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SPECIAL EDITION

CANADIAN SHOPPING CENTRE STUDY 2019

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Every retailer pays significantly for marketing opportunities through their leases.

However, 90% of retailers never take advantage of the benefits of these investments.

Every shopping center promotes their retailers' marketing campaigns to millions of consumers to drive traffic and sales to their retailers.

Engagement Agents helps retailers drive more traffic and sales, while saving money, time and resources by making it easy to take advantage of their already-paid-for marketing dollars!

Learn more at www.EngagementAgents.com. Also, read our article on page 25 of this Study!

CANADIAN SHOPPING CENTRE STUDY 2019



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Introduction



Retail Council of Canada and Engagement Agents are pleased to bring you the fourth edition of the *Canadian Shopping Centre Study*. Not only are Canada's top malls continuing to make substantial capital investments to meet consumers' hunger for retail innovation, enterprising landlords are also looking at unprecedented ways to add value and expand productivity, through impressive mall renovations and increasingly with easily accessible and integrated "live, work, play and shop" developments.

This year's study consolidates year-over-year information on Canada's top 30 shopping centres (2017 to 2019), ranks the 10 busiest centres, and provides an overview of notable future development projects across Canada. There is no question that these developments

will dramatically transform the Canadian shopping centre landscape over the next 5, 10 and 20+ years.

As *The Voice of Retail™* in Canada, Retail Council of Canada advocates passionately to keep retailers in Canada strong. The new and exciting shopping centre developments will create amazing opportunities for retailers to play even more important roles in communities across Canada.

To download this year's report or access previous years' issues of the *Canadian Shopping Centre Study*, please visit RetailCouncil.org/research. Members can also take advantage of a full library of other retail industry resources. Membership information can be found at RetailCouncil.org/join-today.

Thank you to all who have contributed to this study. What an exciting time for retail in Canada!

Kind regards,

Diane J. Brisebois
President and CEO,
RETAIL COUNCIL OF CANADA



About the Author

Craig Patterson is a retail analyst and founder of the Canadian retail industry news publication, *Retail Insider*. He holds Bachelor of Commerce and Bachelor of Law degrees from the University of Alberta and is also a Director at the University of Alberta School of Retailing. He has been studying the retail industry for over 25 years and has a keen interest in shopping centre real estate.



Not only are Canada's top malls continuing to make substantial capital investments to meet consumers' hunger for retail innovation, enterprising landlords are also looking at unprecedented ways to add value and expand productivity, through impressive mall renovations and increasingly with easily accessible and integrated "live, work, play and shop" developments.

- Diane J. Brisebois

Executive Summary

Retail Council of Canada's *Canadian Shopping Centre Study 2019* analyses Canada's top 30 shopping centres based on annual sales per square foot productivity and annual visitor counts.

Specific shopping centre data was collected directly from landlords while general reference data was collected from several sources as noted. Canadian shopping centre productivity numbers were provided by landlords for non-anchor reporting commercial retail units (CRUs) for the 12 months ending June 30, 2019

This year, the study also compares Canada's top 10 busiest malls to the top 10 busiest malls in the United States and explores some of the most anticipated shopping centre redevelopment plans across Canada, regardless of their current productivity or annual visitor count rankings.

Canada's shopping centres will see dramatic changes in 2020 and beyond.

With 87% of Canadian adults saying they would consider residing in "live, work, shop, play" environments¹, it is clear shopping centre owners are listening carefully to consumers' desire for easier access, more simplicity, greater convenience and fabulous shopping experiences.

Landlords are not only investing in superb shopping spaces, they are increasingly also adding more non-retail amenities such as destination entertainment attractions, food markets and restaurants, fitness centres, parks, offices and residential towers that are transforming their shopping centres in all-encompassing community hubs.

Canada's shopping centres will see dramatic changes in 2020 and beyond.

KEY OBSERVATIONS

- Canada's top shopping centres continue to report strong sales per square foot numbers.
- Ongoing investment, innovation, new retail mixes and attractions at shopping malls are required to keep visitors coming back and productivity per square foot high.
- Despite closures, many former Target and Sears spaces in Canada have been tenanted. (Source: ChainXY, September 2019)
- Many existing shopping centre properties in Canada, particularly in markets where land prices have risen, are considering proposals to create mixed-use communities (residential buildings, parks, retail and food-and-beverage options).

¹International Council of Shopping Centres, 2019



With 87% of Canadian adults saying they would consider residing in “live, work, shop, play” environments¹, it is clear shopping centre owners are listening carefully to consumers’ desire for easier access, more simplicity, greater convenience and fabulous shopping experiences.

¹International Council of Shopping Centres, 2019

Top 30 Shopping Centres in Canada by Sales Per Square Foot

Rank	Shopping Centre Name	City/Province	Productivity*
1	Yorkdale Shopping Centre	Toronto ON	\$1,964.00
2	CF Pacific Centre	Vancouver BC	\$1,865.00
3	CF Toronto Eaton Centre	Toronto ON	\$1,592.00
4	Park Royal	West Vancouver BC	\$1,342.00
5	Southgate Centre	Edmonton AB	\$1,121.00
6	CF Chinook Centre	Calgary AB	\$1,119.00
7	Square One	Mississauga ON	\$1,108.00
8	CF Sherway Gardens	Toronto ON	\$1,099.00
9	CF Richmond Centre	Richmond BC	\$1,073.00
10	Metropolis at Metrotown	Burnaby BC	\$1,042.00
11	CF Rideau Centre	Ottawa ON	\$1,020.00
12	CF Fairview Mall	Toronto ON	\$987.00
13	Montreal Eaton Centre	Montreal QC	\$983.00
14	CF Masonville	London ON	\$974.00
15	Conestoga Mall	Waterloo ON	\$936.00
16	CF Market Mall	Calgary AB	\$914.00
17	Guildford Town Centre	Surrey BC	\$906.00
18	Mapleview Centre	Burlington ON	\$882.00
19	CF Polo Park	Winnipeg MN	\$879.00
20	CF Markville	Markham ON	\$872.00
21	Scarborough Town Centre	Toronto ON	\$870.00
22	Vaughan Mills	Vaughan ON	\$870.00
23	CF Carrefour Laval	Laval QC	\$858.00
24	Coquitlam Centre	Coquitlam BC	\$851.00
25	Bayview Village	Toronto ON	\$815.00
26	Place Ste-Foy	Quebec City QC	\$806.00
27	Halifax Shopping Centre	Halifax NS	\$799.00
28	CF Limeridge	Hamilton ON	\$785.00
29	Mayfair Victoria	Victoria BC	\$783.00
30	Upper Canada Mall	Newmarket ON	\$773.00

* The 2019 Canadian Shopping Centre Study is based on 12-month data collected as of June 30, 2019 for centres with GLA exceeding 250,000 square feet in size.

