

10.0%

Vacancy Rate

YoY
Chg12-Mo.
Forecast

58,395

Net Absorption, SF

\$29.38

Asking Gross Rent, PSF

(Overall, All Property Classes)

ECONOMIC INDICATORS
Q4 2020

431K

Winnipeg Employment

YoY
Chg12-Mo.
Forecast

8.4%

Winnipeg
Unemployment Rate

8.6%

Canadian
Unemployment Rate

Source: Statistics Canada

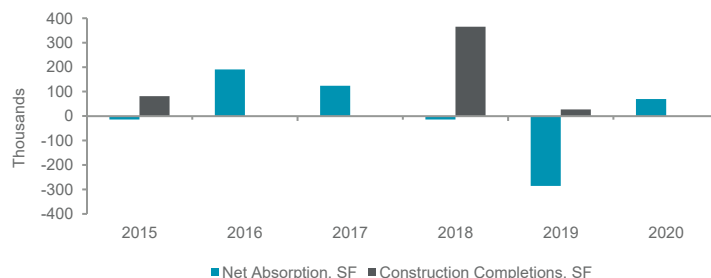
Although the fourth quarter of 2020 experienced significant lockdowns, many tenants are taking a wait and see approach into 2021. A noticeable trend in 2020 was the request for short-term renewals allowing tenants more time to determine their design and footprint post-COVID-19. Despite limited tenants in the market in the fourth quarter, rental rates have remained steady with no signs of any discount due to COVID-19.

The overall office market saw vacancy of 10.0% in the fourth quarter of 2020; a 120-basis point decrease from one year ago. A large amount of suburban office development and new product coming on stream for 2021 will create a competitive landscape that may impact rental rates and vacancy going forward.

Office sales continued to perform well in the suburban market due to the limited supply. The downtown market currently has over 500,000 square feet of investment office product on the market, which we expect will see stronger activity in early 2021 with the attractive financing options available.

COVID-19 will not end the office environment, rather it will become more dynamic, giving tenants the ability to re-evaluate the way their employees work, enabling them to work in new ways. In certain industries, we expect to see flex-time workplaces throughout 2021. As the vaccine implementation program continues to develop and restrictions start to ease in 2021, tenants will start evaluating their office design and implementing a safe return to work program.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & GROSS ASKING RENT



Winnipeg, MB

Office Q4 2020

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	3,576,740	46,791	274,453	9.0%	12,469	84,816	\$20.67	\$39.58
Class B CBD	4,066,088	19,309	456,547	11.7%	52,262	54,428	\$15.61	\$30.11
Class C CBD	4,108,634	402	480,657	11.7%	194	-20,858	\$11.06	\$23.01
CBD Totals	11,751,462	66,502	1,211,657	10.9%	64,925	118,386	\$15.35	\$29.98
Class A Suburban	259,385	0	38,278	14.8%	-728	-728	\$20.26	\$32.49
Class B Suburban	1,402,276	4,226	74,953	5.6%	-13,944	-19,834	\$14.31	\$27.04
Class C Suburban	1,535,457	10,568	94,498	6.8%	8,142	-28,510	\$12.32	\$23.63
Suburban Totals	3,197,118	14,795	207,729	7.0%	-6,530	-49,072	\$14.50	\$26.53
WINNIPEG TOTALS	14,948,580	81,297	1,419,386	10.0%	58,395	69,314	\$15.20	\$29.38

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SF	TYPE
900 Lorimer	Suburban	Booke & Partners	12,000	Relocation
330 Portage	CBD	Rogers Communications	8,900	Renewal
1700 Ellice	Suburban	MKO	7,500	Relocation
330 Portage	CBD	Baker Tilly	5,500	Renewal

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SF	PRICE
730 Taylor Avenue	Suburban	10,024	\$2,550,000 / \$254
500 Dovercourt	Suburban	7,508	\$1,473,000 / \$196
211 Bannatyne	Central	5,307	\$1,400,000 / \$264

KEY CONSTRUCTION PROJECTS 2020

PROPERTY	SUBMARKET	CLASS	SF	OWNER/DEVELOPER
The District at Bridgwater	Suburban	B	133,000	Private Pension Partners
Tuxedo Business Park (Building 15)	Suburban	B	60,000	Terracon
The Refinery District (Building C)	Suburban	B	53,000	Hopewell Developments

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