MARKETBEAT
WINNIPEG, MB
OFFICE Q3 2025

MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.5% Vacancy Rate	▲	▼
-147K YTD Net Absorption, SF	▼	▲
$29.63 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
508K Winnipeg Employment	▲	▲
6.2% Winnipeg Unemployment Rate	▲	▼
7.1% Canadian Unemployment Rate	▲	▲

Source: Statistics Canada

ECONOMY

Winnipeg's labour market showed signs of softening in the third quarter of 2025. Employment declined slightly from 512,700 in May to 508,200 in August, reflecting a monthly drop of 4,500 jobs, though employment remains up 1.9% year-over-year (YOY) compared to August 2024. The unemployment rate rose from 5.5% to 6.2% between May and August, marking a 0.7 percentage point increase, yet still below the national unemployment rate of 7.1%. Labour force participation held steady, dipping only slightly from 67.7% to 67.6%, suggesting overall engagement in the job market remains stable. Although the recent month-over-month decline in employment and uptick in unemployment signal a shift in momentum, Winnipeg continues to outperform national averages, indicating relative resilience in the local labour market amid broader economic headwinds.

The provincial Consumer Price Index (CPI) rose 2.0% in August 2025 compared to August 2024 and is 0.1 percentage point higher than July 2025. Manitoba's CPI growth for August was above Canada's YOY increase of 1.9%. Manitoba posted the eighth place of all-items price increase among Canada's ten provinces.

The Bank of Canada cut its key overnight rate to 2.50% on September 17th, 2025. This was driven by the signs of a weakening economy and a drop in exports and business investment. The BoC has judged that the balance of risks have shifted towards supporting economic growth rather than shifting rates higher.

SUPPLY & DEMAND

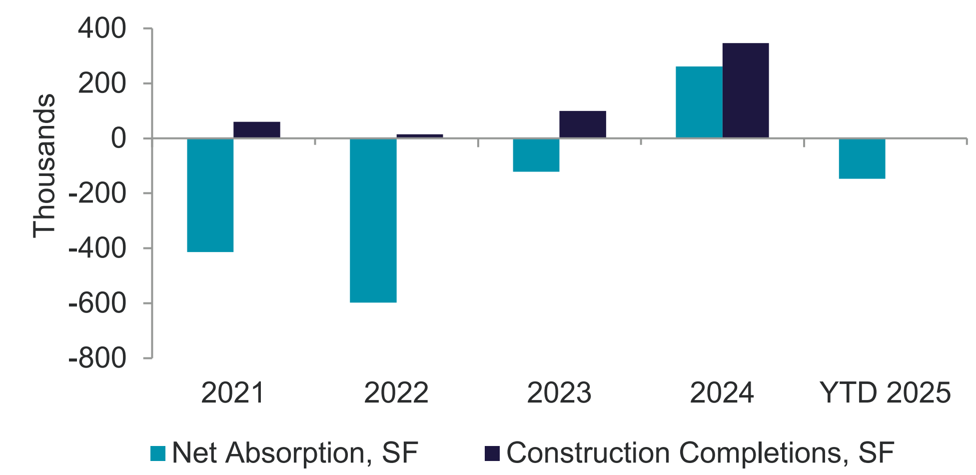
The overall office vacancy rate edged down to 13.5% in Q3 2025, a slight improvement from 14.0% in the previous quarter. The Central Business District (CBD) showed the most notable recovery, with vacancy tightening to 14.2%. Despite Q3 vacancy fluctuations, the suburban office market remains strong with tenants actively searching for opportunities outside of downtown.

Winnipeg's office market regained some ground in Q3 2025, recording positive net absorption of close to 88,000 sf, a sharp reversal from the 223,000 sf of negative absorption last quarter. The recovery was the result of leasing activity in the Central area, particularly within Class A (+11,000 sf) and Class B (+36,000 sf) buildings.

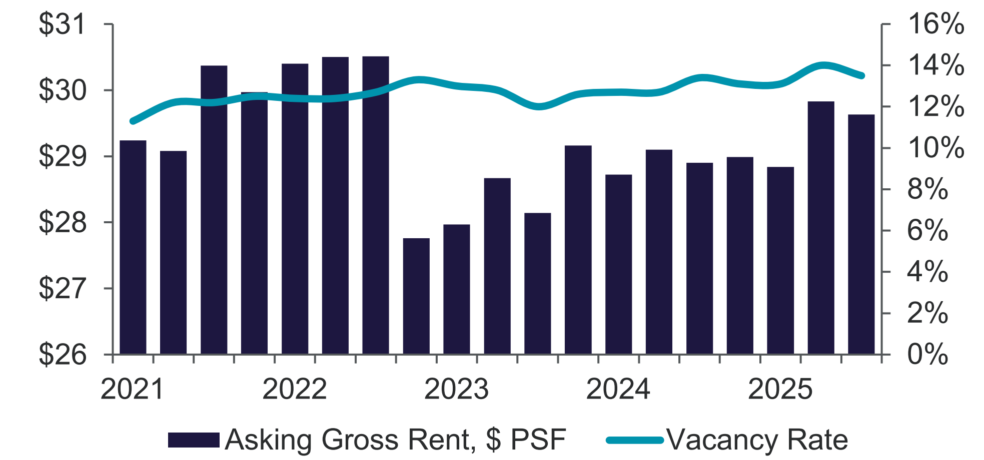
PRICING

Asking rents across Winnipeg's office market remained notably stable in Q3 2025. Weighted average net rents remained stable, reported at $15.58 psf, with average gross rents at $29.63 psf. Among CBD assets, Class A spaces continue to command the highest net rents, with a weighted average of $16.92 psf, reflecting strong demand and limited premium inventory in core locations. Suburban properties have a weighted average net asking rent of $14.82 psf, indicating their strength in the market and tenants' desires to move outside of Winnipeg's downtown core.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

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	3,537,672	67,530	289,254	10.1%	10,580	36,520	$16.92	$37.30
Class B CBD	4,046,691	9,194	744,550	18.6%	36,206	24,411	$15.60	$32.84
Class C CBD	5,795,195	13,487	773,480	13.6%	91,126	99,783	$15.66	$28.31
CBD TOTALS	13,379,558	90,211	1,807,284	14.2%	137,912	160,714	$15.86	$32.03
Class A Suburban	1,658,453	23,132	374,955	24.0%	33,603	-217,467	$20.40	$27.38
Class B Suburban	4,449,326	55,057	325,172	8.5%	439	-78,178	$17.14	$27.56
Class C Suburban	3,152,379	8,714	379,998	12.3%	-83,993	-12,995	$12.67	$22.70
SUBURBAN TOTALS	9,260,158	86,903	1,080,125	12.6%	-49, 951	-308,640	$14.82	$24.51
WINNIPEG TOTALS	**22,639,716**	**177,114**	**2,887,409**	**13.5%**	**87,961**	**-147,926**	**$15.58**	**$29.63**

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	+/-SF	TYPE
158 Commerce Drive	Non-CBD	20,738	Lease
423 Main St	CBD	18,132	Lease
96 Nature Park Way	Non-CBD	15,822	Lease

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SF	PRICE / $ PSF
3081 Ness Avenue	Non-CBD	9,536	NA

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	SF	OWNER/DEVELOPER

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