

88,000 sq. ft. of new supply expected to deliver this year with 49.3% pre-committed



Note: Arrows indicate change from previous quarter.

Market Summary

- The Greater Victoria retail market experienced a 5.7% year-over-year increase in available space, reaching 536,000 sq. ft. in Q1 2025. Average net asking rates in the Downtown submarket increased 10.7% quarter-over-quarter to \$27.73 per sq. ft., while Suburban rents declined 4.7% to \$29.00 per sq. ft.
- Sublease availability jumped 17.7% to 39,000 sq. ft., with average asking sublet rents sitting at \$20.44 per sq. ft. Sublet options remain significantly discounted compared to headlease availabilities.
- The health & wellness sector has seen notable growth over the past year and many groups from the Lower Mainland are seeking expansion opportunities in Greater Victoria. Active tenants on the market include Nordic spa, pickleball, and pilates groups.
- The Greater Victoria region is poised for an influx of new grocery stores. Loblaws is expanding their presence into the Downtown core with a new urban No Frills concept in the Hudson’s Public Market. In the midtown area near Mayfair Mall, Real Canadian Superstore is also confirmed to be the grocery anchor in a recently approved mixed use development at 760 Tolmie Avenue.

FIGURE 1: Greater Victoria Retail Statistics Summary by Municipality

Submarkets	Total Available Space (SF)			Average Net Asking Rent (PSF)	Average Additional Rent (PSF)
	Q4 2024	Q1 2025	Quarter-over-Quarter		
Central Saanich	1,740	2,941	69.0%	\$23.61	\$15.16
Colwood	27,262	20,926	(23.2%)	\$30.32	\$14.32
Esquimalt	4,547	4,547	-	\$21.38	\$12.63
Langford	85,026	77,666	(8.7%)	\$30.69	\$14.73
Saanich	120,231	125,722	4.6%	\$31.83	\$18.16
Sidney	9,588	6,664	(30.5%)	\$33.56	\$10.57
Sooke	1,577	-	-	-	-
Victoria	281,272	289,883	3.0%	\$27.99	\$15.31
Other*	1,802	7,239	301.7%	\$31.38	\$21.62
TOTAL	533,045	535,588	0.5%	\$28.93	\$15.41

*Oak Bay & View Royal
Source: CBRE Research, Q1 2025.

Greater Victoria overview

The Greater Victoria retail market experienced a 5.7% growth year-over-year in available space, recording 536,000 sq. ft. in total space on the market this quarter. The average net asking rate remained stable at \$28.93 per sq. ft. while operating costs decreased 9.8% quarter-over-quarter to \$15.41 per sq. ft. Premium market rents continue to be commanded by regional shopping centres, Downtown’s Government Street, and the new supply pipeline in Royal Bay.

Notable new listings included the vacancy of a 22,000 sq. ft. unit at the Tillicum Centre (formerly Mr. Pets), the relaunch of a freestanding restaurant building at 1703 Blanshard Street, and the relaunch at 1205 Broad Street offering 7,000 sq. ft. of centre ice ground floor retail space. Tenants on the market continue to favour suites under 2,000 sq. ft., particularly in suburban retail plazas, Downtown Victoria, and the Westshore area. Demand from tenants in the market came from the sectors of food and beverage, fitness, childcare, medical, personal services, pet supplies, and financial services. While clothing retailers remain resilient in shopping centres, the scaling back of street-front retail footprints is evident.

Over 87,000 sq. ft. of new retail inventory is anticipated this year, with over 49.3% pre-committed and 65.0% allocated in mixed-use developments. Notably, 36,000 sq. ft. of retail space in the first phase of the redeveloped University Heights will deliver this year fronting McKenzie Avenue and Shelbourne Street. Close to completion, Latoria Corners will bring 29,000 sq. ft. of retail space to a suburban pocket of the Westshore next quarter.

Notable retailers opening and closing this quarter

Ongoing negative sentiment towards Downtown Victoria continues to be prevailed by strong retail leasing activity. The restaurant sector has demonstrated resilience, with a steady influx of new local operators. Notably, two beloved establishments, Café Malabar and Blue Nile, have successfully relocated to new premises at 407 Swift Street and 1724 Douglas Street, respectively. This quarter has also seen the openings of Bluenotes at Uptown, Cera Korean Tapas in the former Little Jumbo space, BigSwell West Coast Eatery at 531 Yates Street, and Bulk Barn in the Shelbourne Plaza. Unfortunately, the market also witnessed the announced closure of the Hudson Public Market, Sult Pierogi Bar, The British Shop, Medusa Shot House, Epicure, and the Hudson’s Bay liquidation in Mayfair Mall and the Bay Centre.

