

MARKET FUNDAMENTALS

	YOY Chg	Outlook
13.4% Vacancy Rate	▲	▼
-130K Annual Net Absorption, SF	▼	▲
\$30.30 Asking Rent, PSF <small>(Overall, All Property Classes)</small>	▲	▼

ECONOMIC INDICATORS

	YOY Chg	Outlook
515K Winnipeg Employment	▲	▲
6.4% Winnipeg Unemployment Rate	▲	▼
6.5% Canadian Unemployment Rate	▼	▲

Source: Statistics Canada

ECONOMY

Winnipeg's labour market showed early signs of softening toward the end of 2025, reflecting broader economic moderation. Total employment increased modestly from 508,200 in August to 515,200 in December, representing a quarterly gain of approximately 7,000 jobs. Despite recent deceleration, employment remained 2.4% higher year-over-year (YOY) compared with December 2024. The unemployment rate rose modestly from 6.2% to 6.4% between May and August, a 0.2 percentage-point increase, though it remained below the national average of 6.5%, indicating relative labour market resilience.

Inflationary pressures remained elevated in Manitoba. The Consumer Price Index (CPI) increased 3.3% YOY in November 2025, up 0.3 percentage points from October, and well above the national YOY increase of 1.1%. Manitoba ranked tenth among Canada's ten provinces in all-items CPI growth, highlighting ongoing cost pressures.

In response to signs of economic cooling, the Bank of Canada reduced its overnight rate to 2.25% on October 29th, 2025, citing slowing economic growth, a cooling labour market, and declining exports and business investment.

SUPPLY & DEMAND

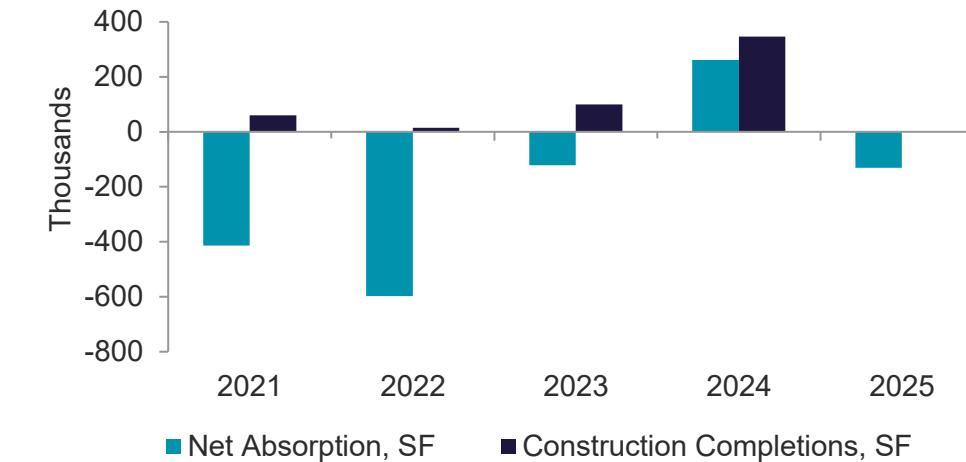
Winnipeg's office market recorded an improvement in vacancy in Q4 2025, with the overall rate edging down QOQ to 13.4% from 13.5%. Performance continued to vary by class and location. The Central Area vacancy rate remained largely stable at 14.3%, up marginally from 14.2% in the prior quarter. In contrast, Suburban Class A vacancy remained elevated at 23.8%; however, this category has shown gradual improvement over the past three quarters, indicating early signs of stabilization. The gap between direct and sublease space widened, with sublet availability accounting for 8.3% of total vacant inventory, up from the previous quarter.

While net absorption remained positive in Q4 2025 at approximately 17k square feet (sf), it was down from the 88k sf posted in the previous quarter, reflecting slower overall leasing velocity. Class A space in the Central Business District had approximately 56k sf of positive absorption this quarter, consistent with ongoing flight-to-quality trends. Meanwhile, the Suburban Class B segment recorded a notable improvement from last quarter, posting 82k sf of positive absorption.

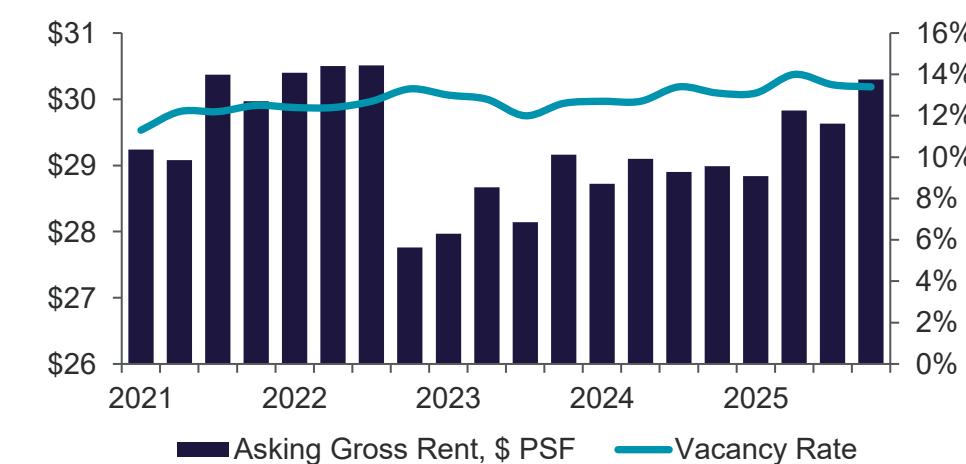
PRICING

Office asking rents demonstrated notable stability in Q4 2025. The overall average net asking rent increased to \$16.04 per square foot (psf), up from \$15.58 psf in Q3 2025, while the average gross rent rose to \$30.30 psf. A clear pricing hierarchy remains evident across the market: Central Business District Class A space commanded the highest net rent averaging \$20.23 psf, while Suburban Class C properties remained the most affordable at \$13.39 psf.

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	233,351	8.5%	55,903	92,423	\$20.23	\$40.54
Class B CBD	4,046,691	9,194	840,441	21.0%	-95,891	-71,480	\$15.56	\$32.55
Class C CBD	5,797,904	82,919	676,287	13.1%	27,761	127,544	\$15.81	\$28.40
CBD TOTALS	13,382,267	159,643	1,750,079	14.3%	-12,227	148,487	\$16.35	\$32.49
Class A Suburban	1,694,453	21,338	381,201	23.8%	-4,452	-221,919	\$20.73	\$27.37
Class B Suburban	4,451,029	57,596	239,922	6.7%	82,711	4,533	\$17.28	\$27.89
Class C Suburban	3,156,365	13,379	425,961	13.9%	-48,542	-61,537	\$13.39	\$23.74
SUBURBAN TOTALS	9,301,847	92,313	1,047,084	12.2%	29,717	-278,923	\$15.10	\$25.05
WINNIPEG TOTALS	22,684,114	251,956	2,797,163	13.4%	17,490	-130,436	\$16.04	\$30.30

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	+/-SF	TYPE
n/a			

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SF	PRICE / \$ PSF
n/a			

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	SF	OWNER/DEVELOPER
n/a			

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