

2021

Victoria

Retail Market Report

Shopping Centre Metrics

2021 Absorption	2020 Absorption
82K SF	-54K SF
5-Year Average	10-Year Average.
31K SF	38K SF

Downtown Street Front Vacancy

Q4 2021	Year-over-Year
7.9%	▲ 190 bps

Shopping Centre Vacancy

Q4 2021	Year-over-Year
4.0%	▼ 180 bps

Development

New Supply	Under Construction
0 SF	434K SF

**Weighted Average
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Market Outlook

During 2021, many wondered how the global pandemic would continue to impact the retail market. The sector proved to be resilient throughout the year, with many retail businesses changing normal practices to accommodate the restrictions created to ensure the safety of the general population. In addition, government subsidies for businesses provided much needed support for the retail sector.

In 2021 Victoria's downtown street front continued to combat the effects of the pandemic. At year end street front vacancy was 7.9% up from 6.0% at 2020 year end. An interesting sidebar is that approximately 1.9%, nearly all new vacancy, is slated for redevelopment. This redevelopment vacancy is generally caused by developers only willing to allow for short-term rentals.

The downtown street front market has faced two years of significantly reduced tourism and office tenant traffic due to the ongoing pandemic. From a tourism perspective, Victoria welcomed 264 cruise ships in 2019 compared to zero in 2020 and 2021. Additionally, there was no tourism from the United States as the US-Canada border had been closed for a 19-month period and only recently opened in November 2021. The upcoming year is looking optimistic with 350 cruise ships scheduled to arrive in Victoria in 2022 and the US-Canada border remaining open. It is also anticipated that office tenant occupancy will increase as we head into the spring market which will bring lunch time foot traffic to retailers.

Retail shopping centres in Greater Victoria saw positive absorption and a reduced vacancy rate in 2021 compared to 2020,

where the pandemic challenged the sector more severely. The decrease in vacancy was shown at most regional and community suburban centres including Hillside, Mayfair, and Uptown. This is likely a result of several factors including the opening of the economy throughout the year and lack of new supply. There is also increasing demand on existing centres with the rising population, 5,876 people in 2021, in the Greater Victoria Area.

Retail development continues to thrive amid the pandemic. The Quality Foods anchored Commons at Royal Bay in Colwood will add roughly 76,000 square feet of retail space to the Westshore with completion scheduled for Q1 2023. The \$230 million redevelopment plan by Wesbild at University Heights in Saanich will feature 600 mixed-use residential units and 218,000 square feet of retail space. Highbury Asset management is proposing a sizeable shopping centre in Sooke and is seeking approval in 2022.

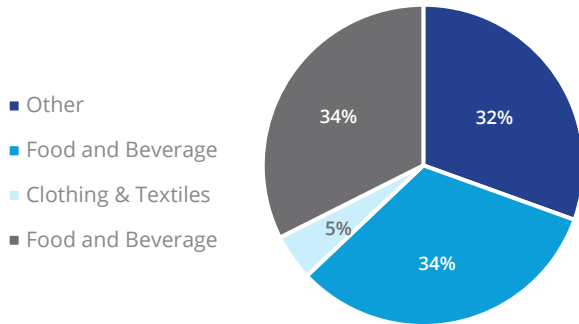
Investment in retail has been a high point in the Victoria market hitting \$425 million in sales in 2021. This is a significant increase year-over-year with 2020 recording \$48 million in total sales for the retail sector. Primary sales that attribute to the volume in 2021 include Mayfair Mall and Eagle Creek Village.

Overall, the Victoria retail sector has fared well during these challenging times, and it is expected to see the market strengthening over the next year as we get closer to pre-pandemic conditions.

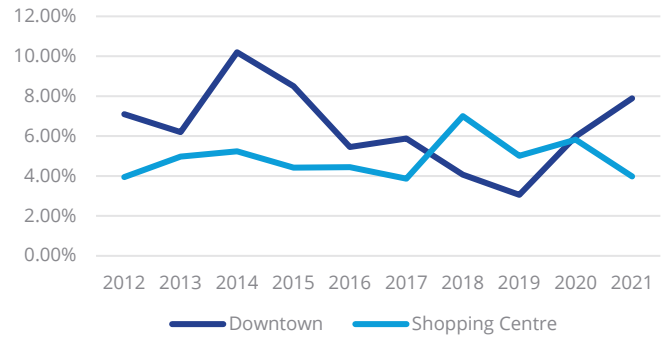
Accelerating success.

Market Overview

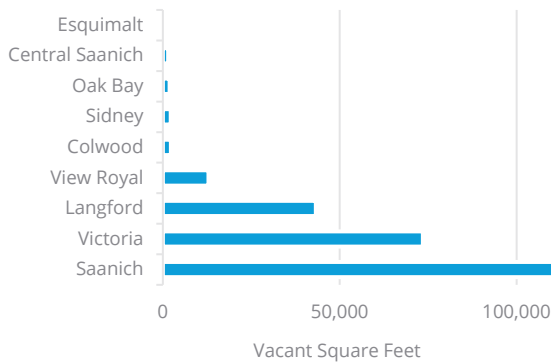
01 Leased Area by User Type in 2021 By Industry Type



