

INVESTMENT FORECAST

Retail
Vancouver

IPA
INSTITUTIONAL
PROPERTY
ADVISORS

2026

Lower Borrowing Costs and Greater Visitor Inflows Aid Retail Expansion

Recovery expected to take hold in 2026. Retail fundamentals in Vancouver softened in 2025 as vacancy climbed amid a rise in store closures linked to trade disruptions and weaker consumer sentiment. While these challenges may linger into 2026, the outlook for the year points to a gradual recovery supported by improving economic conditions and renewed spending momentum. Lower interest rates are expected to ease household debt burdens – historically elevated in Vancouver – helping to lift consumption and retail sales activity. Tourism will also play a key role in driving consumer spending this year. The upcoming FIFA 2026 World Cup and growing domestic travel intentions amid ongoing Canada-U.S. trade tensions are expected to draw a significant influx of visitors from within Canada and abroad. These factors are likely to bolster retailer confidence and reinforce leasing activity across the metro. On the supply side, the delayed opening of Oakridge Park will introduce a wave of high-quality space to the market, contributing to an increase in completions. However, overall development will remain disciplined, with most additional projects concentrated in mixed-use formats.

INVESTMENT TRENDS

- Despite trade risks, investment activity remained robust last year, supported by several high-profile transactions, including the sales of Willowbrook Park and Cottonwood Centre.
- Neighbourhood, grocery-anchored retail with redevelopment or intensification potential continues to attract positive sentiment, as this format stands to benefit from evolving demand dynamics.

2026 Retail Trends



**700,000
SQUARE FEET**
will be completed

CONSTRUCTION:

Completions will rise with the delivery of Oakridge Park. Most new openings will be situated outside downtown, primarily as part of mixed-use developments incorporating office or residential space.



**10
BASIS POINT**
increase in vacancy

VACANCY:

Following last year's increase, the vacancy rate is forecast to rise at a slower rate as space demand improves in 2026. By the end of the year, vacancy is projected to sit just below 3.0 per cent.

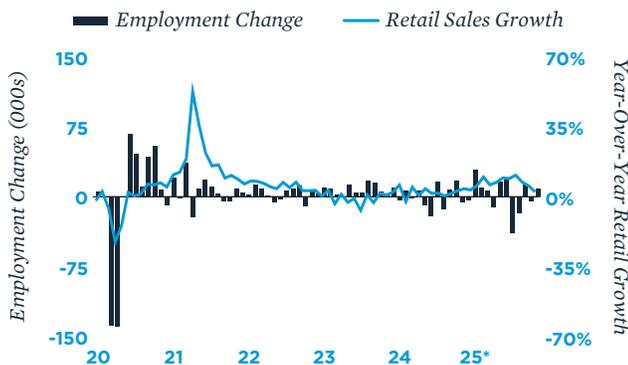


**1.3%
INCREASE**
in asking rent

RENT:

The absorption recovery is expected to continue, with retail asking rents increasing. However, growth is likely to moderate as the vacancy rate has risen from the exceptionally low levels seen in recent years.

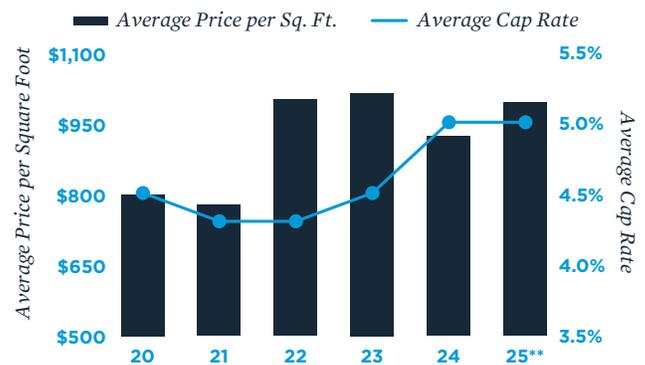
Employment vs. Retail Sales Trends



* Employment through November, retail sales through September; ** Trailing 12 months through 3Q
Sources: Altus Data Solutions; CoStar Group, Inc.; Statistics Canada

Metro-level employment, vacancy and effective rents are year-end figures and are based on the most up-to-date information available as of February 2026. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the first quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

Price and Cap Rate Trends



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