

Winnipeg, MB

Office Q2 2021

YoY Chg 12-Mo. Forecast

11.7%

Vacancy Rate



-172,415

Net Absorption, SF



\$29.19

Asking Gross Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2021

YoY Chg 12-Mo. Forecast

442.5K

Winnipeg Employment



7.9%

Winnipeg Unemployment Rate



7.8%

Canadian Unemployment Rate



Source: Statistics Canada

ECONOMY

Employment took a slight hit in June with a reduction of 2,600 jobs; with a more significant increase in the labor force unemployment rate increased to 7.9% for June 2021, 390 bps lower than the 11.8% unemployment reported last year. Residential new construction permits in May 2021 increased by 22.4% compared to the same period the previous year, while non-residential new construction permits increased by 30.6%.

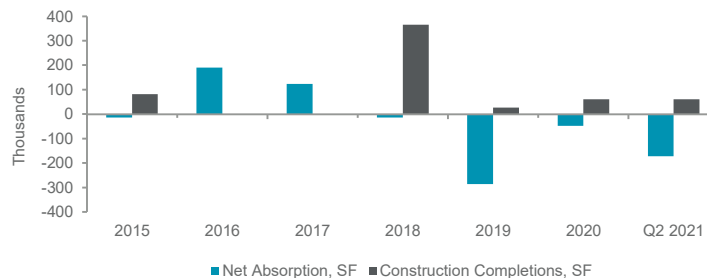
SUPPLY

The overall office market saw a vacancy of 11.7% in Q2 2021, a 80 bps increase from Q2 2020. New suburban office development and additional suburban vacancy lead to the overall increase this quarter. With vaccine programs well underway and many plans for a Q3/Q4 reopening, Landlords continue to push forward on new construction in the suburbs.

OUTLOOK

Flexible work is becoming the new normal as digital exhaustion has proven to be a real and unsustainable threat. Recent studies show over 40% of the global workforce considered leaving their employer, proving that a thoughtful approach to hybrid work will be critical to attract and retain diverse talent going forward. A common trend across Canada shows employers removing its sublease space from the market as employees are looking to return to the office at least for a few days each week. With many return to office plans scheduled for Q3/Q4, we expect the activity level in office tours to continue to increase through Q3 with deal volume increasing shortly after.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & GROSS ASKING RENT



Winnipeg, MB

Office Q2 2021



SUBMARKET	INVENTORY	SUBLET VACANCY (SF)	DIRECT VACANCY (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	AVERAGE NET ASKING RENT	AVERAGE GROSS RENTAL RATE
Class A CBD	3,256,740	38,583	328,694	11.3%	3,989	-46,033	\$20.08	\$39.31
Class B CBD	4,360,526	0	410,519	9.4%	-34,676	64,364	\$15.59	\$30.12
Class C CBD	4,125,468	29,911	520,600	13.3%	-16,505	-69,452	\$11.68	\$23.35
CBD Totals	11,742,734	68,494	1,259,813	11.3%	-47,192	-51,121	\$15.32	\$30.29
Class A Suburban	844,373	0	220,313	26.1%	-60,005	-99,493	\$22.59	\$31.34
Class B Suburban	1,265,306	0	105,058	8.3%	-14,714	-16,421	\$14.18	\$26.30
Class C Suburban	1,623,435	9,810	142,914	9.4%	-50,504	-47,657	\$13.08	\$24.27
Suburban Totals	3,733,114	9,810	468,285	12.8%	-125,223	-163,571	\$16.01	\$26.38
WINNIPEG TOTALS	15,475,848	78,304	1,728,098	11.7%	-172,415	-214,692	\$15.45	\$29.19

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
530 Kenaston	Suburban	Doctors Manitoba	2,014	New
59 Scurfield	Suburban	Virtus Consulting	3,856	New
900 Lorimer	Suburban	Private Office	4,430	New
986 Lorimer	Suburban	RE/MAX Executives	5,087	New

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SF	PRICE
2445 Pembina	Suburban	8,970	\$4,000,000
1294 Border	Suburban	16,490	\$1,454,000

KEY CONSTRUCTION PROJECTS 2021

PROPERTY	SUBMARKET	CLASS	SF	OWNER/DEVELOPER
True North/ Wawanesa Tower/ 370 Graham Avenue	Central	A	300,000	True North Development
The Refinery District (Building C)	Suburban	A	53,000	Hopewell Developments

LOCAL MARKET RESEARCH CONTACTS

Ryan Munt

204 928 5015

Ryan.Munt@cwstevenson.ca

Brett Intrater

204 934 6229

Brett.Intrater@cwstevenson.ca

Deelaka Ratnayake

204 934 6201

Deelaka.Ratnayake@cwstevenson.ca

www.cwstevenson.ca

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 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.

Independently Owned and Operated / A Member of the Cushman & Wakefield Alliance

©2021 All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.