

SUBURBAN

Construction activity in the suburbs remained strong during the second half of 2016. Ivanhoe Cambridge's Tsawwassen Mills opened in October, anchored by Bass Pro Shop (180,000 sq.ft.). The new 1.2 million sq.ft. development offers over 180 stores, including Saks Off 5th, Harry Rosen, Nike, Sport Chek and Winners. Adjacent to Tsawwassen Mills is the Tsawwassen Commons, which is set to open in 2017, and is anchored by Walmart, Canadian Tire and Rona. SmartREIT's Central at Garden City added 359,900 sq.ft. to the Richmond retail market with Walmart as the anchor tenant.

McArthur Glen Designer Outlet located at Vancouver International Airport is currently in the midst of preparing for Phase 2 (200,000 sq.ft.), which will nearly double the existing size of the shopping center to 400,000 sq.ft., and is slated to be completed in 2018. Negotiations are currently underway with strong interest from both domestic and international retailers looking to become part of the impressive lineup from Phase 1. In Park Royal North, Saks Off 5th announced it will be opening its second retail location, which will be 33,000 sq.ft. Other additions to the Park Royal North roster include the recently opened Loblaws City Market, while Chipotle and Steve Nash Sports Club are expected to open next year. The completion of Park Royal North in 2017 will increase the total retail size of Park Royal to 1.4 million sq.ft.

Construction is underway on Shape Properties' The Amazing Brentwood, which will expand the existing 550,000 sq.ft. of retail space to approximately 1.1 million sq.ft., with the first phase projected to be completed in 2018. With the residential portion sold out, the transit-orientated development has potential to attract many international and domestic retailers. Other planned significant Burnaby developments include Gilmore Station (500,000 sq.ft.) by Onni Group, and The City of Lougheed by Shape Properties, which will add 785,000 sq.ft. of new retail space, bringing the total retail size to 1.4 million sq.ft.

The Tri-Cities have witnessed significant growth in multi-family and mixed use developments in anticipation of the Evergreen Line, which opened in December, connecting the Tri-Cities and Lougheed Town Centre.

Figure 4: Metro Vancouver Shopping Centre Statistics

Region	Inventory (sq. ft.)	H2 2016	H2 2016
		Vacant Space	Vacancy Rate (%)
Abbotsford	2,560,224	99,946	3.9
Burnaby	3,965,889	296,948	7.5
Chilliwack	1,442,500	99,180	6.9
Coquitlam	1,876,028	40,540	2.2
Delta	2,236,704	154,307	6.9
Langley	2,786,368	32,646	1.2
Maple Ridge	616,908	11,965	1.9
Mission	539,063	16,328	3.0
New Westminster	1,195,776	43,730	3.7
North Vancouver	1,410,025	16,426	1.2
Pitt Meadows	527,586	25,031	4.7
Port Coquitlam	812,567	152,522	18.8
Port Moody	136,344	4,600	3.4
Richmond	2,907,449	268,419	9.2
Surrey	5,594,971	300,607	5.4
Vancouver	2,115,800	58,694	2.8
West Vancouver	1,379,329	11,812	0.9
Overall	32,103,531	1,633,701	5.1

Source: CBRE Research, H2 2016.

Figure 5: Select 2016 Retail Lease Transactions

Market	Tenant	Address/Property Name	Size (sq.ft.)
Abbotsford	Cabela's	McCallum Junction	70,000
Vancouver	Bed Bath & Beyond	1700 West Broadway	38,200
Vancouver	Equinox Fitness	1131 West Georgia Street	35,000
Langley	Bed Bath & Beyond	Langley City Square	30,000
Langley	Buy Buy Baby	Langley City Square	20,000
Surrey	Shoppers Drug Mart	Grandview Central	17,200
Abbotsford	F21 Red	High Street	15,000
Abbotsford	CIBC	SevenOaks	12,400
Vancouver	Tiffany	Burrard Street	12,500
Vancouver	Prada	Thurlow Street	12,000
Port Coquitlam	H-Mart	Paco Power Centre	11,000

Source: CBRE Research, H2 2016

CBRE Transactions