FIGURE 2: Notable Retail Developments

Size (SF)	Project Name	Submarket	Estimated Completion	Developer
29,091	Latoria Corners	Langford	Q2 2025	Private Developer
14,579	Parcel B at Royal Bay	Colwood	Q1 2026	PCRE Group
15,571	ODYSSEY	Saanich	Q2 2026	OVIS / Stratosphere / Ironclad
32,785	Arbutus Landing	Colwood	Q3 2026	Astria Properties
109,060	University Heights	Saanich	2026	Greystar / Minto Apartments

Source: CBRE Research, Q1 2025.

FIGURE 3: Notable Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
9,759	Rexall	Arbutus Landing	Colwood	Pharmacy	Direct New
4,370	Magic Vision	705 & 711 Johnson Street	Victoria	Entertainment	Direct New
2,637	Starbucks	1889-1913 Sooke Road	Colwood	Food & Beverage	Direct New

Source: CBRE Research, Q1 2025.

FIGURE 4: Notable Sales Transactions

Address	Submarket	Purchaser	Size (SF)	Price (\$M)
1708 Island Highway	View Royal	Petroglyph Development Group	59,755	\$45.0
2201 Oak Bay Avenue	Oak Bay	Upfield Capital	6,722	\$5.6
203-4450 Chatterton Way	Saanich	Private Investor	2,137	\$1.2

Source: CBRE Research, Q1 2025.

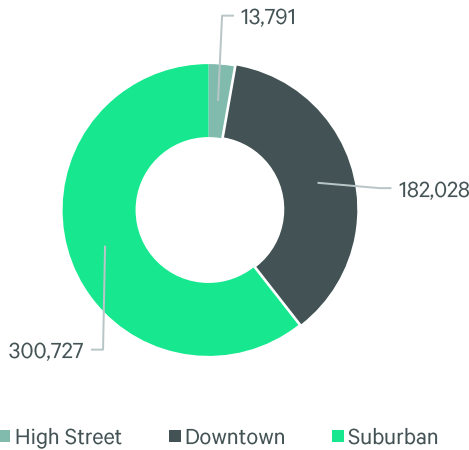
Trending health & wellness groups seek expansion opportunities in the Greater Victoria region

The Greater Victoria market is attracting tenants from the health & wellness sector, seeking to expand their presence on the island from the Lower Mainland. Nordic spas, an increasingly popular trend, are eyeing retail opportunities in Downtown Victoria, capitalizing on the area's proximity to seasonal tourism and cruise passengers. Additionally, pickleball groups are interested in the region, requiring significant quasi-retail and industrial space. Pilates operators have also rapidly expanded across Greater Victoria, often opting for outdoor retail plazas and mall spaces. Medical and personal service groups, such as physiotherapy or salons, are also in high demand for turnkey spaces across the region. As consumers increasingly buy in to the health and wellness experience, the industry is expected to continue growing, subsequently driving demand in the retail market.

New grocery stores infill neighbourhoods undergoing housing density growth

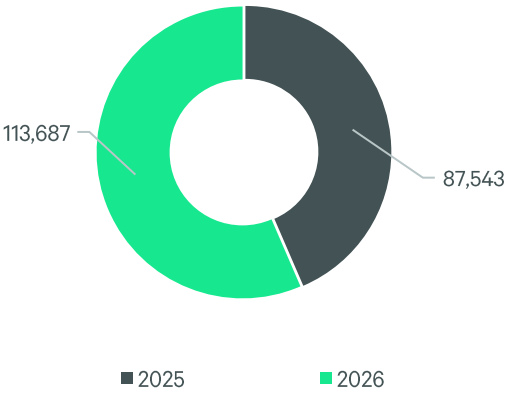
Some neighbourhoods across Greater Victoria are poised for significant injection of housing density, with numerous mixed-use developments approved for construction in the coming years. This has led to a notable increase in new grocery store announcements across the region. Notably, Townline's mixed-use development at 760 Tolmie Ave, across from Mayfair Mall, will feature a Superstore as its grocery anchor. Marking an extended partnership with Loblaws, Townline is also repurposing the Hudson Public Market site in Downtown Victoria's north end with an urban No Frills grocery store. Just a block away, the Chard development at Caledonia and Douglas Avenue will also include an 8,000 sq. ft. grocery anchor as part of its mixed-use project. In Mayfair Mall, H-mart is set to open next quarter, in the former Toys R Us space, following long construction delays. In View Royal, a mixed-use development at 258 Helmcken Road is nearing completion and is seeking a grocery specific tenant for its ground floor. With a consistent demand for local amenities, retail leasing activity in Greater Victoria is expected to perform well, driven by the need for housing and community services.

