

Strategic supply influx meets robust demand, development accelerates

▲ 3.8%
Availability Rate

▼ -278K
SF Net Absorption

▲ 406K
SF Under Construction

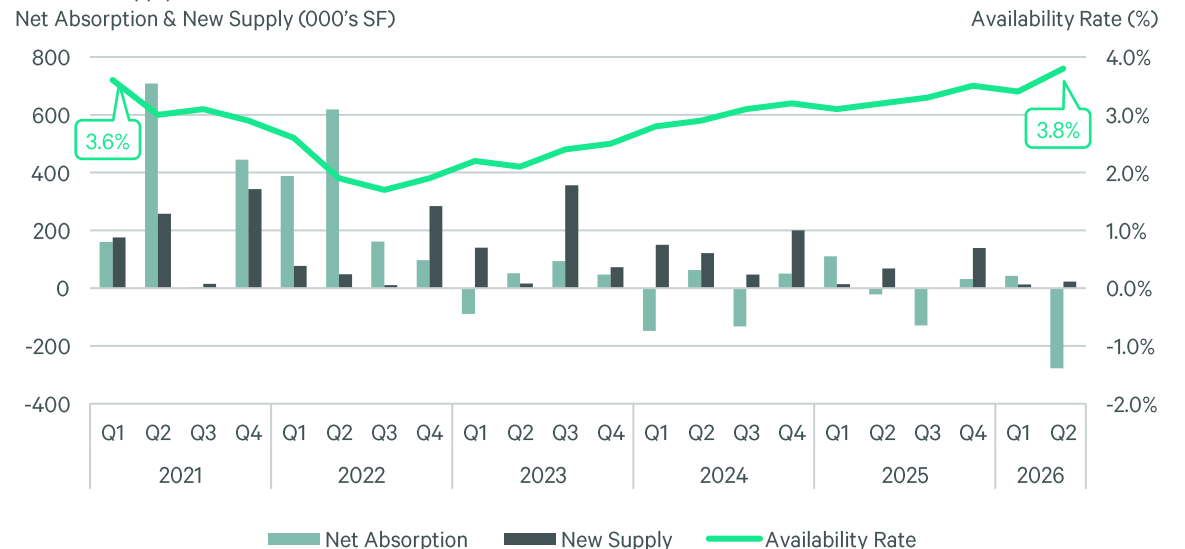
▼ \$11.14
PSF Net Asking Rate

Note: Arrows indicate change from previous quarter.

Market Summary

- The Winnipeg industrial market's negative net absorption and increased availability this quarter were predominantly influenced by the introduction of several unusually large listings. Underlying tenant activity remains robust, suggesting market performance was skewed by these specific large-scale availabilities.
- Rural Municipalities (RMs) demonstrated strong performance, achieving 93,000 sq. ft. of positive net absorption and a 70 basis point (bps) decrease in their availability rate. This contrasts with the city's overall increase in availability and negative absorption, indicating sustained demand for peripheral industrial locations.
- A slight dip in overall net rental rates to \$11.14 per sq. ft. was observed, but this is primarily due to lower-tier product with lower asking rents coming to market, not a broad reduction in landlord pricing. Higher-quality space continues to be absorbed at premium rates.
- Industrial development is strong, with 406,000 sq. ft. currently under construction, the highest figure since Q4 2023. This renewed momentum, following a post-boom absorption cycle, is driven by persistent tenant demand for modern, high-clearance industrial facilities.

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



Source: CBRE Research, Q2 2026.

Uptick in availability no cause for concern

The Winnipeg industrial market navigated a dynamic quarter in Q2 2026. While overall availability saw a 40 bps increase to 3.8% and negative net absorption registered 278,000 sq. ft., these figures were predominantly influenced by the introduction of several large listings to the market. Crucially, underlying tenant activity remained robust, indicating that the market's performance was skewed by these large-scale availabilities rather than a broad-based softening of demand.

