

Developers and investors were tested throughout the first half of 2022 with continued supply chain issues, material shortages and increased construction costs, however, the low availability rate and increased demand assisted in offsetting some of these challenges. As we head into the last quarter of 2022, the conversation has largely surrounded the repeated interest rate hikes in an effort to mitigate inflation.

This new interest rate environment has pushed pricing of most investment grade industrial assets to levels not seen in years. Should the Bank of Canada continue with their quantitative tightening program, cap rates will continue to rise for investors needing to sell in the near term. This trend is not relevant in the user market as we're continuing to see a strong appetite to own as groups are facing rising replacements costs for industrial assets.

While leasing velocity has cooled moderately relative to earlier this year, inventory remains very limited with many new projects seeing delays in their construction schedules due to weather/material shortage. Expected vacancy continues to trend lower with a 4th quarter estimate to be sub 2% overall. Average rental rates remain on the rise for both existing and new product due to costs of development/reinvestment combined with historic low vacancy.

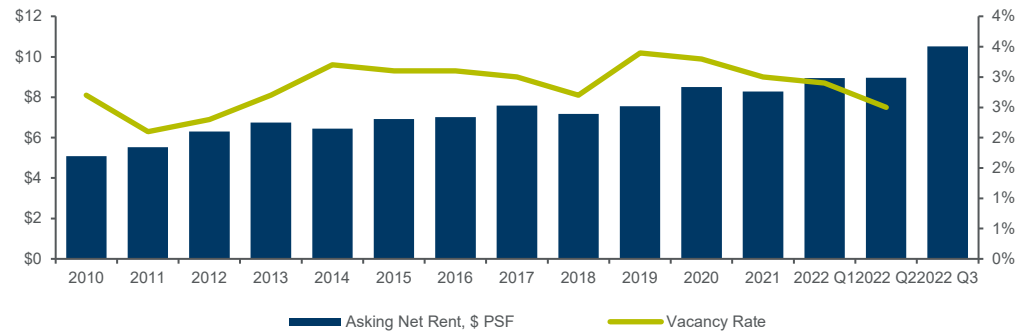
Demand for serviced industrial land has maintained throughout the year due to the length of time necessary to bring greenfield land through the entitlement process to a serviced state. Pricing for serviced industrial land is expected to continue to trend upwards as we close out 2022 and head into 2023.

ECONOMIC INDICATORS
Q3 2022

	YoY Chg	12-Mo. Forecast
458.8 K Winnipeg Employment	▲	▲
4.6% Winnipeg Unemployment Rate	▼	▲
5.2% Canadian Unemployment Rate	▼	▲

Source: Statistics Canada

OVERALL VACANCY & NET ASKING RENT



Source: Johnson Report

Winnipeg, MB

Industrial Q3 2022

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	AVERAGE NET RENT (PSF)	OVERALL VACANCY RATE
Northwest	42,659,304	\$9.39	1.8%
Southeast	11,099,059	\$10.68	1.9%
Southwest	10,413,007	\$13.39	4.3%
Central	9,901,012	\$9.25	1.0%
Northeast	6,157,787	\$12.60	0.7%
WINNIPEG TOTALS	80,230,169	\$10.52	2.0%

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	+/-SF
175 Haggart Avenue	N/W	77,434
500 Madison Street	N/W	52,500
1725 Inkster Blvd	N/W	49,907
955 Lagimoiere Blvd	S/E	47,900

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SALE PRICE	+/-SF
160 Eagle Drive	N/W	\$4,000,000	51,585
1315 Inkster Boulevard	N/W	\$3,075,000	26,860
1017-1025 Dugald Road	EAST	\$2,900,000	25,756
565 Munroe Avenue	N/E	\$1,800,000	9,124
1550 Erin Street	N/W	\$863,500	5,568

KEY INDUSTRIAL DEVELOPMENTS 2022

PROPERTY	SUBMARKET	STATUS	(+/-) SF	OWNER/DEVELOPER
Westcreek Industrial Park	NW	For Lease. Occupancy Q2 2023	294,150	Hopewell Developments
InksPort Business Park	NW	Building 1 (100,625 SF): For Lease	374,100	Whiteland Developments
Steele Business Park	NW	Phase 1 (80,190 SF): For Lease	226,580	MMI Asset Management
Northwest Business Park	NW	Building 1: Fully leased	174,596	Quadreal Property Group
Northwest Business Park	NW	Building 2 For Lease	174,494	Quadreal Property Group
Northwest Business Park	NW	Building 3: Under development	175,000	Quadreal Property Group
Plessis Business Park	SE	Phase 2 (40,551 SF)	228,151	Shindico Realty
Terracon Business Park	NE	10 Buildings. 6 Fully leased. 4 For Lease	388,514	Terracon Development Inc.
Brookside Industrial Park	NW	For Lease. Occupancy Q3 2023	45,000	Brookside Industrial

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