

YoY  
Chg 12-Mo.  
Forecast**10.4%**

Vacancy Rate

**-82,371**

Net Absorption, SF

**\$29.62**

Asking Gross Rent, PSF



(Overall, All Property Classes)

ECONOMIC INDICATORS  
Q2 2020YoY  
Chg 12-Mo.  
Forecast**411K**

Winnipeg Employment

**10.3%**Winnipeg  
Unemployment Rate**13.7%**Canadian  
Unemployment Rate

Source: Statistics Canada

## ECONOMY

As a result of Manitoba's well-diversified economy and geographic isolation, economic impacts have been much less significant when compared to other major markets in North America.

## DEMAND

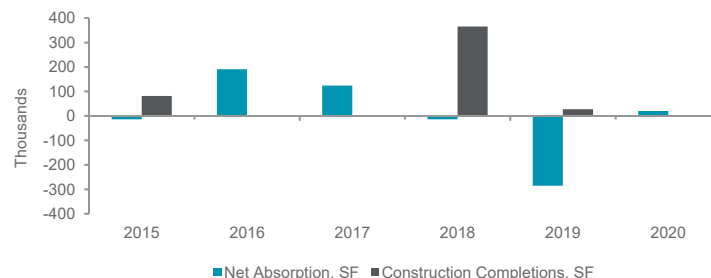
Somewhat surprisingly, the overall vacancy rate in the office market has declined 500 basis points (bps) in the past 6 months to reach 10.4% in the second quarter of 2020. The overall Central Business District had a 220 bps decline in vacancy from last quarter to reach 11.0% as declining vacancy was seen in the Class B and C markets. In the Suburban market, the opposite was true as weakness in the Class B and C markets pushed overall vacancy to 8.2% from 6.9% in the first quarter of 2020. The softening in the Suburban Class B and C markets was the primary driver behind the negative absorption seen this quarter of 82,371 square feet (sf).

## PRICING

The average net rental rate for the overall market decreased from last quarter to \$15.96 per square foot (psf), with rates ranging from a high of \$20.52 psf in Central Class A to a low of \$12.76 psf for Suburban Class C. In the Suburban market, Class A rates bumped up slightly from last quarter, while Class B rents declined, and Class C rents rose quarter-over-quarter.

Lower vacancy and higher rental rates would seem counterintuitive given the current health crisis and economic climate. With the concept of office space evolving with the impacts of COVID-19, we expect to see employees working from home more frequently for a portion (or all) of their work weeks. However, for those who are in the office, more space will be demanded in order to allow for social distancing.

## SPACE DEMAND / DELIVERIES



## OVERALL VACANCY &amp; GROSS ASKING RENT



## Winnipeg, MB

Office Q2 2020

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	AVERAGE NET ASKING RENT	AVERAGE GROSS RENTAL RATE
Class A CBD	3,576,740	43,240	294,855	9.5%	-4,776	67,965	0	\$20.52	\$39.41
Class B CBD	4,066,088	19,309	471,414	12.1%	19,593	39,561	0	\$15.94	\$29.90
Class C CBD	4,108,634	0	460,916	11.2%	0	0	0	\$12.90	\$25.16
<b>CBD Totals</b>	<b>11,751,462</b>	<b>62,549</b>	<b>1,227,185</b>	<b>11.0%</b>	<b>14,817</b>	<b>107,526</b>	<b>0</b>	<b>\$16.23</b>	<b>\$30.73</b>
Class A Suburban	259,385	0	37,550	14.5%	0	0	60,000	\$21.39	\$30.27
Class B Suburban	1,402,276	2,558	109,545	8.0%	-62,141	-52,758	0	\$13.95	\$22.98
Class C Suburban	1,535,457	12,839	98,765	7.3%	-35,047	-35,047	0	\$12.76	\$24.45
<b>Suburban Totals</b>	<b>3,197,118</b>	<b>15,397</b>	<b>245,860</b>	<b>8.2%</b>	<b>-97,188</b>	<b>-87,805</b>	<b>0</b>	<b>\$14.66</b>	<b>\$24.72</b>
<b>WINNIPEG TOTALS</b>	<b>14,948,580</b>	<b>77,946</b>	<b>1,473,045</b>	<b>10.4%</b>	<b>-82,371</b>	<b>19,721</b>	<b>60,000</b>	<b>\$15.96</b>	<b>\$29.62</b>

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
242 Hargrave Street	CBD	SkiptheDishes	96,000	Direct

## KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
N/A				

## KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
N/A				

## LOCAL MARKET RESEARCH LEAD

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