CBRE

Uptick in development as tenant demand for new-age product rises

▼ 3.4%
Availability Rate

▲ 42K
SF Net Absorption

▲ 426K
SF Under Construction

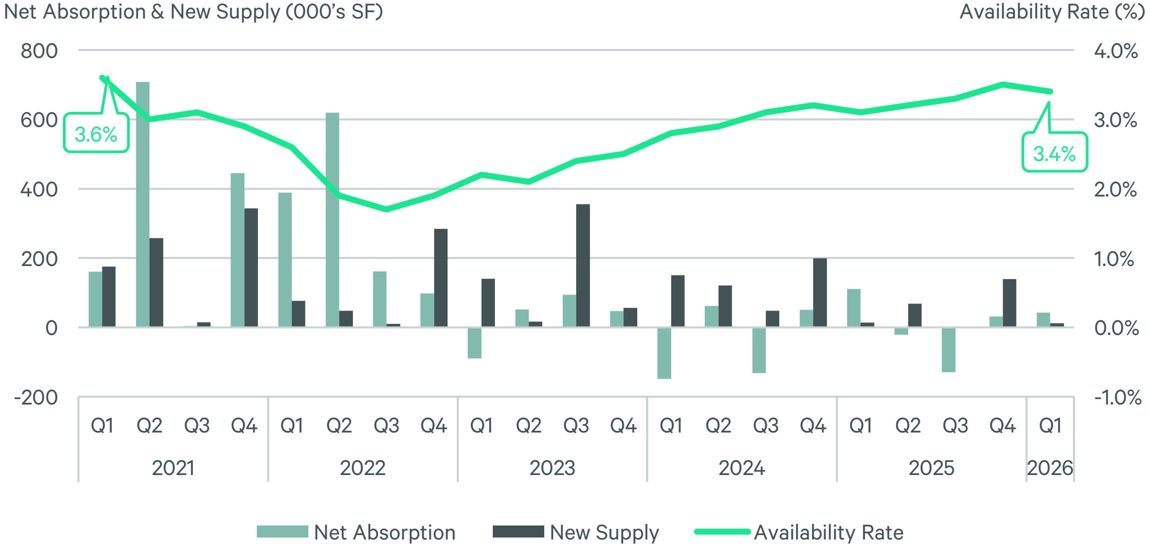
▲ $11.43
PSF Net Asking Rate

Note: Arrows indicate change from previous quarter.

Market Summary

- Tenant activity steady as recent industrial developments begin to be absorbed, allowing developers to look at further new development in the coming quarters.
- Positive net absorption of 42,000 sq. ft. led to a 10 basis point (bps) decrease in the overall industrial availability rate.
- 426,000 sq. ft. of industrial product is currently under development throughout the city and RMs, the highest construction figure observed since Q4 2023.
- Industrial average rental rates remained level with a slight bump of $0.05 per sq. ft. quarter-over-quarter, settling at $11.43 per sq. ft.

FIGURE 1: Supply & Demand Industrial Market Fundamentals



Source: CBRE Research, Q1 2026.

Navigating Shifting Dynamics in the Winnipeg Industrial Market

The Winnipeg industrial market demonstrated resilience in Q1 2026, recording a positive net absorption of 42,000 sq. ft., indicating continued demand for industrial space. This positive absorption contributed to a slight decrease in the overall availability rate, which dropped by 10 bps to 3.4%. The market has shown stability over the last six quarters six quarters, swinging by no more than 30 bps in a given quarter since Q3 2024. Product with ceiling heights of 26' or greater continued to perform well in both the city and the RMs, highlighting the ongoing demand for newer, more modern industrial space.

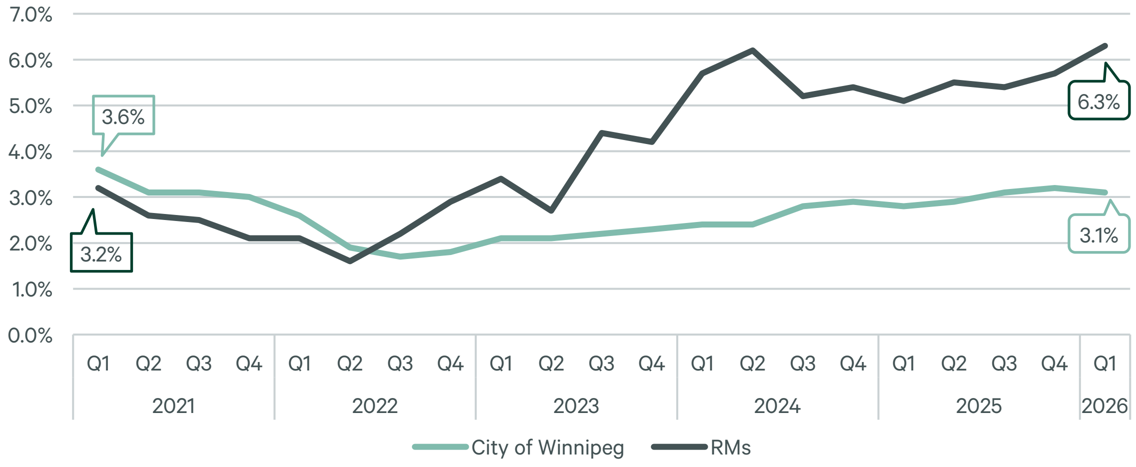
Within the city, availability decreased by 10 bps to 3.1%, driven by 91,000 sq. ft. of positive net absorption. The Northeast submarket saw a decrease in availability, dropping from 5.7% to 4.5% due to 78,000 sq. ft. of positive net absorption, while the Northwest saw a negative net absorption of 97,000 sq. ft., increasing its availability rate from 4.5% to 5.2%. The Southwest submarket demonstrated strong performance, with the availability rate decreasing from 6.1% to 5.3% due to 107,000 sq. ft. of positive net absorption.

