

## ECONOMIC INDICATORS

National			
	2016	2017	12-Month Forecast
GDP Growth	1.3%	1.3%	▲
CPI Growth	1.5%	1.5%	▲
Consumer Spending Growth	1.5%	1.5%	■
Retail Sales Growth	3.8%	3.8%	▲

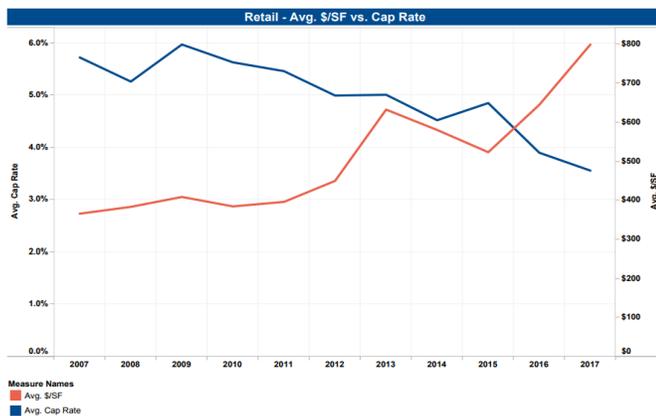
Regional			
	Q2 16	Q2 17	12-Month Forecast
Median Wage Rate	\$25.20	\$22.39	▲
Labour Force Population Growth	1.4%	1.4%	■
Unemployment Rate	5.2%	5.1%	▼

Source: Statistics Canada

## Economy

British Columbia's economy is on the rise, despite the slight downward trend experienced at the end of 2016, due in part to the cooling of the housing market. The previously forecasted growth rate of 1.7% now seems conservative, given how all sectors are running at full steam, and has since been amended to reflect a 3.6% growth rate, outpacing all other provinces in Canada. Strong net migration into B.C. has translated into population growth, currently at a 7-year high. All areas of retail sales are performing well (retailers, wholesalers, manufacturers, and restaurants). On the heels of the provincial election, many are speculating as to how much a change in government will impact future projects such as the Site C hydroelectric dam and the Transmountain pipeline expansion.

Source: RBC Economics



Source: Realnet

## Market Overview

The global retail market has recently seen its fair share of doom and gloom given the numerous announcements of chain retailers set to close their doors. This is due in part to the ever-changing landscape of the retail market, retail spending habits, and overall generation gap. Retail sales are strong across all provinces; however, British Columbia is well ahead with 2.9% growth, largely the result of strong sales at vehicle dealerships. Retail sales have remained consistently strong, especially in Vancouver.

Canadian shopping centres continue to do well as owners are quicker to realize that better design, the immigration of “new-to-Canada” retailers, as well as licensed restaurants are what seem to be driving interest from shoppers. In contrast, shopping centres in the United States are not faring as well and have seen a decline in sales over the past several quarters. According to a recent study by the Retail Council of Canada, a mall in the U.S. generates average sales of \$466 per square foot (psf) whereas Canadian malls easily surpass that number at \$744 psf, an interesting fact given that Americans generally have more disposable income than Canadians. Premium malls are investing in more amenities to prolong time spent by visitors and potential spenders. A great example of this is the development of The Amazing Brentwood (in Burnaby) and the renovation/expansion/redevelopment of Park Royal in West Vancouver. By the end of 2017, Park Royal will boast a remarkable roster of 22 anchor tenants, including: La Maison Simons, Best Buy, Winners, Saks OFF 5th, BC Liquor Store, Sport Chek, Whole Foods, Home Depot, Hudson's Bay, Indigo, Steve Nash Sports Club and Loblaws City Market.

Both redevelopments are adding substantial square footage to existing retail inventory as well as several residential towers. Although no anchor tenants have been announced at Brentwood, it is being branded as a “leisure and entertainment destination for the region” and is being marketed as an *experience*, not just a shopping destination.

Six of Canada's top 30 malls are in the Vancouver area, more per capita than any other region. Metro Vancouver has the highest average total sales productivity for malls in Canada (\$1,033) and less shopping centre space per capita than most Canadian regions. Despite median household income being lower than other regions, Vancouver boasts a considerable number of tourists as well as luxury retailers in two malls: CF Pacific Centre and Oakridge Shopping Centre. Nordstrom at CF Pacific Centre is one of the company's top performers, drawing local shoppers and tourists from abroad. Holt Renfrew recently expanded its CF Pacific Centre store and plans to continue adding new brands and specialty boutiques in 2017. In addition, Oakridge Centre is slated for an overhaul in 2017.

