



# Winnipeg office market report

Q4 2023

**AVISON  
YOUNG**

# Office market trends

## 01

### Work hybrid model

Four years post pandemic, it is clear that the future of work in the office market will continue to include the hybrid model. Many of the largest employers in downtown Winnipeg (Canada Life, Wawanesa Insurance, University of Winnipeg, Manitoba Hydro) utilize the hybrid system – more than 90% of the staff (3,500) of Canada Life work within the hybrid system. 72% of the 594 full-time employees at the Workers Compensation Board work within the hybrid system with no plans to change the same. The University of Winnipeg initiated a program allowing a number of participants from its 978 faculty and staff to work remotely up to twice per week – the U of W is now creating a formal policy to support remote work. Once their new office building at True North Square opens in early 2024, 1,300 employees at Wawanesa will work downtown part time.

## 02

### Landlords modify current spaces

The higher demand for quality office space has increased the focus of landlords to modify their spaces to encourage employees back to on-site work and the prospect of interest rate cuts in 2024 is expected to be a welcome relief to help landlords, tenants and investors move forward with renovation decisions.

The anticipated finalization of a City of Winnipeg funding program to incentivize developers to convert office buildings into multi-family could provide further opportunities for redevelopment for existing buildings with significant vacancies.

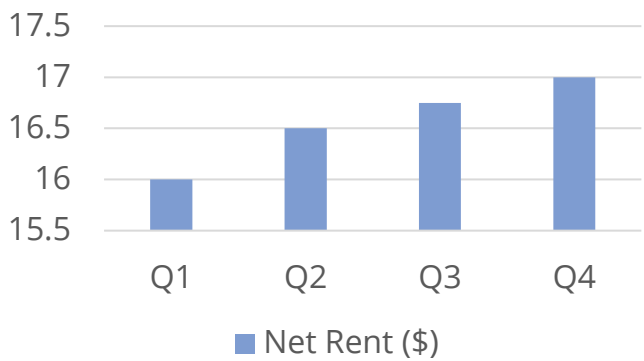


# Office market trends

04

## Suburban space high in demand

A strong quarter for the Winnipeg suburban market supported by the steady increase of net rent and a declining vacancy rate which included the leasing of 50 Fultz Blvd. (25,600 sf). This leasing activity indicates confidence among landlords in renewed tenant demand and is projected to continue into 2024.



05

## Unemployment rate

National unemployment rate is 5.8%  
Winnipeg unemployment rate is 4.2%





# Winnipeg area market fundamentals

19,176,082

total market inventory (sf)  
(downtown / suburban)



Up from 18,636,920 in Q3 2023

17.0

average vacancy rate (%)  
(downtown)



Up from 16.0% in Q3 2023

11.2

average vacancy rate (%)  
(suburban)



Down from 11.4% in Q3 2023

\$16.32

average net rent (psf)  
(downtown)



Up from \$16.25 in Q3 2023

\$17.00

average net rent (psf)  
(suburban)



Up from \$16.75 in Q3 2023

205,428

total sf  
for sale



Down from 525,569 in Q3 2023

For more market insights  
and information visit  
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