

Winnipeg industrial sector adapting to changing market dynamics

▲ 3.5%
Availability Rate

▲ 31K
SF Net Absorption

▲ 169K
SF Under Construction

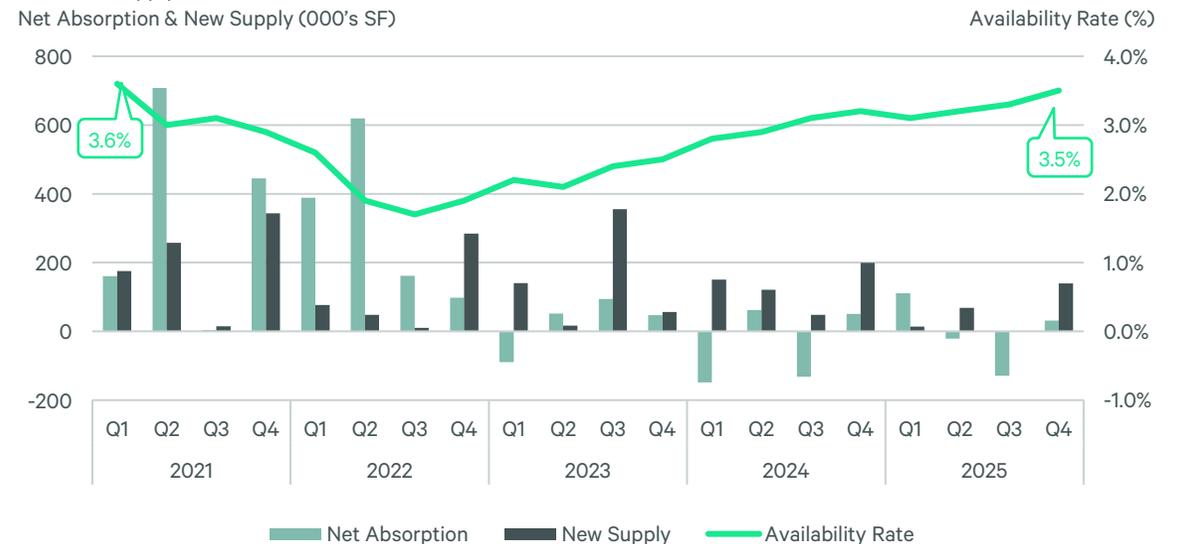
▲ \$11.38
PSF Net Asking Rate

Note: Arrows indicate change from previous quarter.

Market Summary

- Despite a negative figure on the overall net absorption for 2025, Q4 activity rebounded well and should translate into healthy leasing trends moving into 2026.
- 140,000 sq. ft. of new supply pushed availability rate up quarter-over-quarter yet market remains in healthy positive due to robust tenant activity.
- RMs of Rosser and MacDonald are primary submarkets experiencing further industrial development in the fourth quarter with all new supply brought to market in Q4 2025 being in one of those submarkets.
- Rental rates show little change from Q3 2025 but positive bump of \$0.41 per sq. ft. year-over-year.

FIGURE 1: Supply & Demand Industrial Market Fundamentals
Net Absorption & New Supply (000's SF)



Source: CBRE Research, Q4 2025.

Fourth quarter activity provides renewed optimism for 2026

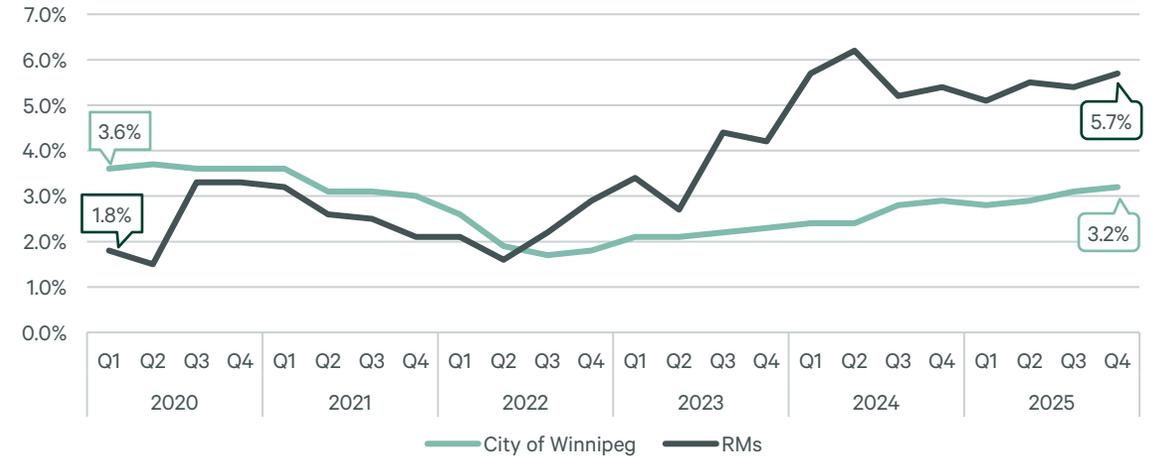
The Winnipeg industrial market concluded 2025 with a minor net negative absorption of 9,000 sq. ft. However, the fourth quarter recorded a positive net absorption of 31,000 sq. ft., a sign of optimism for the upcoming year. This positive momentum, though, coincided with a slight increase in the overall availability rate, which rose by 20 basis points (bps) to 3.5%. This uptick was primarily driven by the addition of 140,000 sq. ft. of new supply, all of which was concentrated in the RMs. The availability rate in the RMs, in particular, saw a 30 bps increase, reaching 5.7%. In contrast, the availability rate within the city limits experienced a more modest rise of 10 bps, reaching 3.2%.