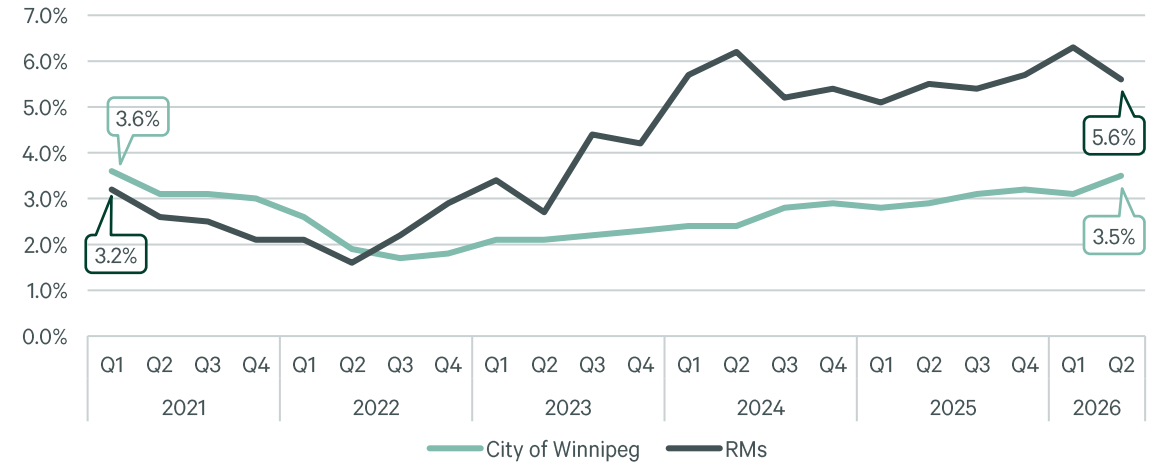
Within the city, the availability rate saw a 40 bps increase to 3.5%, driven by 371,000 sq. ft. of negative net absorption. The Northeast submarket was the most impacted, recording 380,000 sq. ft. of negative net absorption, in part, due to significant buildings coming to market. Conversely, the Southwest and Northwest submarkets achieved positive net absorption of 55,000 sq. ft. and 51,000 sq. ft., respectively. The West submarket also experienced a substantial negative shift, with 103,000 sq. ft. of negative net absorption contributing to an availability rate increase of 40 bps to 1.8% within the submarket.

In contrast to the city, the RMs showed strong performance this quarter, recording 93,000 sq. ft. of positive net absorption. This robust activity led to a decrease in the RM availability rate, dropping 70 bps to 5.6%. This indicates continued demand for industrial space in the peripheral areas, partially driven by the newer, more modern industrial product developed in the RMs over the last five years.

Rental rate experience dip as high-quality product absorbs

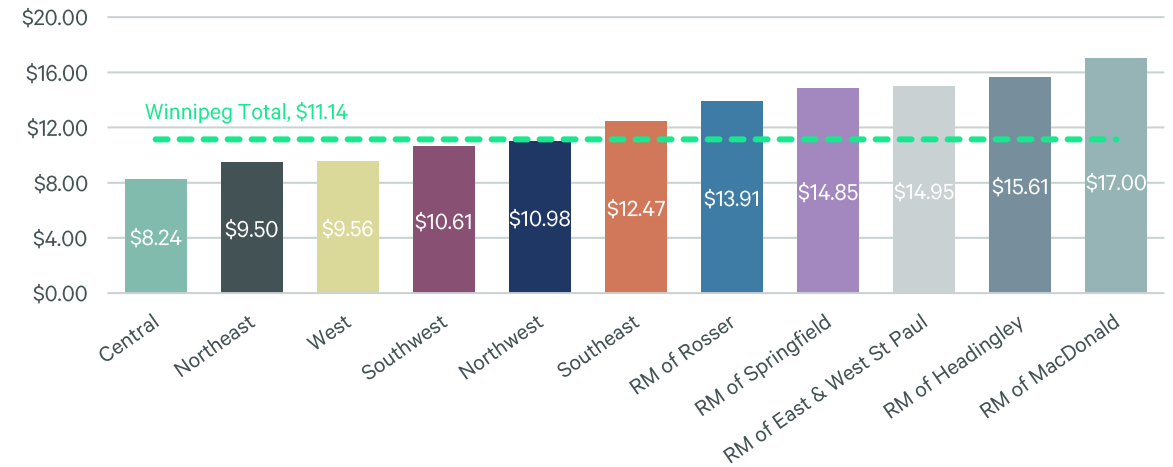
Overall net rental rates in the Winnipeg industrial market experienced a slight dip this quarter, decreasing by \$0.29 per sq. ft. to \$11.14 per sq. ft. This adjustment, however, primarily reflects a compositional shift within the market's available inventory, driven by the introduction of lower-tier product with commensurately lower asking rents coming to market and the continued absorption of higher-quality space that commands premium rental rates. Within the city, rental rates decreased by \$0.11 per sq. ft. to \$10.46 per sq. ft., with the Southeast submarket being the largest contributor to this decline, observing a \$0.68 per sq. ft. decrease. Similarly, in the RMs, rates saw a modest decline of \$0.18 per sq. ft., settling at \$14.40 per sq. ft. The RM of MacDonald notably influenced this regional average, experiencing a \$0.61 per sq. ft. decrease quarter-over-quarter.

