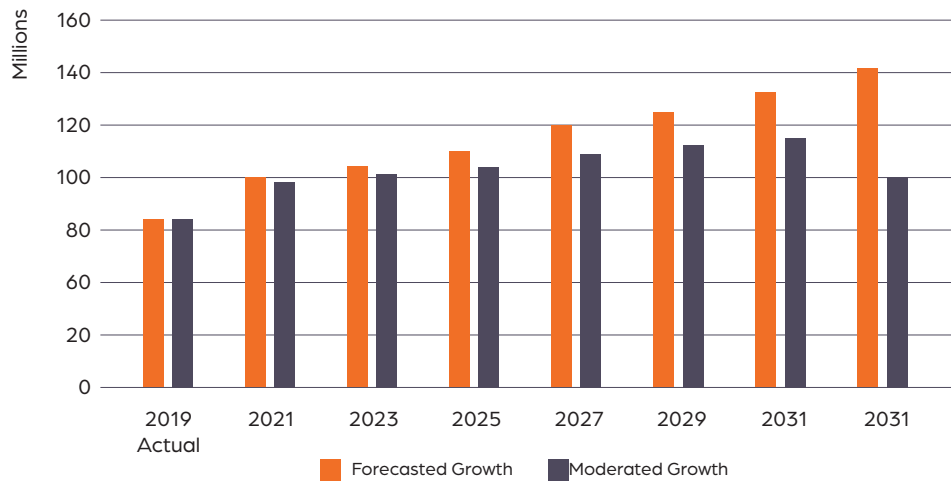
*Forecasted Total Expenditures*



Source: Statistics Canada, 2021 Census of Population

# SHELTER

Forecasted Shelter Expenditures, Total, Weyburn

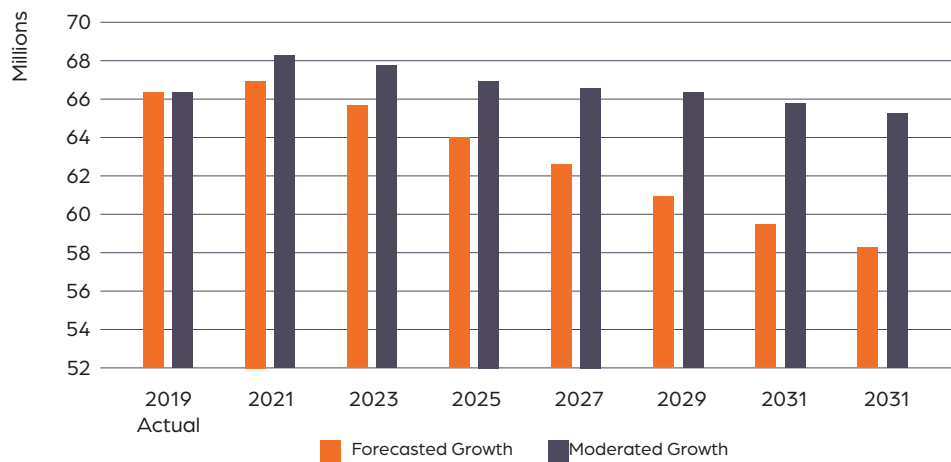


Source: Statistics Canada, 2021 Census of Population

With a projected 2.5% annual growth rate in shelter costs, housing-related expenses in Weyburn are forecast to outpace inflation. With the anticipated increases in interest rates over the coming years, it is likely that the higher forecasted growth estimates are more accurate when it comes to shelter expenditures. The overall increase in expenditures in the region is however dependent on continued growth in the area.