The Northeast submarket within the city limits displayed the most significant shift in availability, with a notable 80 bps increase, matching the Q1 high of 5.7%. In the RMs, the most significant decrease in availability was recorded in Headingley, which saw a 60 bps drop, resulting in a 1.2% availability rate. This demonstrates the diverse dynamics in the market, with the RMs, in particular, showing a contrasting trend. Overall, the industrial market in Winnipeg, while facing a few headwinds, continues to stabilize, with the tenant activity, rental rates, and absorption trends suggesting a market in the process of adjusting to the recent developments.

Measured tenant activity results in rental rates holding pattern

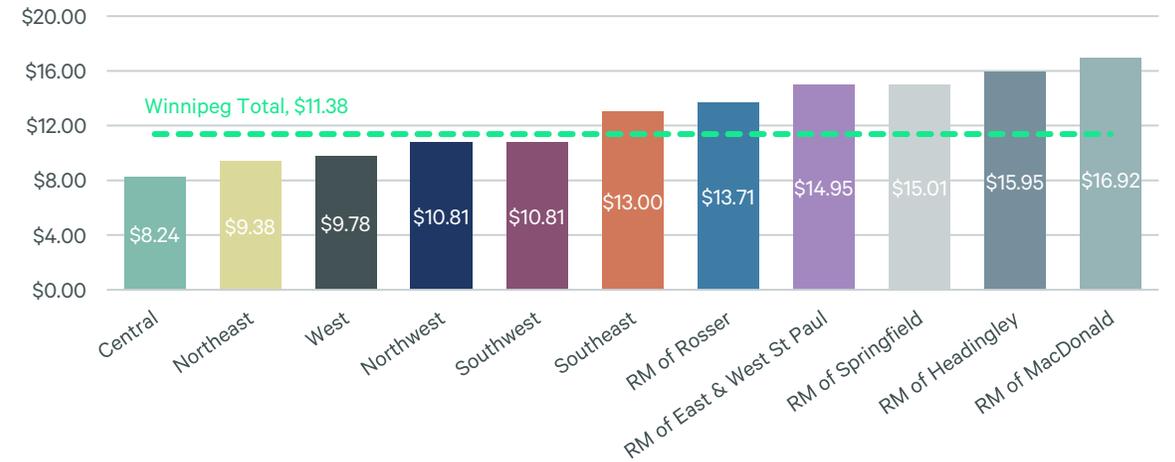
In Q4 2025, the Winnipeg industrial market experienced a small increase in overall rental rates, rising by \$0.03 per sq. ft. to reach \$11.38 per sq. ft. This figure reflects a \$0.41 per sq. ft. increase compared to the same period in 2024, showcasing a trend of stability in rental rates. While the city recorded only a slight change, the rental rates in the rural municipalities (RMs) saw a more significant uptick, with an increase of \$0.16 per sq. ft. This stability in rental rates, despite the fluctuations in availability, indicates a measured tenant activity, as the market adapts to recent developments. Tenant demand continues to reflect the overall health of the market, even as leasing activity experiences a slight softening.

FIGURE 2: Historical Industrial Availability Rate (%)



Source: CBRE Research, Q4 2025.

FIGURE 3: Net Rent by Submarket (PSF)



Source: CBRE Research, Q4 2025.

