82,000 sq. ft. of new supply delivered in H1

▲ 478K
Total SF Available

▼ 319K
SF Under Construction

▲ $31.51
PSF Net Asking Lease Rate

Note: Arrows indicate change from previous quarter.

Market Summary

- Greater Victoria's retail availability rose modestly to 478,000 sq. ft., driven by increased Downtown supply, while High Street and Suburban availability continued to tighten amid strong tenant demand and elevated tourism activity.
- Retail movement was led by new market entrants, relocations, and food-and-beverage operators backfilling vacant spaces, reinforcing continued demand for well-located storefronts across Greater Victoria.
- Approximately 254,000 sq. ft. of new retail supply is anticipated in 2026, with development activity concentrated in the suburbs and completions weighted toward the second half of the year.
- Downtown Victoria continues to face street-level challenges, though resilient leasing activity, strong tourism, and the federal return-to-office mandate are expected to support weekday foot traffic and retailer demand.

FIGURE 1: Greater Victoria Retail Statistics Summary by Municipality

	Total Available Space (SF)				
Submarkets	Q1 2026	Q2 2026	Quarter-over-Quarter	Average Net Asking Rent (PSF)	Average Additional Rent (PSF)
Central Saanich	817	-	-100.0%	-	-
Colwood	11,394	12,509	9.8%	$38.55	$16.42
Esquimalt	13,676	9,833	-28.1%	$23.72	$15.99
Langford	36,084	45,361	25.7%	$38.51	$14.09
Saanich	139,634	146,700	5.1%	$46.39	$20.75
Sidney	11,285	14,699	30.3%	$25.59	$11.77
Sooke	6,463	2,932	-54.6%	$28.00	$17.83
Victoria	246,909	246,097	-0.3%	$28.82	$17.99
Other*	-	-	-	-	-
TOTAL	**466,262**	**478,131**	**2.5%**	**$31.51**	**$17.99**

*Oak Bay & View Royal
Source: CBRE Research, Q2 2026.

Greater Victoria overview

Retail availability across Greater Victoria increased modestly this quarter, rising 2.5% to 478,000 sq. ft. The increase was most pronounced in Downtown where available supply climbed 13.7% quarter-over-quarter, partly reflecting the completion of 10,000 sq. ft. of new retail space at Parkway on Pandora Avenue. In contrast, High Street availability remained exceptionally tight having declined 30.7% year-over-year. This compression has been supported by continued leasing activity from new market entrants such as Kit and Ace, Tilley, Shayelily, DUER, and WHEAT. Strong tourism volumes, supported by another record-setting cruise season, have reinforced retailer confidence in prime foot traffic corridors. Suburban availability also continued to tighten, decreasing 2.6% quarter-over-quarter and 7.7% year-over-year, with demand remaining particularly healthy in the Westshore where pre-leasing activity remains robust. The average net asking rate across Greater Victoria increased 3.6% quarter-over-quarter to $31.51 per sq. ft., with rents averaging $28.73 per sq. ft. in Downtown, $61.62 per sq. ft. along the High Streets, and $33.52 per sq. ft. in the Suburban submarket.

Notable retailers opening and closing this quarter

Retail movement during the quarter was led by a combination of new market entrants, local relocations, and food-and-beverage operators absorbing previously vacated space. Hey Happy announced plans to open in the former Starbucks location in Cook Street Village, while Citrus & Cane relocated to Trounce Alley, adding to the continued growth repositioning of local businesses in Downtown. Valhalla Pure Outfitters is also pursuing an owner-occupier opportunity at 101-524 Yates Street, further highlighting ongoing occupier confidence in well-located urban assets. Several closures have been quickly backfilled by new concepts, including Stacked Pancake replacing Ross Bay Pub in Fairfield Shopping Plaza and Otto Sandwich taking over the former Picnic Too space on Fort Street. Oakberry's move into the high-exposure Fort and Blanshard corner and Kyoto Garden's backfill of the former Monk Office space in Bastion Square further demonstrate demand for visible and prominent locations. Other notable additions include HEAL Wellness, Lee's Donuts, Ful Canteen, Le Croissant Chaud, and Birdman, reinforcing the depth of food-and-beverage activity across the market.

