

Q3 2023

# Winnipeg

## Industrial Market Report

### Net Absorption

This Quarter

-82K SF

Previous Quarter

-323K SF

12-Month Absorption

-298K SF

5-Year Quarterly Avg.

149K SF

### Vacancy

This Quarter

2.1%

Year-over-Year

▲ 60 bps

### Asking Net Rent

This Quarter\*

\$10.18 PSF

Year-over-Year

▼ 0.2%

### Development

Under Construction

722K SF

New Supply

20K SF

\*Weighted Average

Pratt McGarry Inc. o/a Colliers International

### Market Outlook

After experiencing historically low vacancy in Q4 2022, Winnipeg's industrial vacancy rate increased for the third quarter in a row as several older buildings were brought back to market with new development continuing that could drive vacancy rates higher in future quarters.

With this increase in vacancy, the weighted average asking rate has declined slightly year-over-year (YoY) as a result of new availability in older, lower priced product. With that said, new spec build continues in Centreport and NW Winnipeg where the average asking rental rate increased 9.6% YoY. This increase alone helped offset most of the decline in asking rates in other geographies with the new impact of -0.2% vs last year, and average asking rent of \$10.18 per square foot for industrial space in Winnipeg and surrounding RMs.

Product under construction remains high with over 700,000 square feet of industrial supply under construction, with close

to half of it scheduled to be completed before the end of the year. Most notable of these developments are West Creek Industrial Park Building 1 and 155 Haggart Avenue.

Of note in sale transaction activity in the quarter, the first formal announcement occurred in the Centreport Rail Park being led by Focus Equities. FastFrate announced that they would acquire 25 acres and invest \$55 million to develop a 140,000 square foot facility in the Rail Park was the first of likely several announcements forthcoming for the long anticipated rail park and continues the momentum for the Northwest quadrant in Winnipeg.

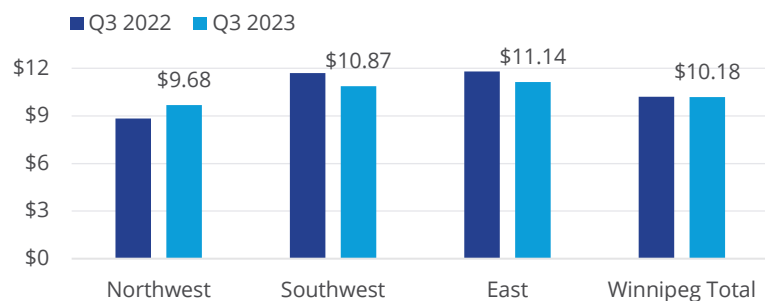
The industrial market, historically speaking, remains steady with significant development close to completion across multiple sites. However, absorption of new supply has slowed as all asset classes across Winnipeg, including industrial, are increasingly feeling the effects of inflationary and interest rate pressures.

Accelerating success.

# Market Overview

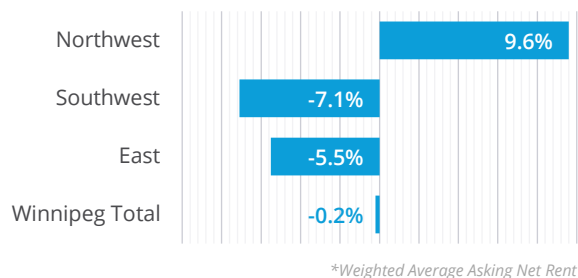
## 01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



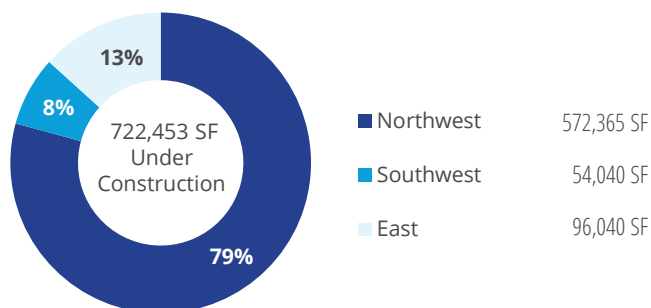
## 02 Rental Rate Growth\*

By Market | Q3 2022 – Q3 2023



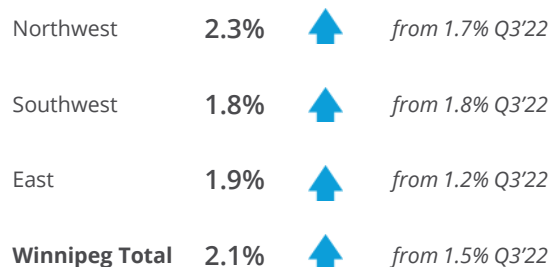
## 03 Under Construction by Market

By Building Area (SF)



