



Quick Stats

12.0 msf

total market inventory

1.59 msf

total enclosed mall sf

4.17%

market vacancy rate

\$18.00 psf

average asking lease rate

\$32.00 psf

average asking lease rate for
new development

Retail Market Sees Positive Growth

General Summary

Through 2019 the city of Regina maintained increases in population and employment. With this steady positive migration to the city and a stabilizing economy, we see a generally positive retail market through quarter three. Vacancy rates rose marginally for the second straight year to 4% by the end of the third quarter as the city sees a rise in brand new retail development sites. Amid sagging numbers nationwide since the legalization of cannabis, Regina continues to see vendors opening in the city with three new locations in the later half of 2019. The privatization of liquor stores throughout the city has seen continued success throughout the year with two additional Sobeys Liquor stores beginning construction, and the opening of a liquor store inside the Aurora Costco in the fourth quarter of 2019.

Asking Rates

Net asking rates remained consistent, ranging from \$15 to \$25 psf for existing neighbourhood and regional centres, and \$32 to \$40 psf for brand new space. Enclosed Shopping Malls throughout the Queen City continue to compete for tenants with asking rates averaging \$20.00 psf. Rates are expected to remain stable through 2020.



Retail Development

Existing retail developments in Harbour Landing are expanding once again as Dream is progressing with their newest retail centre, The Runway, located on Parliament Avenue.

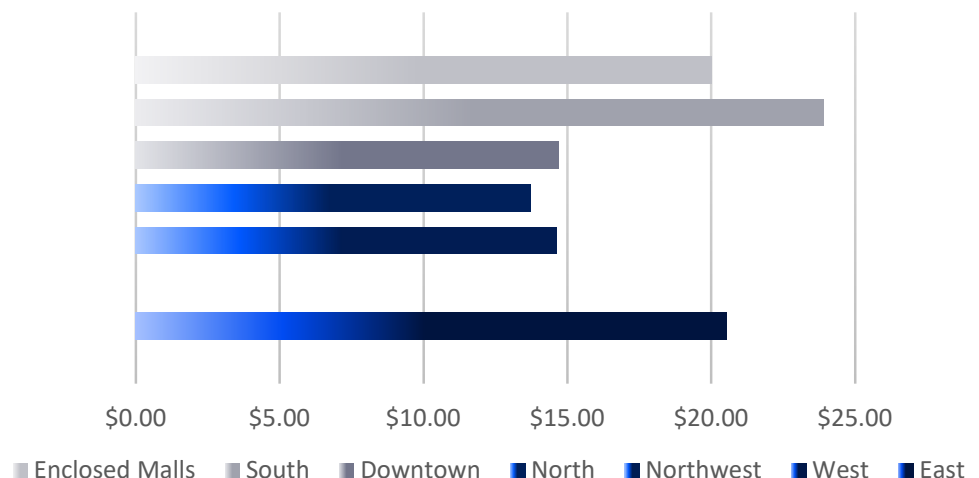
The Aurora retail centre east of Regina continues to grow with the opening of the Landmark Cinemas and several food and beverage retailers in quarter three of 2019.

Development of the new Capital Crossing retail centre, set to serve Rochdale and Reginas northwest neighbourhoods looked to be gaining momentum with the opening of a Sherwood Co-op gas bar and a BMO branch, however progress has been slower than anticipated.

Despite the generally positive retail market in the city the Westerra mixed-use community development Horizons, continues its residential construction but sees its retail shopping centre stalled after the opening of the Sherwood Co-op Gas Bar earlier in 2019.

Retail Lease Rates By Subdivision

Rates displayed as \$ psf - data inclusive as of October 2019



Regional Retail Sites

New retail development in Regina has sprung up in all corners of the city, providing new opportunities for owners and tenants in all neighbourhoods.

