

Q3 2021

Winnipeg Industrial Market Report

Net Absorption

This Quarter	Previous Quarter
471K SF	255K SF
12-Month Absorption	5-Year Quarterly Avg.
1.4M SF	184K SF

Vacancy

This Quarter	Year-over-Year
2.9%	↓ 130 bps

Asking Net Rent

This Quarter*	Year-over-Year
\$8.02 PSF	↑ 5.0%

Development

Under Construction	New Supply
328K SF	120K SF

**Weighted Average
Pratt McGarry Inc. o/a Colliers International*

Market Outlook

The Winnipeg industrial market continued its strong momentum in Q3 2021, as demand for modern warehousing and distribution space continues to grow. With vacancy dropping to 2.9% and the average asking rental rates reaching \$8.02 per square foot, the industrial sector continues to show signs of strength.

In addition to the strong demand for newly built and high-quality industrial space, the demand for serviced industrial land continues to grow. As existing supply is absorbed, land values continue to rise as investors and users seek out development opportunities.

The cost of construction continues to increase as demand for materials is not being met due to the ongoing disruption in the global supply chain. Despite these disruptions, there is a total of 722,415 square feet of new supply expected to be completed in 2022 with 278,190 square feet expected in the first half.

The East market was one of the most active in the previous quarter absorbing over 118,000 square feet, including strong leasing activity of newly built industrial product in the St. Boniface Industrial Park. As a result of this absorption the sub-

market vacancy rate in East Winnipeg now sits at 1.2%, which is five years low for the area. There is an existing gap in supply in this market as a result of not enough construction/upcoming supply to meet the demand and completed deals on 630 Kernaghan Avenue 457,979 square feet and Camiel Sys, approximately 100,370 square feet.

The Southwest market has held steady vacancy rates throughout the last year, sitting at 3.2% this quarter. It continues to be an area of high demand as a preferred location for many tenants and users.

Northwest has seen ample activity both in existing older inventory and newly built products. The market absorbed 328,764 square feet, including notable activity at 1000 King Edward (88,639 square feet), 19 Ronn Road (48,251 square feet), and 1680 Notre Dame Avenue (46,587 square feet). This has pushed vacancy rate down from 4.0% to 3.5%.

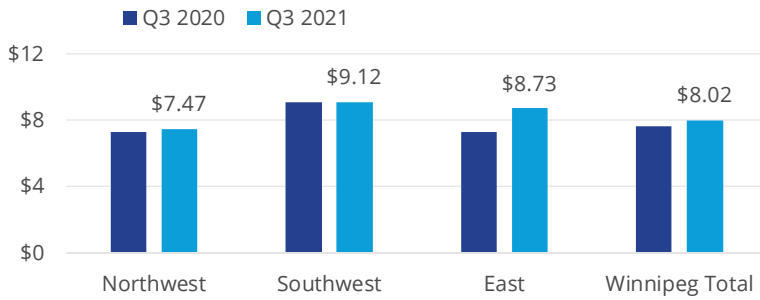
The outlook for the Winnipeg industrial market is expected to remain positive as the momentum from recent leasing activity continues from local, national and international companies looking to expand.

Accelerating success.

Market Overview

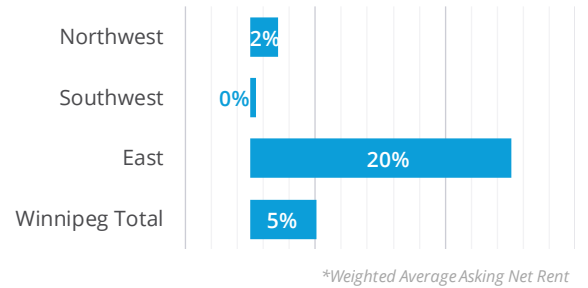
01 Rental Rates by Market

Weighted Average Asking Net Rent (PSF)



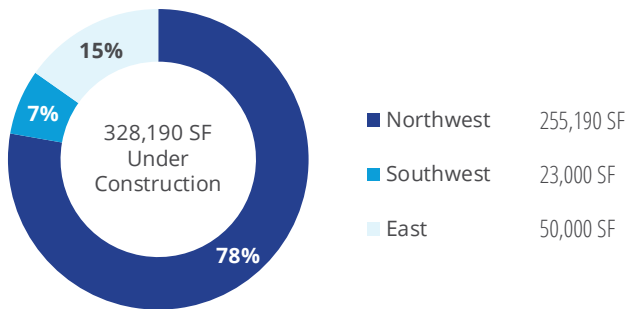
02 Rental Rate Growth*

By Market | Q3 2020 – Q3 2021



03 Under Construction by Market

By Building Area (SF)



