CBRE

# New-to-market retailers underscore renewed confidence in Downtown

▼ 466K
Total SF Available

▲ 393K
SF Under Construction

▲ $30.43
PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

## Market Summary

- Retail fundamentals remained robust this quarter as total availability declined 3.8% quarter-over-quarter and 13.3% year-over-year, driven by strong absorption in the Highstreets and Suburban markets. While Downtown availability increased modestly due to new larger-format listings, leasing and investment activity remained active, and average net asking rents held steady at $30.43 per sq. ft.
- Downtown experienced a surge in new-to-market retail activity this quarter, particularly along the Highstreets, with notable openings including Tilly, Kit and Ace, and Oakberry Açaí Bowls. Several announced closures, most notably Eddie Bauer, Odd Burger, and Capital Iron, are located in prominent, built-out spaces and are expected to be backfilled quickly.
- Approximately 95,000 sq. ft. of new retail space is expected to deliver next quarter, contributing to an estimated 254,000 sq. ft. of total annual supply, largely concentrated in Suburban markets. Beyond this near-term wave, the development pipeline is expected to stabilize, with more moderate retail completions projected through 2029.

FIGURE 1: Greater Victoria Retail Statistics Summary by Municipality

| Submarkets | Total Available Space (SF) Q4 2025 | Total Available Space (SF) Q1 2026 | Quarter-over-Quarter | Average Net Asking Rent (PSF) | Average Additional Rent (PSF) |
|---|---|---|---|---|---|
| Central Saanich | 817 | 817 | 0.0% | $26.00 | $9.53 |
| Colwood | 17,098 | 11,394 | -33.4% | $38.80 | $14.27 |
| Esquimalt | 9,686 | 13,676 | 41.2% | $27.90 | $16.36 |
| Langford | 39,783 | 36,084 | -9.3% | $40.44 | $15.03 |
| Saanich | 144,740 | 139,634 | -3.5% | $40.32 | $20.55 |
| Sidney | 5,402 | 11,285 | 108.9% | $29.36 | $11.49 |
| Sooke | 6,463 | 6,463 | 0.0% | $20.07 | $9.50 |
| Victoria | 252,678 | 246,909 | -2.3% | $28.14 | $18.17 |
| Other* | 8,199 | - | -100.0% | - | - |
| **TOTAL** | **484,866** | **466,262** | **-3.8%** | **$30.43** | **$18.15** |

*Oak Bay & View Royal
Source: CBRE Research, Q1 2026.

## Greater Victoria overview

Retail fundamentals across Greater Victoria continued to be robust this quarter as total availability declined 3.8% quarter-over-quarter and 13.3% year-over-year. Leasing momentum remained strongest on the Highstreets, where new-to-market entrants drove availability down sharply by 29.1%, leaving just 14,000 sq. ft. on the market. The Suburban market also recorded positive absorption, reflecting continued population growth and tenant demand with availability down 6.6%. Downtown availability increased modestly, rising 5.9% in Q1, driven by the addition of several larger-format spaces, including new listing of 4,500 sq. ft. at 1950 Government Street and 4,300 sq. ft. at 535 Yates Street. Leasing activity remained steady, highlighted by BMO securing 5,000 sq. ft. at the TELUS Ocean office building and Tality Wellness leasing 5,000 sq. ft. at 1630 Store Street. Investment sentiment remained positive, underscored by Grosvenor's acquisition of its joint venture partner's 50% stake in Broadmead Village Shopping Centre for $47.8 million. Average net asking rents held steady at $30.43 per sq. ft. While Downtown rents softened slightly, rental growth persisted in the Highstreets and Suburban markets, supported by low availability and rapid space absorption, signaling continued confidence in Greater Victoria's retail outlook.

## Notable retailers opening and closing this quarter

Downtown leasing activity accelerated this quarter with a concentration of deal activity along the Highstreets and a noticeable influx of new-to-market retailers. Activity on lower Johnson Street was highlighted by an established local restaurateurs relocating their new burger concept, Birdman, from Wind Cries Mary into the former Friends of Dorothy space at 537 Johnson Street. Additional momentum on lower Johnson Street includes Tilly, a new-to-market retailer, which is set to open its first Greater Victoria location. Along the Government Street, Kit and Ace opened during the first quarter, marking another prominent new retail entrant. Elsewhere downtown, the former Azuma Restaurant space was backfilled by Driftwood Chinese Buffet & Bar. Another new-to-market concept, The Captain's Boil, is anticipated to open at 850 Douglas Street. In addition, the former Starbucks location at Fort and Blanshard was quickly backfilled by Oakberry Açaí Bowls, which also secured an additional location at Tuscany Village. Overall, the volume of new retail entrants this quarter reflects renewed momentum and diversification within Downtown's tenant mix.

