

68,000 sq. ft. of new supply delivered to market this year



Note: Arrows indicate change from previous quarter.

Market Summary

- The Greater Victoria retail market saw a year-over-year increase of 11.4% in available space, reaching 533,000 sq. ft. on the market this quarter. The average net asking rate and operating costs were recorded at \$28.96 per sq. ft. and \$17.08 per sq. ft., respectively.
- Over 68,000 sq. ft. of new retail space was completed in 2024, with 31.9% of the new commercial supply allocated to mixed-use developments. Notably, the completed Sandown Park Shopping Centre in the Peninsula has leased 91.0% of its space.
- The demand for childcare remains high despite limited space available permitting daycare use. Through Q4, three commercial spaces were leased to daycare operators at Latoria Corners, Blanshard Centre, and the Hudson District, relieving some pressure.
- At year-end, two mixed-use investment properties were sold in the downtown Core at 531 Herald Street and 606 Yates Street. There has been an increase in heritage mixed-use buildings listed for sale in the downtown Core, notably two rare listings on lower Johnson Street.

FIGURE 1: Greater Victoria Retail Statistics Summary by Municipality

	Total Available Space (SF)			Average Net Asking Rent (PSF)	Average Additional Rent (PSF)
	Q3 2024	Q4 2024	Quarter-over-Quarter		
Colwood	21,684	27,262	25.7%	\$30.27	\$14.48
Esquimalt	1,728	4,547	163.1%	\$21.38	\$12.63
Langford	76,487	85,026	11.2%	\$32.07	\$17.55
Saanich	122,164	120,231	(1.6%)	\$32.81	\$21.34
Central Saanich	1,048	1,740	66.0%	\$23.61	\$15.16
Sidney	11,196	9,588	(14.4%)	\$30.15	\$8.94
Sooke	1,577	1,577	-	\$17.00	\$7.80
Victoria	276,467	281,272	1.7%	\$27.70	\$15.86
Other*	2,494	1,802	(27.7%)	\$32.00	\$21.39
TOTAL	514,845	533,045	3.5%	\$28.96	\$17.08

*Oak Bay & View Royal
Source: CBRE Research, Q4 2024.

Greater Victoria overview

In Q4 2024, the Greater Victoria retail market reported 533,000 sq. ft. of available space, reflecting an 11.4% year-over-year increase in availability. This rise is attributed to the closure of Fairway Market at the Westshore Town Centre and GoodLife Fitness at the Bay Centre, prompting a temporary uptick in large-sized vacancies despite being backfilled quickly in the new year. Availability within the submarkets remained relatively stable quarter-over-quarter as spaces with kitchen venting in place or permitted daycare zoning remain in high demand.

The net average asking rate in Greater Victoria rose by 0.8% year-over-year, reaching \$28.96 per sq. ft. While average rents held steady overall, suburban demand led to a notable 9.7% increase in suburban asking rates year-over-year, whereas downtown experienced a 7.1% decline. High street average asking rents were recorded at \$40.68 per sq. ft., down 25.0% year-over-year, largely due to the new units at the Customs House fully leasing, which commanded higher rents and raised the average rates.

In 2024, over 68,000 sq. ft. of new retail supply was completed. Notably, over 31.9% of this new inventory was part of mixed-use developments, primarily those featuring ground-floor retail with residential units above. Sandown Park Shopping Centre in the Peninsula opened this year, with only 9.0% of its 46,000 sq. ft. leasable area remaining available. A significant portion of new supply anticipated to be delivered in 2025 will be concentrated in the Westshore, starting with Latoria Corners completing in Q1 2025 with over 75.3% pre-leased.

Notable retailers opening and closing this quarter

In the last quarter of 2024, several new food and beverage establishments opened in Downtown Victoria, including Pizza Garden, The Breakfast Shop, and Rabbit Rabbit. In Esquimalt, the newly launched restaurant Janevca introduced a fine dining experience to the area. Conversely, the Saanich Peninsula submarket saw the permanent closure of several restaurants, such as Sea Glass Waterfront Grill, Café Zanzibar, and Blue’s Bayou Café. Additional closures included Sushi Jiro in Cook Street Village, Olive Olios in Cadboro Bay, and Coho Commissary in the Victoria Public Market. Vacancy in turnkey restaurant spaces has trended toward a quick turnover and is expected to persist in ongoing closures.