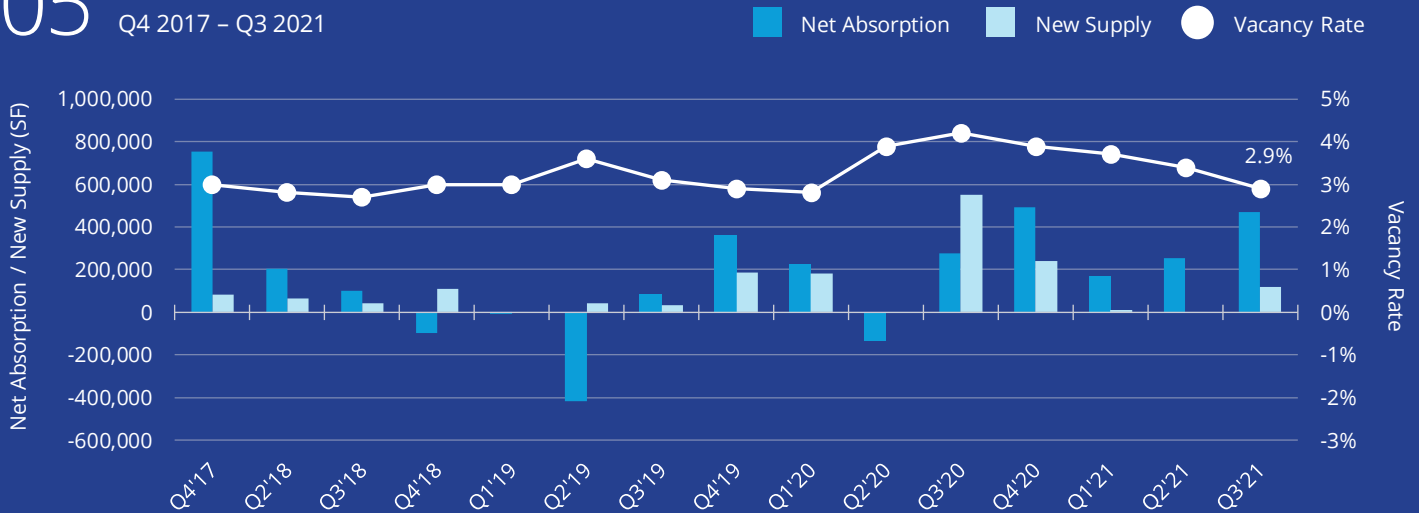
04 Vacancy Rate

By Market | Q3 2020 – Q3 2021

Northwest	3.5%	↓	from 5.0% Q3'20
Southwest	3.2%	↓	from 3.30% Q3'20
East	1.2%	↓	from 2.5% Q3'20
Winnipeg Total	2.9%	↔	from 2.9% Q3'20

05 Historical Overview

Q4 2017 – Q3 2021



Market Statistics & Transaction Highlights

	Northwest	Southwest	East	Winnipeg Total
Total Inventory	46,944,268 SF	15,935,788 SF	19,234,495 SF	82,114,551 SF
Total Occupied Space	44,279,224 SF	15,422,420 SF	19,013,036 SF	79,714,680 SF
Total Vacant Space	1,665,044 SF	513,368 SF	221,459 SF	2,399,871 SF
Vacancy Rate (Current Q)	3.5%	3.2%	1.2%	2.9%
Vacancy Rate (Previous Q)	4.0%	3.3%	1.8%	3.4%
Net Absorption	328,764 SF	19,602 SF	123,071 SF	471,437 SF
New Supply	120,000 SF	- SF	- SF	120,000 SF
Under Construction	255,190 SF	23,000 SF	50,000 SF	328,190 SF
Weighted Average Asking Net Rent (PSF)	\$7.47	\$9.12	\$8.73	\$8.02

Notable Lease Transactions

Tenants	Building Name / Address	Market	Lease Type	Size (SF)
Specialty National Logistics Group	80 Haggart Street	Northwest	Head Lease	120,000
A Crown Corporation	1000 King Edward Street	Southwest	Head Lease	88,639
Monarch Industries Limited	90 Hutchings Street	Northwest	Head Lease	58,914
Metrie Canada LTD.	959-989 Keewatin Street	Northwest	Head Lease	36,864

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser	Purchaser Profile
1541 Dugald Road	Northwest	14,100	\$1,020,000	Private Seller	Private Seller

Notable Developments

Building Name / Address	Market	Building Status	Est. Completion	Size (SF)	Owner / Developer
NorthWest Business Park – 175 Haggart Street	Northwest	Under Construction	Q4 2021	175,000	QuadReal Property Group
Steele Business Park – 00 Inkster Blvd.	Northwest	Under Construction	Q4 2021	80,190	MMI Development
70-72 South Landing Drive	Southwest	Under Construction	Q4 2021	23,000	Deveraux Group of Companies
InksPort Business Park – 0 Inkster Blvd.	Northwest	Planned	Q4 2022	100,625	Whiteland Services Inc.

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