Adversely, the RMs experienced 49,000 sq. ft. of negative net absorption which led to a 60 bps increase to a 6.3% availability rate. The most significant contributor was the RM of Rosser which saw 56,000 sq. ft. of negative net absorption lead to a 160 bps increase in the availability rate, now at 12.9%.

Rental Rate Performance: Demand Continues to Dictate Rates

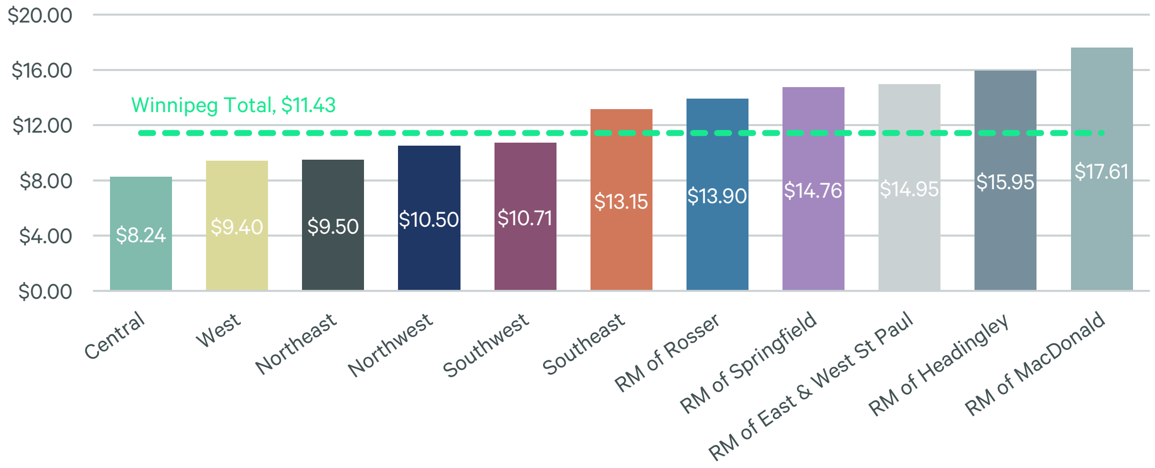
Rental rates in the Winnipeg industrial market remained stable, reflecting the underlying strength of the market and continued demand for industrial space. Overall, net rents saw a modest increase of $0.05 per sq. ft., reaching $11.43 per sq. ft., indicating a sustained level of tenant activity. Within the city, rental rates experienced a slight decrease of $0.09 per sq. ft. leading to a rate of $10.57 per sq. ft. the largest decrease was observed in the Northwest submarket where a $0.31 per sq. ft. drop led to a rental rate of $10.50 per sq. ft. Rental rates in the RMs showed a positive trend, with an increase from $14.42 to $14.58 per sq. ft. Specifically, the RM of MacDonald experienced a significant increase in rental rates, jumping from $16.92 to $17.61 per sq. ft., while the RM of Rosser saw a modest increase in rents of $0.19 per sq. ft. to $13.90 per sq. ft., despite an increase in availability.

FIGURE 2: Historical Industrial Availability Rate (%)



Source: CBRE Research, Q1 2026.

FIGURE 3: Net Rent by Submarket (PSF)



Source: CBRE Research, Q1 2026.

Industrial Development and Market Outlook

The Winnipeg industrial market continues to see measured development activity, reflecting a cautious yet optimistic approach. The focus remains on delivering new product that aligns with the evolving needs of tenants, particularly those seeking modern, high-clearance space. Overall, 426,000 sq. ft. of industrial product is under development throughout the city and the RMs. The development is spread across multiple submarkets and RMs. In the RM of Springfield, 81,000 sq. ft. is currently under construction, with a strong presence in the Plessis Commercial Centre, located just south of the St. Boniface Industrial Park. 69,000 sq. ft. is under development in the RM of Rosser while 248,000 sq. ft. I under development in the city limits split between the Southwest and Southeast submarkets. Tenant activity remains elevated and absorption of newer product has picked up in recent quarters which could spur developers to take a look at additional development in an attempt to keep up with the demand for high quality new-age industrial product.

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

Source: CBRE Research, Q1 2026.

