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September 20, 2021

CONSUMER REAL ESTATE CANADA

The Takeaways & Trends - Cross-Canada Consumer Real Estate Market Conditions Conference Call

“FROM MAIN STREET TO THE MAIN MALL AND ANYWHERE THAT RETAIL HAPPENS IN CANADA...KEEPING RETAILERS, FOOD SERVICE SPECIALISTS, E-COMMERCE MERCHANTS, ECONOMIC DEVELOPMENT PROFESSIONALS, RETAIL SPACE BROKERS, BUILDING OWNERS & DEVELOPERS, AND INDUSTRY SUPPLIERS CONNECTED!”

NEW: Consumer Real Estate Canada is launching a weekly half hour Zoom chat called “**CREC Talk Shop**” to discuss current events and trends in the Canadian consumer real estate industry. The inaugural CREC Talk Shop will be hosted by Slava Fedossenko, CREC Advisory Panel Lead and is scheduled for Wednesday October 13, 2021, at 9:00AM MST. The industry guest will be Matt Dunn, Real Estate Manager with McDonald’s Restaurants of Canada Limited who will provide his insights into the QSR real estate business. Watch for a Zoom invitation in your inbox in the coming days.

Hello fellow Canadian consumer real estate professionals, we hope you enjoyed the recent CREC update on Canadian consumer real estate market conditions. Here are the takeaways and trends from our call on Sept. 20, 2021, compiled by the call moderator Michael L. Kehoe.

Trending in Canada:

- 1000 cannabis stores now in Ontario
- Multi-family developers acquiring commercial land in Winnipeg at record prices
- West Edmonton Mall celebrates 40 years, new store leasing noted in this report
- Ivanhoe Cambridge divesting more properties, Mic Mac Mall, Bayshore, Guildford
- Vancouver Gastown & Kitsilano districts are hot

The Takeaways...regional call contributors reporting:

Newfoundland & Labrador - Nikki Poole CBRE – nikki.poole@cbre.com

- Torrid has opened in the Avalon Mall and fills a hole for plus size clothing retailers in our market, more growth across the province with Dollarama and Great Canadian Dollar store who are looking at smaller markets, Great Canadian opening a 12,000 sq ft store in Grand Falls Windsor, this is an aggressive size for that market. Another micro brewery opening in the St. John’s metro area warehouse location in an industrial park with taproom space, Pet Valu opened larger store in Corner Brook, and other nationals seeking space in this market with limited space availability.

Atlantic Canada – Vicki Carr – Hardman Group – vcarr@hardmangroup.ca

- NB: With the increase of COVID cases, proof of vaccination for travelers entering the province, and those with only one dose must self-isolate for 14 days. Blackwell Supply Company are open in Moncton at CF Champlain in the former Naturalizer space, and Under Armour outlet in Mapleton Centre in Moncton set to open. My Home Consignment started in Fredericton, a clothing, furniture and décor retail store that are moving to the predominant Corbet Centre in Fredericton, as well as opening in a second location in Saint John in the Eastpoint shopping district.
- NS: Puma will be opening a retail outlet in Dartmouth Crossing. Mezza Lebanese Kitchen, a Halifax based quick-service restaurant that offers fresh locally sourced Middle-Eastern food with 11 locations operating in the Province with franchises coming to Greater Moncton and Prince Edward Island with Moncton expected to be open in November with 24 locations planned in the Maritimes. 50 new restaurants in Ontario.
- PEI: The International Shellfish Festival has been cancelled due to the evolving public health situation, and will cost organizers an estimated \$200,000, not to mention the impact the PEI hospitality industry.

Quebec - Tony Flanz – Think Retail - tflanz@thinkretail.ca

- Marche des Promenades opens at CF, St. Bruno 125,000/sq ft \$70M investment by CF, + 35,000/sq ft Avril, and Marche includes an outdoor plaza and demo kitchen & 30 local merchants. Tommy Cafe, SAQ and Great donut shop, Uniqlo under construction at CF St. Bruno. Avril (Quebec version of Whole Foods), will open store #11 at Place de la Cite in 2022, and Arc'teryx opened a new smaller format store called Arc'type on Sherbrooke St. in Westmount, the company's first of the new concept in Canada. Students back in downtown Montreal encouraging news, Montreal based outer wear specialist Quartz Co signed to takeover the former Fossil space on St. Catherine, WLKN signed to open on St. Catherine, James Perse Home to open next month in Westmount, Paysanne Gelato rebranded Qwelli, and Parisian Acuitis (optical and hearing aids) opened location #3 on Mt. Royal and expanding in Quebec.

Manitoba – Michael Stronger - Shindico Realty - MStronger@Shindico.com

- Record prices are being paid for commercial land both vacant and under-rented/developed. Vast majority of the buyers are multi-family developers, creating some spin-off leasing as a variety of businesses are being forced to relocate.

