

# Winnipeg, MB

Office Q1 2023



YoY Chg      12-Mo. Forecast

**13.0%**  
Vacancy Rate



**-58K**  
Net Absorption, SF



**\$27.97**  
Asking Gross Rent, PSF



(Overall, All Property Classes)

## ECONOMIC INDICATORS Q1 2023

YoY Chg      12-Mo. Forecast

**470K**  
Winnipeg Employment



**4.6%**  
Winnipeg Unemployment Rate



**5.0%**  
Canadian Unemployment Rate



Source: Statistics Canada

## ECONOMY

Manitoba continues to be a consistently stable province. Employment has seen year-over-year growth of 2.2% adding 9,900 jobs since March 2022. The most significant change was in accommodation and food services, followed closely by public administration and professional, scientific and technical services. Job growth continues, despite the conversation surrounding a soft recession in 2023.

Higher borrowing costs continue to have an impact, with commercial borrowing rates sitting just under 7%. Notable for first quarter 2023 is the Manitoba government's release stating an additional \$50 million of capital was being made available for Manitoba businesses. This injection of capital is intended to support businesses in the early stages with hiring, investing and growing in Manitoba and is accessible through the Manitoba First Fund (MFF). This statement shows the overwhelming governmental support for local and will help groups to scale quickly and further support the local economy.

## SUPPLY & DEMAND

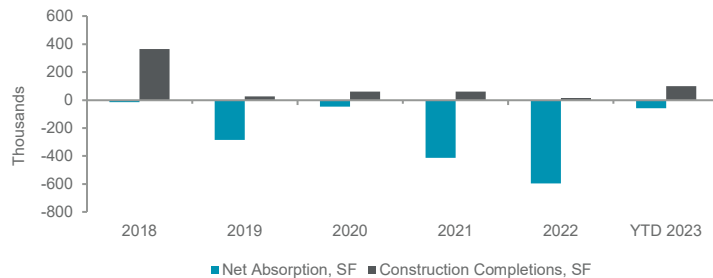
The first quarter of 2023 showed a minimal decrease in vacancy, with Winnipeg's total office market vacancy rate at 13.0%, a 30-basis points reduction from fourth quarter 2022. Tenants continue to explore their options, understanding they are in a tenant's market, especially in Winnipeg's Central Business District (CBD).

Winnipeg's suburban market continues to perform well, despite 62,673 square feet (sf) of negative absorption this quarter. This figure represents a large sublet vacancy coming to market, in combination with relocations from the Southwest. The most notable moves from the Southwest are Grant Thornton, who relocated from Tuxedo Business Park to 200 Portage Avenue in Winnipeg's CBD, and Dillon Consulting which is vacating almost 25,000 sf in the Southwest.

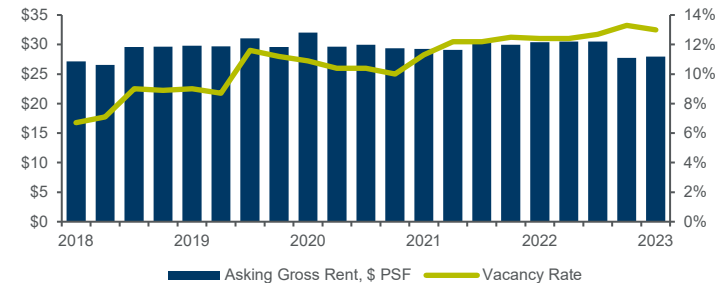
## PRICING

The overall average asking net rents remain relatively stable at \$16.29 per square foot (psf) in Winnipeg's CBD and \$14.72 psf in the Suburban area. While there is still discussion surrounding landlords lowering rents to attract new tenants, landlords continue to attract tenants with focus on the overall deal metrics and providing incentives in the form of tenant improvement allowances. It is expected these improvement allowances will continue, most certainly in the CBD.

## 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	3,382,672	28,626	362,230	11.6%	4,480	4,480	\$20.64	\$38.72
Class B CBD	4,021,435	2,453	677,547	16.9%	3,232	3,232	\$16.09	\$30.73
Class C CBD	5,687,454	19,022	674,963	12.2%	-3,246	-3,246	\$13.38	\$24.90
<b>CBD Totals</b>	<b>13,091,561</b>	<b>50,101</b>	<b>1,714,740</b>	<b>13.5%</b>	<b>4,466</b>	<b>4,466</b>	<b>\$16.29</b>	<b>\$30.85</b>
Class A Suburban	1,213,946	11,316	200,085	17.4%	0	0	\$19.97	\$28.12
Class B Suburban	5,187,958	43,100	477,300	10.0%	-36,583	-36,583	\$14.78	\$22.61
Class C Suburban	2,944,048	22,494	400,390	14.4%	-26,090	-26,090	\$12.97	\$21.20
<b>Suburban Totals</b>	<b>9,345,952</b>	<b>76,910</b>	<b>1,077,775</b>	<b>12.4%</b>	<b>-62,673</b>	<b>-62,673</b>	<b>\$14.72</b>	<b>\$22.79</b>
<b>WINNIPEG TOTALS</b>	<b>22,437,513</b>	<b>127,011</b>	<b>2,792,515</b>	<b>13.1%</b>	<b>-58,207</b>	<b>-58,207</b>	<b>\$15.74</b>	<b>\$27.97</b>

## KEY LEASE TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SF (+/-)	TYPE
200-1601 Regent Avenue	Non-CBD	6,181	Lease
1379 Kenaston Boulevard	Non-CBD	6,059	Lease
661 Century Street	Non-CBD	2,700	Lease
102-865 Waverley Street	Non-CBD	2,363	Lease

## KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SF	PURCHASER TYPE
214 McDermot Avenue	CBD	2,621	User
897-899 Henderson Highway	Non-CBD	6,399	User

## KEY UNDER CONSTRUCTION PROJECTS

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

## LOCAL MARKET RESEARCH CONTACTS

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