Retail Council of Canada Analysis

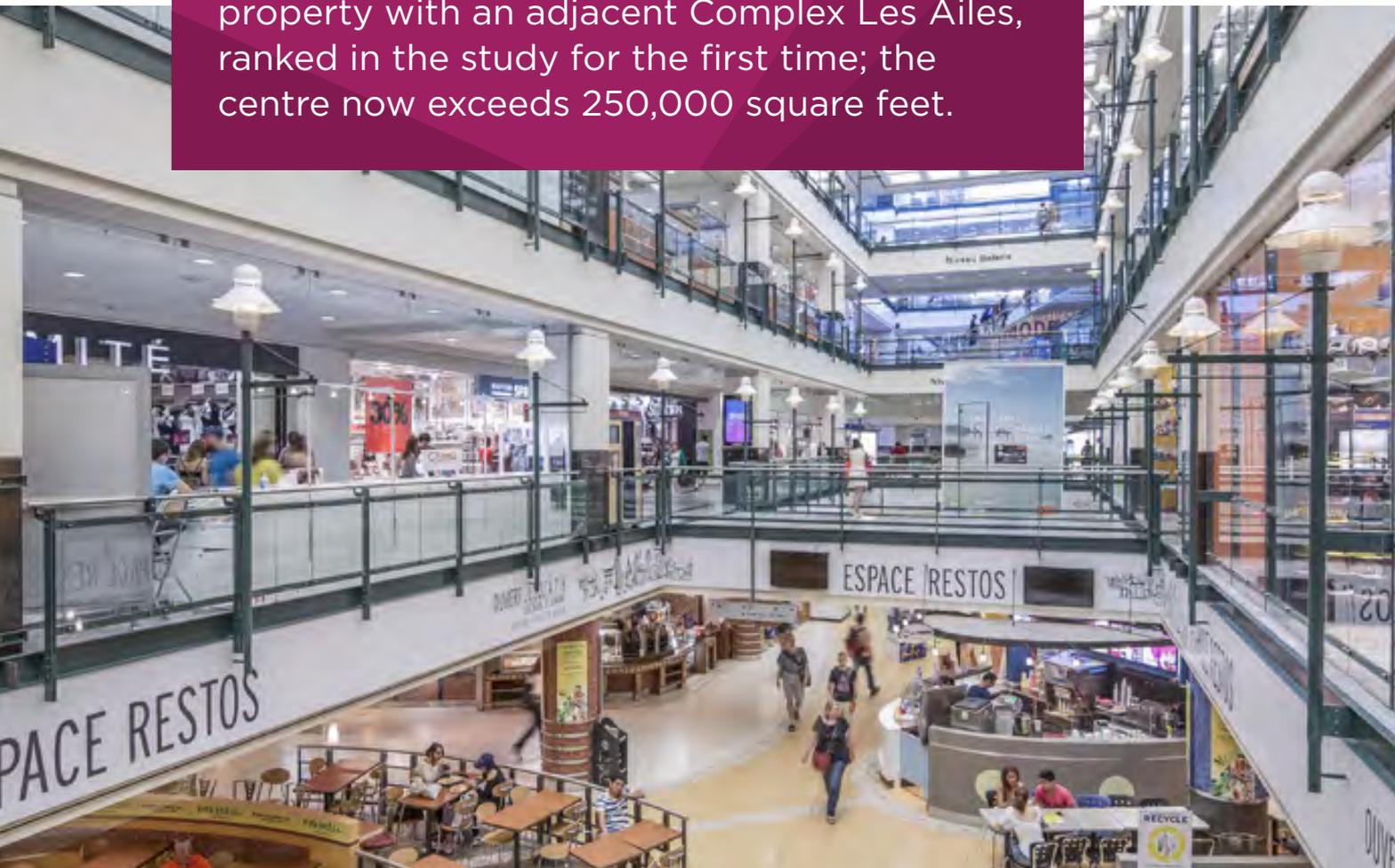
- For the fourth year in a row, Toronto's Yorkdale Shopping Centre ranked as the most productive shopping centre in Canada with annual sales per square foot of \$1964.
- As of June 30, 2019, 11 shopping centres in Canada had annual average sales per square foot surpassing \$1,000. Given growth projections for 2020, as many as 14 Canadian shopping centres could see their annual sales per square foot exceed \$1,000.
- The top three most productive centres in Canada rely heavily on spending from out-of-town visitors.
- Vancouver/Lower Mainland has more shopping centres per capita ranking among the top 30 most productive malls in Canada.
- While West Edmonton Mall did not make it into the top 30 rankings, its 'centre run' is highly productive and demonstrates the great potential for entertainment in shopping centres to drive both traffic and sales.
- Montreal Eaton Centre, which recently saw the merger of a smaller Eaton Centre property with an adjacent Complex Les Ailes, ranked in the study for the first time; the centre now exceeds 250,000 square feet.
- Of the top 30 ranked shopping centres, only five do not house Apple stores. It is estimated that if Apple were to locate in those centres (Park Royal, Montreal Eaton Centre, Scarborough Town Centre, Vaughan Mills, and Bayview Village) each could see an annual per square foot sales lift in excess of \$100. Apple stores are reported to be the most productive stores in the world.
- Tesla showrooms also generate high annual sales per square foot. (Yorkdale Shopping Centre, Park Royal, and CF Sherway Gardens currently have Tesla stores)
- Known retail banners such as Aritzia and Lululemon can be found in most of the top 30 ranked shopping centres.
- While the suburbs are typically home to major shopping centres, four of the top shopping centres are in downtown cores (CF Toronto Eaton Centre, CF Pacific Centre, Montreal Eaton Centre, and CF Rideau Centre). This demonstrates the continued strength of Canada's downtowns when compared to cities in the United States.

Given growth projections for 2020, as many as 14 Canadian shopping centres could see their annual sales per square foot exceed \$1,000.

- Many of the top centres are planning major additions including residential and office space in the next 5, 10, and 20 years.
- Canadian shopping centre landlords are adding entertainment centres to existing properties to further drive traffic, recognizing the success of centres such as West Edmonton Mall. Ivanhoé Cambridge's Vaughn Mills, for example, has announced a Cirque du Soleil family entertainment centre. Oxford Properties, which will announce two more entertainment centres for 2020, already has a major entertainment complex at its Galeries de la Capitale centre in Quebec City, a Dr. Seuss experience centre at Square One in Mississauga, as well as a butterfly-themed interactive centre called bFly at Quartier DIX30 in suburban Montreal. The bFly concept is directing further shopping centre expansion, according to its real estate partner Oberfeld Snowcap.



Montreal Eaton Centre, which recently saw the merger of a smaller Eaton Centre property with an adjacent Complex Les Ailes, ranked in the study for the first time; the centre now exceeds 250,000 square feet.



3a. Comparison

2019 Canadian Shopping Centre Productivity Annual Sales per Square Foot vs. 2018 and 2017

Rank	Shopping Centre	City/Province	2019		2018		2017
			Sales/sf	% Change from 2018	Sales/sf	% Change from 2017	Sales/sf
1	Yorkdale Shopping Centre	Toronto ON	\$1,964.00	▲ 3.10%	\$1,905.00	▲ 15.25%	\$1,653.00
2	CF Pacific Centre	Vancouver BC	\$1,865.00	▲ 10.36%	\$1,690.00	▲ 10.39%	\$1,531.00
3	CF Toronto Eaton Centre	Toronto ON	\$1,592.00	▲ 2.31%	\$1,556.00	▲ 1.83%	\$1,528.00
4	Park Royal Shopping Centre	West Vancouver BC	\$1,342.00	▲ 46.83%	\$914.00	▲ 4.58%	\$874.00
5	Southgate Shopping Centre	Edmonton AB	\$1,121.00	▼ -0.62%	\$1,128.00	▼ -1.66%	\$1,147.00
6	CF Chinook Centre	Calgary AB	\$1,119.00	▲ 3.52%	\$1,081.00	▲ 0.56%	\$1,075.00
7	Square One Shopping Centre	Mississauga ON	\$1,108.00	▲ 1.95%	\$1,086.78	▲ 2.14%	\$1,064.00
8	CF Sherway Gardens	Toronto ON	\$1,099.00	▲ 9.68%	\$1,002.00	▲ 2.35%	\$979.00
9	CF Richmond Centre	Richmond BC	\$1,073.00	▲ 1.23%	\$1,060.00	▲ 13.13%	\$937.00
10	Metropolis at Metrotown	Burnaby BC	\$1,042.00	▲ 0.19%	\$1,040.00	▲ 0.87%	\$1,031.00
11	CF Rideau Centre	Ottawa ON	\$1,020.00	▲ 0.29%	\$1,017.00	▲ 3.04%	\$987.00
12	CF Fairview Mall	Toronto ON	\$987.00	▲ 0.10%	\$986.00	▲ 3.14%	\$956.00
13	Centre Eaton de Montréal	Montreal QC	\$983.00				\$865.00
14	CF Masonville	London ON	\$974.00	▲ 2.96%	\$946.00	▲ 1.39%	\$933.00
15	Conestoga Mall	Waterloo ON	\$936.00	▼ -7.87%	\$1,016.00	▲ 10.55%	\$919.00
16	CF Market Mall	Calgary AB	\$914.00	▲ 1.67%	\$899.00	▲ 1.35%	\$887.00
17	Guildford Town Centre	Surrey BC	\$906.00	▲ 2.60%	\$883.00	▲ 0.91%	\$875.00
18	Mapleview Centre	Burlington ON	\$882.00	▼ -2.11%	\$901.00	▲ 0.67%	\$895.00
19	CF Polo Park	Winnipeg MB	\$879.00	▲ 1.97%	\$862.00	▼ -6.41%	\$921.00
20	CF Markville	Markham ON	\$872.00	▲ 1.99%	\$855.00	▲ 5.69%	\$809.00
21	Scarborough Town Centre	Toronto ON	\$870.00	▼ -2.35%	\$890.93	▲ 2.88%	\$866.00
22	Vaughan Mills	Vaughan ON	\$870.00	▲ 5.58%	\$824.00	▲ 4.04%	\$792.00
23	CF Carrefour Laval	Laval QC	\$858.00	▲ 0.00%	\$858.00	▲ 1.18%	\$848.00
24	Coquitlam Centre	Coquitlam BC	\$851.00	▼ -0.35%	\$854.00	▲ 3.77%	\$823.00
25	Bayview Village	Toronto ON	\$815.00	▼ -1.81%	\$830.00	▲ 2.09%	\$813.00
26	Place Ste-Foy	Quebec City QC	\$806.00	▼ -2.30%	\$825.00	▲ 1.23%	\$815.00
27	Halifax Shopping Centre	Halifax NS	\$799.00	▼ -1.48%	\$811.00	▼ -1.22%	\$821.00
28	CF Lime Ridge	Hamilton ON	\$785.00	▲ 2.48%	\$766.00	▲ 2.27%	\$749.00
29	Mayfair	Victoria BC	\$783.00				\$737.00
30	Upper Canada Mall	Newmarket ON	\$773.00	▼ -1.93%	\$788.19	▲ 1.18%	\$779.00

(Source: Retail Council of Canada Shopping Centre Study, 2019 vs 2018 and 2017)

Note: Numbers above do not take into account factors such as the addition of space or replacement retailers made to a centre. Data should be interpreted accordingly.