# TRANSPORTATION

Forecasted Transportation Expenditures, Total, Weyburn

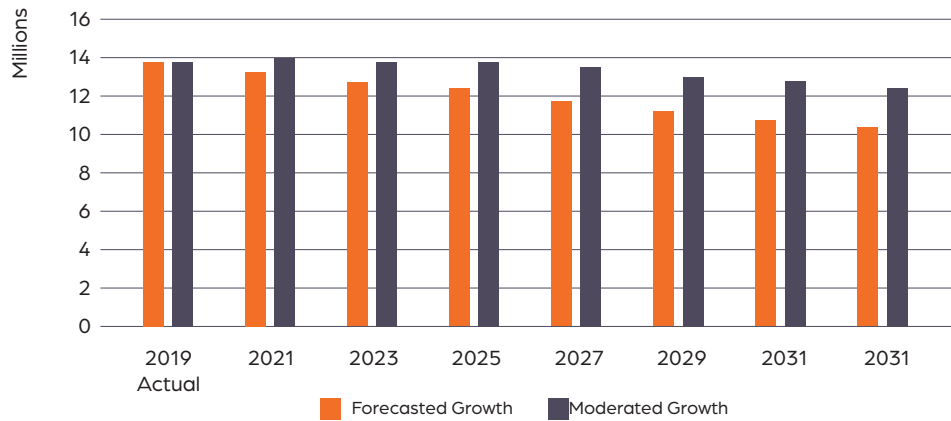


Source: Statistics Canada, 2021 Census of Population

Transportation expenditures are forecasted to decrease by 1.6% annually based on historical data. The current forecast is likely impacted by historically lower gasoline prices and interest rates, both which are projected to increase over the next ten years creating fluctuations in transportation costs. Our analysis would indicate that the moderated forecast is likely to be more accurate for transportation expenditures.

# CLOTHING

Forecasted Clothing Expenditures, Total, Weyburn

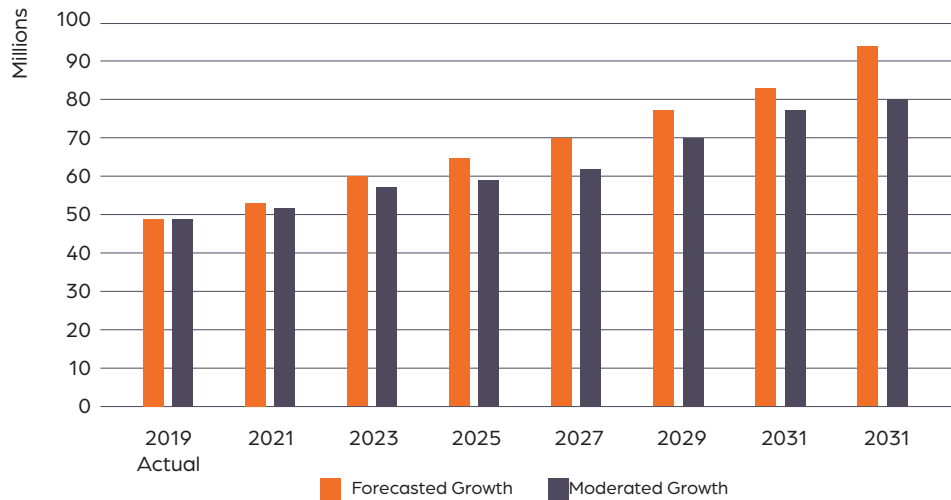


Source: Statistics Canada, 2021 Census of Population

Clothing expenditures are forecast to decrease by 2.6% based on historical data. However, retail was impacted significantly by the global pandemic which is likely resulting in a less accurate forecast of future spending potential. The anticipated growth in the Weyburn area and local business sentiment suggest that there is a strong market and spending potential for clothing and other retail-related businesses in the area.