FIGURE 2: Historical Industrial Availability Rate (%)



Source: CBRE Research, Q2 2026.

FIGURE 3: Net Rent by Submarket (PSF)



Source: CBRE Research, Q2 2026.

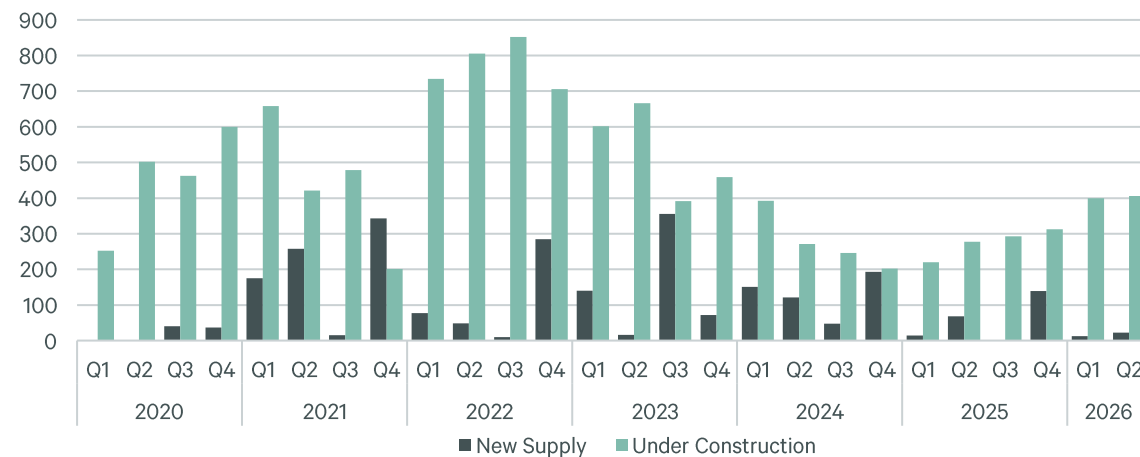
Industrial development and market outlook

Development activity continues to be a defining factor in shaping the Winnipeg industrial landscape, with 406,000 sq. ft. currently under construction. This marks the highest construction figure the city has observed since Q4 2023, signaling renewed momentum. The market previously experienced a significant development boom from mid-2020 through the end of 2023, delivering nearly 2 million sq. ft. of new product. Construction persisted at an elevated pace throughout this period, with the exception of a slight dip in late 2021. Following this intense period, a natural absorption cycle ensued, leading to a slight lull in the initiation of new industrial development. However, as much of that previously delivered product has now been successfully absorbed, development has begun to pick up with strong demand for high-clearance facilities featuring large loading docks and high electrical output. The sustained strong tenant activity underscores a fundamentally healthy market with ongoing, active requirements for quality industrial product both in the city and within the RMs.

Notable projects

- Construction continues on Whiteland Real Estate’s development at 354 Goldenrod Drive in the RM of Rosser. This expansion plans to add 69,000 sq. ft. to the existing building occupied by Nutrien, one of Canada’s largest fertilizer companies. Nutrien plans to occupy a portion of the expansion space with the remainder being marketed for lease.
- Construction has begun on two buildings located in Plessis Business Centre within the RM of Springfield. These properties consist of 15,000 sq. ft. each for a total of 30,000 sq. ft. and will feature grade loading. They are currently being marketed for lease.
- 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 125,000 sq. ft. Smartrend will likely occupy the full or close to the full building although there may be 10,000-15,000 sq. ft. available for lease.

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



Source: CBRE Research, Q2 2026.

FIGURE 5: Notable Projects Under Construction, Proposed and Complete

Project Status	Market	Property	Size (SF)	Type	Developer
Under Construction	RM of Rosser	Brookside Industrial Park	69,000	Speculative	Whiteland
Under Construction	RM of Springfield	29 & 35 Autumn Way	30,000	Speculative	Private
Under Construction <i>Owner-occupied</i>	Southwest	1455 Clarence Avenue	125,000	Design Build	Smartrend