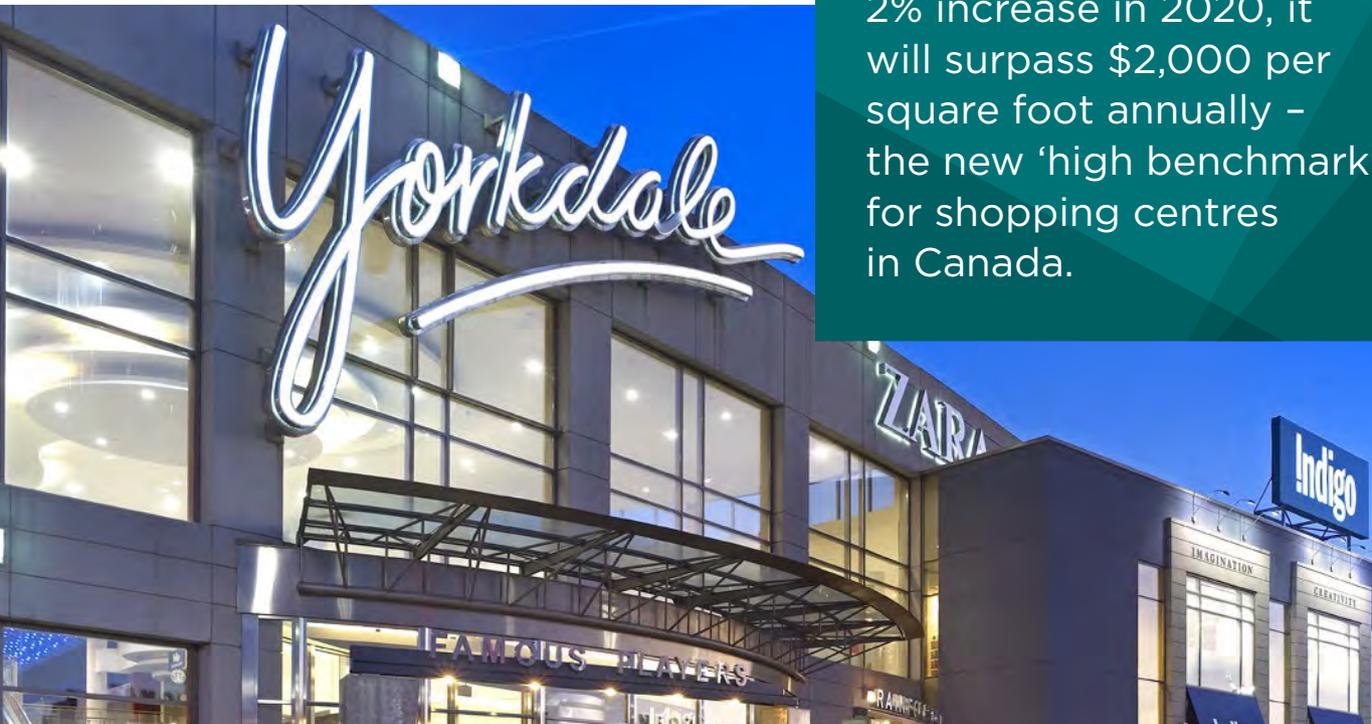
*2018 productivity numbers for Mayfair Centre in Victoria BC were not available for this study.

Retail Council of Canada Analysis

- While many of the top shopping centres have seen year-over-year gains, maintaining growth momentum is challenging in light of the impact online shopping has and continues to have on foot traffic. Landlords are therefore actively leveraging several strategies in tandem: securing the most profitable mix of retailers, phasing out underperforming tenants, adding novel attractions and keeping up with ongoing facility upgrades.
- Toronto's Yorkdale Shopping Centre saw a 3.1% increase in annual sales per square foot in 2019 compared with the prior year. If Yorkdale sees just a 2% increase in 2020, it will surpass \$2,000 per square foot annually - the new 'high benchmark' for shopping centres in Canada. In the United States, only a handful of centres have surpassed the \$2,000 benchmark (in US Dollars), including Bal Harbour Shops in Florida, The Grove in Los Angeles, and the Mall at Rockingham Park in Salem New Hampshire.
- Park Royal in West Vancouver saw an incredible increase of 46.83% in annual sales per square in 2019 - the highest increase tracked over the past four years in this Retail Council of Canada study. Landlord Larco attributes the gain to increased foot traffic from a newly opened VIP Cineplex Cinema, highly productive retailers such as Tesla, and the addition of new retail tenants.



If Yorkdale sees just a 2% increase in 2020, it will surpass \$2,000 per square foot annually - the new 'high benchmark' for shopping centres in Canada.





Even with Calgary's challenging economy, both CF Chinook Centre and CF Market Mall experienced productivity gains in 2019.

- Vancouver's CF Pacific Centre saw a substantial 10.36% increase largely driven by the addition of new retailers such as Canada Goose, as well as strong performance from existing retailers such as Harry Rosen. Nordstrom's top-selling store in the entire chain is currently at CF Pacific Centre, though the retailer's New York City flagship which opened October 24, 2019, is expected to surpass Vancouver's numbers.
- Even with Calgary's challenging economy, both CF Chinook Centre and CF Market Mall experienced productivity gains in 2019.
- Square One in Mississauga surpassed the annual sales per square foot benchmark of \$1,100 for the first time. Landlord Oxford Properties noted that the centre saw a boost after the opening 'The Food District', The Rec Room and in the arrival of new retailers such as Uniqlo.
- CF Chinook Centre also surpassed the annual sales per square foot benchmark of \$1,100 for the first time after adding retailers such as Louis Vuitton and Saks Fifth Avenue.

Park Royal in West Vancouver saw an incredible increase of 46.83% in annual sales per square in 2019 - the highest increase tracked over the past four years in this Retail Council of Canada study.

3b. Profile

Updates on Canada's Top 10 Most Productive Shopping Centres

The millions of dollars Canada's top malls have recently invested in upgrades are continuing to make these malls more productive and attractive to shoppers. The top 10 most productive shopping centres are profiled based on:

1. Yorkdale Shopping Centre
2. CF Pacific Centre
3. CF Toronto Eaton Centre
4. Park Royal
5. Southgate Centre
6. Chinook Centre
7. Square One Shopping Centre
8. CF Richmond Centre
9. Metropolis at Metrotown
10. CF Rideau Centre

Considerations in the evaluation include:

- Shopping centre manager;
- Size (Gross Leasable Area);
- Annual Visitor Count;
- Number of Stores;
- Parking Spaces;
- Highway/Transit Access (including roadway and mass transit);
- Annual sales per square foot, for the 12 months ending June 30, 2019 for reporting non-anchor commercial retail units;
- Anchor tenants (over 50,000 square feet);
- Tenant/merchants mix analysis (types of stores and overall quality of offering);
- Upcoming renovation or expansion plans or added attractions to drive traffic (such as food halls/markets, major restaurants, amusement centres)

Yorkdale



The millions of dollars Canada's top malls have recently invested in upgrades are continuing to make these malls more productive and attractive to shoppers.



#1

Yorkdale Shopping Centre, Toronto

Mall Manager:

Oxford Properties Group

Size (Gross Leasable Area):

2 million square feet

Annual Visitor Count:

18 million

Number of Stores:

270

Parking Spaces:

8,000

Highway/Transit Access:

Yorkdale is accessible via two major highways and is also on a major subway line as well as regional 'Go Transit' train network with a stop at the shopping centre

Annual sales per square foot:

\$1,964

Anchors (over 50,000 square feet)

Hudson's Bay	300,870 sq ft
Nordstrom	199,000 sq ft
Holt Renfrew	129,000 sq ft
Restoration Hardware	69,000 sq ft
SilverCity Theatre	68,470 sq ft
Sporting Life	50,000 sq ft

In 2020, a first-in-the-world entertainment concept, spanning more than 25,000 square feet, will open at Yorkdale.

