

Winnipeg Office Market At-a-Glance



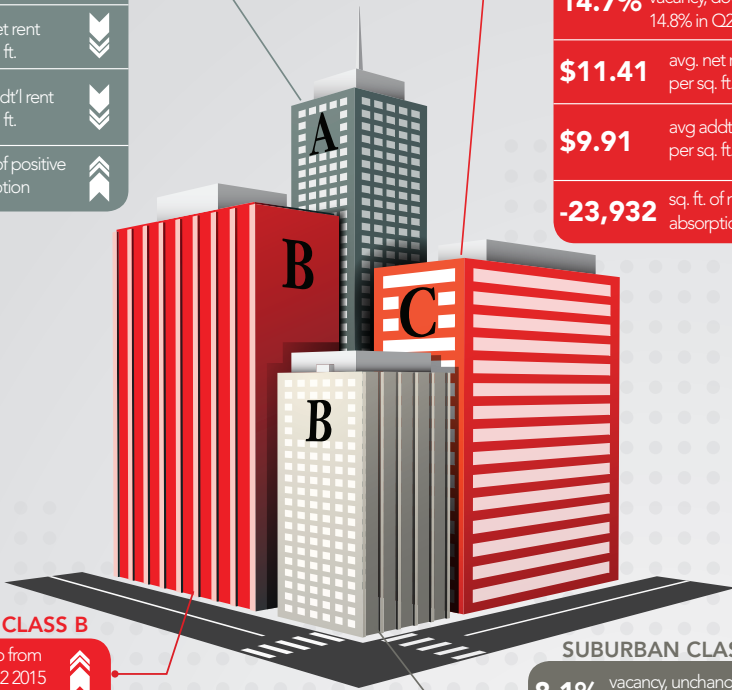
COMMERCIAL REAL ESTATE SERVICES INC.

DOWNTOWN CLASS A

- 7.3% vacancy, down from 8.0% in Q2 2015
- \$18.06 avg. net rent per sq. ft.
- \$14.69 avg add'l rent per sq. ft.
- 18,302 sq. ft. of positive absorption

DOWNTOWN CLASS C

- 14.7% vacancy, down from 14.8% in Q2 2015
- \$11.41 avg. net rent per sq. ft.
- \$9.91 avg add'l rent per sq. ft.
- 23,932 sq. ft. of negative absorption



DOWNTOWN CLASS B

- 12.0% vacancy, up from 11.0% in Q2 2015
- \$12.93 avg. net rent per sq. ft.
- \$12.92 avg add'l rent per sq. ft.
- 34,392 sq. ft. of negative absorption

SUBURBAN CLASS B

- 8.1% vacancy, unchanged from Q2 2015
- \$12.72 avg. net rent per sq. ft.
- \$7.91 avg add'l rent per sq. ft.
- 502 sq. ft. of negative absorption

11,674,978
total Winnipeg office inventory (sq. ft.)

10.5% current office vacancy rate
(up 10 basis points from last quarter)

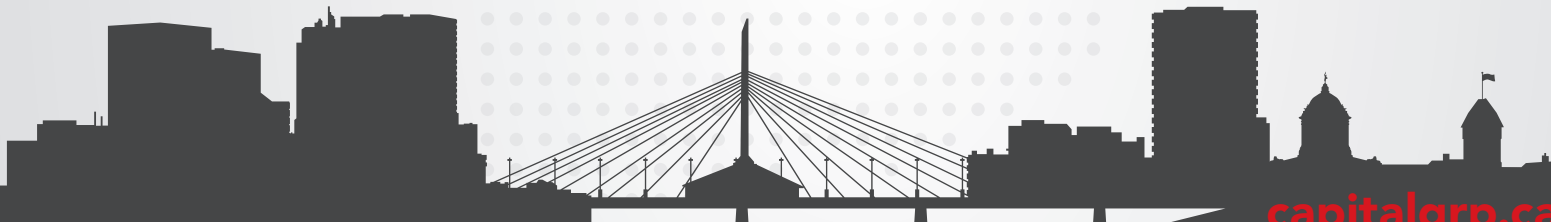
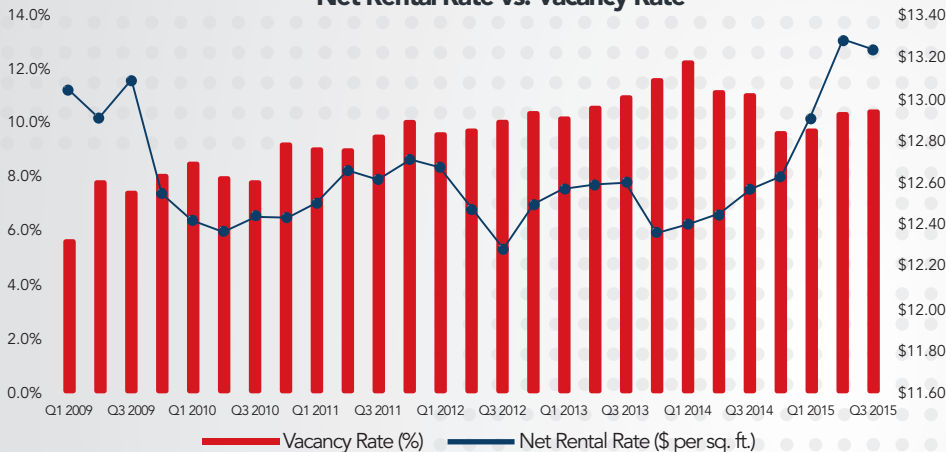
\$13.24 current net rental rate (\$ per sq. ft.)
average add'l rent is \$11.42 per sq. ft. bringing the average gross rental rate to \$24.66 per sq. ft.

-41,064 absorption level this quarter (sq. ft.)
year-to-date absorption is now -44,810 sq. ft.

42,996 sublet space on the market (sq. ft.)
sublet space now comprises 3.5% of total available space on the market

- HIGHLIGHTS**
- Manitoba Liquor & Lotteries announced this quarter that they have purchased the Medical Arts Building at 233 Kennedy Street for \$7.9M to act as their new headquarters. The building will undergo \$67M in renovations and expansion beginning in 2016/17. MBLL will occupy 5 floors and lease 10 floors with additional space for main floor retail.
 - Vacancy rose by 10 basis points this quarter to 10.5% behind rising vacancy in the downtown Class C market where 26,500 sq. ft. of space came to the market at 491 Portage Ave. when New Directions moved to 717 Portage Ave.
 - The top lease transaction this quarter took place in the downtown Class A market at 200 Graham Avenue where Hewlett-Packard leased two full floors totaling 28,000 sq. ft.

Net Rental Rate vs. Vacancy Rate



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