02 Street Front vs. Shopping Centre Vacancy 2012 - 2021



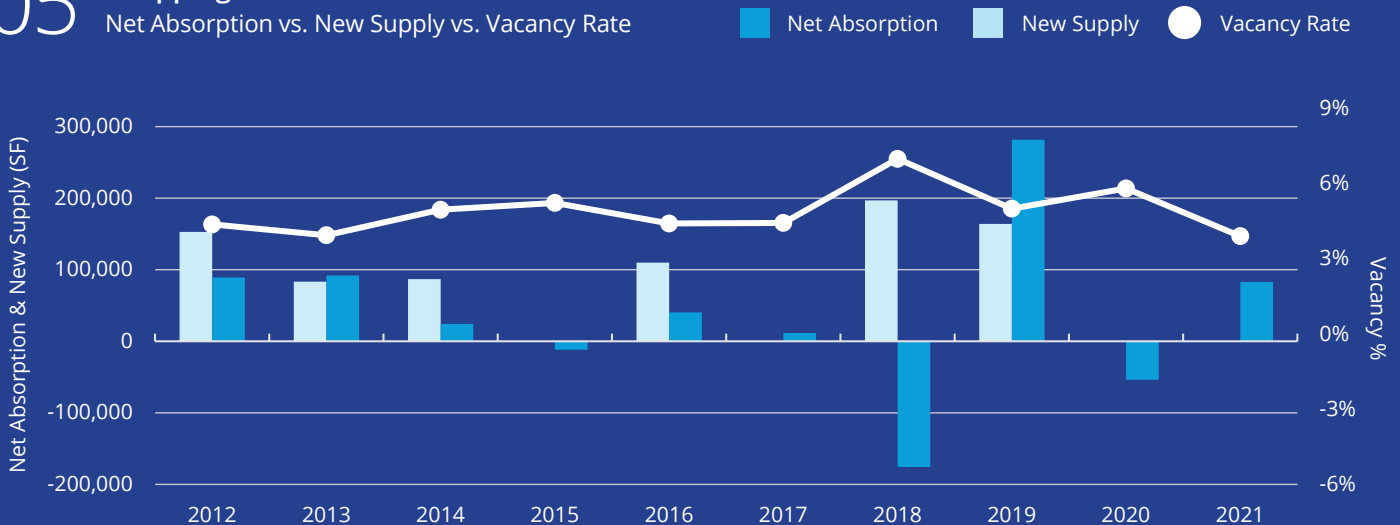
03 Shopping Centre Vacancy By Region



04 Downtown Vacancy Comparison Q4 2020 - Q4 2021

	2020	2021	2022* *projected
Vacancy	▲	▼	▲
Net Absorption	▼	▲	▼
New Supply	◄	◄	▲
Rental Rate	▼	▲	▲

05 Shopping Centre Historical Overview Net Absorption vs. New Supply vs. Vacancy Rate



Market Statistics & Transaction Highlights

Centres	#	Total Inventory (SF)	Total Vacant (SF)	Vacancy Rate (Q4'21)	Vacancy Rate (Q4'20)	Net Absorption 2021 (SF)	Net Absorption 2020 (SF)	Net New Supply (SF)
Shopping Centre Vacancy By Region								
Victoria	18	2,106,339	73,509	3.5%	4.9%	27,861	11,296	0
Saanich	24	2,122,914	111,462	5.3%	7.8%	27,251	-61,601	0
Central Saanich	6	149,657	1,500	1.0%	1.0%	0	0	0
Langford	8	1,009,406	43,237	4.3%	5.1%	8,868	-4,244	0
View Royal	5	327,152	12,895	3.9%	4.3%	1,100	-1,037	0
Colwood	3	94,533	2,241	2.4%	14.7%	11,649	0	0
Esquimalt	2	65,415	0	0.0%	5.8%	3,819	-3,024	0
Oak Bay	3	45,439	1,870	4.1%	5.9%	823	-204	0
Sidney	6	167,255	2,200	1.3%	3.3%	3,328	2,051	0
Sooke	3	124,424	2,867	2.3%	0.0%	-2,867	3,000	0
North Saanich	1	86,000	0	0.0%	0.0%	0	0	0
Shopping Centre Vacancy By Type								
Regional	7	2,819,632	140,265	5.0%	6.3%	37,099	9,751	0
Community	4	924,464	44,963	4.9%	8.9%	11,528	-54,821	0
Neighbourhood	37	2,015,697	36,213	1.8%	3.1%	26,485	3,181	0
Convenience	31	557,226	30,340	5.4%	7.1%	7,720	-11,874	0
Market Totals	79	6,317,019	251,781	4.0%	5.8%	82,832	-53,763	0

Notable Lease Transactions

Tenant	Address	Market	Lease Type	Size (SF)
James Curtis Home	1630 Store Street	Victoria	Renewal	4,947
Miranda Optometry	2968-2972 Jacklin Road	Langford	Head Lease	3,422
Haunted Mansion Mini Golf	715 Yates Street	Victoria	Head Lease	3,057

Notable Sales Transactions

Building Name / Address	Market	Size (SF)	Sale Price	Purchaser
Mayfair Mall / 3147 Douglas Street	Saanich	487,937	Confidential	Central Walk
Eagle Creek Village / 33 Helmcken Road	View Royal	229,451	Confidential	Pattison Group
4144 Wilkinson Road	Saanich	18,111	Confidential	BC Investor
3750 Shelbourne Street	Saanich	16,719	Confidential	BC Investor
2000 Cadboro Bay Road	Oak Bay	11,960	Confidential	BC Investor
2297 Beacon Avenue	Sidney	7,277	Confidential	BC Investor

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