

Office Market Snapshot

WINNIPEG, MANITOBA

Downtown CLASS A

17.9%	vacancy rate 18.3% in Q2 2024	↓
\$20.85	avg. net rent per sq. ft.	↔
\$19.23	avg. addt'l rent per sq. ft.	↔
-54,339	sq. ft. of absorption in the quarter	↓

CLASS B

22.2%	vacancy rate 23.7% in Q2 2024	↓
\$15.31	avg. net rent per sq. ft.	↔
\$14.64	avg. addt'l rent per sq. ft.	↑
61,926	sq. ft. of absorption in the quarter	↑

CLASS C

19.0%	vacancy rate 21.3% in Q2 2024	↓
\$12.88	avg. net rent per sq. ft.	↔
\$11.27	avg. addt'l rent per sq. ft.	↑
63,572	sq. ft. of absorption in the quarter	↑

Suburban CLASS B

9.5%	vacancy rate 8.3% in Q2 2024	↑
\$15.79	avg. net rent per sq. ft.	↑
\$9.22	avg. addt'l rent per sq. ft.	↑
-25,494	sq. ft. of absorption in the quarter	↓

Winnipeg's total office vacancy rate fell by 70 basis points (bps) to 17.0% in Q3 2024, while the downtown vacancy rate fell 140 bps to 19.6%. Downtown Class A vacancy fell 40 bps to 17.9% and is now the lowest among downtown submarkets.

Average asking net rental rates increased to \$16.48 per sq. ft. in the quarter, up from \$16.26 per sq. ft. in Q2 2024. Downtown Class A rents were unchanged at \$20.85 per sq. ft.

There are currently no new construction projects underway in the market, yet with the completion of the new Wawanesa Insurance headquarters at True North Square and the first phase of Polaris Place in north Winnipeg, nearly 400,000 sq. ft. of new office space will be brought to the market in 2024.

Slate Office REIT recently announced the sale of 365 Hargrave Street and 114 Garry Street for \$25.2M. The two downtown office buildings total 146,000 sq. ft.

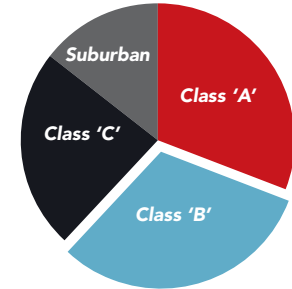
The provincial government has signed an agreement with True North Real Estate Development for the purchase and redevelopment of Portage Place Shopping Centre. Originally opened in 1987 in the heart of downtown Winnipeg, the centre will be redeveloped into a multi-use campus consisting of housing, grocery, retail, green spaces and a state-of-the-art health care facility.

True North will also partner with the Southern Chiefs Organization (SCO) on a 15-storey multifamily tower at the site, bringing affordable residential units to the area. Construction is expected to commence in 2025, with the full campus completed in 2028.

OUTLOOK

We expect vacancy levels to continue to fall over the next few quarters, specifically in the downtown Class A and suburban Class B submarkets, where more modern office spaces meet current demand at affordable rental rates. Construction activity in the downtown area will remain limited to residential conversions or redevelopment of Class B and C buildings to modernize space for current tenant requirements.

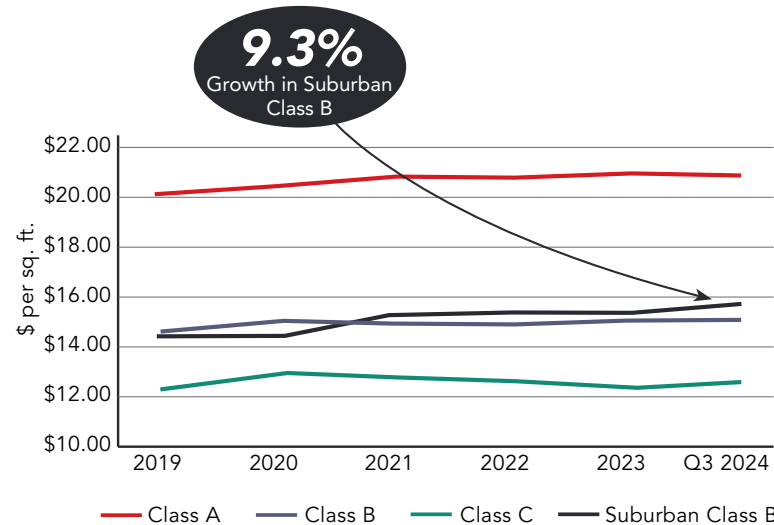
VACANCY BREAKDOWN



CONSTRUCTION



AVG. ASKING NET RENT BY CLASS



KEY MARKET INDICATORS

TOTAL INVENTORY	13.0M
	(sq. ft.)
MARKET VACANCY	17.0%
	(down from 17.7%)
DOWNTOWN VACANCY	19.6%
	(down from 21.0%)
AVG. ASKING NET RENT	\$16.48
	(per sq. ft.)
SPACE COMPLETED THIS YEAR	394,234
	(sq. ft.)
ABSORPTION IN THE QUARTER	45,665
	(sq. ft.)

MARKET VACANCY RATE VS AVERAGE NET RENT