Industrial development and market outlook

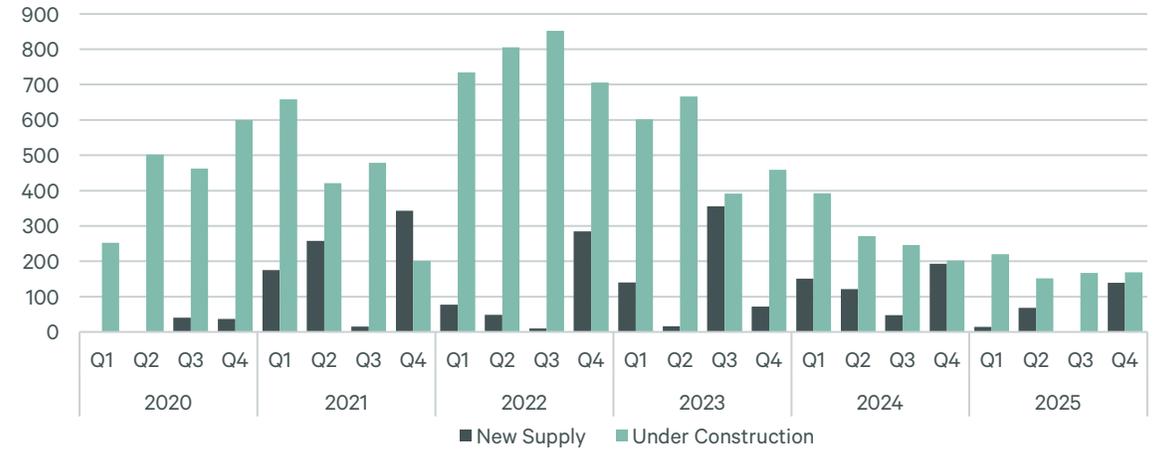
This quarter, the Winnipeg industrial market recorded the completion of 139,500 sq. ft. of new supply, all of which was introduced in the rural municipalities (RMs). The largest project was 20 Harvest Drive, which totals 112,000 sq. ft. in the RM of Rosser, with the developer, Group Touchette, occupying about 52,000 sq. ft. Two additional buildings were added in the South Landing development located in the RM of MacDonald, which together contributed 27,500 sq. ft. to the market. Currently, 169,000 sq. ft. is under development, primarily within the city, indicating a consistent level of activity.

Looking forward, the development landscape in Winnipeg is expected to maintain a controlled pace through 2026, as the market grapples with ongoing economic uncertainty and lowered industry confidence. While the 139,500 sq. ft. of new supply is a positive development, the market is taking a cautious approach, balancing tenant needs with the realities of a fluctuating economic environment. The focus on the RMs, which continue to experience upward pressure on rents, is key, as the market adapts to the shifting dynamics. Developers are likely to proceed with a more strategic mindset, ensuring new projects align with the evolving demand.

Notable Projects

- Group Touchette, the largest Canada-owned tire distributor, completed construction on their 112,000 sq. ft. facility located in the Brookside Industrial Park within CentrePort Canada. Roughly 52,000 sq. ft. of the building will be occupied by Group Touchette while the rest is being marketed for lease.
- P3 Realty is putting the final touches on their new small-bay industrial development located in the RM of MacDonald. This new development will provide a total 20,000 sq. ft. to one of the fastest growing industrial segments in the market.
- Smartrend Manufacturing Group continued work on their new facility aiming to consolidate their current three Winnipeg lease locations. The new building, located at 1455 Clarence Avenue, is currently expected to be 140,000 sq. ft. Smartrend plans to occupy 125,000 sq. ft. of the new development with the other 15,000 sq. ft. possibly being brought to the market for lease.

FIGURE 4: Construction vs. New Supply (000's SF)



Source: CBRE Research, Q4 2025.

FIGURE 5: Notable Projects Under Construction, Proposed and Complete

Project Status	Market	Property	Size (SF)	Type	Developer
Completed	R.M. of Rosser	Brookside Industrial Park	112,000	Design	Group Touchette
Completed	R.M. of MacDonald	36 South Landing Drive	20,000	Speculative	P3 Realty
Under Construction <i>Owner-occupied</i>	Southwest	1455 Clarence Avenue	140,000	Design	Smartrend