FIGURE 2: Notable Retail Developments

Size (SF)	Project Name	Submarket	Estimated Completion	Developer
29,091	Latoria Corners	Langford	Q1 2025	Private Developer
15,571	ODYSSEY	Saanich	Q2 2026	OVIS / Stratosphere / Ironclad
109,060	University Heights	Saanich	2026	Greystar / Minto Apartments
31,953	Arbutus Landing	Colwood	2026	Astria Properties
14,579	Parcel B at Royal Bay	Colwood	2026	PCRE Group

Source: CBRE Research, Q4 2024.

FIGURE 3: Notable Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
7,916	The Coda	751 View St	Victoria	Entertainment	Direct New
4,552	Big Way Hot Pot	1660 McKenzie Ave	Saanich	Restaurant	Direct New
2,650	Kasama	772 Bay St	Victoria	Daycare	Direct New

Source: CBRE Research, Q4 2024.

FIGURE 4: Notable Sales Transactions

Address	Submarket	Purchaser	Size (SF)	Price (\$M)
789 McCallum Road	Langford	Costco Wholesale Canada Ltd.	27,508	\$14.0
531 Herald St	Victoria	Mantle Holdings Ltd.	5,360	\$2.5
606 Yates St	Victoria	Yentel Property Management Inc.	5,388	\$1.1

Source: CBRE Research, Q4 2024.

Recent lease transactions alleviate high demand for daycare

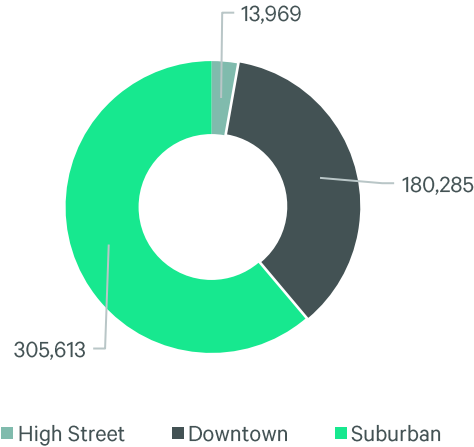
The availability of commercial spaces suitable for daycare use remains limited, while demand among operators is on the rise. Three daycare transactions across Greater Victoria were completed prior to year-end. Notably, the Latoria Corners commercial strip, currently under construction in Colwood, has designated a purpose-built daycare space on the second floor, which was quickly pre-leased. Additionally, a unit in the Blanshard Centre and a ground-floor space in the Hudson District have both been leased to daycare providers. The spaces in Latoria Corners and the Hudson District are in shell condition and will require buildouts, while the Blanshard Centre unit will undergo an office conversion. These new daycare facilities will serve the expanding South Langford community, and the upcoming residential developments located in the downtown periphery.

Uptick in retail properties for sale in the downtown core

At the close of the year, two mixed-use investment properties were sold: one located at 606 Yates Street and the other at 531 Herald Street. The property at 531 Herald Street, featuring strong long-term tenants, sold for \$466 per sq. ft. In contrast, the 606 Yates Street building was sold for \$204 per sq. ft., with the expectation of a value-add renovation strategy.