Tenant and merchandise mix overview

Yorkdale Shopping Centre is Canada's most productive centre in terms of annual sales per square foot. The centre is approaching \$2 billion in annual sales by offering shoppers a wide range of options, from fast fashion to luxury retailers and many food and beverage choices.

Upcoming renovation or expansion plans

Plans for further expansions will add more retail space and there is a proposal for mixed-use site intensification. Many first-to-Canada retailers have opened in Yorkdale. In 2019, luxury brands such as Bottega Venetta, Valentino, Balenciaga, TAG Heuer, and Hublot opened, along with unique brands such as Kit Kat and Canada's first by Chloe vegan restaurant location. In 2020, Canada's first stand-alone storefront for Celine will open at Yorkdale, and Louis Vuitton will also build a freestanding flagship store. Nike will also open a large 'Niketown' concept store and other negotiations are underway. In 2020, a first-in-the-world entertainment concept, spanning more than 25,000 square feet, will open at Yorkdale.



#2

CF Pacific Centre, Vancouver

Mall Manager:

Cadillac Fairview

Size (Gross Leasable Area):

678,377 square feet

Annual Visitor Count:

23 million

Number of Stores:

98

Parking Spaces:

1,558

Highway/Transit Access:

Urban core roadways, rapid transit stations adjacent (called 'Skytrain'), regional buses

Annual sales per square foot:

\$1,865

Anchors (over 50,000 square feet)

Hudson's Bay 637,000 sq ft
(separate ownership/building)

Nordstrom 230,000 sq ft

Holt Renfrew 190,000 sq ft

Tenant/merchandise mix analysis

CF Pacific Centre features a wide assortment of best-in-class retailers. Anchors Nordstrom and Holt Renfrew are top sellers in their respective channels. The centre recently added new premium brands including Sandro, Maje and Canada Goose. Fall 2019 openings included a 'Dyson Demo' store as well as new storefronts for Ever New, SoftMoc, and Geox.

Upcoming renovation or expansion plans

Big things are planned for the centre. A large new flagship Apple Store will be built as the adjacent Four Seasons Hotel is set to close in 2020.



#3

CF Toronto Eaton Centre, Toronto

Mall Manager:

Cadillac Fairview

Size (Gross Leasable Area):

2,042,410 square feet

Annual Visitor Count:

52.3 million

Number of Stores:

215

Parking Spaces:

1,300

Highway/Transit Access:

Urban core roadways, bus access,
subway (two major stations), street cars
(two major lines)

Annual sales per square foot:

\$1,592

Anchors (over 50,000 square feet)

Hudson's Bay:	~800,000 sq ft
Nordstrom:	220,000 sq ft
Saks Fifth Avenue/ Pusateri's Fine Foods:	142,000 sq ft
H&M	58,000 sq ft

Tenant/merchandise mix analysis

CF Toronto Eaton Centre offers a range of tenants from value-priced to upscale. Luxury brands are found in the major anchor stores at Saks Fifth Avenue, Hudson's Bay, and Nordstrom, though a handful of brands pulled out in 2019. Recently opened retailers include Canada's first flagship Under Armour store, Korean beauty brand Innisfree, and Canadian brand Soya & Kyo.

Upcoming renovation or expansion plans

CF Toronto Eaton Centre continues to add updates. Cadillac Fairview's 'Ravel by CF', includes a new 'Streaming at CF' podcast/radio component that is open to the public, Lyft drop-off points, and other innovations to test emerging technologies and explore ways to drive greater value. Landlord Cadillac Fairview is also creating new commercial space by repurposing the heritage façade and the northwest corner of Queen Street West and Yonge Street. The Apple Store will be relocated at a lower level with space almost triple its current size in early 2020.



#4

Park Royal, West Vancouver

Mall Manager:

Larco

Size (Gross Leasable Area):

1.5 million square feet

Annual Visitor Count:

15.5 million

Number of Stores:

280

Parking Spaces:

5,715

Highway/Transit Access:

Major roadway, buses,

Annual sales per square foot:

\$1,342

Anchors (over 50,000 square feet)

Hudson's Bay:	165,000 sq ft
La Maison Simons:	102,000 sq ft
Home Depot:	72,000 sq ft
Sport Chek:	51,000 sq ft

Tenant/merchandise mix

Park Royal is home to a range of retailers, from relatively affordable to pricier brands. The north section of the centre includes a grocery store, Saks OFF 5TH off-price store and a fitness facility. Recent additions to Park Royal include Kit and Ace, a Simons store - the only one in British Columbia - and a Cineplex VIP cinema. The centre has seen increased productivity with the addition of new retailers and the closure of less productive ones. Further productivity gains are anticipated with the recent closure of a large Forever 21 store.

Upcoming renovation or expansion plans

Larco is negotiating to add new retailers to the centre. Two new residential buildings will be also added to the site.



#5

Southgate Centre, Edmonton

Mall Manager:

Ivanhoé Cambridge

Size (Gross Leasable Area):

918,800 sq ft

Annual Visitor Count:

9 million

Number of Stores:

160

Parking Spaces:

4,385

Highway/Transit Access:

Freeway, major roadway, LRT station, buses

Annual sales per square foot:

\$1,121

Anchors (over 50,000 square feet)

Hudson's Bay: 236,551 sq ft

Safeway: 52,571 sq ft

Tenant/merchandise mix analysis

Southgate Centre offers a mix of mid-to-high priced retailers that cater to the regional population. The centre is home to Edmonton's only Restoration Hardware, Crate & Barrel, and Lego Store.

Upcoming renovation or expansion plans

A proposal is in place to redevelop Southgate's former Sears space to include a community gathering place as well as new retailers and restaurants.



#6

CF Chinook Centre, Calgary

Mall Manager:

Cadillac Fairview

Size (Gross Leasable Area):

1,328,300 sq ft

Annual Visitor Count:

16 million

Number of Stores:

200+

Parking Spaces:

5,500

Highway/Transit Access:

Highway, major roadway, bus, and 'C-Train light rail transit station connecting to the centre via a pedestrian bridge.

Annual sales per square foot:

\$1,119

Anchors (over 50,000 square feet)

Hudson's Bay	203,342 sq ft
Nordstrom	140,000 sq ft
Saks Fifth Avenue	115,200 sq ft
Cineplex (movie theatre)	90,000 sq ft

Tenant/merchandise mix analysis

CF Chinook Centre features a wide range of retailers, including fast fashion and luxury brands. Anchor stores Nordstrom and Saks Fifth Avenue are upscale draws, and a stand-alone Louis Vuitton store opened in 2018. Other new upscale retailers include Mackage and Matt & Nat.

Upcoming renovation or expansion plans

The centre's food court recently underwent a \$17 million overhaul. Future plans include a south expansion that could include mixed-use and an indoor-outdoor retail configuration. New tenants will soon be announced.



#7

Square One Shopping Centre, Mississauga

Mall Manager:

Oxford Properties

Size (Gross Leasable Area):

1,905,505 sq ft

Annual Visitor Count:

23 million

Number of Stores:

330

Parking Spaces:

8,700

Highway/Transit Access:

Freeway and roadway, on several bus routes (including an on-site Go Transit station).

A light rail transit network in the city of Mississauga is being planned.

Annual sales per square foot:

\$1,108

Anchors (over 50,000 square feet)

Walmart	224,015 sq ft
Hudson's Bay	203,516 sq ft
Holt Renfrew	140,694 sq ft
La Maison Simons	109,408 sq ft

Tenant/merchandise mix analysis

Square One's diversity of tenants is unmatched in Canada. It houses the value-priced Walmart as well as luxury retailers such as Holt Renfrew and is filled with many first-in-class Canadian and international retailers. Several full-service restaurants include Jamie's Italian and Moxie's. Recent additions include a 40,000 square foot food hall as well the entertainment concept 'The Rec Room' and a new Uniqlo store.

Upcoming renovation or expansion plans

Square One will feature two exciting new destination entertainment attractions. One will be a temporary Dr. Seuss and the other a first-of-its-kind centre. Both are expected to create more foot traffic.



#8

CF Richmond Centre, Richmond British Columbia

Mall Manager:

Cadillac Fairview

Size (Gross Leasable Area):

653,231 sq ft

Annual Visitor Count:

17.9 million

Number of Stores:

160

Parking Spaces:

3,500

Highway/Transit Access:

Major roadway and rapid transit station for regional 'Skytrain' line.