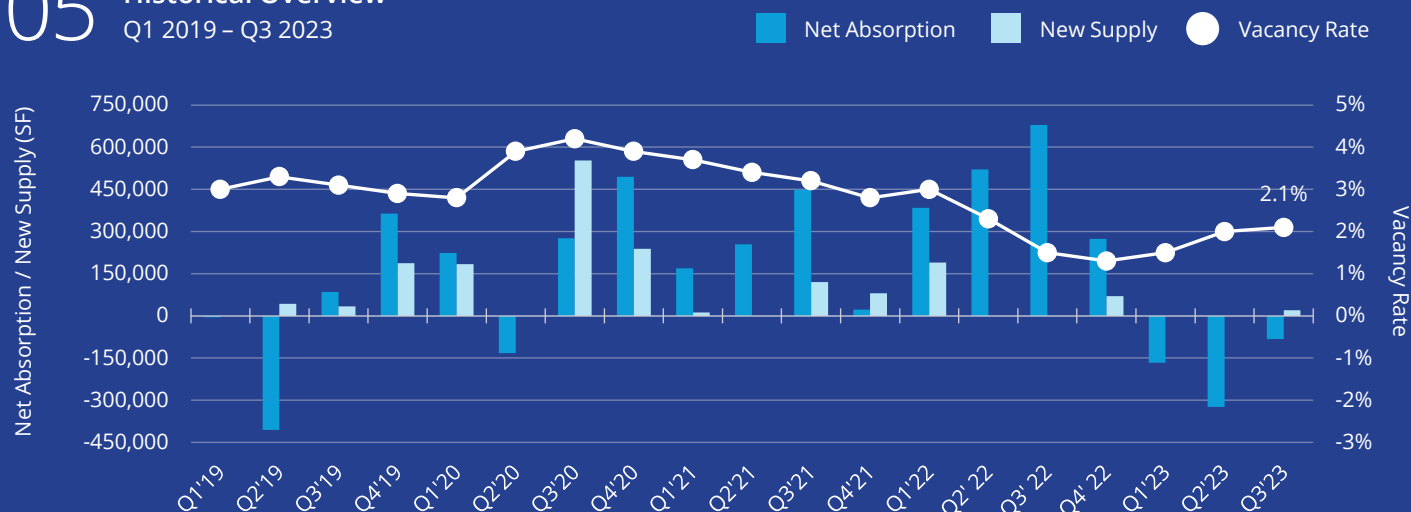
## 04 Vacancy Rate

By Market | Q3 2022 – Q3 2023



## 05 Historical Overview

Q1 2019 – Q3 2023



# Market Statistics & Transaction Highlights

	Northwest	Southwest	East	Winnipeg Total
Total Inventory (SF)	47,281,202	15,975,988	19,319,680	82,576,870
Total Occupied Space (SF)	46,194,965	15,694,239	18,944,270	80,833,474
Total Vacant Space (SF)	1,086,237	281,749	375,410	1,743,396
Vacancy Rate (Current Q)	2.3%	1.8%	1.9%	2.1%
Vacancy Rate (Previous Q)	2.2%	1.9%	1.6%	2.0%
Net Absorption (SF)	-56,665	29,319	-54,741	-82,087
New Supply (SF)	0	0	20,000	20,000
Under Construction (SF)	572,365	54,040	96,040	722,453
Weighted Average Asking Net Rent (PSF)	\$9.68	\$10.87	\$11.14	\$10.18

## Notable Lease Transactions

Tenant	Building Name / Address	Market	Lease Type	Size (SF)
Confidential	630 Kernaghan	East	Head Lease	110,000
Global Manufacturing Group	508 Goldenrod Drive	North West	Head Lease	25,221
Local Agricultural Provider	975 Marion Street	East	Head Lease	15,276

## Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
Centreport Rail Park	NorthWest	25 Acres		FastFrate	User
560 Camiel Sys Street	East	43,000 SF	\$8,700,000	West End Tire	User
50 Scurfield Blvd	South	12,000 SF	\$3,700,000	Church Group	User

## Notable Developments

Building Name / Address	Market	Building Status	Est. Completion	Size (SF)	Owner / Developer
West Creek Business Park	Northwest	Under Construction	2023 Q4	±294,150	Hopewell Developments
155 Haggart Street	Northwest	Under Construction	2023 Q4	±175,000	QuadReal
60 Dunlop	Northwest	Under Construction	2024 Q2	±37,500	Goldstone

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