# FOOD EXPENDITURES

Forecasted Food Expenditures, Total, Weyburn

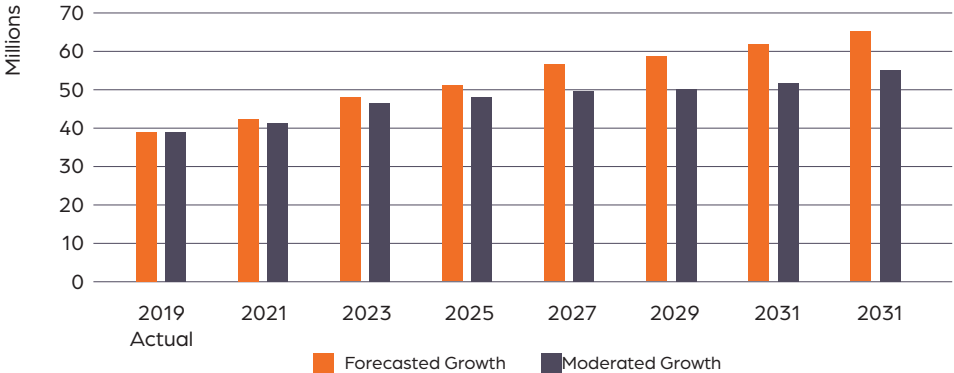


Source: Statistics Canada, 2021 Census of Population

The cost of food in Canada increased by 3.4% in 2019 and is projected to continue to increase between 5% and 7% annually. Food-related expenditures are forecast to increase by 3.9% annually in Weyburn which may climb even higher if prices continue to increase and consumption levels are maintained.

# HOUSEHOLD OPERATIONS

Forecasted Household Operations Expenditures, Total, Weyburn



Source: Statistics Canada, 2021 Census of Population

Weyburn’s expenditures on household operations are projected to steadily increase by 2.8% annually. Growth and renewal in the area along with increasing shelter costs will likely impact expenditures in this category over the long term.

# RECREATION

Forecasted Recreation Expenditures, Total, Weyburn

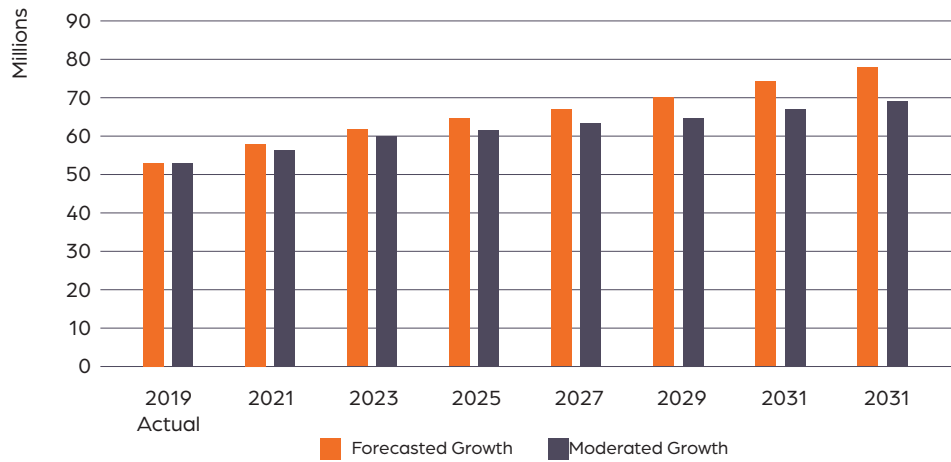


Source: Statistics Canada, 2021 Census of Population

Recreational expenditures are projected to increase at a rate of 2.7% annually, which when compared to other categories of spending, is suggestive of market opportunity. As recreational spending is often tied to discretionary income, income growth as well as increases in other categories of spending such as food and shelter costs may cause variations in recreational spending over the coming years.

# OTHER

Forecasted "Other" Expenditures, Total, Weyburn



Source: Statistics Canada, 2021 Census of Population

Other expenditures which include health care and educational expenses, tobacco and alcohol, charitable donations, and other miscellaneous expenses are projected to increase by 1.9% each year. Similar to other categories which are slightly more dependent on discretionary income, spending potential in this category will be largely dependent on population and income growth in the Weyburn area.

## Inter-City Spending Potential

While spending forecasts for Weyburn provide potential investors with a strong sense of the market, Weyburn also benefits from being one of the larger cities in the area providing the ability to attract a broader population in the southeast region of the province.

To further understand Weyburn's geographic market reach, we utilized Reilly's Law of Retail Gravitation. The theory states that groups of customers are drawn to certain retail locations because of factors such as distance to the market, distance between markets, market population, and location of competitors. Further, it suggests that the greater the distance, the less likely buyers are to travel for consumables and smaller purchases, but that they are willing to travel longer distances to larger centres for larger purchases.