Notable Projects

- Site work has begun 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 2 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 140,000 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 5: Notable Projects Under Construction, Proposed and Complete

Project Status	Market	Property	Size (SF)	Type	Developer
Under Construction	R.M. of Rosser	Brookside Industrial Park	69,000	Speculative	Whiteland
Under Construction	R.M. of Springfield	29 & 35 Autumn Way	30,000	Speculative	Private
Under Construction *Owner-occupied*	Southwest	1455 Clarence Avenue	140,000	Design	Smartrend

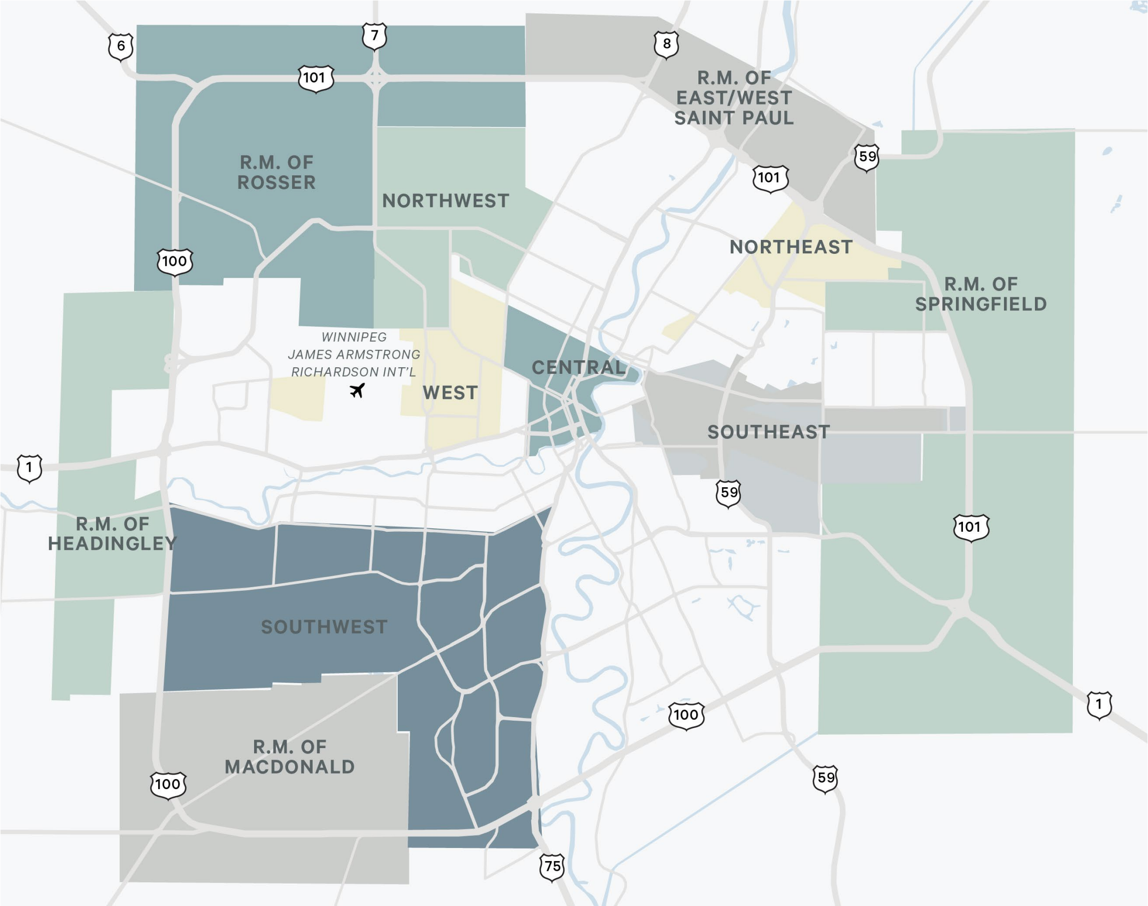
Source: CBRE Research, Q1 2026.

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	58,460	1.1%	0	-22,529	-22,529	0	0	0	$8.24
Northeast	6,072,020	270,591	4.5%	0	77,805	77,805	0	0	0	$9.50
Northwest	14,449,269	750,101	5.2%	22,104	-97,068	-97,068	0	0	0	$10.50
Southeast	16,010,005	291,784	1.8%	38,533	-19,190	-19,190	0	0	108,000	$13.15
Southwest	12,788,659	675,637	5.3%	18,686	107,062	107,062	0	0	140,000	$10.71
West	22,885,951	313,878	1.4%	0	44,969	44,969	0	0	0	$9.40
RM of Rosser	3,575,751	459,542	12.9%	15,560	-56,499	-56,499	0	0	69,150	$13.90
RM of Headingley	958,421	8,000	0.8%	0	3,200	3,200	0	0	16,269	$15.95
RM of MacDonald	1,502,428	91,618	6.1%	0	10,776	10,776	12,348	12,348	11,316	$17.61
RM of Springfield	3,167,516	47,478	1.5%	0	-2,000	-2,000	0	0	81,000	$14.76
RM of East & West St. Paul	978,448	34,656	3.5%	0	-4,264	-4,264	0	0	0	$14.95
Total	87,537,332	3,001,745	3.4%	94,883	42,262	42,262	12,348	12,348	425,735	$11.43

Source: CBRE Research, Q1 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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