



MARKET FUNDAMENTALS

	YOY Chg	Outlook
3.1% Vacancy Rate	▲	▼
135K YTD Net Absorption, SF	▼	▲
\$8.56 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
512.7K Winnipeg Employment	▲	▲
5.5% Winnipeg Unemployment Rate	▲	▼
7.0% Canadian Unemployment Rate <small>Source: Statistics Canada</small>	▲	▲

ECONOMY

Winnipeg has witnessed year-over-year growth in employment, up 4.6% in May 2025 from May 2024 – a gain of 22,400 jobs over the last year. Similarly, the unemployment rate continues to trend downwards near the middle of 2025, from 5.9% in March to 5.5% in May. Winnipeg is showing some positive signs in comparison to the overall country, as the national unemployment rate has increased from 6.3% (May 2024) to 7.0% (May 2025).

The provincial Consumer Price Index (CPI) rose 1.9% in May 2025 compared to February 2024 following a 2.1 percentage point increase in April. Manitoba’s CPI growth for May was above Canada’s YOY increase of 1.7%, and at 1.9%, Manitoba posted the ninth place of all-items price increase among Canada’s ten provinces.

The Bank of Canada (BoC) held its key interest rate steady at 2.75% in its June 2025 announcement, following five consecutive cuts since June 2024, totaling 225 basis points (bps). While previous rate reductions supported anticipated growth in late 2024, the Governing Council chose to pause further easing amid heightened uncertainty driven by escalating trade tensions with the United States. The BoC signaled that although further rate cuts remain possible in 2025, it will proceed cautiously given the inflationary pressures linked to trade disruptions and the potential impact on financial markets and credit access, key considerations for the commercial real estate sector.

SUPPLY & DEMAND

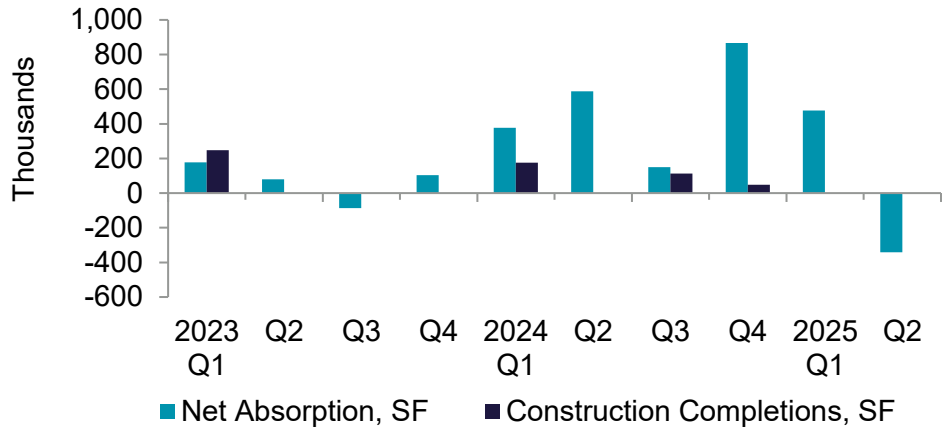
Demand in the Winnipeg industrial market remained steady through the first half of 2025, despite limited new supply and minimal development activity. However, the overall market recorded a negative absorption of 340k square feet (sf) in the second quarter of 2025, reflecting shifting occupier dynamics.

Total overall vacancy rose slightly to 3.1%, up from 2.7% last quarter, with the amount of vacant space increasing by over 340k sf. This reflects net move-outs rather than oversupply as new construction deliveries remains low. The Southwest and Northeast submarkets had the sharpest increases, while Central and Southeast remained near full occupancy, underscoring a divergent performance across submarkets. However, vacancy remains low by historical standards.

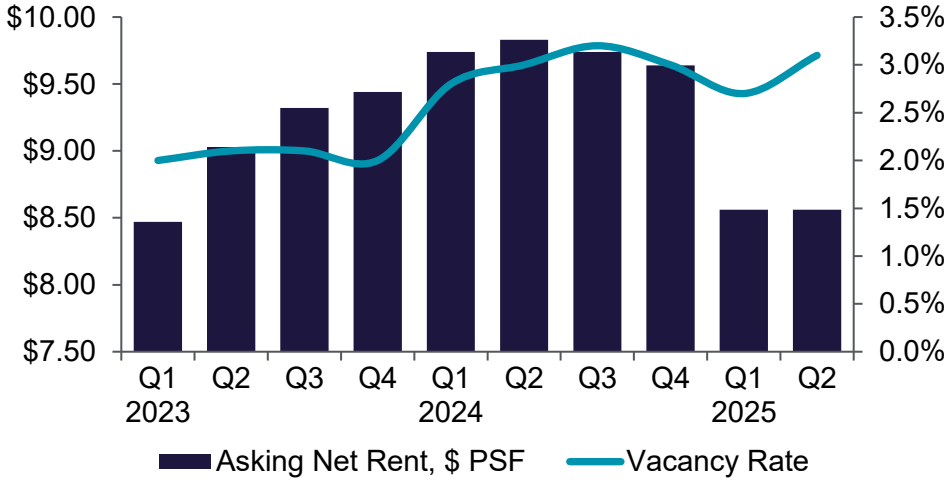
PRICING

Even with reduced demand, rental rates stayed firm. The average net asking rent remained at \$8.56 per square foot (psf), while gross rents edged up to \$16.38 psf, continuing the modest quarter-over-quarter gains witnessed in recent quarters. Premium submarkets like Southeast (\$12.25 psf net, \$16.76 psf gross) and Southwest (\$13.83 psf net, \$19.35 psf gross) retained strong pricing, supported by tight supply and quality inventory. Landlords appear to be holding pricing steady amid limited new construction and low vacancy.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORYY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSROPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT *	OVERALL WEIGHTED AVG ADD. RENT	OVERALL WEIGHTED AVG GROSS RENT
Northwest	37,253,488	1,117,184	3.0%	-21,216	300,258	0	0	\$7.97	\$3.78	\$15.97
Southeast	16,192,510	54,000	0.3%	2,080	47,655	0	0	\$12.96	\$4.72	\$16.22
Southwest	12,674,201	816,495	6.4%	-321,848	-329,632	49,000	0	\$12.01	\$4.99	\$32.23
Central	5,128,457	0	0.0%	0	0	0	0	n/a	n/a	n/a
Northeast	5,872,166	412,655	7.0%	0	117,568	0	0	\$7.86	\$4.09	\$13.53
WINNIPEG TOTALS	77,120,822	2,400,334	3.1%	-340,984	135,849	49,000	0	\$8.56	\$4.13	\$16.38

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	+/-SF
968 Wall Street	Northwest	10,350
1370 Sony Place	Southwest	52,919
164 Terracon Place	Northeast	9,000
37 Stevenson Road	Northwest	34,500
989 Keewatin Street	Northwest	36,000

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SF	PRICE / \$ PSF
2585 McGillivray Blvd	Southwest	15,779	Undisclosed
600 Camiel Sys	Southeast	23,000	Undisclosed

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	STATUS	(+/-) SF	OWNER/DEVELOPER
N/A				

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