## Street Front Lease Rates

### SUBURBAN AREAS

SUBURBAN	AREA	RATE MIN	RATE MAX
Abbotsford	Central	\$ 20.00	\$ 32.00
Abbotsford	Sumas	\$ 15.00	\$ 45.00
Burnaby	Hastings – Boundary / Gilmore	\$ 25.00	\$ 40.00
Burnaby	Kingsway – Willingdon / Royal Oak	\$ 25.00	\$ 45.00
Burnaby	Kingsway / Metrotown	\$ 30.00	\$ 50.00
Delta	Scott Road	\$ 20.00	\$ 35.00
Langley	City	\$ 15.00	\$ 35.00
Langley	Township	\$ 20.00	\$ 40.00
New Westminster	Downtown	\$ 12.00	\$ 40.00
New Westminster	Uptown	\$ 12.00	\$ 50.00
North Vancouver	Lonsdale Avenue	\$ 25.00	\$ 50.00
North Vancouver	Marine Drive	\$ 25.00	\$ 50.00
Richmond	No. 3 Road	\$ 30.00	\$ 50.00
Surrey	Fleetwood / Cloverdale	\$ 18.00	\$ 40.00
Surrey	Newton	\$ 18.00	\$ 35.00
Surrey	North Surrey	\$ 30.00	\$ 45.00
Surrey	South Surrey	\$ 25.00	\$ 50.00
Tri Cities	Coquitlam, Port Coquitlam, Port Moody	\$ 20.00	\$ 45.00

### CENTRAL AREAS

CENTRAL	AREA	RENT MIN	RENT MAX
Vancouver	Alberni	\$ 150.00	\$ 250.00
Vancouver	Broadway / Cambie	\$ 30.00	\$ 60.00
Vancouver	Broadway / MacDonald	\$ 35.00	\$ 60.00
Vancouver	Chinatown / Crosstown	\$ 20.00	\$ 40.00
Vancouver	Commercial Drive	\$ 25.00	\$ 65.00
Vancouver	Denman – Davie	\$ 50.00	\$ 70.00
Vancouver	Dunbar	\$ 30.00	\$ 40.00
Vancouver	Gastown	\$ 40.00	\$ 60.00
Vancouver	Granville – Downtown	\$ 30.00	\$ 120.00
Vancouver	Granville – Broadway / 16th	\$ 45.00	\$ 80.00
Vancouver	Kerrisdale	\$ 40.00	\$ 55.00
Vancouver	Kingsway	\$ 20.00	\$ 40.00
Vancouver	Kitsilano / West 4th	\$ 30.00	\$ 75.00
Vancouver	Main Street	\$ 35.00	\$ 55.00
Vancouver	Robson	\$ 120.00	\$ 225.00
Vancouver	West 10th	\$ 25.00	\$ 35.00
Vancouver	Yaletown	\$ 30.00	\$ 65.00
Vancouver	UBC	\$ 45.00	\$ 75.00

Lease rates are based on the data from a collection of current listings from multiple sources including Loopnet, Spacelist, and brokerage firms' websites.

## Re-Shaping North Vancouver

North Vancouver is changing. Future attractions proposed for the area include a ferris wheel (approved as of June 2017 but only for seasonal use), outdoor ice rink, and amphitheatre. The Moodyville area, east of Lonsdale, will also be attracting thousands of new residents as approximately 300 detached homes will be replaced and/or relocated (depending on the heritage status) to make room for more than 2,000 units.

“Lower Lonsdale” area is reshaping and transforming, with the opening of Tap & Barrel (the largest Tap & Barrel location in the Lower Mainland) leading the way. Mixed-use developments have also secured restaurants such as Brown's to their location, where an outdoor patio is a huge draw on sunny summer days for many residents in that area.

In North Vancouver, several stores along Lonsdale Avenue have either closed or are relocating within new developments as several multi-family towers have sprouted up. Pearson's Home Hardware, which has been a staple on 13th and Lonsdale since 1980 is moving to Onni's CentreView development across the street and before that, Blue Shore Financial (formerly North Shore Credit Union) moved to Wesgroup's new mixed-use development, also on 13th and Lonsdale.

## Outlook

Although Robson Street is downtown Vancouver's most renowned retail corridor, “Luxury Row” (Alberni Street between Burrard and Thurlow) is making quite a name for itself as Vancouver's destination for high-end food and fashion. Adding to the impressive roster of tenants such as Hermes, Tiffany's, De Beers, and Stefano Ricci is Paris-based luxury jeweler Van Cleef & Arpels (the 2nd freestanding location after Toronto). It will open beside the prestigious TWG Tea – the very first location in North America, where a 100g bag of loose leaf tea is rumoured to cost as much as \$2,000. The augmented rental rates in this area continue to edge long-standing tenants off the strip. Last year, Kamei Royale Japanese Restaurant was forced to relocate (to Coal Harbour) and it was recently announced that Italian Kitchen will be moving to 860 Burrard Street, a few blocks away.

This high-end retail hub is likely linked to Vancouver's housing market, where international investors are investing millions in local real estate. While the real estate market had cooled briefly towards the end of 2016, Vancouver's luxury retail sector shows no sign of slowing down.

