

Winnipeg, MB

Office Q3 2022

YoY Chg 12-Mo. Forecast

12.7%
Vacancy Rate



-56,083
Net Absorption, SF



\$30.51
Asking Gross Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q3 2022

YoY Chg 12-Mo. Forecast

458.8K
Winnipeg Employment



4.6%
Winnipeg Unemployment Rate



5.2%
Canadian Unemployment Rate



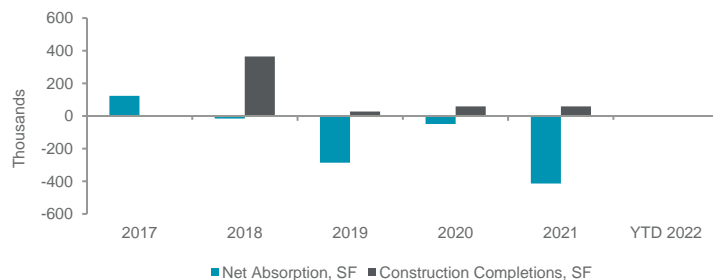
Source: Statistics Canada

The Winnipeg office market had a slight increase to overall vacancy in the third quarter of 2022 compared to last quarter, bumping up to 12.7%. The suburban market continued to perform well with vacancy at 9.1% as activity remained hot, particularly in the southwest quadrant. The downtown vacancy rate increased to 14.3% this quarter; unsurprising as businesses continue to recover from COVID-19. Two notable sales transactions occurred this quarter. One located at 155 Carlton Street and an office conversion to hospitality at 325 Broadway. The latter is a trend that the market began to see last quarter and it is expected to continue going forward.

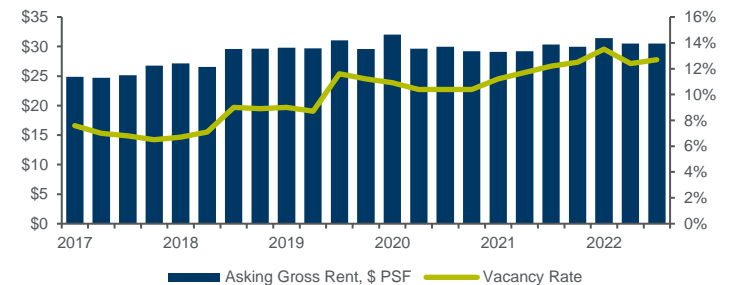
Touring activity from tenants continued to increase in both downtown and suburban markets. There is a marked difference in traffic in the downtown area this quarter, and with that brings hope for more activity next quarter. Organizations returning to the office continue to right size; however, many workplaces still offer hybrid options which is delaying recovery across the market.

There has also been an increase in government RFPs, showing signs of recovery. That said, looming talks of a recession may keep some occupiers and purchasers out of the market, or at the very least, slow their decisions to act.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & GROSS ASKING RENT



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	3,237,672	19,796	404,090	13.1%	0	-1,990	\$19.79	\$38.65
Class B CBD	3,636,082	0	666,396	18.3%	0	-51,480	\$16.16	\$30.62
Class C CBD	5,444,944	33,008	634,924	12.3%	0	18,074	\$13.56	\$25.96
CBD Totals	12,318,698	52,804	1,705,410	14.3%	0	-35,396	\$16.35	\$31.54
Class A Suburban	1,232,582	10,681	160,014	13.8%	0	30,462	\$21.10	\$29.65
Class B Suburban	2,201,184	8,500	179,000	8.5%	-46,423	-15,597	\$14.46	\$28.68
Class C Suburban	2,085,473	9,810	132,653	6.8%	-9,660	19,539	\$14.51	\$24.46
Suburban Totals	5,519,239	28,991	471,667	9.1%	-56,083	34,404	\$16.51	\$26.68
WINNIPEG TOTALS	17,837,937	81,795	2,177,077	12.7%	-56,083	-992	\$16.38	\$30.51

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SF (+/-)	TYPE
1260 Taylor Avenue	Non-CBD	51,740	Lease
895 Waverley Street	Non-CBD	36,424	Lease
2954 Day Street	Non-CBD	9,200	Lease
1680 Ellice Avenue	Non-CBD	6,750	Lease

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SF	PURCHASER TYPE
222 Osborne N Street	CBD	9,108	Investor
325 Garry Street	CBD	5,925	Investor

KEY CONSTRUCTION PROJECTS 2022

PROPERTY	SUBMARKET	CLASS	SF	OWNER/DEVELOPER
Wawanesa Tower	CBD	AA	336,000	True North Development

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