

Q1 2023

# Winnipeg

## Industrial Market Report

### Net Absorption

This Quarter	Previous Quarter
-166K SF	274K SF
12-Month Absorption	5-Year Quarterly Avg.
1.3M SF	205K SF

### Vacancy

This Quarter	Year-over-Year
1.5%	↓ 150 bps

### Asking Net Rent

This Quarter*	Year-over-Year
\$10.04 PSF	↑ 20.5%

### Development

Under Construction	New Supply
571K SF	102 K SF

*\*Weighted Average  
Pratt McGarry Inc. o/a Colliers International*

### Market Outlook

Winnipeg's industrial leasing activity remains strong across all of its market segments. While the Q1 vacancy rate did increase quarter-over-quarter, this can be attributed to larger blocks of older inventory coming back to the market such as 1555 Buffalo Place, for 156,715 square feet.

The industrial investment market saw persistent demand throughout 2022 despite rising interest rates, but volumes have finally shown signs of slowing down to begin the year. At the beginning of March, the Bank of Canada held its target overnight rate at 4.5% after aggressively raising its key overnight lending rate for the past year. The halt in rate hikes might be positive news for potential investors who wanted to jump into the market but were uncertain if interest rates would continue rising.

Conversely, construction for new industrial buildings has held firm, as the market continues to showcase a high appetite for more contemporary spaces. Approximately 500,000 square feet of new supply is expected to come to market within the next couple of quarters.

While asking net rental rates have decreased slightly from \$10.18 to \$10.04 per square foot, this is strictly due to weighted averages in our database. Older, large-bay industrial space coming back on the market at a significantly lower rate is not reflective of actual market conditions. In general terms, rental rates remain relatively high.

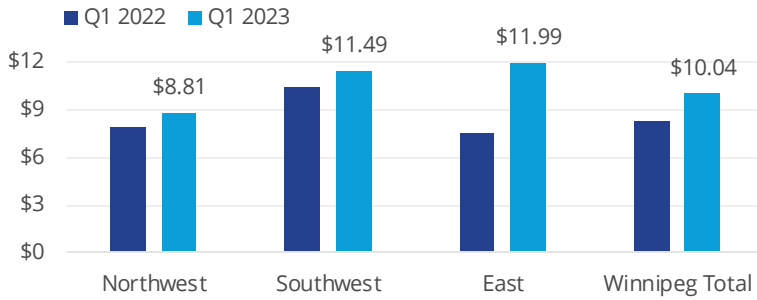
In Mid-March, the federal government announced it would invest up to \$18 million in the CentrePort Canada Rail Park, with an aim to improve intermodal connectivity in the Winnipeg metro region. The Rail Park will offer globally connected businesses with large-volume shipping needs the ability to access, transfer, and transport goods between road and rail, with close access to Winnipeg's Richardson International Airport. Combining industrial space with logistics infrastructure makes Winnipeg a prime location for companies serving regional and global clients. Furthermore, this move is greatly beneficial to the Winnipeg industrial market as it will make it more attractive and create an effective and fluid supply chain.

Accelerating success.

# Market Overview

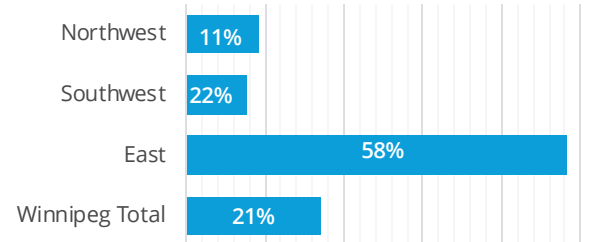
## 01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



## 02 Rental Rate Growth\*

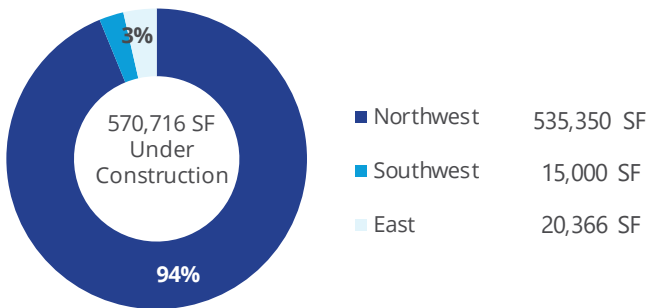
By Market | Q1 2022 – Q1 2023



\*Weighted Average Asking Net Rent

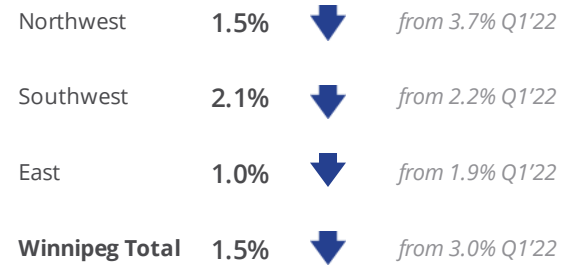
## 03 Under Construction by Market

By Building Area (SF)



