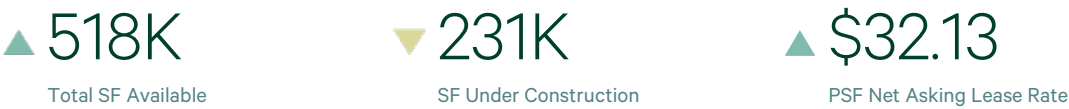


Local tenants drive streetfront demand while shopping centres add national brands



Note: Arrows indicate change from previous quarter.

Market Summary

- Greater Victoria retail availability rose 8.3% quarter-over-quarter to over 517,000 sq. ft., driven largely by 84,000 sq. ft. of new supply delivered this quarter. The average net asking rate rose 2.0% to \$32.13 per sq. ft., led by a 4.0% increase in Downtown rents.
- Local food and beverage concepts led leasing activity this quarter with a wave of new cafés and sandwich shops opening across the region. Shopping centres are also refreshing their tenant mix, with Sephora joining Hillside Mall and Bailey Nelson, MUJI, and Kiyoko Beauty joining Mayfair Mall.
- Over 84,000 sq. ft. of new retail space completed construction this quarter with a further 80,000 sq. ft. expected next quarter. Notable completions include Spencer Block at 635 Chatham Street, The Scott Building at 2659 Douglas Street and Arbutus Landing at 3601 & 3605 Ryder Hesjedal Way.
- Victoria’s cruise industry welcomed a record-breaking over 1 million passengers across 332 calls this summer. Hotel performance strengthened through the season with RevPAR up 7.7% year-over-year in August and 9.0% in September, a positive sign for tourism-driven retail demand Downtown.

FIGURE 1: Greater Victoria Retail Statistics Summary by Municipality

Submarkets	Total Available Space (SF)			Average Net Asking Rent (PSF)	Average Additional Rent (PSF)
	Q2 2026	Q3 2026	Quarter-over-Quarter		
Central Saanich	-	-	0.0%	-	-
Colwood	12,509	13,494	7.9%	\$39.03	\$15.92
Esquimalt	9,833	10,083	2.5%	\$24.62	\$15.01
Langford	45,361	49,452	9.0%	\$37.58	\$14.73
Saanich	146,700	153,153	4.4%	\$39.71	\$20.55
Sidney	14,699	15,071	2.5%	\$27.22	\$11.96
Sooke	2,932	2,932	0.0%	\$28.00	-
Victoria	246,097	273,706	11.2%	\$29.98	\$17.48
Other*	-	-	0.0%	-	-
TOTAL	478,131	517,891	8.3%	\$32.13	\$17.83

*Oak Bay & View Royal
Source: CBRE Research, Q3 2026.

Greater Victoria overview

Total retail availability in Greater Victoria rose 8.3% quarter-over-quarter to over 517,000 sq. ft., driven largely by 84,000 sq. ft. of new supply delivered this quarter. In Downtown Victoria, total available space increased 7.3%, reflecting the completion of Spencer Block, which added 20,000 sq. ft. of new ground-floor commercial space, and the 25,000 sq. ft. lease listing of 1225 Douglas Street, which BMO is anticipated to vacate ahead of its move into TELUS Ocean. The Suburban submarket added 64,000 sq. ft. of new supply, predominantly within mixed-use buildings, pushing suburban availability up 8.9% quarter-over-quarter. Despite the rise in availability, the average net asking rate edged up 2.0% to \$32.13 per sq. ft. Downtown led the increase with average rents up 4.0%, while average rents in the Suburban and High Street submarkets declined 0.8% and 4.0%, respectively.

Notable retailers opening and closing this quarter

Retail leasing activity this quarter was defined by an influx of new café and sandwich shop openings, along with notable tenant turnover in Cadboro Bay and at Mayfair Mall. In Cadboro Bay, Forecast Coffee and Noble Berry Studio joined as new occupiers, while Ma Wellness and Yoga opened a second studio. Sandwich concepts continue to gain traction in Greater Victoria with Hero Sandwiches and Nico Kitchen both opening this quarter. Café openings were also prominent: Blue House backfilled the former Hide + Seek space at 2207 Oak Bay Avenue, Hide + Seek opened a new location inside the Royal BC Museum, and Crow’s Coffee opened in the Tillicum and Gorge neighbourhood. Shopping centres are also refreshing their tenant mix with Sephora set to join Hillside Mall and Bailey Nelson, MUJI, and Kiyoko Beauty joining the lineup at Mayfair Mall. On the closure side, the market saw the departure of two long-standing local operators: La Hacienda, after more than 23 years in operation, and Thunderbird Korean Fried Chicken in Cook Street Village, after over a decade. While local food and beverage concepts accounted for a notable share of this quarter’s openings, more international fast food brands are anticipated to enter the market, as several are actively searching for space.

