

Winnipeg, MB

Industrial Year-End 2020

Despite significant disruptions to business operations as a result of COVID-19, the overall performance of the Winnipeg Industrial market held true to its usual characteristic of steady. 2020 saw a modest vacancy increase to 3.0% overall (Johnson Report December 2020). Increased government demand for warehousing for PPE and e-commerce helped the absorption of large vacancies throughout 2020 with the latter expected to continue to be in demand through 2021.

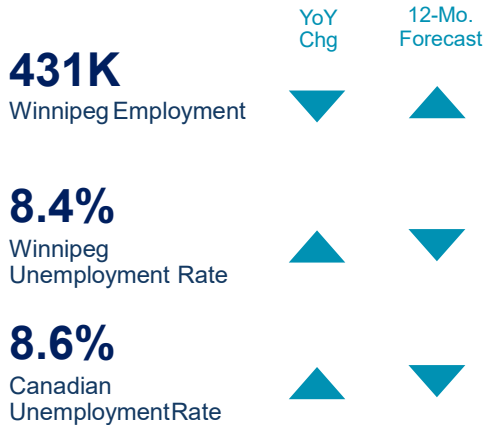
Landlords saw strong performance from their industrial assets as rental rates maintained for larger spaces with a slight increase on smaller bay tenancies. While some tenants have been cautious on expansion during these unpredicted times, we expect demand to maintain through out 2021 with strong positive leasing velocity in early 2021. With the new developments being absorbed quickly we expect to see upward pressure on rental rates throughout 2021. Demand for new supply will continue but with new product expected to be delivered in mid Q2 – early Q3 there is potential for a supply gap.

Building sales maintained the seller’s market environment through a combination of low supply and extremely attractive financing options for both investment and owner-occupied assets. With the Bank of Canada not expected to materially change rates in the near future there will be continued pressure on sale prices.

Land pricing for both shovel ready and speculation saw steady demand through 2020 with the Rural Municipalities on the periphery of the City of Winnipeg limits continuing to benefit the most. Expect land pricing for well located industrial to maintain.

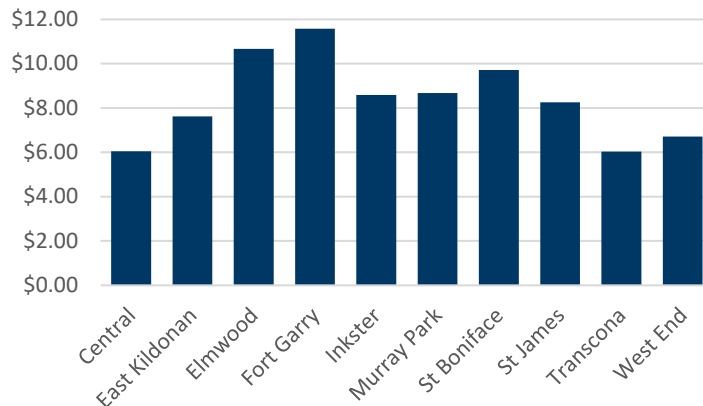
Provided business restrictions ease in the near to medium term, we expect the Industrial market to be very active in 2021 for both sales and leasing.

**ECONOMIC INDICATORS
YEAR-END 2020**



Source: Statistics Canada

AVERAGE NET INDUSTRIAL LEASE RATE



Source: Johnson Report

OVERALL VACANCY & NET ASKING RENT



Source: Johnson Report

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Industrial Year-End 2020

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	INVESTMENT INVENTORY (SF)	AVERAGE NET RENT (PSF)	OVERALL VACANCY RATE
Central	10,058,238	2,406,031	\$6.05	1.41%
East	20,635,897	5,861,607	\$8.50	1.91%
Northwest	37,654,367	17,108,662	\$8.06	3.95%
Southwest	10,185,022	3,194,599	\$11.57	3.50%
WINNIPEG TOTALS	78,533,524	28,570,899	8.50	3.0%

Source: Johnson Report

KEY LEASE TRANSACTIONS YEAR-END 2020

PROPERTY	SUBMARKET	+/-SF
20 Harvest Way	N/W	29,307
11 Plymouth Street	N/W	113,310
220 Saulteaux Crescent	N/W	30,662
Bergen Cutoff Road	N/W	28,000
2030 Notre Dame Avenue	N/W	22,488

KEY SALES TRANSACTIONS YEAR-END 2020

PROPERTY	SUBMARKET	SALE PRICE	+/-SF
244 Cree Crescent	N/W	\$2,900,000	15,586
60 Bunting	N/W	\$5,816,000	153,767
92 Don Valley Parkway	N/W	\$1,600,000	10,000
2500 Ferrier Street	N/W	\$4,500,000	68,187
100 McPhillips Street	N/W	\$2,100,000	32,720

KEY INDUSTRIAL DEVELOPMENTS 2020

PROPERTY	SUBMARKET	STATUS	(+/-) SF	OWNER/DEVELOPER
Steele Business Park	N/W	Phase 1 Under Construction	80,000	MMI Asset Management
Northwest BP	N/W	Phase 1 complete and leased	175,000	Quadreal Property Group
Brookside Industrial Park	N/W	3 buildings complete (80% leased)	112,000	Canada West Developments
19 Ronn Road	N/W	Ready for fixturing	48,000	Lexa Developments
Plessis Business Park	EAST	Phase 1 ready for fixturing	40,000	Shindico Realty
Tuxedo Business Park	S/W	Ready for fixturing	60,000	Terracon Developments

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