

Winnipeg, MB

Industrial Q3 2023

During the third quarter of 2023, the industrial market in Winnipeg has continued to be reliable with largely positive trends. The demand for industrial properties remained strong, with a number of businesses looking to expand their operations in the city.

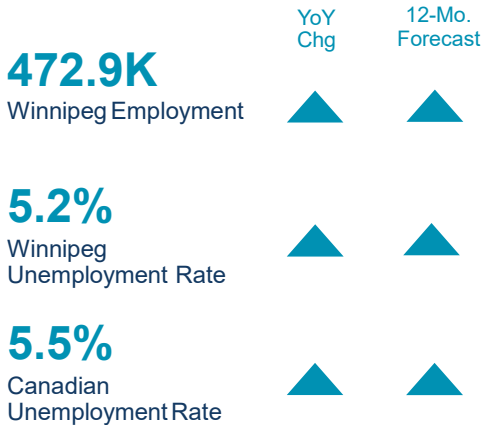
The market has seen a notable increase in construction activity this year, with several new industrial developments and expansions taking place throughout the city, predominantly in the northwest quadrant. This growth is providing more options for businesses seeking suitable spaces. The new developments also feature modern and efficient designs, catering to the evolving needs of industries in the logistics, manufacturing, and warehousing space. Outlook for construction activity is a bit concerning with fewer expected new developments heading into 2024 and many developers reluctant to build on speculation due to rising interest rates and uncertain construction costs.

Rental rates for industrial properties remained under constant pressure during this period, reflecting the growing demand and limited supply. Tenants are becoming increasingly proactive in reviewing their space requirements, often looking 12 months or longer in advance to ensure they secure sufficient options. Landlords are able to negotiate favourable lease terms due to the competitive market conditions.

Investor interest in the Winnipeg industrial market remained strong, with both local and national investors actively seeking opportunities. The city's strategic location and economic stability continued to attract investors looking for long-term returns. Bid-ask spreads and lack of product remain the key challenges to investors looking to establish a footprint in the Winnipeg market.

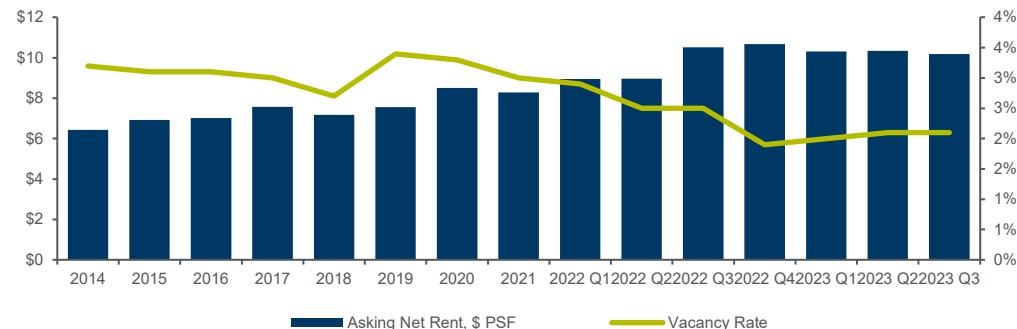
Overall, the industrial real estate market in Winnipeg during the third quarter of 2023 displayed strong fundamentals which are expected to continue into 2024.

ECONOMIC INDICATORS Q3 2023



Source: Statistics Canada

OVERALL VACANCY & NET ASKING RENT



Source: Johnson Report

Winnipeg, MB

Industrial Q3 2023

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	AVERAGE NET RENT (PSF)	OVERALL VACANCY RATE
Northwest	42,659,304	\$9.33	2.2%
Southeast	11,099,059	\$12.65	1.4%
Southwest	10,413,007	\$12.98	4.2%
Central	9,901,012	-	-
Northeast	6,157,787	\$9.68	2.7%
WINNIPEG TOTALS	80,230,169	\$10.19	2.1%

KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	+/-SF
15 Scurfield Boulevard	S/W	42,781
175-199 Elan Boulevard	N/E	21,322
1470 Willson Place	S/W	10,105
333 Holden Street	S/W	9,401
1557-1565 King Edward Street	N/W	8,020
1680 Notre Dame Avenue	N/W	7,072

KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SALE PRICE	+/-SF
999, 1001, 1005 Mission St	N/E	\$1,250,000	1,368

KEY INDUSTRIAL DEVELOPMENTS 2023

PROPERTY	SUBMARKET	STATUS	(+/-) SF	OWNER/DEVELOPER
Plessis Business Park	SE	Phase 1 completed	102,200	Shindico
Steele Business Park	NW	Phase 1 and 2 completed	146,390	MMI Asset Management
West Creek Industrial Park	NW	Under Construction	294,150	Hopewell Development
NorthWest Business Park	NW	Building 3: Under Construction	175,000	QualReal

LOCAL MARKET RESEARCH CONTACTS

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