FIGURE 2: Notable Retail Developments

Size (SF)	Project Name	Submarket	Estimated Completion	Developer / Owner
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
15,571	ODYSSEY	Saanich	Q4 2026	OVIS / Stratosphere / Ironclad
109,060	University Heights	Saanich	Q4 2026	Greystar / Minto Apartments

Source: CBRE Research, Q2 2026.

FIGURE 3: Notable Lease Transactions

Size (SF)	Tenant	Address	Submarket	Industry	Deal Type
4,300	The Salvation Army	2455 Beacon Avenue	Sidney	Non-profit	Direct
2,929	Driftwood Sport & Wellness	3605 Ryder Hesjedal Way	Colwood	Health	Direct
2,547	George Richards	C103-2401 Millstream Road	Langford	Apparel	Direct

Source: CBRE Research, Q2 2026.

FIGURE 4: Notable Sales Transactions

Address	Submarket	Purchaser	Size (SF)	Price ($M)
153 Menzies Street	Victoria	Private Investor	7,738	$3.6
101-524 Yates Street	Victoria	Valhalla Pure Outfitters	4,871	$2.7
105-989 Johnson Street	Victoria	Private Investor	5,332	$2.1

Source: CBRE Research, Q2 2026.

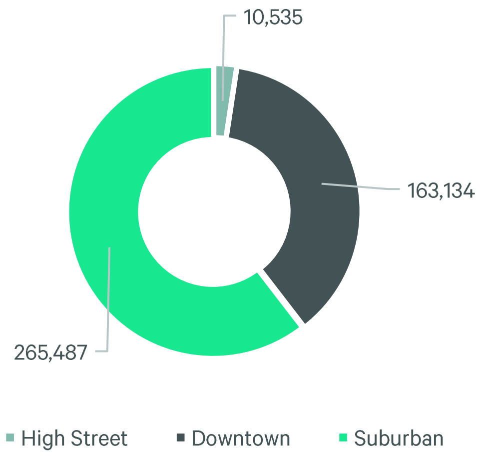
254,000 sq. ft. of new retail supply anticipated in 2026

Greater Victoria is projected to deliver approximately 254,000 sq. ft. of new retail supply in 2026 with 82,000 sq. ft. completed during the first half of the year and an additional 172,000 sq. ft. currently under construction. The development pipeline remains weighted toward the second half of the year with roughly 92,000 sq. ft. expected to complete in Q3 and a further 79,000 sq. ft. anticipated in Q4. Downtown has delivered 20,000 sq. ft. of new retail space to date, representing half of the estimated 40,000 sq. ft. expected to complete in the submarket this year. In comparison, the Suburban submarket has delivered approximately 62,000 sq. ft. of the 214,000 sq. ft. anticipated for 2026, underscoring the continued concentration of new development outside the urban core. The High Street corridors continue to have no active retail construction pipeline. Notable completions this quarter included Arden at Royal Bay, Latoria Corners, and Parkway, while Arbutus Landing and Spencer Block are expected to complete next quarter.

Downtown Victoria retail fundamentals resilient amid headwinds

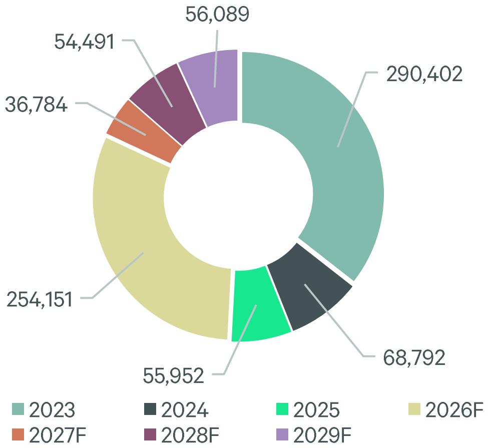
Downtown Victoria's outlook remains nuanced, reflecting a disconnect between public sentiment and market activity. Concerns surrounding street disorder, public safety, and affordability continue to weigh on operators and customers. Nevertheless, leasing fundamentals have proven comparatively resilient. Vacancies in prime retail corridors are often backfilled within a short period, particularly by food-and-beverage operators and High Street retailers seeking prime exposure to the tourist corridors. Record tourism activity driven by the cruise and hotel sectors, alongside major events such as the FIFA World Cup, has supported strong visitation levels. Looking ahead, the federal government's return-to-office mandate is expected to increase weekday foot traffic and consumer spending, providing an additional tailwind for downtown retailers. While challenges persist, continued leasing demand and sustained visitor activity suggest the downtown core remains fundamentally attractive to occupiers despite ongoing headwinds.