Annual sales per square foot:

\$1,073

Anchor (over 50,000 square feet)

Hudson's Bay: 162,000 sq ft

Tenant/merchandise mix analysis

CF Richmond Centre includes trendy fashion brands to upscale retailers such as Hugo Boss and houses Canada's only stand-alone storefront for Clinique.

Upcoming renovation or expansion plans

Landlord Cadillac Fairview is planning a significant south-end expansion to replace a former Sears store. Included will be a new retail indoor-outdoor configuration and several multi-family residential buildings on current surface parking lots.



#9

Metropolis at Metrotown, Burnaby British Columbia

Mall Manager:

Ivanhoé Cambridge

Size (Gross Leasable Area):

1,795,326 sq ft

Annual Visitor Count:

28.1 million

Number of Stores:

330

Parking Spaces:

8,300+

Highway/Transit Access:

Major roadways, bus, rapid transit 'Skytrain' station access.

Annual sales per square foot:

\$1,042

Anchors (over 50,000 square feet)

Hudson's Bay	132,465 sq ft
Real Canadian Superstore:	128,617 sq ft
Walmart	116,700 sq ft
Winners	64,916 sq ft
Silver City Cinemas	60,000 sq ft
T&T Supermarket	59,651 sq ft

Tenant/merchandise mix analysis

Metropolis at Metrotown offers a wide range of affordable to mid-priced retailers and is known for attracting first-to-market retailers.

Upcoming renovation or expansion plans

New retailers will be added including Korean beauty brand Aritaum. Landlord Ivanhoé Cambridge recently released an RFP for a major entertainment centre. An adjacent site formerly owned by Sears will include new retail and residential space.



#10

CF Rideau Centre, Ottawa

Mall Manager:

Cadillac Fairview

Size (Gross Leasable Area):

1,005,579 sq ft

Annual Visitor Count:

24 million

Number of Stores:

150+

Parking Spaces:

1,330

Highway/Transit Access:

Urban core roadways, bus, future light rail transit access.

Annual sales per square foot RUs:

\$1,020

anchors (over 50,000 square feet)

Hudson's Bay/Saks OFF 5TH 330,000 sq ft
(across the street from main shopping centre)

Nordstrom 157,000 sq ft

La Maison Simons 103,874 sq ft

Tenant/merchandise mix analysis

CF Rideau Centre features a dynamic mix of retailers, which includes first-in-class retailers, trendy fashion, and upscale retailers such as Harry Rosen, Tiffany & Co., Nordstrom, and La Maison Simons.

Upcoming renovation or expansion plans

A transit station will be added in 2019 as part of the 'O-Train Confederation' LRT line.

Top 10 Busiest Shopping Centres in Canada vs. USA by Annual Visitor Count

Canada's Busiest Shopping Centres

Rank	Shopping Centre	City/Province	Annual Visitors (millions)
1	CF Toronto Eaton Centre	Toronto ON	52.3
2	West Edmonton Mall	Edmonton AB	30
3	Metropolis at Metrotown	Burnaby BC	28.1
4	CF Rideau Centre	Ottawa ON	24
5	Square One	Mississauga ON	23
6	CF Pacific Centre	Vancouver BC	23
7	Scarborough Town Centre	Toronto ON	22
8	Montreal Eaton Centre	Montreal QC	21.5
9	Yorkdale Shopping Centre	Toronto ON	18
10	CF Richmond Centre	Richmond BC	17.9

Note: Montreal Eaton Centre, currently under major renovation, could see substantially higher numbers in 2020.

Source: Retail Council of Canada Canadian Shopping Centre Study 2019

United States' Busiest Shopping Centres

Rank	Shopping Centre	City/State	Annual Visitors (millions)
1	Ala Moana Centre	Honolulu HI	52
2	Mall of America	Bloomington MN	40
3	Houston Galleria	Houston TX	31
4	Aventura Mall	Miami FL	28
5	Del Amo Fashion Centre	Torrance CA	27.6
6	Woodfield Mall	Schaumburg IL	27
7	Sawgrass Mills	Sunrise FL	26
8	Palisades Center	West Nyack NY	24
9	Gurnee Mills	Gurnee IL	23
10	King of Prussia Mall	King of Prussia PA	22

Source: Landlord leasing websites/information supplied, 2019

Retail Council of Canada Analysis

- Canada's top 10 busiest shopping centres (by annual visitor count) have comparable traffic to the top 10 centres in the United States.
- CF Toronto Eaton Centre in Toronto remains the busiest shopping centre in North America. West Edmonton Mall is the third busiest shopping centre in North America.
- Ala Moana Centre in Honolulu, which is the most visited attraction in Hawaii, sees almost as many visitors as CF Toronto Eaton Centre.
- American Dream Meadowlands (owned by Canadian landlord Triple Five) opened in October 2019 and is projected to see 40 million annual visitors. (Landlord Triple Five, who also owns West Edmonton Mall and Mall of America, will own three of the top 10 busiest shopping centres in North America once the retail component of American Dream opens in March of 2020.)
- Increasingly entertainment-rich centres like West Edmonton Mall are becoming holiday destinations and include hotels and restaurants. In the next two years, Square One, Yorkdale, Scarborough Town Centre, and Metropolis at Metrotown will also be adding major new entertainment attractions. These destination attractions will make these busy malls even busier.
- Montreal Eaton Centre, currently under a major renovation, could also see substantially higher visitor numbers in 2020. A new Time Out food hall, a Decathlon sports store, and Uniqlo (the latter will open its largest Canadian storefront at the Montreal Eaton Centre) will draw crowds. The completion of Ste-Catherine Street West upgrades will also further boost visitors to the Montreal Eaton Centre as well as strengthen Montreal's overall downtown vibrancy.

Canada's top 10 busiest shopping centres (by annual visitor count) have comparable traffic to the top 10 centres in the United States.

Making Mall Marketing More Effective

Engagement Agents help retailers across North America fully leverage their already-paid-for shopping centre marketing dollars

By Sean C. Tarry

When retailers make investments to bolster their business - whether the investment involves acquiring the latest technological gadget, employee training, sustainable practices, or anything else - they generally want to make sure they squeeze the most value out of every penny spent. The same is true when it comes to their marketing dollars.

It's the reason most retailers are stunned when they find out that they are not seizing all of the opportunities available to them to optimize the marketing dollars they are allocated as part of their lease agreements with landlords and shopping mall developers.

"Every retailer located in a shopping centre pays significantly for marketing opportunities through their leases; whether built into total lease dollars, CAM fees, marketing/promo/ad funds, merchant association fees and/or percentage rent agreements," explains Sean Snyder, President of Engagement Agents. "However, 90% of retailers never take advantage of the benefits of these investments."

The fact that benefits are not taken advantage of is, of course, not intentional on the part of the landlord or retailer. These missed opportunities occur due to the fact that they are often deep within the lease agreements. And, because the retailer's real estate team and the retailer's marketing team are not effectively communicating, the opportunities are often not realized. As one of many examples, by pointing out these marketing dollars within the lease agreement, Engagement Agents was able to help a 1,000-store retailer identify \$26 million which they were incurring every year within their leases, but not effectively utilizing.

The next challenge is an inherent executional gap that exists between the shopping centre landlords and the retail marketing teams. It's a gap Snyder experienced for himself while working as Sales and Marketing Director at Stitch It, which has 85 shopping centre-based locations across the country.

"One of the hurdles that needs to be overcome with respect to marketing and promoting the store through the shopping centre's marketing channels is the fact that each shopping centre uniquely manages and executes its own marketing.

Every retailer located in a shopping centre pays significantly for marketing opportunities through their leases.



As one of many examples, by pointing out these marketing dollars within the lease agreement, Engagement Agents was able to help a 1,000-store retailer identify \$26 million which they were incurring every year within their leases, but not effectively utilizing.



The challenge for shopping centres is that it's "like pulling teeth" to try and get the content from the retailers.

Additionally, they all have different opportunities to promote retailer marketing campaigns; whether it be their mobile site, website, app, social media, email lists, events and/or onsite digital signage.

On top of that, retailers may task their store managers with the responsibility of supplying the individual shopping centre that its operating in with their marketing and promotional materials. But the store managers are already busy enough as it is. If you're a retailer with 50 locations, do you really want 50 store managers doing the same thing every week? That becomes very expensive in terms of the salary costs as well as the opportunity costs concerning the missed sales that the store manager can't generate because of time spent in the backroom."