FIGURE 2: Notable Retail Developments

| Size (SF) | Project Name | Submarket | Estimated Completion | Developer / Owner |
|---|---|---|---|---|
| 10,639 | Parkway | Victoria | Q2 2026 | Nicola Wealth / Primex Investments |
| 14,579 | Arden at Royal Bay | Colwood | Q2 2026 | PCRE Group |
| 15,571 | ODYSSEY | Saanich | Q2 2026 | OVIS / Stratosphere / Ironclad |
| 29,091 | Latoria Corners | Langford | Q2 2026 | Private Developer |
| 12,470 | The Scott Building | Victoria | Q3 2026 | Primex Investments |
| 19,831 | Spencer Block | Victoria | Q3 2026 | Nicola Wealth / Denciti |
| 32,780 | Arbutus Landing | Colwood | Q3 2026 | Astria Properties |
| 109,060 | University Heights | Saanich | Q4 2026 | Greystar / Minto Apartments |

Source: CBRE Research, Q1 2026.

FIGURE 3: Notable Lease Transactions

| Size (SF) | Tenant | Address | Submarket | Industry | Deal Type |
|---|---|---|---|---|---|
| 5,646 | Russ Hay's | 574A Culduthel Road | Saanich | Retail Trade | Direct New |
| 5,078 | Bank of Montreal | 100-767 Douglas Street | Victoria | Financial Services | Direct New |
| 4,947 | Tality Wellness | 1630 Store Street | Victoria | Wellness & Spa | Direct New |

Source: CBRE Research, Q1 2026.

FIGURE 4: Notable Sales Transactions

| Address | Submarket | Purchaser | Size (SF) | Price ($M) |
|---|---|---|---|---|
| 777 Royal Oak Drive | Saanich | Grosvenor | 128,018 | $47.8 |
| 905 Fort Street | Victoria | Private Investors | 8,518 | $2.7 |
| 361 Burnside Road E | Victoria | Joe's Family Pharmacy | 4,069 | $1.6 |

Source: CBRE Research, Q1 2026.

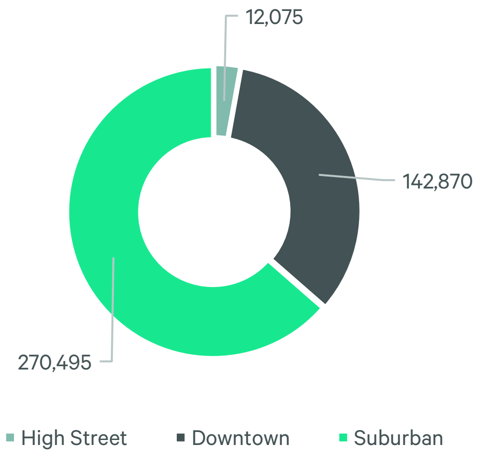
Conversely, several closures were announced during the quarter. Odd Burger will exit the Greater Victoria market, closing its Hudson District location after several years of operation. Long-standing retailer Eddie Bauer has also closed both of its locations on Government Street and in Mayfair Mall. Capital Iron Home Store and Westcoast Appliance Gallery announced a combined closure at 1900 Store Street with the space now available for lease. Given the prominence and existing build-out of these locations, the vacant spaces are expected to be backfilled in relatively short order.

## Over 95,000 sq. ft. of new supply set to deliver next quarter

Nine retail developments currently under construction across Greater Victoria are expected to complete next quarter, delivering approximately 95,000 sq. ft. of new retail supply. The majority of this near-term pipeline consists of mixed-use residential and retail projects. Developments that had previously experienced extended delays but are now scheduled for completion include Latoria Corners at 995 Latoria Road in Langford and Parkway at 1050 Pandora Avenue in Downtown Victoria.