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British Columbia - Neil McAllister – Lee & Associates - neil.mcallister@lee-associates.com

- BC launched Proof of Vaccination requirement, which is required to access sporting events, dining establishments, gyms, conferences and weddings. Permitting in Metro Vancouver, typically building permits are taking 15 to 22 weeks, in some cases a change of use can take up to 18 months with both retailers and landlords very frustrated. Whistler tourism ramped up this summer after being forced to close, the village was buzzing after tourism targeted cities like Toronto, Calgary and Edmonton and it worked. The lack of international travellers and workers is a concern for the upcoming ski season as worker's and travellers struggle through red tape to obtain Visas. Recent new store openings include Aritzia, which relocated to 1300 sq ft because their former space was taken over by the expansion of the Araxi Restaurant. Smart Wool specializing in marino wool products is opening in 1300 sq ft as well, along with Freshii and Arabica Coffee all in Whistler.

Notable Industry Trend from Stan Boniferno – Stabon Enterprises in Toronto - Stan.boniferno@gmail.com

- A shout out on the 40th anniversary of the West Edmonton Mall. Congratulating the visionary mall developer, owners the Ghermezian family on this milestone.

Update on Consumer Real Estate Canada from CREC Advisory Panel Lead - Slava Fedossenko CRRP – Avenue Living - sfedossenko@avenueliving.ca

I am pleased to provide an update on Consumer Real estate Canada. CREC is a Canadian not-for-profit industry organization run by volunteers, and there are no membership fees.

Most of our participants are members of BOMA, Urban Land Institute, Retail Council of Canada or ICSC. The purpose of CREC is to complement our memberships in these industry organizations and provide a forum with educational content and in-person events that are uniquely Canadian! created by Canadians who have a consumer real estate focus.

We have set up a 'Go-fund-me' account to cover CREC costs and it is completely voluntary. Your contributions help to cover fixed costs such as website hosting, logo design, etc. and are vital to keep the group healthy and growing. Watch for the link to the Go Fund Me in the Takeaways emails that you receive from Mike following each call, and thank you for your contributions - [Consumer Real Estate Canada GoFundMe](#)

Further, I can share An Update on the website & social media platforms: you can now visit www.crec.live where you will find links to our LinkedIn and Facebook pages, any upcoming event registration links, and soon, a database of all of the CREC Takeaways emails going back to the early days of the group in 2020.

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The Advisory Panel will meet in the coming weeks to begin working on a new initiative for CREC involving video, to bring more engagement and education into our offerings. You can volunteer to help plan regional events or to chart the future course of CREC as part of the Advisory Panel. Just reach out to myself or Mike following the call if you are interested in joining or just getting more information. Our contact info is available in any of the Takeaways emails and we look forward to hearing from you!

Our special guest was Craig Patterson the Editor in Chief at the Retail Insider, Canada's most read on-line industry publication who provided an update us on the Canadian retail scene.

Here is a summary of Craig's comments on the Call:

National:

Government subsidies ending, uncertainty (rent/staff support), E-commerce is still growing/important but physical retail is picking up steam, new brands continue to enter the Canadian market, retail and food, more to come.

Specsavers entered the Canadian market earlier this year, and Under Armour expansion to West Edmonton Mall. Oscar Wylee entering Canada, Sleep Country expanding with new stores,

Walmart partnership with Casper mattresses, Hudson's Bay innovating, doing second-hand baby, SpaceNK.

Raptors partnership, downsizing stores, shut basement in Regina store, CSO Canadian Shoe Outlet shutting, and Ikea opening small-format design studios in GTA, could expand further.

Ghost kitchens a major trend, inflation hitting food and other sectors, changing consumer spending patterns, food halls: several either opened or will be opening, suburban Montreal and several in downtown Toronto on the way.

GAP owned Athleta enters Canada Park Royal is the first, Ivanhoe Cambridge is divesting more properties, Mic Mac Mall, Bayshore, Guildford, appointed JLL to lease. Decathlon continues to expand, luxury brands doing well generally, sales up over 2019, Walmart bolstering operations, investing heavily.

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Amazon also investing heavily, will be making more announcements into the fall, Nike expanding flagship concept, Ray-Ban expanding, direct-to-consumer push, Cannabis in malls: CF conservative, interesting move.

Bentley Leathers: expanding airport concept, Mondou-Ren's Pets expansion after acquisition, Frank and Oak: expansion plans under new ownership/management, Grocery disruption: Couche-Tard, smaller-format stores, supply chain nightmares, Rexall partners with DavidsTea.

Staffing for retailers is a struggle, vaccine mandates, vaccine passports, mask mandates coming back.

Atlantic:

LL.Bean Dartmouth Crossing, more to come, Ivanhoe Cambridge sells Mic Mac Mall to investors

Toronto/Ontario:

Celine opens at Yorkdale, TWG Tea, Alexander McQueen, others renovating. Yorkdale vs. Yorkville for high-end retail, 1000 cannabis stores now in Ontario, Union Station: incredible retail mix on the way with details to come,

Prairies: WEM marks 40 years with new Virtual Land, Oscar Wylee 1st in Canada, Blu's Womenswear opens, Under Armour 2nd in Canada (full-price), Toyota Experience Centre, Oak + Fort, Edmonton City Centre will see redevelopment, maybe not the best strategy, Manulife Place overhaul on pause temporarily\

BC / Vancouver:

Gastown getting hot, CNTRBND relocating, Maison Kitsuné opening. Allbirds doing 1st store on W. 4th, other trendy retailers as Kitsilano picks up, Barry's Bootcamp opens, could do more in Vancouver area.

Craig Patterson

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