Snyder, who has over twenty years of retail experience, recognized these challenges when he tried to take on the responsibility of managing all of Stich It's shopping mall advertising. What he found was the need to engage 85 different malls, many with multiple marketing contacts, provide each of them with more than 85 packages of marketing and promotional collateral, of which many required multiple images of varying sizes and formats. He'd then be required to follow up with each one of the 85 shopping centres to ensure the marketing and promotions were posted properly and in time.

"It was a nightmare for me to manage," says Snyder of the ordeal. "I soon realized there's no way any one person or team could effectively accomplish it all without technology. Not only was it very time-consuming, it was not within the skill sets of most store managers who were already very busy with their core responsibilities. Furthermore, the shopping centres want the retailers' content and campaigns, as they all have marketing channels to promote what is new and exciting at their retailers! The challenge for shopping centres is that it's "like pulling teeth" to try and get the content from the retailers.

This left a lasting impression on Snyder. He reached out to other retailers and shopping centres and soon realized the extent of the challenge and opportunity for a far more efficient, centralized approach. Engagement Agents was born out of this insight with a clever solution that's centred around a Software as a Service platform which standardizes, manages, automates and tracks the marketing and promotional efforts for retailers operating in shopping centres.

By working with Engagement Agents, retail marketing teams simply upload their marketing and promotional materials to Engagement Agents' marketing platform, which manages the complex distribution of campaign content and image assets to each shopping centre.

Today, a number of the world's most recognizable retailers partner with Engagement Agents to maximize and monetize their already-paid-for shopping centres' marketing channels to drive traffic and sales, while saving tremendous amounts of time, money and resources.

"By using Engagement Agents, we can quickly distribute our marketing and promotional information across multiple locations with consistency, for all our stores at once," says James Connell, Chief Ecommerce & Customer Experience Officer at Roots Canada. "By providing updates more often, we ensure each property has current and relevant Roots content, which is more impactful to shopping centre visitors and therefore drives more traffic to our stores."

In a hyper-competitive retail environment, optimizing every opportunity to get in front of customers and bring them into your store is paramount. Engagement Agents removes the guesswork and effectively execute retailers' mall marketing campaigns for them.

"Retail frontline staff can be a competitive advantage when they are able to focus on creating exceptional in-store shopping experiences," says Snyder. "Engagement Agents helps retailers drive these invaluable customers into their stores through their already paid for marketing investments."

Engagement Agents removes the guesswork and effectively execute retailers' mall marketing campaigns for them.



For more information about the ways Engagement Agents can help your business maximize its marketing dollars and drive more traffic to your shopping centre locations, visit www.EngagementAgents.com.

Looking Ahead

Canadian Shopping Centres of the Future

Shopping centres are enjoying a renaissance. Recognizing the need to provide meaningful experiences and choice to build and grow traffic and sales, they are increasingly going to be the anchors of mixed-use developments. Canadians are craving the convenience and time efficiency options – and shopping mall owners are responding by making sizeable capital investments.

According to a recent study by International Council of Shopping Centres (ICSC), 87% of Canadian adults polled said that they would consider residing in “live, work, shop, play” environments that have a variety of housing, workplaces, dining, and recreational outlets for entertainment within close proximity.

The exit of anchor tenants such as Sears Canada and Target has provided landlords with the opportunity to capitalize on acres of under-utilized real estate. Covenants held by some of these core retailers made it, at times, challenging for landlords to make sweeping changes. The elimination of such agreements has unlocked an unprecedented amount of value that will result in the transformation of many shopping malls.

The following section explores the regional intensification overviews in:

British Columbia
Alberta
Manitoba

Ontario
Quebec
Maritimes

The information on the featured properties has been gathered and consolidated from a variety of sources including discussions with landlords, leasing and redevelopment websites and a review of rezoning applications. While this is not a comprehensive list of all projects, what can clearly be seen is that shopping centres across Canada will look very different in the years to come and will become robust community and activity hubs.

Projects have been ordered according to roughly anticipated timing of redevelopment completion.



BRITISH COLUMBIA



The Amazing Brentwood, Burnaby

Landlord SHAPE partnered with investment firm L Catterton to reconfigure the 28-acre shopping centre property formerly known as Brentwood Town Centre. Construction is ongoing at The Amazing Brentwood, with sections to be completed in 2020. It will offer about 1.1 million square feet of retail space, both indoor and outdoor. A food hall, a Cineplex VIP Cinema, The Rec Room entertainment centre, an upscale fitness facility, office space including co-working concept WeWork, and a public plaza with several full-service restaurants is expected to attract new visitors. A total of 11 tall residential towers will be built on site with approximately 6,000 homes for 10,500 residents. Developers are also building around the centre to create a new residential node for the region. Like Oakridge Centre, The Amazing Brentwood will span 4.5 million square feet when finished.

Timing: Retail completed in 2020. Residential and other construction ongoing for 2 years+. Surrounding neighbourhood construction ongoing for 5+ years.



Park Royal Shopping Centre

The unique Park Royal Shopping Centre in affluent West Vancouver is seeing intensification investments by owner Larco Investments. The first phase, a residential tower, will include more than 200 residential units. Consultants Bealeigh were retained to reconceptualize the centre's retail offerings. Given the stunning views this ocean location provides, more intensification is anticipated in the area.

Timing: Residences tower completed by 2021, ongoing redevelopment expected over decades.

British Columbia

The rapidly growing British Columbia market has some of Canada's highest residential real estate prices. At the same time, the Vancouver/Lower Mainland is constricted in developable land, creating an ideal opportunity for shopping centre landlords to capitalizing on their real estate assets through multi-use intensification.



CF Richmond Centre

In 2019, the City of Richmond approved 12 new residential towers on the 27-acre site. This will provide 2,300 new homes, including 141 affordable housing units. The redevelopment will begin in an area once occupied by Sears. The landlord will also add 2.27 million more square feet to the property, including 1.91 million square feet of residential and 362,000 square feet of new retail and restaurant space. The current indoor shopping centre will remain operational while a new outdoor retail space is being added. Enhanced access to public and other new transit options will also help attract new customers from the surrounding area. Landlord SHAPE, also a developer in The Amazing Brentwood, partnered with Cadillac Fairview on the CF Richmond Centre redevelopment.

Timing: 3 + years



Lougheed Town Centre

The entire Lougheed Town Centre Core area master plan, including the current centre, spans 72 acres and will become one of several planned

urban cores in the Lower Mainland. The existing Lougheed Town Centre shopping complex will be integral to the creation of a new \$7 billion 'City of Lougheed' urban centre. On the 37-acre site, landlord SHAPE will add more than 20 towers (some as high as 82-storeys), including 10,000+ housing units in almost 11 million square feet of residential space. The retail space will be more than double reaching close to 1.5 million square feet. A 1000 ft pedestrian-only "galleria spine" will become a glass-covered outdoor retail strip. The adjacent 'Skytrain' rapid transit line will also provide additional new retail options. Five acres of parks, plazas and public spaces will also enhance this new community.

Timing: First phase, housing for 1,500 should be completed by 2023. Subsequent redevelopment, 5-10 + years.



Coquitlam Centre

A proposed master plan on Coquitlam Centre's expansive 60-acre site will help revitalize this downtown core. Retail will be key to the new street network that will include an entertainment district with movie theatres, live performance venues, restaurants, nightclubs, and lounges. The project will also see an extension of both of High Street and the 'Skytrain' rapid transit line run through the existing centre. Redevelopment will begin with the 16 acres of under-capitalized space (once occupied by Sears) on the northeast corner of the property. The Coquitlam Centre site, owned by Morguard, is part of a much larger vision for the area.

Timing: Phased development in 5 years +, with city centre completion in approximately 60 years.



Oakridge Shopping Centre, Vancouver

Landlord QuadReal is overhauling the 28-acre Oakridge Shopping Centre property to create a robust mixed-use community. The site will have about 4.5 million square feet of space, including 2,600 residential units in a partnership with Westbank. The redevelopment includes about 100,000 square feet of 'culinary experiences', nine acres of park space, a ballet school, an entertainment centre, and almost doubling of the centre's current 574,000 square feet of retail space that will incorporate 'five-star concierges' and valet parking. An entire run will feature luxury brands, including the recently renovated Tiffany & Co. store. Pre-construction sales have also been strong for the many new condominium towers that will be built on the site.

Timing: Completion anticipated by 2026



Metropolis at Metrotown

The massive Burnaby shopping centre is expected to see significant changes as its landlords capitalize on a central 'Skytrain' rapid transit line. Confirmed plans will include a new entertainment component. The mall's former Sears space and adjacent parking lot will be revitalized by developer Concord Pacific, adding seven residential towers (35 and 65-storeys), nearly two-million square feet of space to its property with more than 660,000 square feet of commercial space.