FIGURE 2: Notable Retail Developments

Size (SF)	Project Name	Submarket	Estimated Completion	Developer / Owner
15,571	ODYSSEY	Saanich	Q4 2026	OVIS / Stratosphere / Ironclad
109,060	University Heights	Saanich	Q4 2026	Greystar / Minto Apartments
14,819	1050 Yates Street	Victoria	Q1 2027	Chard Developments
18,491	Podium	Saanich	Q1 2028	Nicola Wealth
56,089	710 Caledonia Avenue	Victoria	Q1 2029	Chard Developments

Source: CBRE Research, Q3 2026.

FIGURE 3: Notable Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
5,347	Tality Wellness	1630 Store Street	Victoria	Health & Wellness	Direct
4,850	Piggy & Paisley	777 Courtney Street	Victoria	Food & Beverage	Direct
3,008	Hidden Treasures	1044 Fort Street	Victoria	Used Goods	Direct

Source: CBRE Research, Q3 2026.

FIGURE 4: Notable Sales Transactions

Address	Submarket	Purchaser	Size (SF)	Price (\$M)
1025 Cook Street	Victoria	Private Investors	8,823	\$5.3
2400 Bevan Avenue	Sidney	Private Investors	14,614	\$2.7
705 Johnson Street	Victoria	Private Investors	17,326	\$2.7
2155 Sooke Road	Colwood	Private Investors	8,400	\$2.0

Source: CBRE Research, Q3 2026.

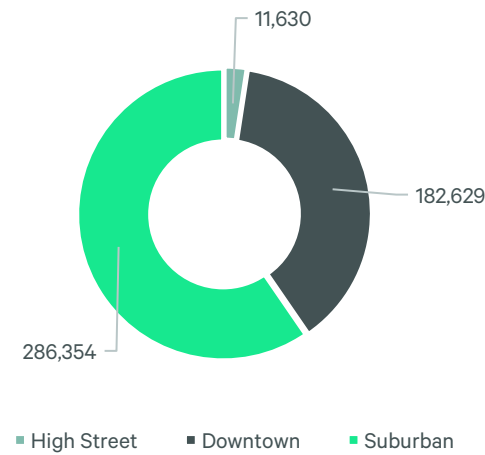
New supply this quarter and the development pipeline ahead

Over 84,000 sq. ft. of new retail space completed construction across Greater Victoria this quarter, comprising 20,000 sq. ft. in Downtown Victoria and 64,000 sq. ft. in the suburbs. Notable completions include The Scott Building at 2659 Douglas Street, Arbutus Landing at 3601 & 3605 Ryder Hesjedal Way, and Spencer Block at 635 Chatham Street. Year-to-date, new supply totals 167,000 sq. ft. across Greater Victoria, divided between 40,000 sq. ft. in Downtown and 126,000 sq. ft. in the Suburban submarket. An additional 80,000 sq. ft. is expected to deliver next quarter with the completion of the University Heights redevelopment and Odyssey, a mixed-use building at 3400 Tillicum Road. Beyond this year, retail development is expected to slow as fewer mixed-use buildings with ground-floor commercial space are constructed. Starlight’s redevelopment of Harris Green is the only major project expected to bring significant new retail supply, adding over 100,000 sq. ft. in the coming years. Over the next three years, new supply is projected at 40,000–60,000 sq. ft. per year, although additional projects may still be announced.