The next city to the north of Weyburn is Regina (116km). As the province's capital and second largest city in Saskatchewan, Regina is Weyburn's largest competitor for market share across a number of categories. This sentiment was echoed by businesses reporting bigger box stores and businesses offering the same products and services in Regina as being their primary competition. The closer a consumer is to Regina, the more likely they are to shop there for consumables and other items of necessity, but the distance provides market opportunity for Weyburn to capture a larger market share of smaller communities to the north of the city that may choose Weyburn over Regina if given the choice.

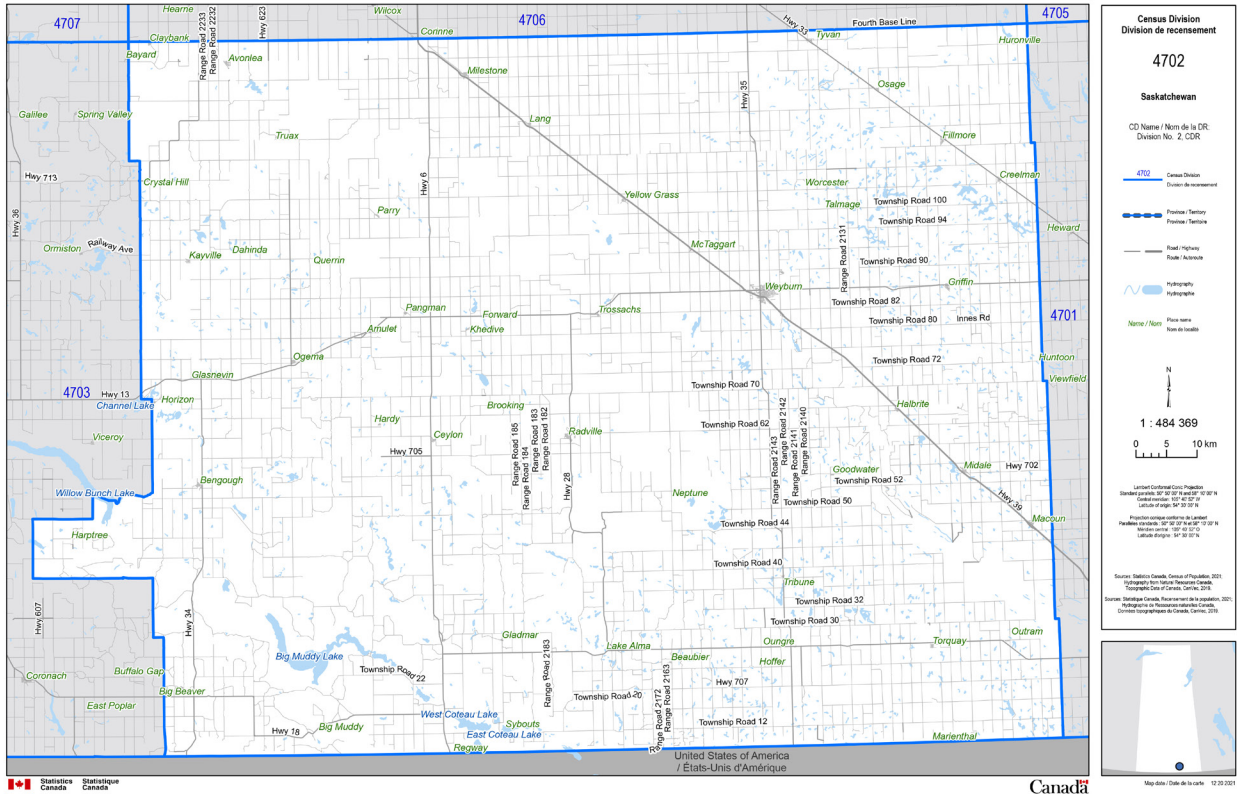
To the east and west of Weyburn are smaller centres (Carlyle (116km) and Assiniboia (163 km) which both have smaller population basis and markets, providing little pull away from Weyburn in regard to market potential. While both cities are more than 100km from Weyburn, their distance from larger centres creates opportunity for Weyburn to be a preferred destination for retail options as well as more significant purchases.

