

Winnipeg, MB

Industrial Q1 2024

YoY Chg 12-Mo. Forecast

2.8%

Vacancy Rate



233K

Net Absorption, SF



\$10.40

Asking Net Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS Q1 2024

YoY Chg 12-Mo. Forecast

481.7K

Winnipeg Employment



4.4%

Winnipeg Unemployment Rate



6.1%

Canadian Unemployment Rate



Source: Statistics Canada

ECONOMY

Winnipeg's unemployment rate has trended downwards since the fourth quarter of 2023, decreasing from 5.2% in October 2023 to start the first quarter of 2024 with a January rate of 3.7%. This is an encouraging trend as in March 2024 the unemployment rate sits 170 basis points (bps) lower than the Canadian unemployment rate of 6.1%. The Canadian CPI was 2.8% in February 2024, down from 3.5% in December 2023. With inflation slowly retreating, the market remains hopeful to see interest rate cuts, which are expected for mid-late summer 2024. We expect to see many real estate groups and projects to come forward as investor sentiment stays positive as rate cuts become clearer.

SUPPLY & DEMAND

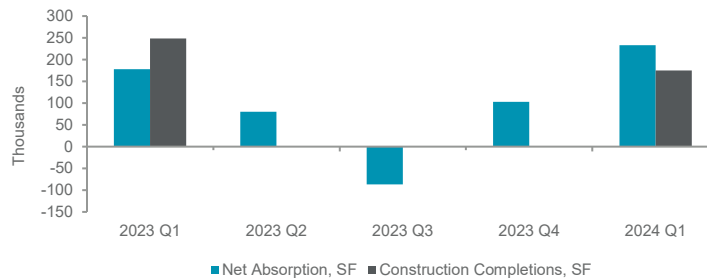
Demand remained steady in the Winnipeg Industrial market this quarter with minimal supply for sub-20,000-square foot (sf) spaces. Larger opportunities are still available in new product (north of 50,000 sf) but there are less groups looking to lease space in that size range. Currently there is a minimal amount of new product under construction which is contributing to the strong demand.

The first quarter of 2024 saw a slight increase in vacancy, rising 80 basis points from 2.0% last quarter to 2.8%. Absorption levels surged, rising from close to 103,000 sf to slightly above 233,000 sf quarter-over-quarter, signaling robust leasing activity and tenant demand. The northwest sector is experiencing the most significant positive absorption, with positive absorption also observed in the southern areas of the city.

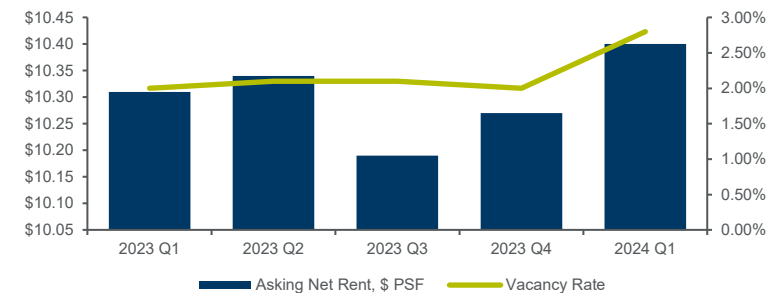
PRICING

Rents remain under pressure. Tenants renewing are seeing significant rental increases as landlords are now asking for annual escalations to offset inflation. As a result, new construction has higher watermarks than new supply delivered to the market in previous quarters.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & NET ASKING RENT



SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	AVG NET RENT	AVG ADD. RENT	AVG GROSS RENT
Northwest	37,135,798	1,136,366	3.1%	250,290	250,290	37,500	0	\$9.76	\$4.37	\$13.85
Southeast	16,159,510	137,070	0.8%	77,205	77,205	33,000	0	\$12.13	\$4.77	\$16.59
Southwest	12,674,201	409,055	3.2%	17,836	17,836	0	0	\$12.66	\$5.52	\$17.23
Central	5,128,457	0	0.0%	0	0	0	0	\$0.00	\$0.00	\$0.00
Northeast	5,872,166	499,660	8.5%	-112,265	-112,265	0	0	\$10.17	\$5.70	\$14.99
WINNIPEG TOTALS	76,970,132	2,182,151	2.8%	233,066	233,066	70,500	0	\$10.40	\$4.83	\$14.69

KEY LEASE TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	+/-SF
175-231 Elan Boulevard	N/E	24,324
71-77 Bannister Road	N/W	16,628
94 Commerce Drive	S/W	13,193
322-346 Saulteaux Crescent	N/W	8,106
1550 King Edward Street	N/W	6,441

KEY SALES TRANSACTIONS Q1 2024

PROPERTY	SUBMARKET	SALE PRICE	+/-SF
500-502 Dufferin Avenue	N/W	\$695,000	7,352

KEY INDUSTRIAL DEVELOPMENTS 2024

PROPERTY	SUBMARKET	STATUS	(+/-) SF	OWNER/DEVELOPER
St. Boniface Industrial Park	NW	725 Black Diamond Blvd (New building: Under construction)	33,000	ICI Properties
NorthWest Business Park	NW	Building 3: Completed	175,000	QualReal
60 Dunlop Avenue	NW	Under Construction	37,500	Goldstone

LOCAL MARKET RESEARCH CONTACTS

Chris Macsymic

Executive Vice President & Principal

Chris Macsymic Personal Real Estate Corporation

C 204 997 6547

chris.macsymic@cwstevenson.ca**Murray Goodman**

Senior Vice President & Principal

C 204 990 4800

murray.goodman@cwstevenson.ca**Nicolas Paez**

Business Solutions

C 431 866 2569

nicolas.oter@cwstevenson.cawww.cwstevenson.ca

ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit

www.cushmanwakefield.com

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

©2024 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.