FIGURE 5: Total Headlease Availability (SF)



Source: CBRE Research, Q2 2026.

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



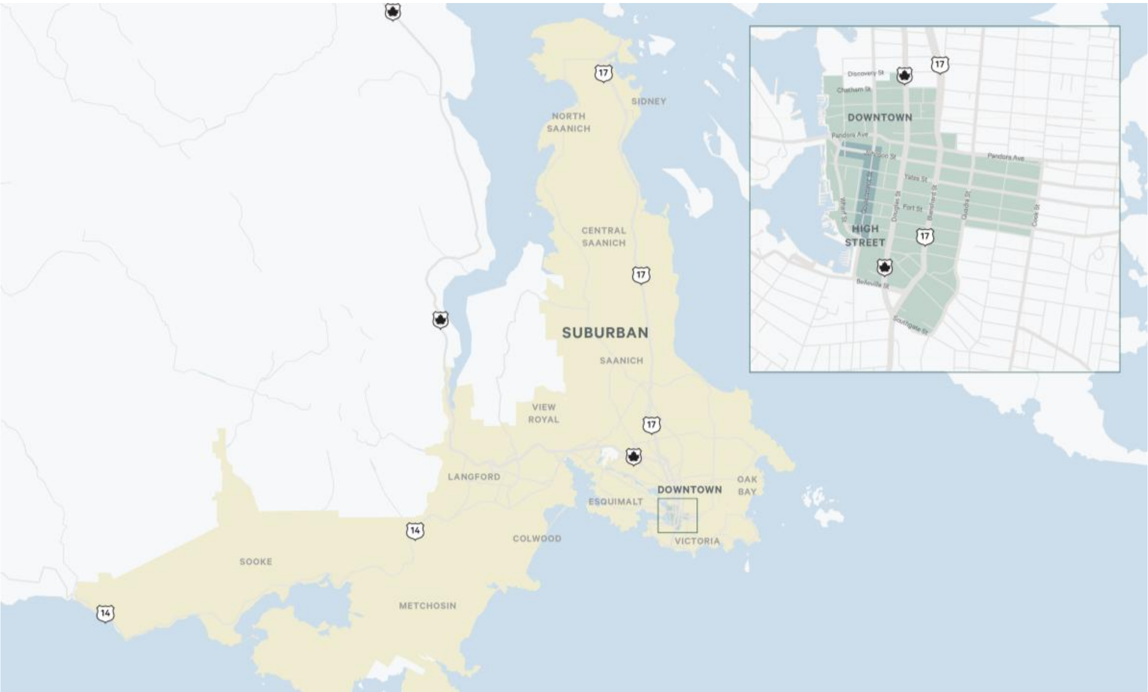
Source: CBRE Research, Q2 2026.

FIGURE 7: Greater Victoria Retail Statistics Summary by Region

	HIGH STREET	DOWNTOWN	SUBURBAN	TOTAL
Total Available Space (SF)	12,916	174,932	290,283	478,131
Total Available Space for Sublease (SF)	2,381	11,798	24,796	38,975
Average Net Asking Rent (PSF)	$61.62	$28.73	$33.52	$31.51
Average Additional Rent (PSF)	$12.32	$19.39	$17.37	$17.99
New Supply (YTD) (SF)	-	20,219	62,079	82,298
Under Construction (SF)	-	126,739	192,478	319,217

Source: CBRE Research, Q2 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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