

Vacancy continues to fall throughout the Winnipeg industrial market with overall vacancy rates now approaching 3.0%, a mark which has not been hit since Q2 2018. Rents increased again this quarter to \$9.54 per sq. ft., up from \$9.20 per sq. ft. year-over-year. The most significant increase came in the southwest submarket where asking net rents have now risen to \$12.80 per sq. ft. behind significant new product coming to the market along McGillivray Boulevard.

With the arrival of Spring, several new construction projects commenced bringing the current total to 520,850 sq. ft. of industrial space under construction. A number of additional projects are set to begin in Q2 2022. Among the new projects is Hopewell's West Creek Industrial Park which kicked off construction this quarter and is expected to bring nearly 300,000 sq. ft. of new product to the market by the end of the year.

Also in the CentrePort area, Focus Equities has formally committed to the development of over 650 acres of land called the CentrePort Railpark while the City of Winnipeg has announced \$20M of funding for the servicing of Centreport

South. Just east of the CentrePort area, QuadReal has now completed its second 175,000 sq. ft. speculative building at Northwest Business Park with a third building approved last quarter.

In the southeast, construction has begun on Phase 2 of Plessis Business Park while in the southwest, construction has begun in on the first three buildings at McGillivray Business Park.

One of the most significant lease transactions in the quarter was the 40,000 sq. ft. taken by EMCO on St. James Street in the west submarket.

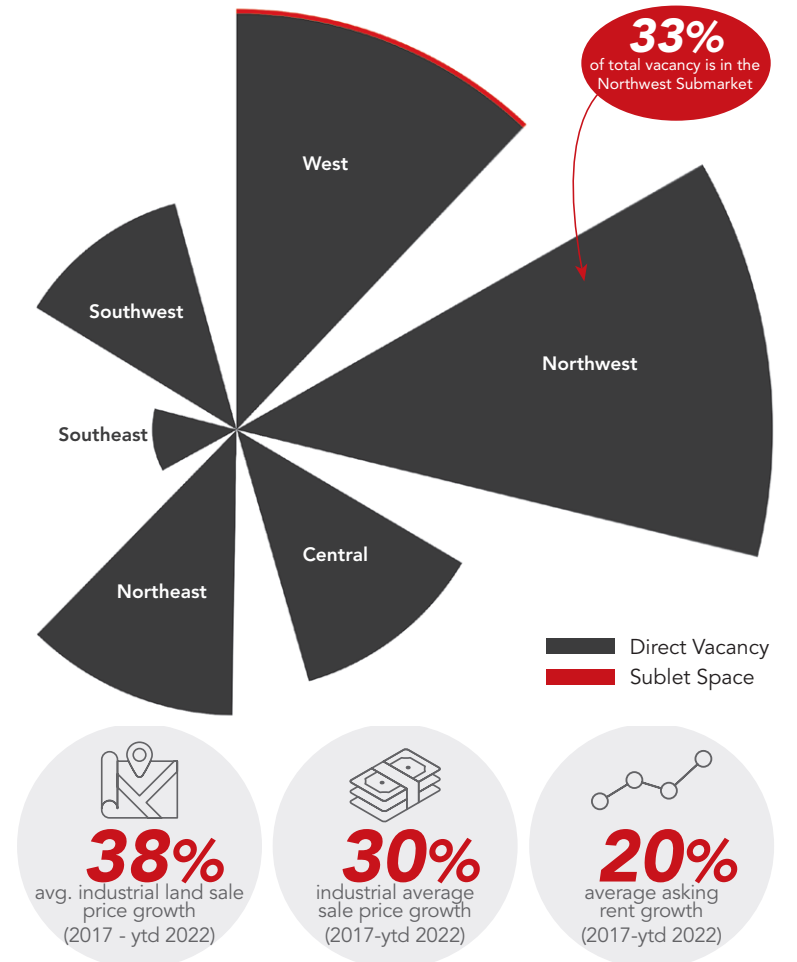
OUTLOOK

Tenants are quickly absorbing the more than 700,000 sq. ft. that came to the market in 2021 and with vacancy now nearing 3.0%, we expect nearly 1M sq. ft. more space to come to the market in 2022 to meet demand. Net rental rates should continue to increase to reflect both demand and a more modern and high-quality level of industrial product that is rapidly taking over the market.

KEY MARKET INDICATORS

TOTAL INVENTORY 79.9M (sq. ft.)	MARKET VACANCY 3.2%
UNDER CONSTRUCTION 520,850 (sq. ft.)	AVG. ASKING PRICE \$141.15 (per sq. ft.)
AVG. ASKING NET RENT \$9.54 (per sq. ft.)	ABSORPTION IN THE Q 162,400 (sq. ft.)

TOTAL VACANCY BY SUBMARKET



MARKET ACTIVITY



Submarket	Vacancy Rate	Avg. Net Rent	Avg. Add'l Rent	Sq. Ft. of Absorption
NORTHWEST	5.4%	\$8.70	\$4.06	193,330
NORTHEAST	3.8%	\$9.26	\$3.98	21,355
WEST	2.4%	\$8.54	\$4.44	154,708
SOUTHWEST	3.2%	\$12.80	\$5.16	109,042
SOUTHEAST	1.3%	\$10.81	\$4.81	145,888
CENTRAL	3.1%	\$7.23	\$2.78	10,949

HISTORICAL AVAILABILITY VS ABSORPTION & NEW SUPPLY

