

RETAIL REPORT

VACANCY RATES

2016: 5.03%

2017: 4.91%



DOWNTOWN LEASE RATES

2016: \$28-34

2017: \$22-38



HARVEY AVE LEASE RATES

2016: \$13-25

2017: \$16-23



NEW CONSTRUCTION

2016: 91,000 SF

2017: 9,100 SF



KELOWNA'S RETAIL MARKET Q3 2017

PANDOSY/MISSION LEASE RATES

2016: \$24-35

2017: \$25-36



ABSORPTION

2016: 85,000 SF

2017: 77,000 SF



NOTABLE TRANSACTIONS

Bliss Bakery
Tim Hortons
Brown's Social House
Nester's Market

RETAIL STRATA

2016: \$244-356

2017: \$224-462



RETAIL MARKET SNAPSHOT

	Q3 2017
Inventory	6,373,000 SF
Vacant Space	312,800 SF
Net Absorption 2016-2017	77,000 SF
Vacancy Rate	4.91%
Under Construction	9,100 SF

RETAIL LEASE RATES

	LEASE RATE RANGE
Downtown 200 Block	\$22-38
Downtown 300 to 600 Block	\$16-30
Neighbourhood Centres (Brandt's Creek / Kelowna Crossing / Mission Park Shopping Centre)	\$16-35
Power Centres (Central Park)	\$20-36
Specialty Boutique (South Pandosy)	\$25-36

The urbanization of Downtown is continuing in the retail sector in Kelowna. Last year this idea was a vision and now it is fully coming to light.

Retailers used to be drawn to Highway 97, but they are starting to open up to other areas of the City. Now that major players like Cactus Club are open Downtown, more businesses are attracted to the area. Businesses from the Lower Mainland and Alberta are starting to catch on to Kelowna's new vibrancy and wanting to participate. For example, the Craft Beer Market is soon opening a 500 seat location Downtown, and the company has expressed excitement surrounding the location choice. As Downtown Kelowna blossoms, more retailers want to be part of its transition.

Further proof of this is the expansion of coffee shops in the Downtown Core. Tim Horton's is opening up on Bernard Avenue, Bliss Bakery has opened a second location in the same block, Bean Scene underwent a major expansion and Blenz has opened in the new Innovation Centre. This gives Kelowna big city vibes and caters to the increased foot traffic in the area, making Downtown an urban gathering place. The area is also doing well as it relates to dining, with similarities to Vancouver's Yaletown.

Mixed-use developments are becoming popular locations for retailers, which help create a desirable location to live and work. With more customers opting to order online, the world of retail is now driven by business' that create an experience for customers.

In contrast to Downtown, the Lower Mission is more like an emerging Kitsilano, being driven by boutique shops and fashion retailers. Mission Park and its neighbouring property are both fully leased. A new mixed-use development with

a retail component is also opening on Lakeshore. Three exciting tenants have confirmed upcoming locations at "The Shore", including Good Earth Cafe, plant-based eatery KB&Co and the Shoreline Brewing Co., which will open a 5,000-square-foot micro brewery. All three companies are based out of Alberta.

A select number of small new neighbourhood commercial centres have opened in Glenmore, Airport Business Park and South Pandosy to service these areas. The majority of retailers are medical, professional, health, wellness and child care.

Currently, talks are surrounding Capri Centre as it prepares to undergo a complete redevelopment. The mall faced a big loss as Winners moved to Orchard Plaza, filling the last remaining vacancy that was created when Target closed. Up the Highway, Orchard Park Shopping Centre has held on to Sears, despite closures of nearly 60 stores across the country.



Brandt's Creek Crossing - Now Fully Leased



New Library Parkade Expansion



The Shore