Over the long-term, landlord Ivahnoé Cambridge is developing a master plan for its 38-acre shopping centre site that will eventually see new high rises, plazas, public parks, and streets built to replace the existing shopping centre. A network of streets with ground-level retail as well as other amenities will serve thousands of new residents, with at least 20% of the housing units dedicated to rental units. The major redevelopment won't begin for at least 10 years, and the phased rollout for a dense downtown core will include a smaller enclosed shopping centre.

Timing: 5-80 + years

ALBERTA

Edmonton



Bonnie Doon Mall

Landlord Morguard is turning Bonnie Doon Centre, located in a growing affluent area of Edmonton, into a district with housing, offices and retail space. The 30-acre site could see more than 4,000 high and low-rise residential units and townhomes as well as a new light rail transit network. Assisted and independent living, health and wellness facilities, grocery retail, a public park and gathering spaces area also planned.

Timing: Phased development over 20 + years



Millwoods Town Centre

RioCan plans to build a new low-density single level shopping centre in Edmonton's suburban Millwoods area. The same rapid transit line to pass by Bonnie Doon Centre will lead to Millwoods Centre. The 62-acre site will eventually house new retail, restaurants and other commercial uses along with a new state-of-the-art transit centre serving two 18-storey residential towers as well as a mix of low-rise and mid-rise apartments that will add 1,750 units to the area. A 'green pedestrian street' on the southeast portion of the site will have room for a basketball court and public art is also expected to be part of the mix. The development will progress in phases.

Timing: 20 + years

Alberta

With lower real estate prices and more developable land than in British Columbia, landlords are investigating opportunities that will likely transform Alberta shopping centres into more expansive properties.

Calgary



Co-Op Store Site Redevelopments

Calgary Co-Op is investing \$2.25 billion into several multi-use projects that will create 2.4 million square feet of new retail, restaurant, office, and residential space. Some sites include stand-alone Co-op stores as well as small format strip malls that will see intensification. Key projects include **Mission Landing, Boulevard at Dalhousie, Oakridge Landing, and Winston on Sixteenth**, in partnership with residential developer Quarry Bay. New office buildings, liquor stores, retail spaces (including possibly cannabis), restaurants, gas bars, and other uses anticipated.

Timeline: Construction ongoing, completion for most projects 5 + years.



Stadium Shopping Centre

Northwest Calgary's 60,000 square foot Stadium Shopping Centre will eventually include new retail spaces, office and residential buildings as well as restaurants, a hotel, and a medical centre.

The phased project by Developer Western Securities will span approximately 800,000 square feet including 85,000 square feet of retail space, 300,000 square feet of office space, 300,000 square feet of residential space (with up to 300 units), and 120,000 square feet of hotel space. The centre will have easy access to the rapid transit bus station and will cater to the nearby medical centres, University of Calgary and upscale communities.

Timing: 3-5 years



CF Chinook Centre

As Calgary looks to create a new town centre, its productive CF Chinook Centre will see a huge metamorphosis. A \$14.5 million pedestrian bridge will connect the existing shopping centre to a nearby light rail transit station as part of the 'Chinook Station Area Redevelopment Plan'. Managed by Cadillac Fairview and jointly owned by Ivanhoé Cambridge, the existing property has received approval to add more than 1 million square feet of extra density that could include more retail, residential, and office space, as well as hotel and entertainment.

Timing: 5 + years

MANITOBA

Winnipeg

CF Polo Park

Landlord Cadillac Fairview is proposing adding residential towers around the existing CF Polo Park in a partnership with Shindico Realty. If approved, Cadillac Fairview will make this development a lower density version of what is being planned for CF Richmond Centre.

Timing: 5 + years

Portage Place

The downtown shopping centre, built in 1987 to revive Winnipeg's downtown core, has lost retailers over the years. Starlight investments acquired the centre in 2019 and could invest \$300 million towards a mixed-use space that is proposed incorporating commercial space, rental residential units and possibly student housing. Downtown Winnipeg is also seeing other new developments, including a nearby \$400 million 'True North Square' that will feature new retail spaces, a food hall, grocery stores, an office tower and recently completed, a rental residential building. A Sutton Place Hotel and Residences will be added in a five-tower configuration around a public plaza.

Timing: 3-5 + years

ONTARIO

Toronto



Yorkdale Shopping Centre

Canada's most productive shopping centre will transform itself into a neighbourhood. The new complex will cover more than 7.3 million square feet with a mix of retail, food and beverage, residential, offices, and a hotel. Up to 1,500 rental residential units are proposed. Retail space could be added on the north and west sides of the centre below multi-story buildings and a park and gathering spaces are also be planned. More food and beverage options are expected in addition to the centre which will see a first-in-the-world entertainment concept that will open mid-2020.

Timing: Next 1-20 + years



CF Shops at Don Mills

The attractive 40-acre outdoor shopping centre began residential intensification almost a decade ago. Parcels of land on the site will eventually see several new buildings housing 2,800 residential

units. Landlord Cadillac Fairview has invested heavily to create a unique shopping experience in the area which delivers a pedestrian realm along park space, an entertainment zone, art installations, and several popular restaurants.

Timing: next 1-5 + years



Bayview Village

QuadReal, who is also leading the transformation of Vancouver's Oakridge Centre, is turning Bayview Village into a community. Surface parking lots surrounding the existing shopping centre will be replaced with five new residential/commercial buildings (from 6 to 33-storeys). Two buildings will house 760 residential units and add 52,500 square feet of retail space. The outdoor plaza

will get access to a new subway entrance. At the north end of the site, two 6-storey mid-rise towers and a 25-storey tower will contain 372 units plus 94,600 square feet of retail space. There will also be an outdoor street of 'lifestyle' retailers.

Timing: 3-5 + years



Cloverdale Mall

Landlord QuadReal has plans to redevelop the 32-acre Cloverdale Mall site. Retail as well as multi-generational residential buildings, parks, arts and culture programming, fitness and wellness facilities, restaurants, and open spaces are being considered.

Timing: 3-5 + years

Toronto

The Greater Toronto Area is the second-fastest growing region in North America with more than 125,000 new residents moving into the area last year. Toronto proper is the fastest growing city in North America with more than 77,000 new residents calling it home in 2018. Land prices have escalated amid a serious housing shortage while the city also experiences an unprecedented tech employment boom. With the City of Toronto's strict zoning regulations, the population density in certain areas will increase aggressively.

Many shopping centre property land value assets are also growing exponentially making it very attractive for landlords to optimize their investments through redevelopments that include residential towers, office and other commercial uses, as well as community amenities including parks and schools.



Dufferin Mall

Toronto's Dufferin Mall will be adding new buildings (housing more than 1,100 residential units) on the 4.45-acre north part of the existing shopping centre site, as well as parking spaces and a new park. The new development will be called 'Dufferin Grove Village'. More than 75,000 square feet of additional retail will also be added to the mall. Construction will be led by developer Primaris Management.

An adjacent complex will also help create a new community area, with a 7.3-acre area of seven additional towers (up to 47-storeys) with more than 2,200 residential units and new office and retail facilities.

Timing: 3-10 + years



Galleria Mall

The 20-acre Galleria Mall will be renamed 'Galleria on the Park' and see an impressive renewal. Developer ELAD Canada will kick-off the project with the construction of a new community centre, a daycare and two mixed-use towers. The existing

one-level mall will eventually be demolished and replaced with eight mixed-use towers housing 2,846 condominium units. More parking, new office and retail space, and a new park will also be constructed. While many of the planned shopping centre redevelopments in Toronto are located on existing subway lines, Galleria Mall is a 15-minute walk from the nearest station; Toronto Transit Commission and the City of Toronto are exploring public transportation options to better to serve this growing new community.

Timing: 1-10 + years



Promenade Mall

The existing mall will be modernized and expanded by Liberty Development. The edges of the site will see mixed-use buildings (between 28 and 35-storeys). The first phase includes three residential towers with more than 1,000 units as well as an office structure and a hotel. Improvements will include pedestrian-friendly walkways and parks and a new outdoor neighbourhood amphitheater.

Timing: 2-5 + years



CF Fairview Mall

Landlord Cadillac Fairview, in partnership with TD Greystone Asset Management, will repurpose 230,000 square feet of space for new retail and restaurants in an area that once housed Sears. Longer-term, new residential and office towers, parks, community spaces, and a hotel are being considered.

