

# Industrial Market Snapshot

## WINNIPEG, MANITOBA

Market vacancy fell by 70 basis points (bps) this quarter from 3.2% to 2.5%. This is the lowest vacancy level seen in the Winnipeg market since Q2 2018. Market demand is running at unprecedented levels and although construction activity continues to rise to meet demand, vacancy remains concerningly low.

With vacancy well below historical levels, average net rental rates rose significantly this quarter to \$10.22 per sq. ft., up from \$9.54 per sq. ft. in Q1 2022. These rental rates are being inflated in large part due to asking rents on new construction..

Market activity remains strong, highlighted by several large transactions completed in the quarter. Significant lease transactions include Gardewine Group and Frost Fighter Inc. combining to lease 250,000 sq. ft. at 125 Furniture Park in Northeast Winnipeg, MacDon Industries Ltd. taking 113,000 sq. ft. at 1345 Redwood in Northwest Winnipeg

and North Country Tire Distributors leasing 50,000 sq. ft. at 200 Discovery Place in the Northwest submarket. The most significant sale transaction in the quarter was Wipak Ltd.'s purchase of a new 80,000 sq. ft. building in Murray Industrial Park in West Winnipeg.

The summer construction season is very active with over 1M sq. ft. of industrial product now under construction, primarily in the CentrePort Canada region and the St. Boniface Industrial Park. Significant new construction projects to the market include Building 3 of Northwest Business Park, Phase 2 of Steele Industrial Park, and 340 Goldenrod Drive.

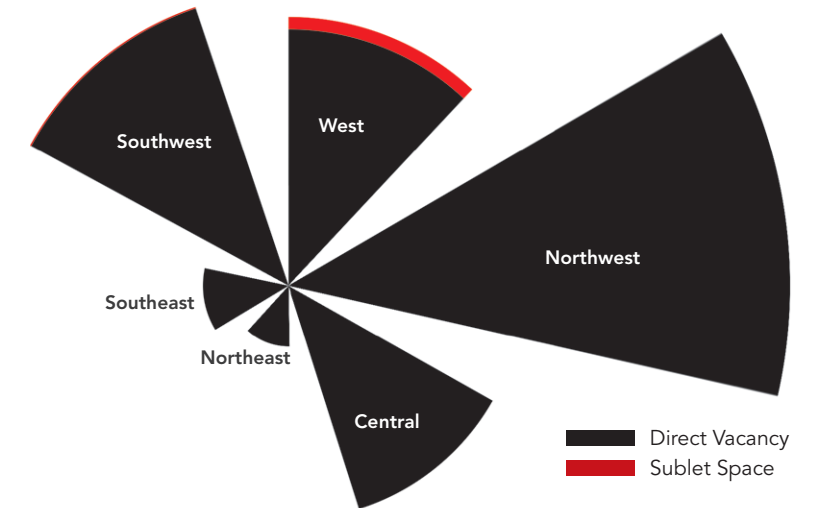
### OUTLOOK

Despite strong activity levels, increasing construction costs and rising interest rates are causing developers to scrutinize future development plans in the near term as required rents to justify new construction continue to escalate.

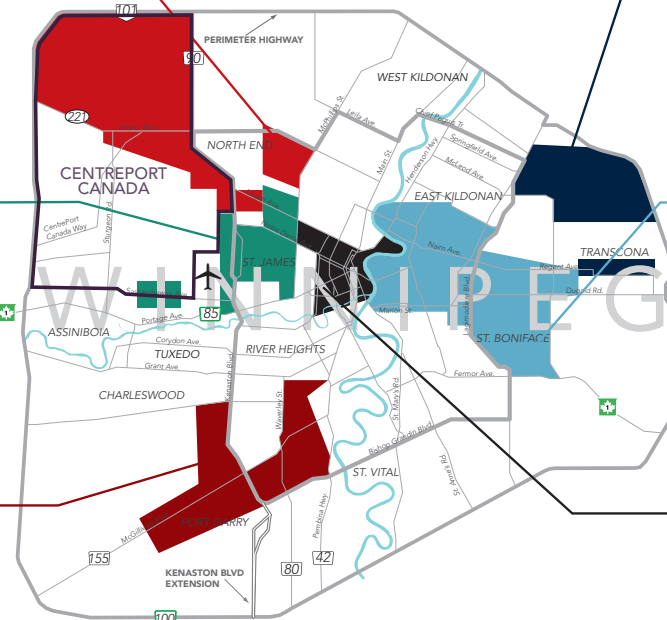
### KEY MARKET INDICATORS

<b>TOTAL INVENTORY</b> 80.0M (sq. ft.)	<b>MARKET VACANCY</b> 2.5%
<b>UNDER CONSTRUCTION</b> 1,019,874 (sq. ft.)	<b>AVG. ASKING PRICE</b> \$139.81 (per sq. ft.)
<b>AVG. ASKING NET RENT</b> \$10.22 (per sq. ft.)	<b>ABSORPTION IN THE QTR</b> 727,566 (sq. ft.)

### TOTAL VACANCY BY SUBMARKET



NORTHWEST	
5.1% vacancy rate	↓
\$9.19 avg. net rent per sq. ft.	↑
\$4.25 avg. add'l rent per sq. ft.	↑
260,228 sq. ft. of absorption	↑
WEST	
1.5% vacancy rate	↓
\$8.92 avg. net rent per sq. ft.	↑
\$4.75 avg. add'l rent per sq. ft.	↑
249,588 sq. ft. of absorption	↑
SOUTHWEST	
4.0% vacancy rate	↑
\$13.36 avg. net rent per sq. ft.	↑
\$5.15 avg. add'l rent per sq. ft.	↓
-85,792 sq. ft. of absorption	↓



NORTHEAST	
0.8% vacancy rate	↓
\$11.32 avg. net rent per sq. ft.	↑
\$4.38 avg. add'l rent per sq. ft.	↑
312,309 sq. ft. of absorption	↑
SOUTHEAST	
1.3% vacancy rate	↔
\$11.13 avg. net rent per sq. ft.	↑
\$4.74 avg. add'l rent per sq. ft.	↓
-2,828 sq. ft. of absorption	↓
CENTRAL	
2.8% vacancy rate	↓
\$7.97 avg. net rent per sq. ft.	↑
\$4.14 avg. add'l rent per sq. ft.	↑
-5,939 sq. ft. of absorption	↓

### MARKET ACTIVITY



### HISTORICAL AVAILABILITY VS ABSORPTION & NEW SUPPLY