FIGURE 5: Total Headlease Availability (SF)



Source: CBRE Research, Q1 2025.

FIGURE 6: Total Construction by Year of Delivery (SF)



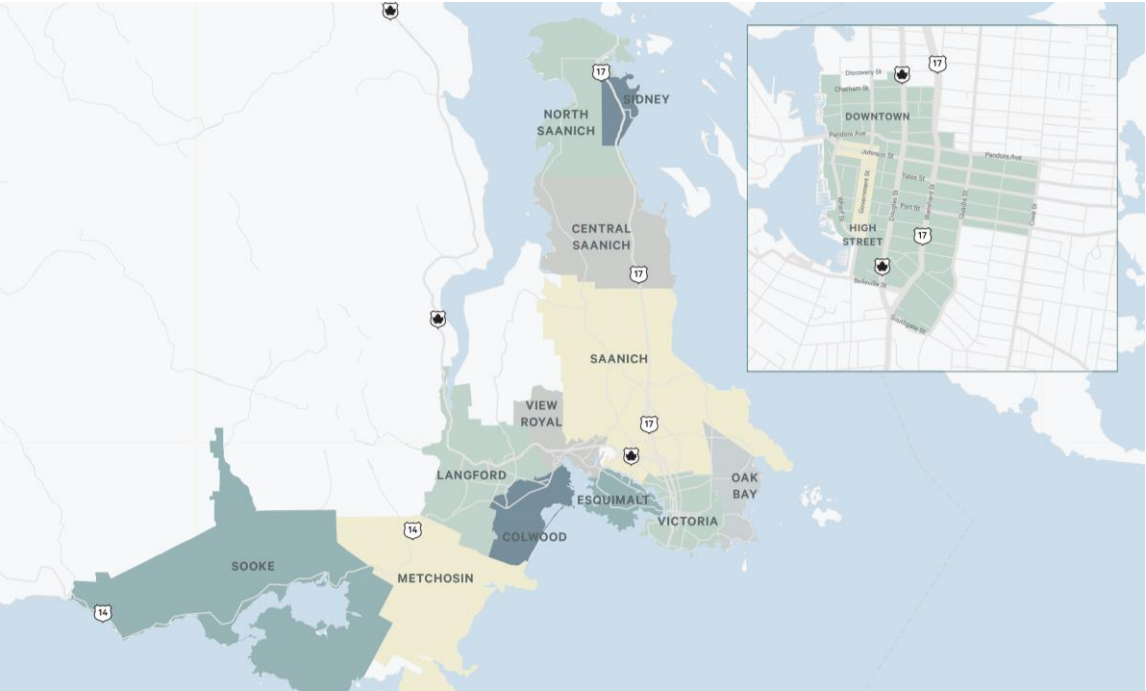
Source: CBRE Research, Q1 2025.

FIGURE 7: Greater Victoria Retail Statistics Summary by Region

	HIGH STREET	DOWNTOWN	SUBURBAN	TOTAL
Total Available Space (SF)	13,791	196,712	325,085	535,588
Total Available Space for Sublease (SF)	-	14,684	24,358	39,042
Average Net Asking Rent (PSF)	\$58.02	\$27.73	\$29.00	\$28.93
Average Additional Rent (PSF)	\$16.25	\$15.42	\$15.37	\$15.41

Source: CBRE Research, Q1 2025.

Market Area Overview



Definitions

Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Vacancy Rate: Total Vacant sq. ft. divided by the total Building Area. Vacant sq. ft.: Space that can be occupied within 30 days.

Submarket Map

CBRE defines the high street market as Government Street (Wharf Street to Johnson Street) and Johnson Street (Wharf Street to Government Street). The defined boundary for Downtown Victoria is sourced from the City of Victoria’s Neighbourhood Boundaries. CBRE aggregates the Suburban market from all submarkets outside of the Downtown core; North Saanich, Sidney, Central Saanich, Saanich, Victoria, Oak Bay, Esquimalt, View Royal, Colwood, Langford and Sooke.

Research Contacts:

Mai Nguyen

Senior Research Analyst
+1 778 410 2086
mai.nguyen1@cbre.com

Tyler Bains

Research Director
+1 604 662 5135
tyler.bains@cbre.com