

Office Market Snapshot

WINNIPEG, MANITOBA

Downtown		
CLASS A		
18.6%	vacancy rate 18.9% in Q3 2022	↓
\$20.85	avg. net rent per sq. ft.	↔
\$17.89	avg. add'l rent per sq. ft.	↑
8,349	sq. ft. of absorption in the quarter	↑
CLASS B		
16.2%	vacancy rate 15.6% in Q3 2022	↑
\$15.22	avg. net rent per sq. ft.	↑
\$14.69	avg. add'l rent per sq. ft.	↑
-21,106	sq. ft. of absorption in the quarter	↓
CLASS C		
21.0%	vacancy rate 18.5% in Q3 2022	↑
\$12.80	avg. net rent per sq. ft.	↔
\$11.05	avg. add'l rent per sq. ft.	↓
-70,433	sq. ft. of absorption in the quarter	↓

Suburban		
CLASS B		
8.2%	vacancy rate 6.9% in Q3 2022	↑
\$15.39	avg. net rent per sq. ft.	↑
\$9.21	avg. add'l rent per sq. ft.	↔
-43,053	sq. ft. of absorption in the quarter	↓

Vacancy increased by 100 basis points (bps) in the final quarter of 2022 and now stands at 15.8%. Vacancy increased in every submarket except the downtown Class A market which saw vacancy fall to 18.6%, down from 18.9% in Q3 2022. This highlights the flight to quality being seen in the Winnipeg office market where new, high-quality space can be taken at competitive rental rates when compared to Class B or Class C availabilities.

Of the total market vacancy, sublet space now comprises 4.4%, which is up 20 bps from Q3 2022.

Average asking net rents were unchanged in the downtown Class A and Class C submarkets this quarter. Rents narrowly increased in the downtown Class B and suburban Class B submarkets.

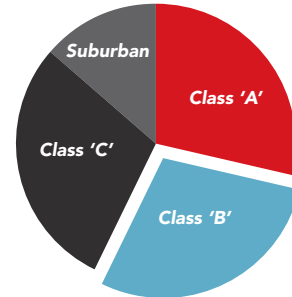
The most notable lease transaction this quarter was the Winnipeg Chamber of Commerce, World Trade Centre Winnipeg and CentrePort Canada taking 10,000 sq. ft. of Class B space on the fifth floor of 200 Portage Avenue located at the historic Portage & Main intersection.

363 Broadway and 330 Portage Avenue, both prominent downtown office towers, were put on the market for sale during the quarter.

OUTLOOK

We expect vacancy to continue to fall in 2023 as federal employees begin a gradual return to the office, which should act as a catalyst for private companies to follow suit and bring their employees back to the office on either a full-time or part-time basis.

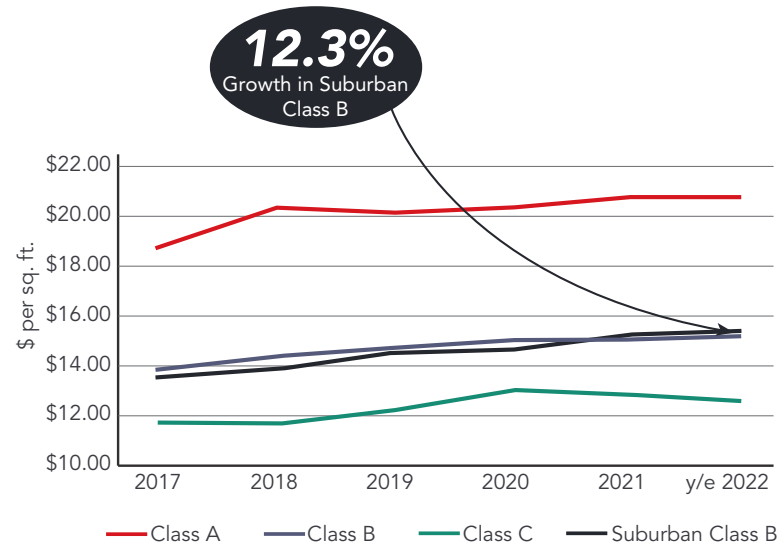
VACANCY BREAKDOWN



CONSTRUCTION



AVG. ASKING NET RENT BY CLASS



KEY MARKET INDICATORS

TOTAL INVENTORY	12.6M (sq. ft.)
MARKET VACANCY	15.8% (up from 14.8%)
DOWNTOWN VACANCY	18.4% (up from 17.5%)
AVG. ASKING NET RENT	\$16.10 (per sq. ft.)
UNDER CONSTRUCTION	300,000 (sq. ft.)
ABSORPTION IN THE QUARTER	-126,243 (sq. ft.)

MARKET ACTIVITY