In closest proximity, and Weyburn's second largest competitor for business according to local business owners, is Estevan. Only 86km to the south, and with a population slightly lower than Weyburn, Estevan competes with Weyburn for consumers from surrounding areas who are of a similar distance from both centres. While both cities offer many of the same retail options, business owners have reported that consumers will travel between both cities for specialized goods and services, creating opportunity for investment in Weyburn businesses where a niche market may exist.

To explore a more regional view of Weyburn's potential market size, we included the neighbouring populations of Estevan and Division 2. Nearly the entire population of Division 2 is within the gravitational zone of Weyburn, and many Estevan residents frequently visit Weyburn for products and services as well.

Estevan's population in 2021 was 10,851 with an average household size of 2.3 persons. The median household income in Estevan has declined over the past number of years but remains higher than Weyburn at \$96,000.

Division 2 is a Census subdivision that covers the south-southeastern part of Saskatchewan to the United States border. Weyburn is the largest city within the Division 2 boundaries which has a total population of 22,497 people, averaging 2.4 people per household. The median household income within Division 2 is \$80,000.



**Collectively, Division 2 and Estevan represent \$1 billion in regional household spending annually.**

The table below represents the estimated total regional spending across major retail categories. Data was derived using the same model that provided a detailed breakdown of Weyburn household spending. The focus of the information is on categories that consumers may have the opportunity or requirement to travel for such as retail goods and services while excluding categories such as food and shelter which do not provide the same broader market opportunities.

Total regional spending represents the combined spending of Estevan and Division 2 (which includes Weyburn).

(Dollars in Millions)	Weyburn	Division 2	Estevan	Total Regional Spending
<b>Household Items</b>	<b>\$14.6</b>	<b>\$28.2</b>	<b>\$15.4</b>	<b>\$43.6</b>
Furnishings	5.5	10.5	5.7	16.2
Equipment	5.9	11.4	6.2	17.6
Appliances	2.8	5.4	3.0	8.4
Related Services	.4	.8	.4	1.2
<b>Clothing</b>	<b>\$16.3</b>	<b>\$31.3</b>	<b>\$17.1</b>	<b>\$48.4</b>
Women's & Girls	6.5	12.6	6.8	19.4
Men's & Boys	4.1	7.9	4.3	12.2
Children's wear	2.0	3.8	2.1	5.9
<b>Eye-care Goods &amp; Accessories</b>	<b>\$1.1</b>	<b>\$2.1</b>	<b>\$1.1</b>	<b>\$3.3</b>
<b>Recreation</b>	<b>\$22.5</b>	<b>\$43.3</b>	<b>\$23.7</b>	<b>\$67.0</b>
Children's Toys	.6	1.1	.6	1.7
Computer Equipment	1.9	3.6	2.0	5.6
Photographic Goods & Services	.4	.8	.5	1.3
Home Entertainment Equipment	.8	1.6	.9	2.5
Recreational Services	<b>\$12.6</b>	<b>\$24.3</b>	<b>\$13.3</b>	<b>\$37.5</b>
<b>Financial Services</b>	<b>\$4.1</b>	<b>\$7.8</b>	<b>\$4.3</b>	<b>\$12.1</b>
<b>Other Goods &amp; Services</b>	<b>\$4.9</b>	<b>\$9.4</b>	<b>\$5.1</b>	<b>\$14.5</b>

*Note: numbers may not equal due to rounding*



## Interpretation of Regional Spending

Leveraging regional spending data as well as knowledge of the Weyburn area, we have provided an assessment of potential retail spending leakage.

Retail leakage means that residents are spending more for products and services than local businesses capture. While leakage suggests that there may be unmet demand in the area, it does not directly translate to opportunity as there may be strong competitors in close enough proximity that dominate the market for specialized products or services.