Record cruise season brings over one million visitors to Downtown Victoria

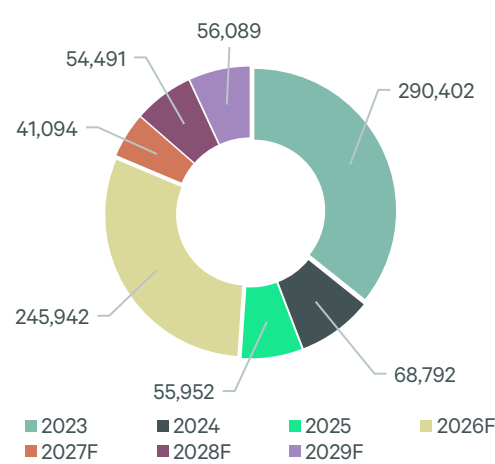
Greater Victoria’s tourism sector delivered a strong summer season, anchored by a record year for the cruise industry. According to the Greater Victoria Harbour Authority, Victoria recorded 332 cruise calls and a record-breaking passenger volume of over 1 million. Although accommodation occupancy dipped 200 basis points (bps) year-over-year to 90.0% in July, the average daily rate (ADR) grew 2.4% to \$394.76, keeping RevPAR relatively flat at \$354.00 (-0.3%). Both occupancy and pricing strengthened in August and September as occupancy was up 300 bps year-over-year in each month to 94.0% and 89.0%, respectively. Year-over-year, ADR rose 6.0% to \$421.70 in August and 7.9% to \$374.66 in September, lifting RevPAR by 7.7% to \$404.00 and 9.0% to \$335.00. The strong finish to the season resulted in record-breaking figures across the board. Looking ahead, several factors could help sustain this momentum. Continued enhancement of the High Street retail offering, additional hotel developments approved and built in Downtown Victoria, expanded international flight options at Victoria International Airport, and the potential Hullo Ferry route connecting Downtown Victoria and Downtown Vancouver are all potential positive influences on future visitor demand.

FIGURE 5: Total Headlease Availability (SF)



Source: CBRE Research, Q3 2026.

FIGURE 6: Total New Supply by Year of Delivery (SF)



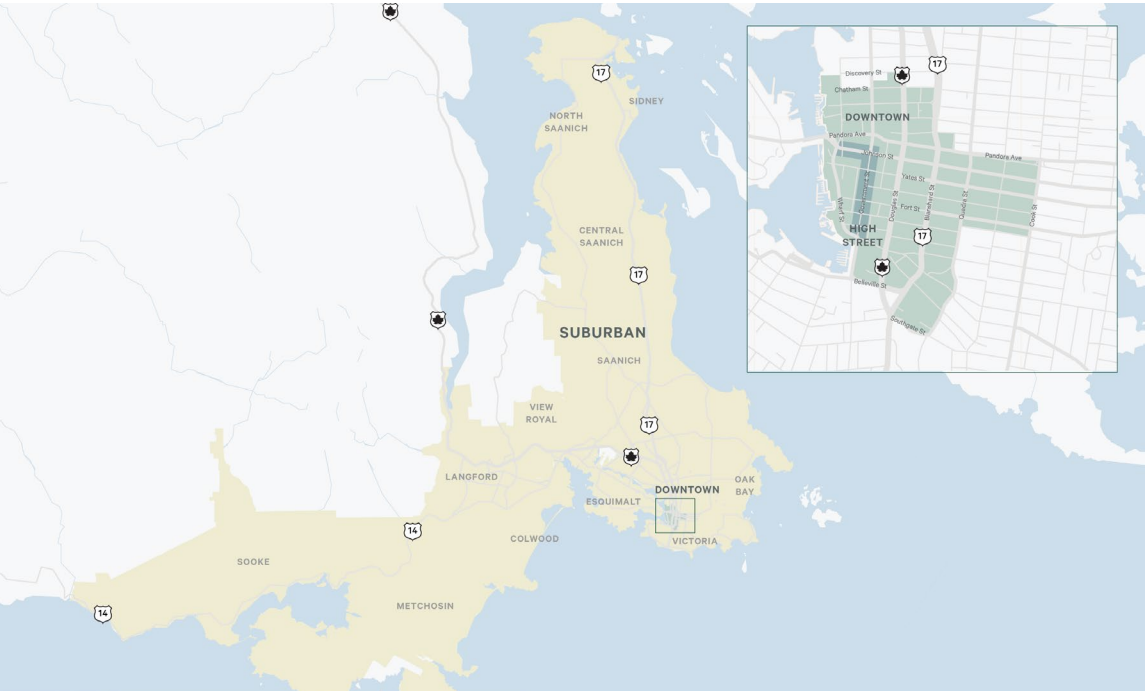
Source: CBRE Research, Q3 2026.

FIGURE 7: Greater Victoria Retail Statistics Summary by Region

	HIGH STREET	DOWNTOWN	SUBURBAN	TOTAL
Total Available Space (SF)	14,011	187,691	316,189	517,891
Total Available Space for Sublease (SF)	2,381	5,062	29,835	37,278
Average Net Asking Rent (PSF)	\$59.19	\$29.88	\$33.26	\$32.13
Average Additional Rent (PSF)	\$13.34	\$18.82	\$17.41	\$17.83
New Supply (YTD) (SF)	0	40,050	126,468	166,518
Under Construction (SF)	0	106,908	124,190	231,098

Source: CBRE Research, Q3 2026.

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, Metchosin and Sooke.

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