

Winnipeg, Manitoba

Winnipeg has been fortunate to have some of the lowest number of cases of COVID-19 per capita in the world. Our economy locked down early and that has helped the Province weather the storm. As we move forward like the rest of the world, Winnipeg is navigating the impacts of the coronavirus on local industrial real estate and what the changes will be. We cannot substantiate trends due to the impact from the COVID-19 on the industrial market until the third quarter of 2020.

During this trying time many industrial uses one considered to be an essential service and many are fully operational, with some companies even seeing growth. However, numerous landlords and owner occupiers have made changes to their buildings and overall operation to keep their tenants and employees safe with a large

number of staff working remotely. In Q1, Winnipeg's industrial inventory continued its growth with new developments on serviced lots completed in CentrePort. Two new buildings totaling 85,000 sf were completed in Brookside Industrial Park and Freightliner's 78,000 sf facility has completed construction. Other developments underway include a 175,000 sf building by QuadReal, which will be ready for occupancy mid-2020 as well as Plessis Industrial Park, where plans call for five buildings totaling 262,000 sf. In the RM of Macdonald, South Landing Business Park is nearing completion and McGillivray Business Park is underway with various parcels of land either sold or under contract.

A few large users are circling the market and are expected to land with some large blocks being

absorbed. While tenants are looking for quality high spaces, economics often pivot them to some older yet functional stock and sizeable discounts.

Due to this phenomenon, space demands have changed to adapt to the current industrial climate. We have witnessed groups who were in the middle of expansion or relocation plans now look for a short term leases. Some industrial tenants impacted by COVID-19 have already secured rent abatements and other industrial tenants will require a rent abatement in the near future, which means a cooperative effort from tenants, landlords, and lenders. What is clear in this constantly shifting business climate, is that every company is evaluating their current situation and will require creative, unique solutions to weather this storm.

	(SF) Total Inventory	(SF) Total Vacancy	(SF) Sublease Vacancy	(PSF) Average Net Rate	(PSF) Average CAM / Tax	(PSF) Average Gross Rate
Winnipeg						
Central	10,105,814	304,227	1,375	\$8.28	\$3.43	\$9.61
Northwest	9,552,636	1,370,938	6,000	\$8.09	\$4.01	\$11.46
Southwest	10,109,752	480,025	5,298	\$10.89	\$5.98	\$16.52
Northeast	10,101,624	298,559	–	\$7.35	\$3.76	\$10.86
Southeast	10,396,437	506,638	24,480	\$8.80	\$4.88	\$11.33
West	28,193,333	552,797	3,000	\$8.20	\$5.14	\$14.23
TOTAL	78,459,596	3,513,184	40,153	\$9.00	\$4.00	\$11.00

Avg. Net Rent by Size (PSF)	Central	NW	SW	NE	SE	W
0 – 10,000 SF	\$9.35	\$7.66	\$12.89	\$9.49	\$7.66	\$9.24
10,001 – 20,000 SF	\$6.82	\$8.82	\$11.95	–	–	\$7.24
20,000 – 50,000 SF	\$7.95	\$8.49	\$12.89	–	\$7.55	\$7.29
50,000 SF and Up	\$7.60	\$7.36	\$7.95	\$5.43	\$12.95	\$6.75

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Quick Stats

3.54%

Overall Vacancy Rate

\$87.00

Average Asking Price (PSF)

1,034,374

Total SF Under Construction

19

New Properties in the Market