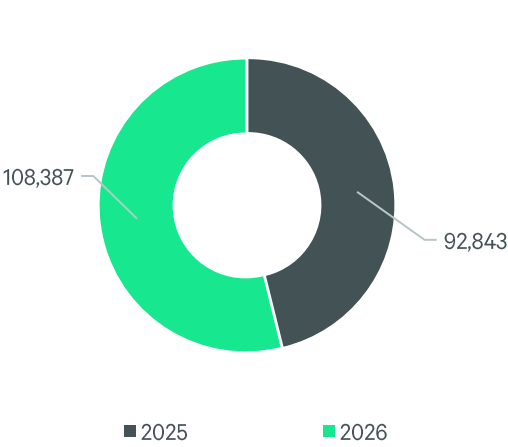
In the downtown core, there has been a significant rise in the availability of mixed-use buildings for sale, many of which are designated as heritage properties. In Lower Johnson, two adjacent heritage buildings, located at 566-580 Johnson Street and 582 Johnson Street, are available for separate purchase. These properties were previously leased to Baggins Shoes, which has since closed its brick-and-mortar operations, and Lululemon, which has relocated to the Customs House. Additionally, 506 Fort Street, situated closer to the Inner Harbour, is also on the market, with its ground floor restaurant space recently leased to Nubo Group. An investment opportunity at 1002 Blanshard Street, located at the intersection of Blanshard and Broughton Streets, is fully leased to six tenants. Other mixed-use investment properties currently available include 1415-1419 Broad Street and 721 Johnson Street. The availability of these properties presents valuable opportunities for owner-occupiers, investors, and developers alike.

FIGURE 5: Total Headlease Availability (SF)



Source: CBRE Research, Q4 2024.

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



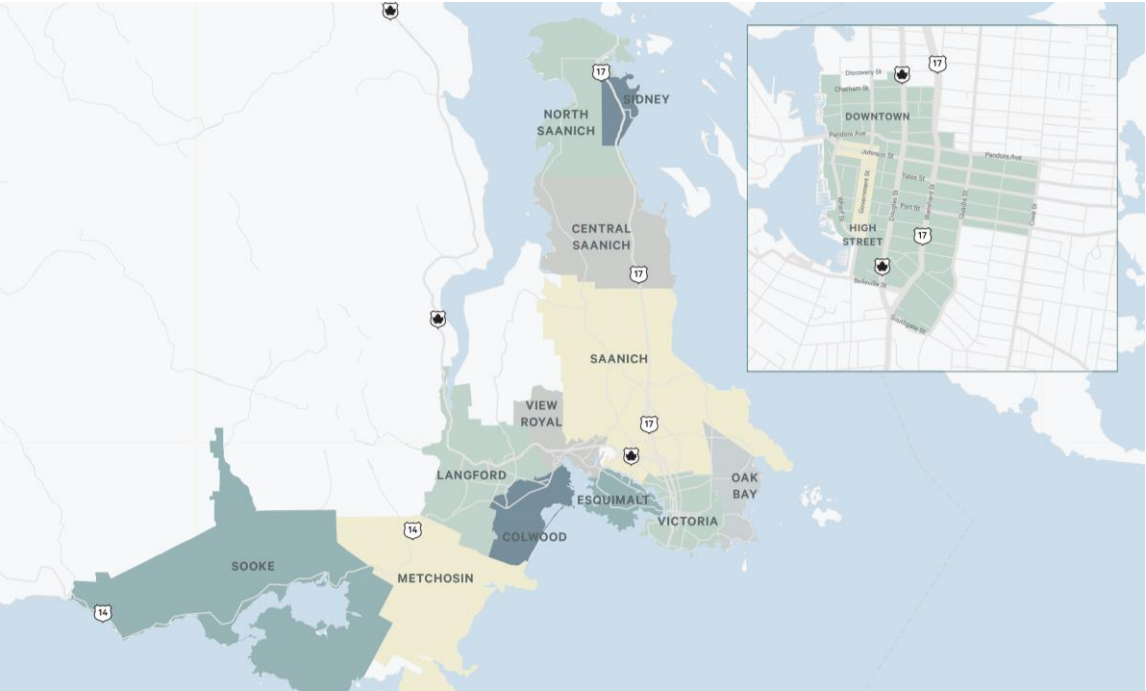
Source: CBRE Research, Q4 2024.

FIGURE 7: Greater Victoria Retail Statistics Summary by Region

	HIGH STREET	DOWNTOWN	SUBURBAN	TOTAL
Total Available Space (SF)	16,469	188,379	328,197	533,045
Total Available Space for Sublease (SF)	2,500	8,094	22,584	33,178
Average Net Asking Rent (PSF)	\$40.68	\$25.05	\$30.42	\$28.96
Average Additional Rent (PSF)	\$13.96	\$15.75	\$17.77	\$17.08

Source: CBRE Research, Q4 2024.

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.

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