MARKETBEAT

## Vancouver, BC

Retail Q2 2017


 CELEBRATING  
**100**  
 YEARS

## Key Lease Transactions Mid-Year 2017

PROPERTY	SF	TENANT	LEASE TYPE	SUBMARKET
Metropolis at Metrotown	20,630	UNIQLO	New Lease	Burnaby
2302 West 4 <sup>th</sup> Avenue	16,000	Shoppers Drug Mart	New Lease	Vancouver
728 Granville Street	14,017	Tom Lee Music	Relocation	Vancouver
Metropolis at Metrotown	7,700	Muji	New Lease	Burnaby
19211 Fraser Highway	6,558	Sudo Asian Kitchen	New Lease	Surrey
Willoughby Town Centre	6,549	Tiny Hoppers Daycare	New Lease	Langley
1308 Lonsdale Avenue	5,514	Hub Restaurant	New Lease	North Vancouver
Park Royal South	3,035	Miniso Canada	New Lease	West Vancouver

## Key Sales Transactions Mid-Year 2017

PROPERTY	SF	SELLER/BUYER	PRICE / SF	SUBMARKET
Oakridge Centre * (50%)	691,296	Ivanhoe Cambridge / British Columbia Investment Management Corporation bcIMC	\$480,661,162 / \$1,391	Vancouver
Oakridge Centre (50%)	691,296	Ivanhoe Cambridge / British Columbia Investment Management Corporation bcIMC	\$480,661,162 / \$1,391	Vancouver
Sevenoaks Shopping Centre *	568,317	Morguard Investments Ltd. & Greystone Managed Investmetn Inc. / Dava Developments	\$214,000,000 / \$377	Abbotsford
2200-2290 Cambie Street *	148,215	Riocan REIT / 2200 Cambie Properties Ltd.	\$94,200,000 / \$636	Vancouver
560, 568-570 Seymour Street	N/A	51561 B.C. Ltd. & 0814905 B.C. Ltd./ 560 Seymour Street Ltd.	\$29,000,000 / N/A	Vancouver
Mandarin Residences	23,955	Scotiabank / Dava Developments	\$22,320,000 / \$932	Richmond
1110-1116 West Broadway & 1102-1106 West Broadway, 2501 Spruce Street	14,718	Broadway Place Enterprise Ltd. / Minglian Group	\$19,000,000 / \$1,291	Vancouver
4575 Main Street	N/A	Tenby Investments Corp. / Clarksdale Volkswagen	\$18,800,000 / N/A	Vancouver

\* Share Sale

## Significant Projects Under Construction and Planned

PROPERTY	SF	MAJOR TENANT(S)	SUBMARKET	COMPLETION DATE
The Amazing Brentwood	1,100,000	n/a	Burnaby	Q3 2018
Tsawwassen Commons	555,000	Walmart, Rona, Canadian Tire, Sport Chek	Delta	Q1 2018
Parq Vancouver	134,000	Casino	Vancouver	N/A
River District	259,182	Save-On-Foods, TD Bank, Starbucks Westminster Savings, Everything Wine	Vancouver	Q1-2017-Q4 2019
Lower Lynn Town Centre	120,000	n/a	North Vancouver	N/A

Cushman & Wakefield  
 700 - 700 West Georgia Street  
 Vancouver, BC V7Y 1A1  
[www.cushmanwakefield.com](http://www.cushmanwakefield.com)

For more information, contact:  
 Andrea Welburn, Manager,  
 Information & Research  
 Tel: +1 604 683 3111  
[Andrea.Welburn@ca.cushwake.com](mailto:Andrea.Welburn@ca.cushwake.com)

## About Cushman &amp; Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.

Copyright © 2017 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

MARKETBEAT

# Vancouver, BC

Retail Q2 2017



CELEBRATING  
**100**  
YEARS

Around the corner and across the world, Cushman & Wakefield is the center of retail. Our 1,400-member global team has the expertise, experience, and resources to provide comprehensive, integrated, and innovative real estate services to retail occupiers, landlords and investors, regardless of the size, scope or location of the assignment. From urban high streets to suburban centers, retail parks, and factory outlets, Cushman & Wakefield retail specialists leverage industry experience and a global perspective to align brands to opportunities, provide clients with intelligence for smart decision making, and market properties and available space worldwide.

**Helping clients transform the way people work, shop, and live**

## THE CUSHMAN & WAKEFIELD EDGE

### MULTI-SERVICE RETAIL PLATFORM

Through the resources of professionals in more than 250 offices, Cushman & Wakefield meets clients' leasing, selling, and financing needs, delivers portfolio solutions across geographies, values and appraises retail real estate, educates with thought-provoking data, financial and research analytics, assists in project development, and delivers facility services.

### FUTURE-FORWARD APPROACH

We deploy talent to meet the omni-channel, global real estate needs of the retail industry, and develop strategies and solutions that encompass technology, e-commerce, global supply chain logistics, and the quickening pace of demographic and social change.

### GLOBAL COLLABORATION

Collaboration and information sharing are the keys to successful global client service. Cushman & Wakefield has a cross-border retail network of professionals who work together to help retailers meet their business needs in the Americas, Europe, and Asia. Our professionals engage in consistent dialogue across time zones and geographies to stay abreast of the changing pace of the industry.

### About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$5 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn how you can achieve a real estate solution that supports your firm's goals, visit [cushwakeretail.com](http://cushwakeretail.com).