

MARKETBEAT

Winnipeg, MB

Industrial Mid Year 2018



WINNIPEG INDUSTRIAL

Economic Indicators

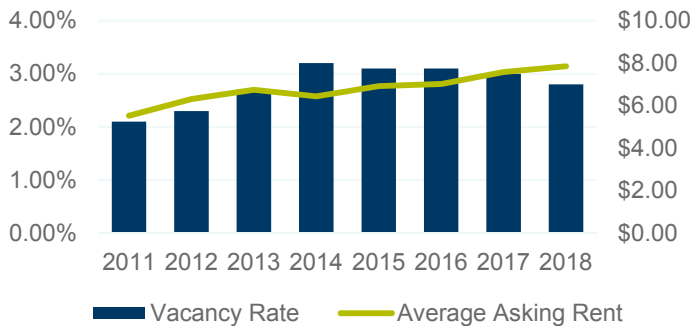
	2017	2018	12-Month Forecast
Winnipeg Employment	430K	440K	▲
Winnipeg Unemployment	5.8%	5.9%	▼
Canada Unemployment	6.6%	5.8%	■

Market Indicators (Overall, All Classes)

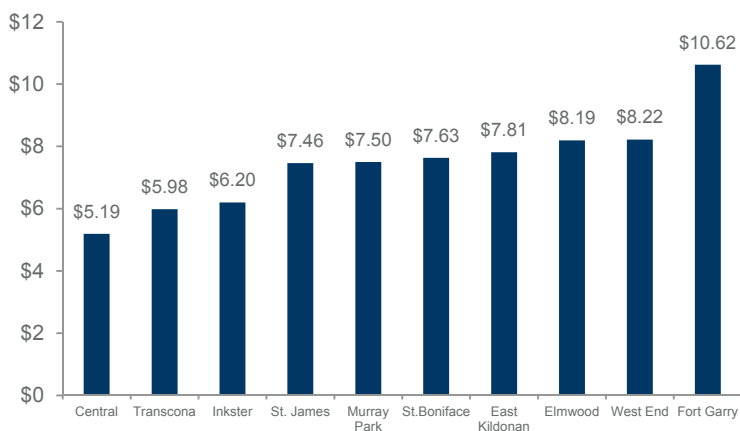
	2017	2018	12-Month Forecast
Overall Vacancy Rate	3.0%	2.8%	■
Multi-Tenant Investment Vacancy Rate	5.4%	5.5%	■
Average Asking Rent*	\$7.60	\$7.85	▲

*Rental rates reflect net asking \$psf/year

Overall Vacancy/Overall Asking Rent



Submarket Asking Rent



Market Overview

Quadreal Portfolio

Cushman & Wakefield Winnipeg Inc. was the listing broker for the QuadReal portfolio sale which closed at the end of the second quarter 2018. This transaction consisted of six fully occupied industrial buildings totalling approximately 237,000 square feet (sf) of rentable area and approximately 2.1 acres of fully serviced land for future development. The bid process attracted many groups from outside of Winnipeg, on both the private and institutional side, with PROREIT out of Ontario chosen as the winning bidder. The six industrial assets were sold as part of QuadReal's long term strategy to focus on newer generation assets. The substantial investor interest garnered from the sale of this portfolio is indicative of the continued confidence in Winnipeg's stable industrial market.

Brookside Industrial Park

The much anticipated Brookside Industrial Park and its 98 acres of fully serviced industrial land was brought to market in April 2018 and has been met with overwhelming success. To date, 12 of the 17 lots are conditionally sold which represent approximately 62% of the land available. This high level of interest is a result of pent-up demand due to the limited available supply of serviced shovel ready industrial land currently available in Winnipeg and the surrounding areas. Collectively, the sale prices of the lots represent a new watermark for industrial land in not only the RM of Rosser but the Northwest quadrant of Winnipeg. Frontage lots were being marketed at \$385,000 - \$395,000 per acre, and the remaining lots range from \$350,000 to \$375,000 per acre. The interest has come from both developers/investors as well as users. This park will also be the future new location of the National Research Council facility.

Winnipeg Real Estate Forum

Winnipeg hosted its biennial Real Estate Forum on May 31st, 2018 at the RBC Convention Centre which was well attended by over 700 delegates from across Canada. A major theme of the conference was the advantage the capital region rural municipalities seem to have over the City of Winnipeg due to the availability of shovel ready land, reduced red tape, and either lower or no business taxes. Another common theme discussed at the forum was the stability of the Winnipeg marketplace and how challenging it is for investors to find investment product to acquire, in particular industrial investment.

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**CUSHMAN &
WAKEFIELD**
Winnipeg



SUBMARKET	TOTAL INVENTORY (SF)	INVESTMENT INVENTORY (SF)	OVERALL VACANCY RATE	MULTI-TENANT INVESTMENT VACANCY RATE	SINGLE TENANT INVESTMENT VACANCY RATE
Northwest	37,477,838	16,315,035	2.3%	4.8%	3.3%
Central	10,193,207	2,494,898	1.0%	1.8%	5.2%
East	20,487,483	5,570,213	2.2%	9.0%	5.4%
Southwest	10,098,284	2,886,835	0.3%	0.7%	0.0%
WINNIPEG TOTALS	78,256,812	27,266,981	2.3%	5.5%	6.2%

• All figures courtesy of The Johnson Report, June 2018 Report

Key Lease Transactions First Half 2018

PROPERTY	SF	FACE RATE \$PSF	TRANSACTION TYPE	SUBMARKET
Inkster Boulevard	12,072	\$10.25	Headlease	Northwest
Eagle Drive	6,355	\$8.25	Headlease	Northwest
Scurfield Boulevard	5,270	\$8.50	Renewal	Southwest
Sherwin Road	4,971	\$13.00	Headlease	Northwest
Oak Point Highway	4,500	\$5.00	Headlease	Northwest
Keewatin Street	4,958	\$6.25	Headlease	Northwest
Scurfield Boulevard	3,975	\$11.50	Headlease	Southwest

Key Sales Transactions First Half 2018

PROPERTY	SF	PRICE / \$PSF	TRANSACTION TYPE	SUBMARKET
1103 Pacific Avenue	17,100	\$2,535,000 / \$148	Investment	Northwest
One Warman Road	103,464	\$11,012,500 / \$90	User	East
Quadreal Portfolio (6 properties)	237,430	\$27,300,000 / \$115	Portfolio	Northwest

For more information, contact:

Chris Macsyclic
Senior Vice President
T 204 923 5019

Tyson Presentanz
Senior Vice President
T 204 928 5002

Daniel Mondor
Associate Vice President
T 204 934 6241

chris.macsyclic@cwinnipeg.com

Tyson.presentanz@cwinnipeg.com

Daniel.mondor@cwinnipeg.com

Cushman & Wakefield | Stevenson
55 Donald Street Unit 200
Winnipeg, MB R3C 1L8
www.cushmanwakefieldwinnipeg.ca

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

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