MARKETBEAT
WINNIPEG, MB
OFFICE Q3 2025

CUSHMAN & WAKEFIELD Winnipeg | Stevenson

MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.5% Vacancy Rate	▲	▼
-147K YTD Net Absorption, SF	▼	▲
$29.63 Asking Rent, PSF	▲	▼

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
508K Winnipeg Employment	▲	▲
6.2% Winnipeg Unemployment Rate	▲	▼
7.0% Canadian Unemployment Rate	▲	▲

Source: Statistics Canada

ECONOMY

Winnipeg's labour market showed signs of softening in the third quarter of 2025. Employment declined slightly from 512,700 in May to 508,200 in August, reflecting a monthly drop of 4,500 jobs, though employment remains up 1.9% year-over-year (YOY compared to August 2024. The unemployment rate rose from 5.5% to 6.2% between May and August, marking a 0.7 percentage point increase, yet still below the national unemployment rate of 7.1%. Labour force participation held steady, dipping only slightly from 67.7% to 67.6%, suggesting overall engagement in the job market remains stable. Although the recent month-over-month decline in employment and uptick in unemployment signal a shift in momentum, Winnipeg continues to outperform national averages, indicating relative resilience in the local labour market amid broader economic headwinds.

The provincial Consumer Price Index (CPI) rose 2.0% in August 2025 compared to August 2024 and is a 0.1 percentage point increase from July 2025. Manitoba's CPI growth for August was above Canada's YOY increase of 1.9%. Manitoba posted the eighth place of all-items price increase among Canada's ten provinces.

The Bank of Canada kept its key overnight rate unchanged at 2.75% through Q3 2025. At its June 4th meeting, the Governing Council opted to pause further cuts, citing significant uncertainty stemming from U.S. trade policy and elevated core inflation pressures. As of now, future rate adjustments remain on the table, but the Bank appears intent on closely monitoring labour and price data before moving again.

SUPPLY & DEMAND

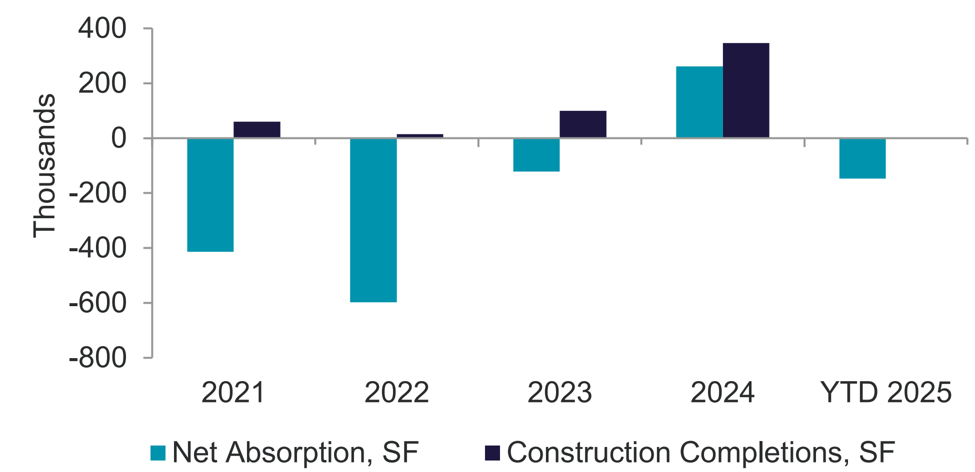
The overall office vacancy rate edged down to 13.5% in Q3 2025, a slight improvement from 14.0% in the previous quarter. The Central submarket showed the most notable recovery, with vacancy tightening to 14.2%, led by Class C space, which posted a 13.6% vacancy rate. The suburban office market continues to face challenges, particularly in Class A assets, where vacancy remains elevated at 24.0%, reflecting persistent softness in high-end suburban demand.

