

# Office Market Snapshot

## WINNIPEG, MANITOBA

Downtown		
CLASS A		
17.6%	vacancy rate 17.8% in Q4 2021	↓
\$20.85	avg. net rent per sq. ft.	↔
\$17.36	avg. add'l rent per sq. ft.	↓
6,477	sq. ft. of absorption in the quarter	↑
CLASS B		
15.5%	vacancy rate 14.9% in Q4 2021	↑
\$14.49	avg. net rent per sq. ft.	↓
\$14.43	avg. add'l rent per sq. ft.	↓
-21,953	sq. ft. of absorption in the quarter	↑
CLASS C		
19.4%	vacancy rate 18.7% in Q4 2021	↑
\$12.86	avg. net rent per sq. ft.	↔
\$11.10	avg. add'l rent per sq. ft.	↑
-16,868	sq. ft. of absorption in the quarter	↓

Suburban		
CLASS B		
7.0%	vacancy rate 8.5% in Q4 2021	↓
\$15.28	avg. net rent per sq. ft.	↔
\$9.01	avg. add'l rent per sq. ft.	↓
45,835	sq. ft. of absorption in the quarter	↓

Vacancy in the Winnipeg office market appears to have stabilized at 14.7%, after rising as high as 14.8% in Q4 2021. Notably, vacancy fell in the Downtown Class A submarket for the first time since Q3 2020, falling to 17.6%, down from 17.8% in Q4 2021.

The strongest submarket continues to be the Suburban Class B market where vacancy has now fallen to 7.0%, down from 8.5% last quarter while average asking net rents have remained unchanged at \$15.28 per sq. ft.

Two notable projects are currently underway. In the suburban market, construction continues on the first office building in the Refinery District while in the downtown core, construction continues on the fourth tower at True North Square where Wawanesa Insurance is building their new 300,000 sq. ft. international headquarters which is expected to be completed in 2023.

Office leasing activity picked up this quarter, showing strong indications of recovery with renewals completed by Tapper Cuddy LLP, Baker Tilly Canada, and Tetra Tech. Significant new deals were completed in the quarter at 259 Portage Avenue, where iMarketing Solutions Group took 8,700 sq. ft. and at Tuxedo Business Park where Heartland Fertility took 15,000 sq. ft.

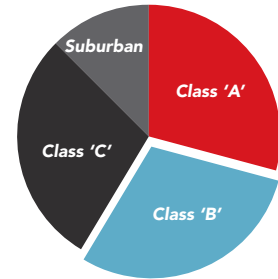
A number of notable tenants are currently in the market looking for space including Dillon Consulting, Gange Collins, Crosier, Kilgour & Partners, and LM Architecture.

There has been no significant increase in sublet space over the past two years as tenants continue to take a wait-and-see approach to their office space requirements before making a decision to downsize.

### OUTLOOK

We expect demand for office space, specifically in the downtown submarkets, to continue to pick up in the final three quarters of 2022 as tenants bring additional employees back to the office either on a full-time or part-time basis. Net rental rates can be expected to stabilize at current levels before beginning to increase again by year-end.

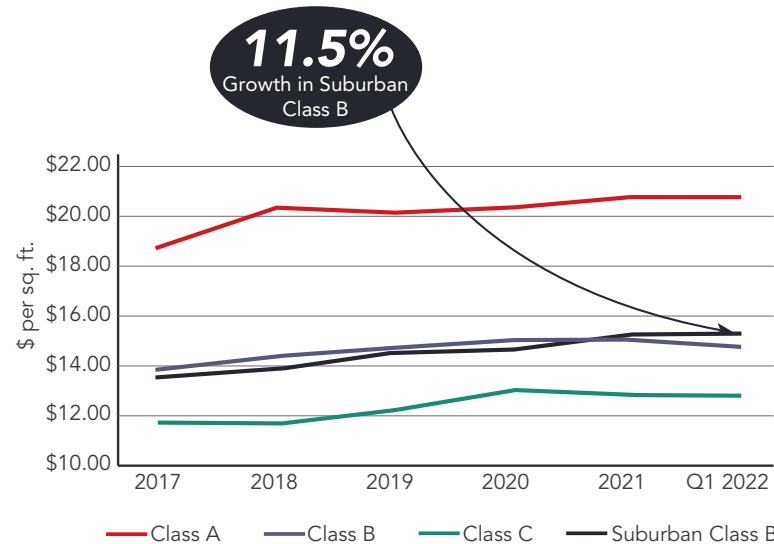
### VACANCY BREAKDOWN



### CONSTRUCTION



### AVG. ASKING NET RENT BY CLASS



### KEY MARKET INDICATORS

<b>TOTAL INVENTORY</b> 12.5M (sq. ft.)	<b>MARKET VACANCY</b> 14.7% (down from 14.8%)
<b>DOWNTOWN VACANCY</b> 17.3% (up from 17.0%)	<b>AVG. ASKING NET RENT</b> \$15.90 (per sq. ft.)
<b>UNDER CONSTRUCTION</b> 353,750 (sq. ft.)	<b>ABSORPTION IN THE Q</b> 13,491 (sq. ft.)

### MARKET ACTIVITY



### MARKET VACANCY RATE VS AVERAGE NET RENT

