

VANCOUVER, BC

Retail Q4 2019

\$82,123

Median HH Income

YoY Chg



12-Mo. Forecast



30K

Population Growth



5.9%

Canada Unemployment Rate



Source: Statistics Canada

CANADIAN ECONOMIC INDICATORS Q4 2019

1.9%

GDP Growth

YoY Chg



12-Mo. Forecast



1.7%

Consumer Spending Growth



0.3%

Retail Sales Growth



Source: Conference Board of Canada

ECONOMY: Vancouver is Growing

Due to a growing population, the Vancouver economy continues to benefit and is quickly becoming Canada's new hub for tech companies, such as Salesforce, Disney, Sony and Samsung – just to name a few. Along with those, Microsoft and Amazon are both heavily invested in the city. With several major global companies in the city, the purchasing power of Vancouver has seen a noticeable change with a 2.8% increase in retail sales from 2018; well up from the 0.01% increase in 2017-2018. Many of these global companies are also offering rental allowances to their international employees, which eases their living expenses and allows for higher disposable income.

Source: Conference Board of Canada

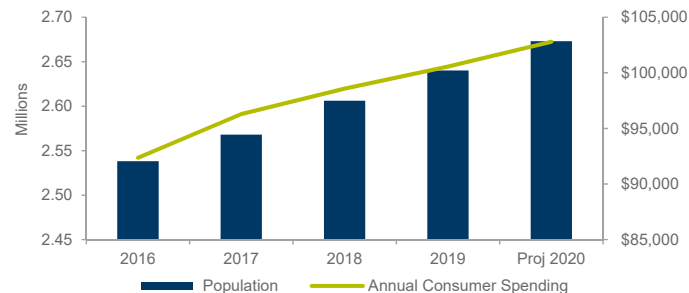
SUPPLY AND DEMAND: Location is Everything

Langley and the North Shore have experienced positive leasing absorption in their neighbourhood malls in the final stretch of 2019, whereas the Surrey and Tri Cities markets have seen marginal increases in vacancy. In the downtown core, office towers and retail space are becoming increasingly difficult to find, with every building having either 0% vacancy, or positive net absorption. South Granville has seen limited leasing activity with recent closures of Ouisi Bistro, Plum, and West Restaurant. A driving factor behind these closures are rising taxes due to increasing land values. Summarizing supply and demand, Vancouver's retail sector finished 2019 with a total negative absorption of 73,000 square feet.

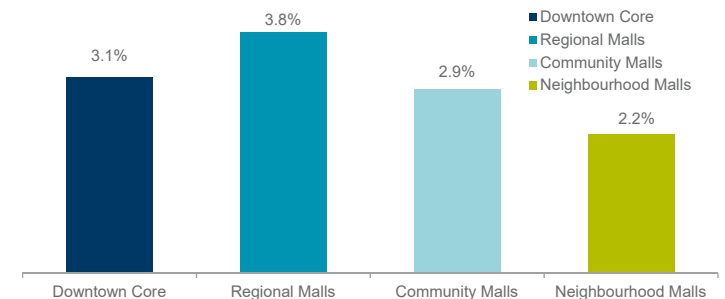
PRICING: Tough to Come to Terms

Known around the world for the current status of its residential housing prices, Vancouver's retail sector is also in an interesting state. The price discrepancies between what landlords are asking and what tenants will pay has led to pricing debates. Additionally, the realization that space is worth more to sell vacant, rather than finding a tenant to sign a lease, has also received attention. Mixed-used developments are a trend that has gained serious traction and is changing the landscape of the Vancouver sky line, particularly in Metrotown and Oakridge. It is projected that the market will continue to see similar developments be built over the course of the next 5-10 years, as the profitable statistics come in from those that are already built. Lastly, Robson, Granville, and Georgia remain the hot streets of Vancouver where rental rates are high and therefore difficult for some local businesses to afford, but also where retailers are benefiting from the high concentration of prospective clientele.

VANCOUVER POPULATION & ANNUAL CONSUMER SPENDING



AVAILABILITY BY PRODUCT TYPE



Retail Q4 2019

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	TOTAL BUILDINGS	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR NET ABSORPTION (SF)	OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)
Regional Malls	17,278,394	25	683,669	4.0%	-48,878		-48,878
Community Malls	11,247,227	60	325,533	2.9%	-21,682		-21,682
Downtown Core (Office Towers)	1,058,879	34	32,387	3.1%	9,048		9,048
Burnaby	522,836	9	20,503	3.9%	-1,196		-1,196
Tri-Cities	1,062,054	16	14,228	1.3%	-10,630		-10,630
Richmond/Delta	1,542,478	22	23,960	1.6%	-3,303		-3,303
Langley	425,663	8	1,810	0.4%	4,054		4,054
Surrey	1,420,602	23	23,680	1.7%	-1,453		-14,453
North Shore	715,676	12	30,415	4.2%	597		597
Neighbourhood Malls	5,689,309	89	127,596	2.0%	-11,931		-11,931
VANCOUVER TOTALS	35,273,809	209	1,209,174	3.4%	-73,443		-73,443

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
220 Brew Street	Port Moody	Crunch Fitness	22,600	Headlease
4020 Bayview Street, Ste Bldg 2	Richmond	Goodlife Fitness	16,143	Headlease
7860 Alderbridge Way	Richmond	Transource Investment Corp.	10,000	Headlease
5630 176 th Street Unit 100	Surrey	Salvation Army	6,498	Headlease
1884 McCallum Road	Abbotsford	Canadian Western Bank	4,904	Headlease

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
ML Plaza	Abbotsford	ML Plaza Holdings Ltd. / ML Plaza Holdings Ltd.	35,217	\$15,000,000 / \$426
International Trade Centre Versante	Richmond	Mo Yeung International Enterprise / Broadway Camera (Broadway Camera Investments Ltd.)	10,259	\$11,000,000 / \$1,072
Howe Street Studios	Vancouver	Bonds Group of Companies / City of Vancouver - Government	10,872	\$6,984,000 / \$642
The Burquitlam Capital	Coquitlam	Magusta Burquitlam One Development Ltd / 1201623 B.C. Ltd.	10,534	\$6,480,000 / \$615
2786 Barnet Highway	Coquitlam	Dream Carpets Ltd. / O.K. Falls Auto Sales Inc	12,574	\$3,390,000 / \$270

KEY CONSTRUCTION COMPLETIONS 2019

PROPERTY	SUBMARKET	MAJOR TENANT	UNITS	OWNER / DEVELOPER
Vancouver House	Vancouver	Fresh ST	N/A	WestBank
The Independent	Vancouver	Nesters	N/A	Rize

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