

As we pass the half year point of 2020, COVID 19 has been top of mind among the commercial real estate industry's list of what is having the largest effect. While most cities are working through their re-opening restrictions, many are continuing to keep a close eye on the industrial market which is largely seen as a reflection of the economy. Winnipeg's Industrial Market continues to be described with one word: "steady". Throughout this uncertain time, new deals continue to be completed at rates and terms consistent with pre-COVID metrics.

E-commerce is a major trend for 2020 as businesses and individuals adapt to this new environment. The impact this will likely have on the Winnipeg Industrial market should be positive as there is evidence of a flight to new generation industrial product providing the developers and investors confidence to bring new buildings to market largely on speculation the tenants will be there.

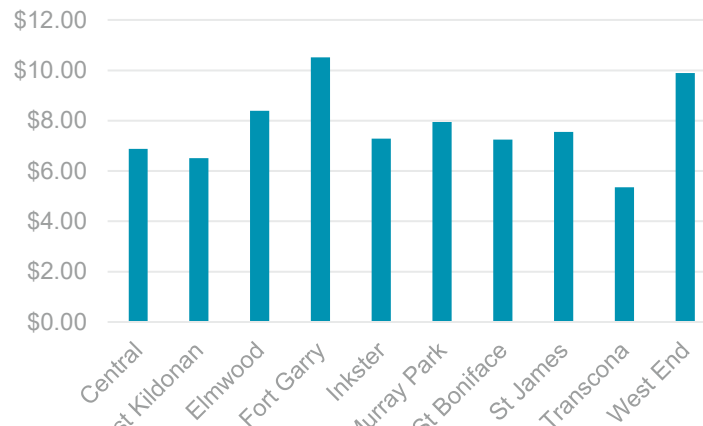
While sales of both investment and owner-occupied industrial properties slowed in the first half of 2020 there is not sufficient data points to suggest values have dipped. On the owner-occupied side, the expansion of the BDC's mandate to provide capital to businesses will likely help spur more activity going forward. Demand for Industrial investment properties remains very high with pricing likely to hold strong as fundamentals continue to hold.

COVID 19 is likely to remain for the next few years and its ultimate impact is uncertain. We continue to adapt by respecting the new normal, ensuring workplace safety is front and centre and remaining diligent. While many have contemplated what is the new "now", others are banking on the future, focusing on the positive and continuing the march forward.

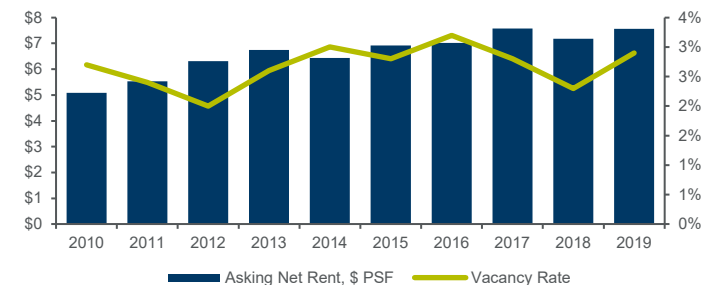
**ECONOMIC INDICATORS
MID-YEAR 2020**

	YoY Chg	12-Mo. Forecast
626K Manitoba Employment	▼	▲
8.2% Manitoba Unemployment Rate	▲	▼
9.7% Canadian Unemployment Rate	▲	▼

Source: Statistics Canada



OVERALL VACANCY & NET ASKING RENT



Source: Johnson Report

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	INVESTMENT INVENTORY (SF)	AVERAGE NET RENT (PSF)	OVERALL VACANCY RATE	VACANT SPACE (SF)
Central	10,057,794	2,402,551	\$6.88	0.9%	88,454
Northwest	37,533,225	16,727,808	\$7.69	4.9%	1,853,815
Northeast	10,101,624	2,361,018	\$6.12	3.6%	363,286
Southeast	10,406,510	3,332,072	\$7.25	1.0%	104,065
Southwest	10,110,072	3,108,204	\$10.52	3.7%	374,073
WINNIPEG TOTALS	78,209,225	27,931,653	\$7.56	3.5%	2,783,693

Source: Johnson Report

KEY LEASE TRANSACTIONS MID-YEAR 2020

PROPERTY	SUBMARKET	+/-SF
3010 Red Fife Road	N/W	6,970
3020 Red Fife Road	N/W	16,875
89 Bunting St	N/W	35,870
1725 St James St	N/W	13,876
91 Lowson Cr	S/W	21,189
1460 Clarence Ave	S/W	19,494
89 Bunting St	N/W	32,000
1450 Mountain Ave	N/W	66,142

KEY SALES TRANSACTIONS MID-YEAR 2020

PROPERTY	SUBMARKET	SALE PRICE	+/-SF
620 Nairn	N/E	\$1,200,000	10,107
58 Hutchings	N/W	\$5,950,000	57,500
Units 511 & 512 – 1200 Sherwin	N/W	\$705,000	4,275

KEY INDUSTRIAL DEVELOPMENTS 2020

PROPERTY	SUBMARKET	STATUS	+/-SF	OWNER / DEVELOPER
Northwest Business Park	N/W	Under Construction	175,000	QuadReal Property Group
Brookside Industrial Park	N/W	Under Construction	34,800	Canada West
Tuxedo Business Park	S/W	Under Construction	60,000	Terracon

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