

# MARKETBEAT

## Winnipeg, MB

### Industrial Year End 2017



#### WINNIPEG INDUSTRIAL

##### Economic Indicators

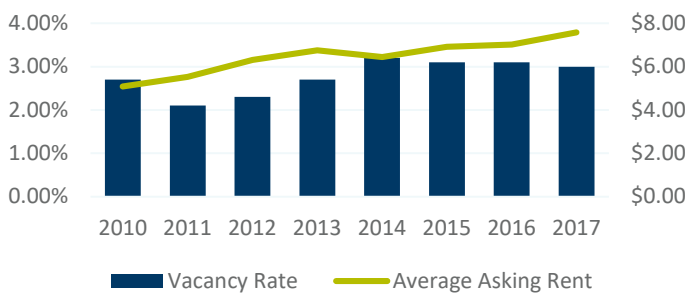
	2016	2017	12-Month Forecast
Winnipeg Employment	425K	430K	▲
Winnipeg Unemployment	6.5%	5.8%	▼
Canada Unemployment	7.0%	6.6%	◀▶

##### Market Indicators (Overall, All Classes)

	2016	2017	12-Month Forecast
Overall Vacancy Rate	3.1%	3.0%	◀▶
Industrial Permits Issued	58	50	◀▶
Average Asking Rent*	\$7.00	\$7.60	▲

\*Rental rates reflect net asking \$psf/year

##### Overall Vacancy/Overall Asking Rent



##### Submarket Asking Rent



## Economy

Winnipeg's economy performed well in 2017, although a slowdown is predicted for 2018. According to the Conference Board of Canada, Winnipeg's economy is expected to grow by 1.4% in 2018 (led by the manufacturing sector), compared to projected growth of 3.6% in 2017.

## Market Overview

The industrial market in Winnipeg continues to be a landlord's market with available product still at a minimum. The industrial leasing market in Winnipeg was very active in 2017 as there continues to be more users than available space. The overall industrial vacancy rate in Winnipeg remained at 3.0% at the end of 2017, and is expected to remain relatively flat in 2018. Many tenants are opting to either redevelop or renew at their existing locations as prices are high for comparable space which can be in low supply. The average overall industrial asking rent was \$7.58 per square foot (psf) (which does not include free rent or tenant inducements) at the end of 2017, up from \$7.02 psf from the previous year (The Johnson Report, Year End 2017). The average asking rent is projected to increase moderately in 2018 as demand will continue to outweigh supply.

There continues to be a shortage of zoned, serviced, shovel ready industrial land in Winnipeg which is preventing new product from coming on the market. Over the last few years however, industrial parks have started to spring up in surrounding Rural Municipalities and other areas close to the city. For example there is a new 100 acre (approximately) park in the RM of Macdonald in Southwest Winnipeg (South Landing), and a handful of other small pockets of land in the surrounding areas.

Winnipeg's small bay market, ranging from roughly 1,500 square feet to 3,000 square feet in size, continues to be highly active with limited product available. When good quality smaller units do become available they tend to be leased up quickly. Any industrial options with excess land or yard space are even more desirable and as a result even more difficult to find.

## Outlook

The availability of additional serviced industrial land is on the horizon. The largest tract of new industrial land is located in the CentrePort area just outside the city limits in the Northwest quadrant. Phase III of Brookside Industrial Park is one of those pockets, and industrial lots should be available for sale in spring 2018, ranging in price from \$350,000-\$395,000 per acre.

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SUBMARKET	TOTAL INVENTORY (SF)	INVESTMENT INVENTORY (SF)	OVERALL VACANCY RATE	AVERAGE NET RENTAL RATE*	AVERAGE SINGLE TENANT LEASE RATE*	AVERAGE MULTI TENANT LEASE RATE*
Northwest	37,477,838	16,315,035	3.0%	\$7.35	\$7.40	\$7.46
Central	10,193,207	2,494,898	1.6%	\$5.19	\$5.04	\$5.82
East	20,487,483	5,570,213	3.6%	\$7.40	\$7.74	\$7.71
Southwest	10,098,284	2,886,835	0.4%	\$10.62	\$9.95	\$10.79
<b>WINNIPEG TOTALS</b>	<b>78,256,812</b>	<b>27,266,981</b>	<b>3.0%</b>	<b>\$7.58</b>	<b>\$6.54</b>	<b>\$8.11</b>

- All figures courtesy of The Johnson Report, 2017 Year End Report
- \*Rental rates reflect asking \$psf/year

### Key Cushman & Wakefield Lease Transactions 2017

PROPERTY	SF	FACE RATE \$PSF	TRANSACTION TYPE	SUBMARKET
Lorimer Boulevard	12,239	\$12.00	Headlease	Southwest
King Edward Street	8,000	\$8.00	Renewal	Northwest
Paquin Road	45,600	\$6.00	Renewal	East
Beghin Avenue	12,303	\$6.50	Renewal	East
King Edward Street	23,451	\$7.20	Renewal	Northwest
Mazenod Road	7,497	\$7.95	Headlease	East
Bentall Street	34,181	\$6.95	Renewal	Northwest
Scurfield Boulevard	7,020	\$11.95	Renewal	Southwest
Kapelus Drive	20,372	\$12.50	Headlease	East

### Key Cushman & Wakefield Sales Transactions 2017

PROPERTY	SF	PRICE / \$PSF	TRANSACTION TYPE	SUBMARKET
50-68 Paramount Road	53,772	\$3,755,000 / \$70	Investment	Northwest
333 De Baets Street	32,251	\$3,510,000 / \$109	Investment	Central
90 Park Lane	20,650	\$1,850,000 / \$90	User	Northwest
89 Bunting Street	65,938	\$3,900,000 / \$59	Redevelopment	Northwest
200 Saulteaux Crescent	79,844	\$12,500,000 / \$157	Investment	Northwest
1616 King Edward Street	42,918	\$5,350,000 / \$125	Investment	Northwest
1151-1155 Sherwin Road	59,900	\$3,400,000 / \$57	User	Northwest

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#### About Cushman & Wakefield

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