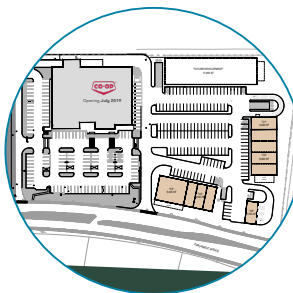
Capital Crossing
Hawkstone



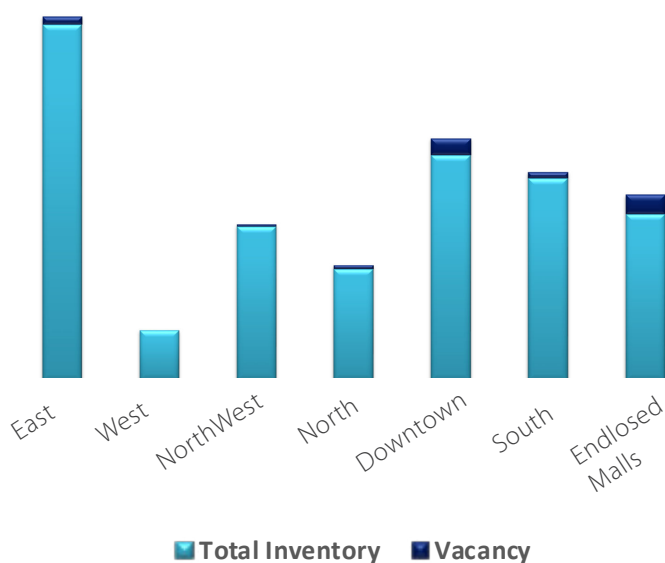
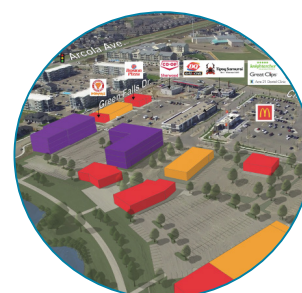
Aurroa
East on Highway #1



Runway
Harbour Landing



Acre 21
Greens on Gardiner



Vacancy Rates By Subdivision

Rates displayed as total inventory & vacanct inventory - data inclusive as of October 2019

Vacancy

Vacancy in the Regina retail market remained steady throughout the year as landlords, developers and investors abandon the adage "build it and they will come". While we may not see a boom in retail like years past, it is still the strongest market for new construction in the city. Cannabis and private liquor stores have helped the retail sector as a whole in the last year.

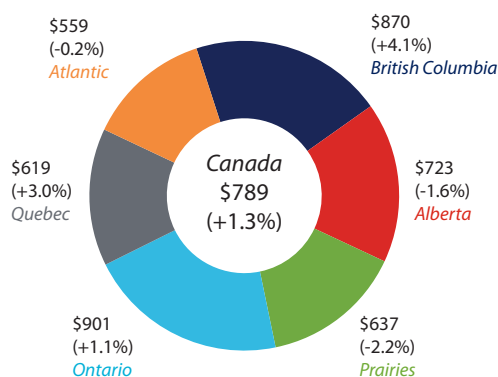


National Retail Outlook

Retail properties remain the most unpredictable commercial real estate assets in Canada. Retail vacancy remains in flux as a lingering result of the failures of some prominent chains, while big-box chains closed under performing locations amid the ongoing e-commerce revolution. Divergence in the retail spectrum has become more apparent as discount and luxury retailers flourish at the expense of the mid-market category, while growth in consumer spending is slowing under pressure from high consumer-debt levels and rising interest rates.

Significant investment in technology to track millennial behaviour is being made by retailers developing and enhancing their physical locations and online market shares while seeking the correct balance in the symbiotic relationship between bricks and clicks. Pop-ups remain prominent, sometimes leading to more permanent establishments. Meanwhile, retail landlords will direct investment to upgrading assets to their maximum potential, in some cases opting for redevelopment of properties with excess land to add complementary mixed-use elements. Other investors have overhauled their retail strategies to follow the growing urbanization trend.

Bill Argeropoulos
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Canada's Mall Performance

12- Month sales per square foot and YoY chance to December 2018

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