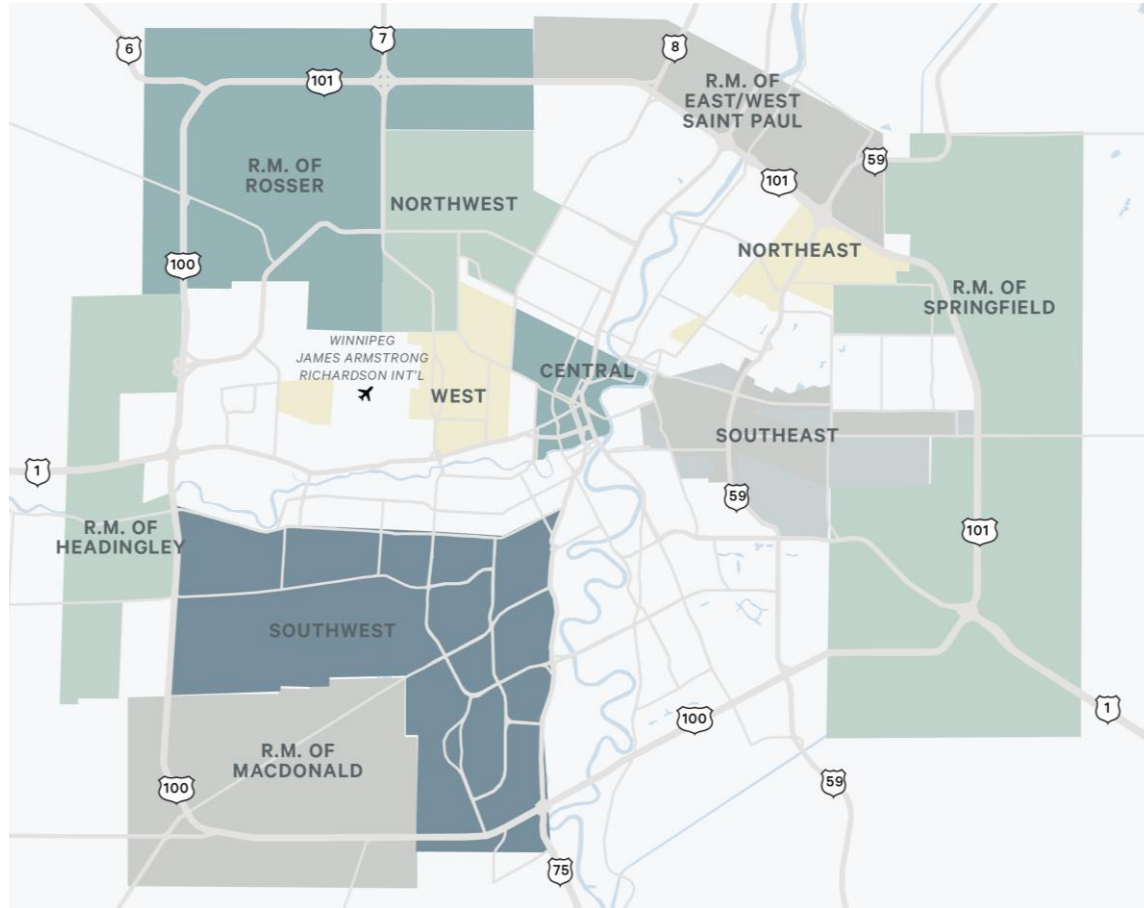
Source: CBRE Research, Q2 2026.

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	5,148,864	34,460	0.7%	0	24,000	1,471	0	0	0	\$8.24
Northeast	6,080,770	650,859	10.7%	0	-380,268	-302,463	0	0	0	\$9.50
Northwest	14,449,949	698,685	4.8%	11,350	51,416	-45,652	0	0	0	\$10.98
Southeast	16,040,155	310,407	1.9%	40,033	-18,623	-37,813	0	0	96,000	\$12.47
Southwest	12,788,659	620,315	4.9%	18,686	55,322	162,384	0	0	125,400	\$10.61
West	22,885,961	416,378	1.8%	21,000	-102,500	-57,531	0	0	0	\$9.56
RM of Rosser	3,575,751	433,643	12.1%	15,560	25,899	-30,600	0	0	69,150	\$13.91
RM of Headingley	983,689	11,120	1.1%	0	13,149	16,349	16,269	16,269	28,800	\$15.61
RM of MacDonald	1,502,428	65,815	4.4%	0	25,803	36,579	0	12,348	11,316	\$17.00
RM of Springfield	3,174,016	53,749	1.7%	0	-271	-2,271	6,000	6,000	75,000	\$14.85
RM of East & West St. Paul	978,448	6,264	0.6%	2,000	28,392	24,128	0	0	0	\$14.95
Total	87,608,690	3,301,695	3.8%	108,629	-277,681	-235,419	22,269	34,617	405,666	\$11.14

Source: CBRE Research, Q2 2026.

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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