

Industrial Market Snapshot

WINNIPEG, MANITOBA

Vacancy increased by 30 basis points to 3.0% in the quarter. Several new, large spaces came to the market, contributing to this increase. These spaces include both new, recently completed West Creek Industrial Park buildings, which total 192,710 sq. ft. and 1530 Gamble Place, where 56,019 sq. ft. is now available for lease.

The average net rental rate rose to \$11.05 per sq. ft., up from \$10.99 per sq. ft. in Q2 2023. Rents remain highest in the southeast and southwest submarkets and lower in the northwest and central submarkets. This trend is expected to shift as space continues to come to the market in the CentrePort Canada area and raise the quality of space in the northwest.

With the addition of 11 Plymouth Street and 1530 Gamble Place, sublet space now comprises 4.8% of total market vacancy, up from 2.5% in Q2 2023.

Approximately 384,000 sq. ft. of new product came on-line in the quarter with 408,000 sq. ft. currently under construction in the market. These projects are highlighted by Fastfrate Group's \$55M investment to become the first tenant of the CentrePort

Canada Rail Park, where they are building approximately 140,000 sq. ft. of facilities on 25 acres within the rail park.

BeeMaid Honey Ltd. is building a new 120,000 sq. ft. facility at 645 Black Diamond Boulevard in Phase 2 of St. Boniface Industrial Park. Completion is expected in early 2024, when they will be moving from their current location at 625 Roseberry Street in West Winnipeg.

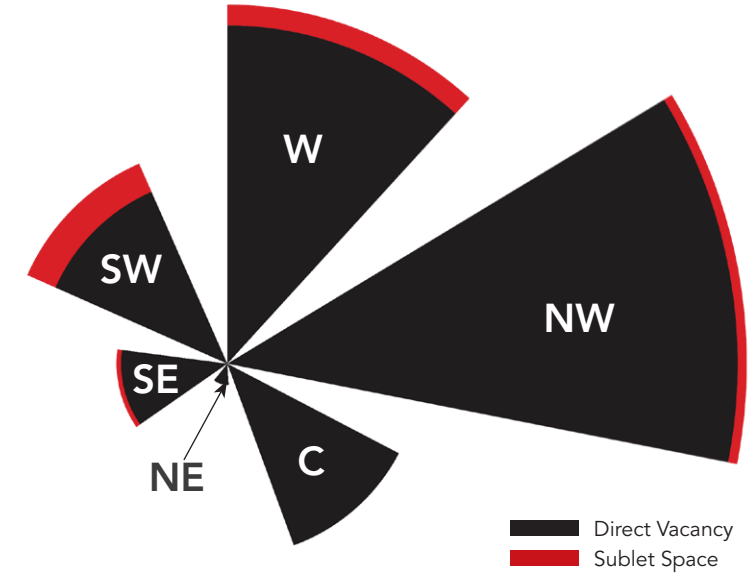
OUTLOOK

We see few indications that leasing activity will slow in the final quarter of 2023 and into early 2024. By the end of 2023, over 1M sq. ft. of new industrial space is expected to have come to the market in the year. This space will take time to absorb but do not see a significant number of new projects being announced in the immediate future given the higher interest rate environment.

KEY MARKET INDICATORS

TOTAL INVENTORY 81.1M (sq. ft.)	MARKET VACANCY 3.0%
UNDER CONSTRUCTION 408,000 (sq. ft.)	AVG. ASKING PRICE \$182.25 (per sq. ft.)
AVG. ASKING NET RENT \$11.05 (per sq. ft.)	ABSORPTION IN THE QTR 210,049 (sq. ft.)

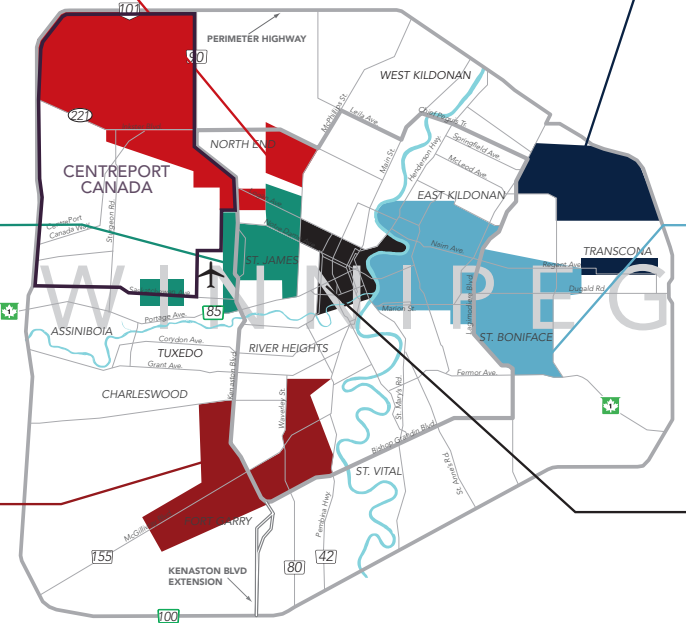
TOTAL VACANCY BY SUBMARKET



MARKET ACTIVITY



NORTHWEST		
6.3%	vacancy rate	↑
\$9.67	avg. net rent per sq. ft.	↓
\$4.42	avg. add'l rent per sq. ft.	↑
20,521	sq. ft. of absorption	↑
WEST		
2.5%	vacancy rate	↓
\$10.50	avg. net rent per sq. ft.	↓
\$4.89	avg. add'l rent per sq. ft.	↓
-13,007	sq. ft. of absorption	↑
SOUTHWEST		
3.3%	vacancy rate	↑
\$13.38	avg. net rent per sq. ft.	↑
\$5.23	avg. add'l rent per sq. ft.	↓
-9,315	sq. ft. of absorption	↓



NORTHEAST		
0.4%	vacancy rate	↓
\$14.52	avg. net rent per sq. ft.	↑
\$4.16	avg. add'l rent per sq. ft.	↓
16,183	sq. ft. of absorption	↑
SOUTHEAST		
2.0%	vacancy rate	↓
\$11.10	avg. net rent per sq. ft.	↓
\$5.95	avg. add'l rent per sq. ft.	↑
171,907	sq. ft. of absorption	↑
CENTRAL		
3.0%	vacancy rate	↓
\$7.59	avg. net rent per sq. ft.	↑
\$2.93	avg. add'l rent per sq. ft.	↑
24,030	sq. ft. of absorption	↓

HISTORICAL AVAILABILITY VS ABSORPTION & NEW SUPPLY