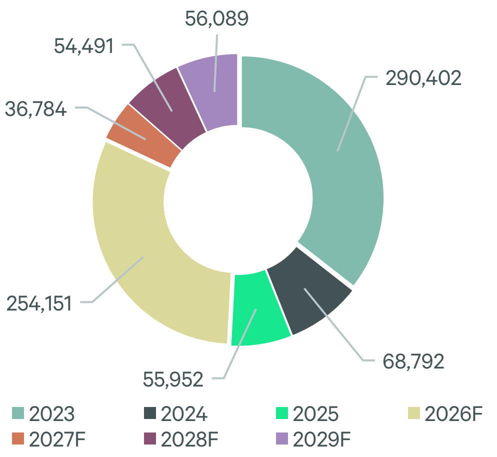
Additional new supply is anticipated later in the year with approximately 87,000 sq. ft. expected to deliver in Q3, followed by a further 64,000 sq. ft. in Q4. In total, roughly 254,000 sq. ft. of new retail space is projected to be delivered across Greater Victoria this year. New construction activity remains heavily concentrated in the Suburban markets, which are forecast to account for approximately 214,000 sq. ft. of new retail supply in 2026. Downtown Victoria is expected to receive the remaining 40,000 sq. ft., reflecting more limited development opportunities in the urban core. Beyond the current delivery cycle, the retail construction pipeline is expected to stabilize. Current projections indicate approximately 37,000 sq. ft. of retail space completing in 2027, followed by 54,000 sq. ft. in 2028 and 56,000 sq. ft. in 2029, reflecting a more measured pace of future supply additions.

FIGURE 5: Total Headlease Availability (SF)




Source: CBRE Research, Q1 2026.

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



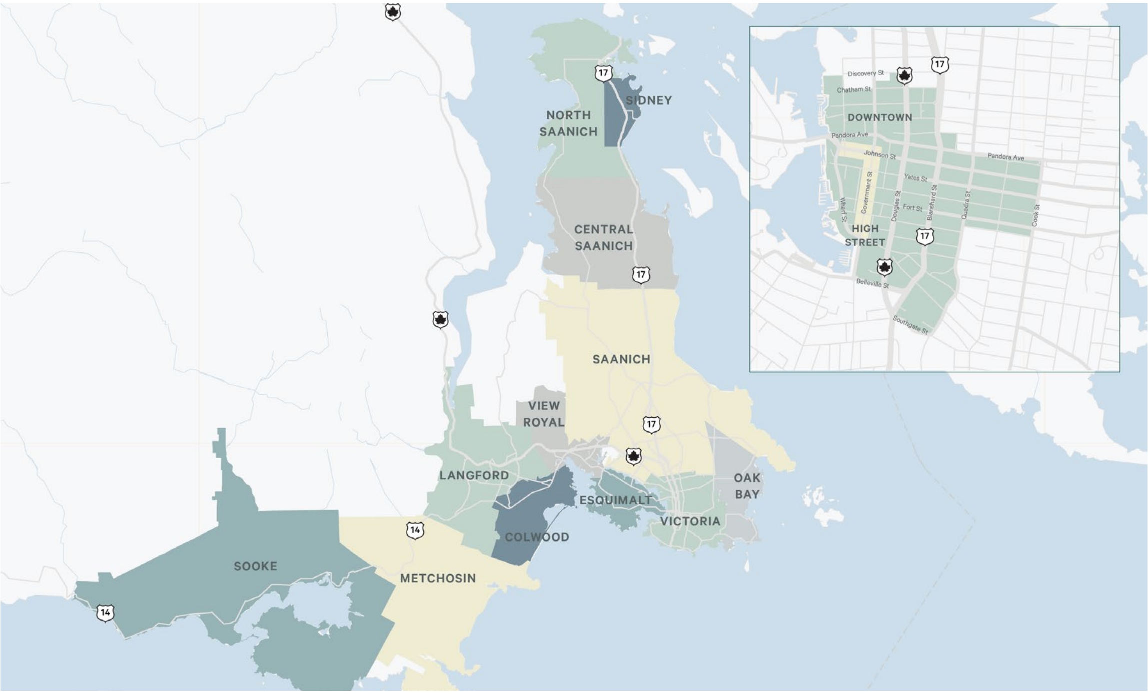

Source: CBRE Research, Q1 2026.

FIGURE 7: Greater Victoria Retail Statistics Summary by Region

| | HIGH STREET | DOWNTOWN | SUBURBAN | TOTAL |
|---|---|---|---|---|
| Total Available Space (SF) | 14,456 | 153,815 | 297,991 | 466,262 |
| Total Available Space for Sublease (SF) | 2,381 | 10,945 | 27,496 | 40,822 |
| Average Net Asking Rent (PSF) | $61.62 | $28.06 | $31.87 | $30.43 |
| Average Additional Rent (PSF) | $12.32 | $20.14 | $17.35 | $18.15 |
| New Supply (YTD) (SF) | - | 4,280 | 3,552 | 7,832 |
| Under Construction (SF) | - | 142,678 | 251,005 | 393,683 |

Source: CBRE Research, Q1 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 and Sooke.

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