Winnipeg's office market regained some ground in Q3 2025, recording positive net absorption of close to 88,000 square feet, a sharp reversal from the 223,000 sf of negative absorption last quarter. The recovery was the result of leasing activity in the Central area, particularly within Class A (+11,000 sf) and Class B (+36,000 sf) buildings. The suburban office segment posted net negative absorption of nearly 50,000 sf, driven largely by significant move-outs in Class C space, which accounted for a negative 84,000 sf alone.

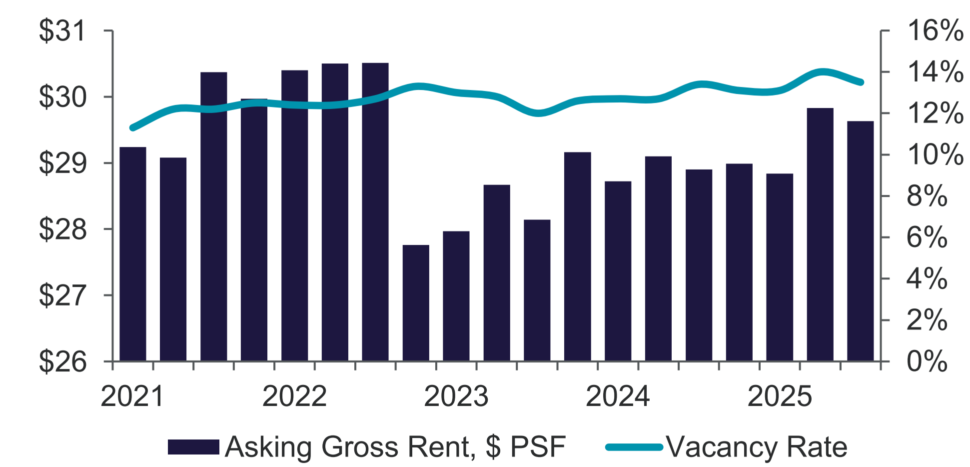
PRICING

Asking rents across Winnipeg's office market remained notably stable in Q3 2025, despite ongoing challenges in certain submarkets. The overall average net rent dipped slightly from $15.63 per square foot (psf) to $15.58 psf quarter-over-quarter, while the average gross rent held firm at $29.63 psf. A clear pricing hierarchy continues to emerge, with Central Class A spaces commanding the highest net rents at $16.92 psf, reflecting strong demand and limited premium inventory in core locations. In contrast, Suburban Class C properties remain the most affordable, with the average net rent at $12.67 psf, indicative of weaker demand and greater competition in that segment.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY	SUBLET VACANCY (SF)	DIRECT VACANCY (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	AVERAGE NET ASKING RENT	AVERAGE GROSS RENTAL RATE
Class A CBD	3,537,672	67,530	289,254	10.1%	10,580	36,520	$16.92	$37.30
Class B CBD	4,046,691	9,194	744,550	18.6%	36,206	24,411	$15.60	$32.84
Class C CBD	5,795,195	13,487	773,480	13.6%	91,126	99,783	$15.66	$28.31
CBD TOTALS	13,379,558	90,211	1,807,284	14.2%	137,912	160,714	$15.86	$32.03
Class A Suburban	1,658,453	23,132	374,955	24.0%	33,603	-217,467	$20.40	$27.38
Class B Suburban	4,449,326	55,057	325,172	8.5%	439	-78,178	$17.14	$27.56
Class C Suburban	3,152,379	8,714	379,998	12.3%	-83,993	-12,995	$12.67	$22.70
SUBURBAN TOTALS	9,260,158	86,903	1,080,125	12.6%	-49, 951	-308,640	$14.82	$24.51
WINNIPEG TOTALS	**22,639,716**	**177,114**	**2,887,409**	**13.5%**	**87,961**	**-147,926**	**$15.58**	**$29.63**

KEY LEASE TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	+/-SF	TYPE
158 Commerce Drive	Non-CBD	20,738	Lease
423 Main St	CBD	18,132	Lease
96 Nature Park Way	Non-CBD	15,822	Lease

KEY SALES TRANSACTIONS Q3 2025

PROPERTY	SUBMARKET	SF	PRICE / $ PSF
3081 Ness Avenue	Non-CBD	9,536	NA

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	SF	OWNER/DEVELOPER

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