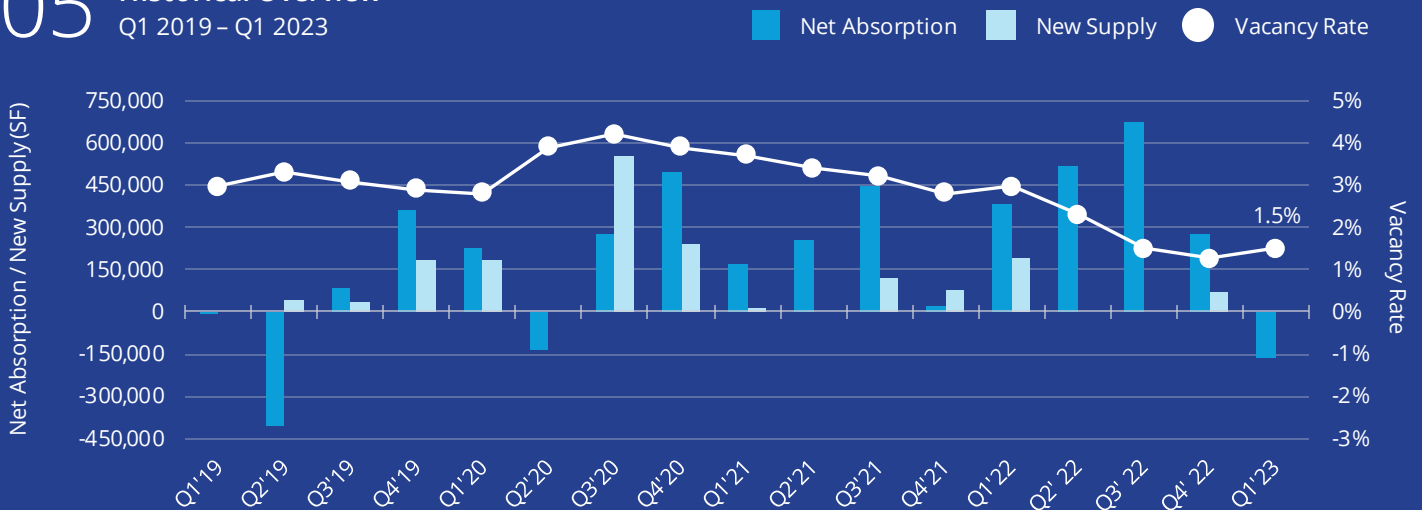
## 04 Vacancy Rate

By Market | Q1 2022 – Q1 2023



## 05 Historical Overview

Q1 2019 – Q1 2023



# Market Statistics & Transaction Highlights

	Northwest	Southwest	East	Winnipeg Total
Total Inventory (SF)	47,281,202	15,975,988	19,299,680	<b>82,556,870</b>
Total Occupied Space (SF)	46,511,678	15,637,657	19,109,549	<b>81,258,884</b>
Total Vacant Space (SF)	769,524	338,331	190,131	<b>1,297,986</b>
Vacancy Rate (Current Q)	1.6%	2.1%	1.0%	<b>1.5%</b>
Vacancy Rate (Previous Q)	1.3%	1.4%	1.1%	<b>1.3%</b>
Net Absorption (SF)	-71,976	-177,989	23,647	<b>-166,318</b>
New Supply (SF)	82,250	0	20,185	<b>102,435</b>
Under Construction (SF)	535,350	15,000	20,366	<b>570,716</b>
Weighted Average Asking Net Rent (PSF)	\$8.81	\$11.49	\$11.99	<b>\$10.04</b>

## Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Big Freight	1441-1445 Church Avenue	Northwest	Head lease	±64,613
Electrical Cable Supply & Greenline Hose	500 De Baets Street	East	Head lease	±20,185

## Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
1725 Inkster Boulevard	Northwest	±267,721	Confidential	Parkit Enterprise Inc	Investor Purchaser
1345 Redwood Ave	Northwest	±112,132	Confidential	Parkit Enterprise Inc	Investor Purchaser
2030 Notre Dame Ave	Northwest	±107,757	Confidential	Parkit Enterprise Inc	Investor Purchaser

## Notable Developments

Building Name / Address	Market	Building Status	Est. Completion	Size (SF)	Owner / Developer
West Creek Business Park	Northwest	Under Construction	2023 Q2	±294,150	Hopewell Developments
500 De Baets Street	East	Under Construction	2023 Q2	±20,366	Shindico
155 Haggart Street	Northwest	Under Construction	2023 Q3	±175,000	QuadReal
3 South Landing Drive	Southwest	Under Construction	2023 Q3	±15,000	Confidential

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