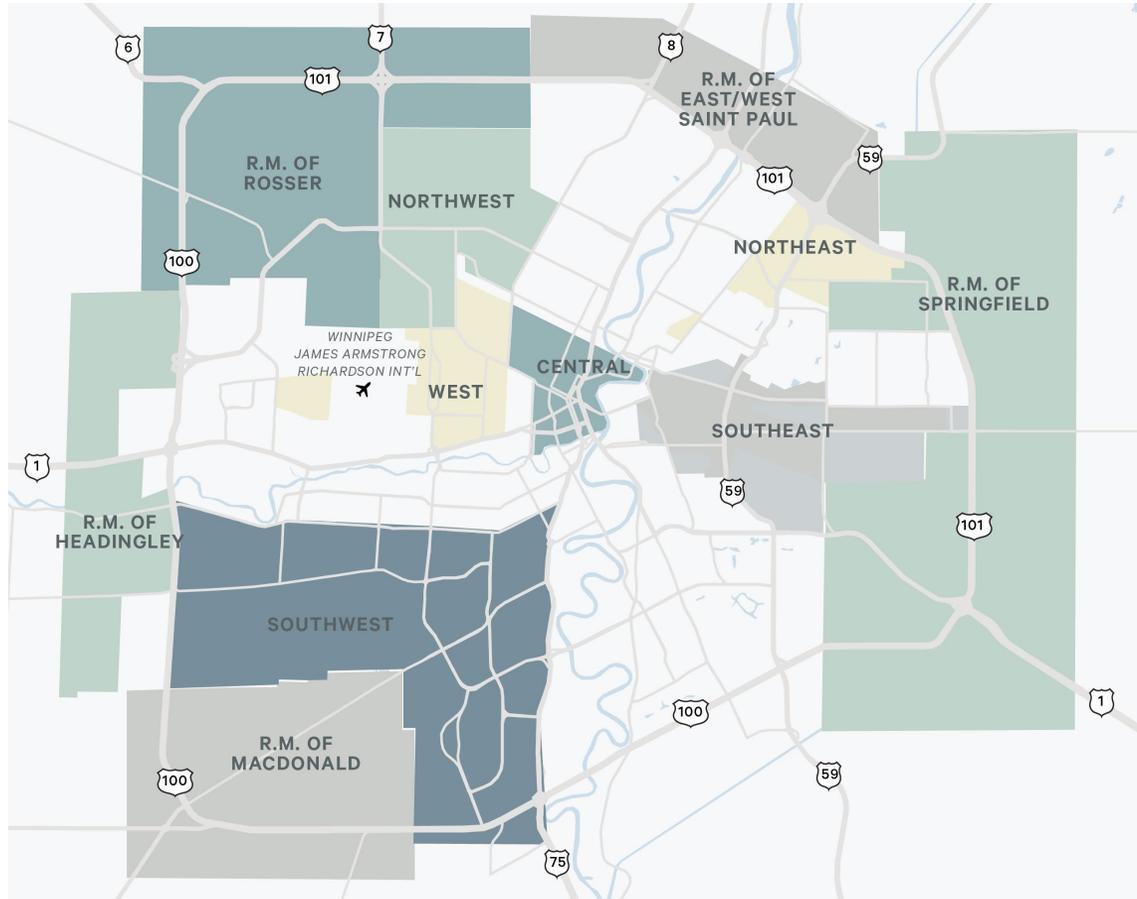
Source: CBRE Research, Q4 2025.

FIGURE 6: Winnipeg Industrial Market Statistics

Submarket	Inventory (SF)	Available Space (SF)	Availability Rate (%)	Sublease Space (SF)	Net Absorption (SF)	YTD Net Absorption (SF)	New Supply (SF)	YTD New Supply (SF)	Under Construction (SF)	Net Asking Rent (PSF)
Central	5,191,720	35,931	0.7%	0	0	33,871	0	0	0	\$8.24
Northeast	6,072,020	348,396	5.7%	0	-49,819	9,511	0	0	0	\$9.38
Northwest	14,606,693	653,033	4.5%	10,754	12,429	-69,763	0	0	0	\$10.81
Southeast	16,118,005	272,594	1.7%	44,934	1,648	140,442	0	12,000	108,000	\$13.00
Southwest	12,793,159	782,699	6.1%	11,569	-31,763	-372,548	0	0	0	\$10.81
West	22,894,105	358,847	1.6%	7,830	1,305	85,428	0	0	0	\$9.78
RM of Rosser	3,560,666	403,043	11.3%	15,560	91,956	117,543	112,000	126,136	0	\$13.71
RM of Headingley	971,846	11,200	1.2%	0	6,000	25,660	0	0	16,269	\$15.95
RM of MacDonald	1,490,080	90,046	6.0%	0	12,500	29,170	27,500	84,000	23,664	\$16.92
RM of Springfield	3,165,359	45,478	1.4%	0	-12,450	-21,070	0	0	21,000	\$15.01
RM of East & West St. Paul	978,448	30,392	3.1%	0	-740	12,879	0	0	0	\$14.95
Total	87,842,101	3,031,659	3.5%	90,647	31,066	-8,877	139,500	222,136	168,933	\$11.38

Source: CBRE Research, Q4 2025.

Market Area Overview



Definitions

Available sq. ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available sq. ft. divided by the total building Area. Net Absorption: The change in Occupied sq. ft. from one period to the next, based on Availability Rate. Net Lease Rate: Rent excludes one or more of the "net" costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied sq. ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant sq. ft. divided by the total Building Area. Vacant sq. ft.: Space that can be occupied within 30 days.

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