Leakage occurs to some extent in every market. Areas with lower or more dispersed populations naturally experience higher degrees of leakage, but also benefit from opportunities to take advantage of convenience markets for local residents and niche market opportunities for a broader population who are willing to travel to the area for specialized experiences.

While not a direct indication of unconditional opportunity, our interpretation attempts to aid in understanding the following:

- How well the retail needs of Weyburn residents are being met
- Areas of unmet demand and possible opportunities
- Strengths and weaknesses of the local retail market

Further analysis would be required to accurately calculate the sales capture of Weyburn businesses compared to the spending potential of the region. Current regional spending does suggest that there is opportunity in the Weyburn market for growth and to satisfy local demand.

It does not appear that the online marketplace is having a significant impact on Weyburn business opportunities. Of local businesses surveyed, 38% reported that zero percent of their business is conducted online, and 81% reported that 25% or less of their business is currently supported by online purchases. While there is likely opportunity for some existing businesses to increase their online presence, the brick-and-mortar market appears to be strong and well supported in Weyburn.

The following three categories appear to provide the greatest opportunity to increase market spend and reduce leakage.

## Recreation

While a highly specialized market, total spend on recreation is estimated at \$67 million in the region, with Division 2 representing 67% of the total potential spend in the category. A preliminary examination of the market in Weyburn suggests that a large portion of spending in this category is occurring outside of the city due to an insufficient local market.

Recreational spending is often an area where consumers will explore markets beyond their immediate community and may travel to larger city centres to make purchases. The projected growth in income and population in Weyburn, however, suggests that there may be niche opportunities for recreational products and services to create affiliate markets locally that compliment or compete with larger centres.

## Clothing

Weyburn's clothing market has evolved over recent years to offer more boutique clothing options. Currently, spending on clothing in Weyburn is estimated at \$16.3 million which only accounts for 33% of the total potential \$48 million market in the region. Our assessment suggests that there is additional opportunity to increase Weyburn's market share in men's, women's, and children's clothing as a "destination market" for specialized clothing and accessories.

## Other Goods and Services

A broad category, making it difficult to discern exact retail demand, there does appear to be opportunity for an expanded market in Weyburn for convenience needs. By providing residents more options locally, Weyburn can take ownership of a larger share of the \$14.5 market and avoid residents travelling to neighbouring cities like Estevan or larger city centres for basic goods and services. Projected growth of nearly 2% annually in the category further increases the opportunity for investment to capture retail opportunities.

# *Creating an Investor's Guide*

## **Our Approach**

This Investor's Guide was developed using multiple sources of information and structured methods of collecting and analyzing data.

A Business Sentiment Survey was conducted to gather the perspectives of local business owners on the business landscape in the Weyburn area. Responses were collected between March 27 and May 29, 2023. The results were analyzed and detailed in the Local Business Sentiment Section of this document.

Key demographic and income information was derived from the Statistics Canada 2021 Census which has a reference date of May 2021. As such, 2021 data was used as the true reference point for forecasting. As Weyburn has a population over 11,000, it is classified by Statistics Canada as a Census Agglomeration. This classification enables additional Weyburn-specific reporting and comparisons to other similar cities in the region.

The Survey of Household Spending (SHS) is conducted bi-annually by Statistics Canada to gather information on the spending habits of Canadians and monitor changes in spending patterns. The most recently published data was released in January 2021 with data collection occurring between January and December 2019. The survey data provides consumption patterns per household at the provincial level.

Household size and income information from Census data were used to develop a spending profile for an average Weyburn household. Based on the average Weyburn household size of 2.3 people (Saskatchewan average 2.5), and Weyburn-specific income data, we were able to adjust the provincial SHS data to estimate Weyburn household spending habits.

Two different forms of analysis were used to estimate inter-city spending potential: Reilly's Law and regional spending expectations.

Reilly's Law of Retail Gravitation uses population and distance between communities to determine market reach. The theory asserts that customers are drawn to certain retail locations due to factors such as the distance to the market, distance between markets, populations, size of retail, and location of competitors.

Regional spending expectations analysis further enabled us to understand the total market available to Weyburn businesses based on spending patterns and regional spending data.