

VANCOUVER, BC

Retail Q2 2021

CUSHMAN & WAKEFIELD

YoY
Chg 12-Mo.
Forecast

1.5M

Vancouver Employment



7.5%

Vancouver Unemployment Rate



7.8%

Canada Unemployment Rate



Sources: Statistics Canada

CANADIAN ECONOMIC
INDICATORS FORECAST 2021YoY
Chg 12-Mo.
Forecast

5.7%

Real GDP Growth



2.8%

Consumer Price
Index

7.0%

Retail Sales Growth



Source: Moody's Analytics

ECONOMY: The Comeback

With the province's reopening well underway, we have seen a strong return of foot traffic to shopping districts and core areas of Metro Vancouver. As the lockdowns lifted and measures were relaxed across British Columbia, Google data shows as of the end of June that Metro Vancouver is 3% below normal traffic for destinations including restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters. Workplaces remain approximately 33% below their normal numbers, which is anticipated to improve over the coming months but indirectly shows the population is returning to more normalized activity. Economic recovery is ramping up here and can be expected to gain significant momentum through the second half of 2021. With the dollars saved during the pandemic, British Columbians are now spending more compared to pre-pandemic levels and impressively over \$8 billion has been recorded in retail trade in each of the first four months of this year.

SUPPLY AND DEMAND: Vancouver Remains A Must For Retailers

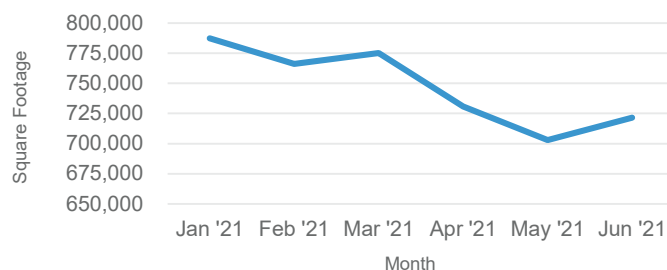
With a significant number of retailers, both large and small, in expansion mode as the economy recovers, Vancouver along with other cities in British Columbia are on their lists of sub-markets they are seeking a presence in. Recently we have seen notable brands such as Dollarama, Herschel Supply Co., Peloton, Athleta, and Lucid Motors expand their footprints in Metro Vancouver. These brands are just some of the over 10 retailers either actively expanding or entering the province supporting the notion that the retail sector in Vancouver and British Columbia remains in demand. With brands seeking space, a mix of interest has been seen with both street front and mall space. Other than the downtown core which was impacted in 2020 due to employees working from home, the Regional and Neighbourhood malls both saw positive absorption, while Community malls, due to a few large tenants' departing, experienced a small net negative absorption of 0.3%.

Looking at the country to prove Metro Vancouver's fortitude, Vancouver born lululemon athletica is expanding their presence in the retail core here, while we are seeing large companies like Banana Republic close their flagship location in another Canadian city, and reputable London Drugs closing multiple stores in other city cores as well.

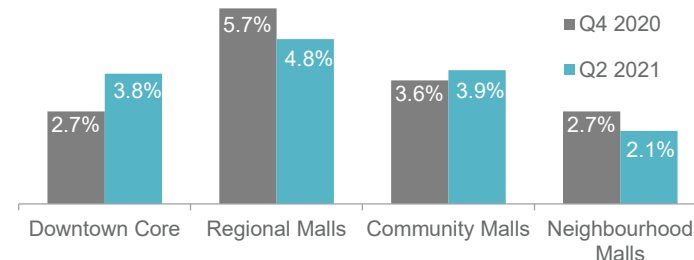
PRICING: All About Looking Forward

After the original market shock of COVID-19, vacancy numbers and prices have experienced notable change. Cushman & Wakefield is tracking numerous transactions completed at rates more comparable to pre-pandemic levels, and in certain instances, are seeing leases completed at increased rates. Some of the high-profile spaces that were vacated during the pandemic are drawing significant interest and closing at above normal rates, regardless of the pandemic. The market, however, remains in the tenants' favour with leases being signed with substantial inducements. As noted in the fourth quarter of 2020, lease rates rarely fell more than 5%-10% early in 2020, but as the focus shifts to 2021, activity and rates are returning to what one would expect in this historically resilient market.

VANCOUVER RETAIL AVAILABLE SF BY MONTH



AVAILABILITY BY PRODUCT TYPE



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	TOTAL BUILDINGS	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SF)	YTD OVERALL NET ABSORPTION (SF)
Regional Malls	17,278,394	25	825,020	4.8%	-155,590	-155,590
Community Malls	11,247,227	60	442,469	3.9%	-37,605	-37,605
Downtown Core (Office Towers)	1,058,879	34	39,843	3.8%	-11,329	-11,329
Burnaby	522,836	9	4,319	0.8%	10,767	10,767
Tri-Cities	1,062,054	17	35,205	3.3%	-24,043	-24,043
Richmond/Delta	1,478,220	21	37,302	2.5%	-221	-221
Langley	425,663	8	2,390	0.6%	-1,046	-1,046
Surrey	1,420,602	23	26,708	1.9%	-2,582	-2,582
North Shore	715,676	12	13,830	1.9%	-1,217	-1,217
Neighbourhood Malls	5,625,051	90	119,754	2.1%	1,538	1,538
VANCOUVER TOTALS	35,211,143	209	1,426,886	4.1%	-174,404	-174,404

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Poco Place Mall	Port Coquitlam	Michaels, The Arts & Crafts Superstore	21,300	Renewal
540 Granville Street	Vancouver	Dollarama	13,750	Headlease
Park Royal South	West Vancouver	Athleta	5,100	Headlease
CF Pacific Centre	Vancouver	Lucid Motors	4,100	Headlease
1755 W 4th Avenue	Vancouver	Duer	2,000	Headlease

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
6399, 6415 & 6435-6471 Victoria Drive	Vancouver	Private Investor / KAP Management (Unicorn Properties Ltd.)	45,257	\$42,500,000 / \$939
Lougheed Super Centre	Coquitlam	Nicola Wealth / Surrey Cedar Ltd	81,142	\$42,000,000 / \$518
Parallel Marketplace	Abbotsford	Shape Properties / Skyline Retail REIT	72,081	\$31,400,000 / \$436
Fortius Sport & Health	Burnaby	Fortius Foundation / City of Burnaby - Government	146,000	\$25,579,556 / \$175
Rodeo Square	Surrey	0746675 B.C. Ltd. / 1289143 B.C. Ltd. (Private Investor)	34,782	\$23,300,000 / \$670

KEY CONSTRUCTION COMPLETIONS 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SF)	OWNER / DEVELOPER
The Amazing Brentwood	Burnaby	The Rec Room	44,000	Shape Properties
The Amazing Brentwood	Burnaby	Cineplex	21,000	Shape Properties

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