Timing: 3-10 + years



Agincourt Mall

Redevelopment plans for the 26-acre site by North American Development Group include a two-acre public park with pedestrian-friendly streets surrounded by 13 towers ranging between 20 and 45-storeys. This new zone will span more than 4.3 million square feet with additional space for offices and other commercial use. New spaces will include street-facing shops, restaurants and a community centre.

Timing: 5 + years



CF Sherway Gardens

The large CF Sherway Gardens shopping centre near the Mississauga border in Toronto will see the addition of eight residential towers on land surrounding the mall that is currently used for parking. Offices and a hotel are also planned. The buildings will range from 28 to 33-storeys, and a public park will also be included in the mix. While Cadillac Fairview's proposal does not impact the existing shopping mall, future renovations to the mall can be anticipated.

Timing: 3-5 + years



Eglinton Square/Golden Mile

KingSett Capital's **Eglinton Square's** parking lots will include five mixed-use towers (two proposed to be 38 and 40-storeys) as well as two mid-rise buildings, adding more than 1,800 residential units. In the surrounding area, **Golden Mile Shopping Centre** will also add about 2,500 new residential spaces in 11 new buildings (up to 32-storeys). Other adjacent low-density retail sites will be transformed into mixed-use projects with thousands of new units. The proposed overhaul of the **Golden Mile Walmart** store site is

expected to also add more than 5,500 residential units in 23 buildings, more than 200,000 square feet of retail space (possibly for Walmart), office space, and parkland.

Timing: 5-10 + years



Scarborough Town Centre

Not only will this massive 1.6 million square foot shopping centre be renovated to include modern entertainment facilities, it will also become the heart of a new City of Toronto master planned city-centre. The proposed area will be a “vibrant, urban, pedestrian-friendly”, mixed-use community, anchored by transit, an enhanced public realm, and compact development. Replacing the current parking lots (which will be relocated underground) will be 36 towers (20 to 65-storeys) on the 99-acre site. This new construction will bring thousands of residents and workers to the area which could become one of the most populous urban cores in Canada.

Timing: To be determined

Mississauga



Square One

Oxford Properties Square One Shopping Centre, situated on a 130-acre site in rapidly growing Mississauga, could become another very dynamic and densely populated Canadian downtown centre. Planned intensification includes housing and other uses, with some towers exceeding 50-storeys. The existing shopping centre will continue to see updates, with recent additions including a food hall, The Rec Room entertainment centre, and retailers Holt Renfrew and La Maison Simons. Square One will also be adding two new entertainment concepts. The landlord recently announced a temporary ‘Dr. Seuss’ experience centre plus another innovative, first-in-Canada destination entertainment concept in 2020.

Timing: 1-5 + years

Ottawa

Lincoln Fields

RioCan acknowledges this property has struggled and plans to build an entirely new neighbourhood on the site that could include a mix of high and mid-rise residential buildings (with between 3,000-4000 units) and new retail and office space. The 16.2-acre site currently has a major transitway link that will be converted to a light rail transit station.

Timing: 2-5 + years



Elmvale Acres

Plans include four mixed-use buildings (9 to 16-storeys) and housing 570 new rental apartments. Most of the current 146,000 square feet of retail space will be retained, though further densification is expected.

Timing: 2-5 + years

Westgate Shopping Centre

Presently housing a Shoppers Drug Mart and Service Ontario, Westgate will be redeveloped in phases. The existing retail mall will remain for the time being while surface parking lots and a pad restaurant are demolished to make way for a 24-storey building with 216 rental units and 20,000 square feet of retail. Four more buildings, between 24 and 36-storeys will also be added.

Timing: 2-5 + years

Shoppers City East

The rehaul of this property will include mixed-use towers with up to 540 residential apartments, a large new retail building as well as nearly 30 town homes.

Timing: 2-5 + years

Ottawa

Canada's capital city and its surrounding suburbs will see dramatic changes to its shopping centre landscape as owners reconsider how their properties can be more optimally leveraged. As an example, Landlord RioCan, which owns 32 retail properties in the Ottawa area, has plans to redevelop many of them to become 'RioCan Living' communities with housing and other uses.

QUEBEC

Montreal



Champlain Centre*

Landlord Cominar plans to add 1,100 residential units with additional residential towers to be built by another developer on an adjacent site.

Timing: 2 + years

Place du Commerce

This property, also owned by Comiar, will see 1,200 residential units added to the area.

Timing: 2 + years

Place Longueuil

Another Cominar property will also add 500 new residential units added.

Timing: 2 + years

Montenach Shopping Centre

This site, also owned by Cominar, will see intensification with the addition of 500 residential units.

Timing: 2 + years

Centropolis

In the Montreal suburb of Laval, Cominar will add 2,500 residential units to this site.

Quartier Laval

Cominar will also add 500 residential units to Quartier Laval.

Timing: 2 + years

Montreal

The Greater Montreal area is one of the fastest growing regions in North America. Amid substantial change, shopping centre landlords are eager to increase per square foot productivity which, when compared to Toronto and Vancouver benchmarks, shows potential for improvement. Owners are also heavily capitalizing on site intensification opportunities that could transform Montreal into one of Canada's most exciting regions for retail and shopping innovation.



Royalmount

While not a redevelopment of an existing shopping centre, the incredible Royalmount project will create a massive mixed-use community that developer Carbonleo says will become Montreal's 'midtown'. Royalmount will become a lifestyle and shopping hub on a former 74-acre industrial site. The 3.6 million square feet of development will feature a blend of first-to-market retailers, both mass and luxury market stores, fitness facilities, more than 100 food and beverage choices - including a food hall - plus new entertainment options. Between five and seven hotels with 1,400 rooms and office buildings spanning 1.5 million square feet will also become part of the new "midtown" as will about 6,000 homes. A school plus other amenities are also proposed.

Timing: 1-5 + years



Wilderton Shopping Centre

The aging shopping centre in Montreal's Cote-des-Neiges will be replaced with a mixed-use development. Landlord First Capital Realty is creating a pedestrian-friendly neighbourhood that will include 500,000 square feet of housing and 150,000 square feet of street-level retail. A grocery store, daycare and cafes will encourage locals to visit more frequently.

Timing: 3-5 + years

CF Fairview Pointe Claire

The Cadillac Fairview/Ivanhoé Cambridge-owned shopping centre will undergo significant updates that are expected to create a new 'downtown' for the area. Starting on the west side and on an adjacent 50-acre Cadillac Fairview owned site, the redevelopment will see a blend of condominiums, office buildings, and hotels over more than 4 million square feet. The centre will also become the site of a new light rail transit station.

Timing: 10 + years



Dorval Gardens

The 365,000 square foot property, owned by North American Development Group, will see intensification in the coming years. The landlord will create a mixed-use development on an adjacent parcel initially with 950 residential units in six apartment and condominium buildings, the tallest being 16-storeys. The Dorval Gardens shopping centre itself will be overhauled in a subsequent phase.

Timing: Phase one 3 + years, full shopping centre redevelopment to be determined.

For more details on the exciting plans at Montreal Eaton Centre and Holt Renfrew Ogilvy, refer to the editorial section in this special edition of *Canadian Retailer* (page 70).

MARITIMES

Halifax

Penhorn Mall

Crombie REIT, which acquired the shopping centre property from Empire (owner of Sobeys) in 2016, will transform the struggling Penhorn Mall in Dartmouth. The front of the site will feature a prominent Sobeys store and a residential neighbourhood - greenspace and a new bus station will be added at the back. The landlord also owns an adjacent 31-acre parcel of land which will be turned into new retail and a mixed-use community.

Timing: 3-10 + years

Mic Mac Mall

The Ivanhoé Cambridge-owned centre has seen substantial investments and will become home to the first Decathlon sporting goods store in the Maritimes. New residential housing will also be added, including tall towers which would offer spectacular views and could command high prices.

Timing: To be determined

To read more about shopping centre redevelopment in the Maritimes, refer to the editorial section in this special edition of *Canadian Retailer* (page 69).

Maritimes

The Maritimes will also see shopping centres add density though fewer details are available when compared to other regions in the country. It is expected that many shopping centres in the region will eventually be transformed into higher-density mixed-use communities as is seen in other parts of Canada.

Conclusion

The evolution of shopping centres in Canada, in many ways, is heading in the direction of what they were originally conceived to be - a special place at the heart of a community where people can find comfortable spaces to meet, do errands, shop and enhance their lives.

While retail sales in Canada continue to grow, albeit at a slower pace than in previous years, productivity and traffic have not seen significant improvements. Increased competition, growing online sales, reduced consumer discretionary income, over-saturation of retailers in some categories and more spending on lifestyle experiences, are all placing significant pressures on shopping centres and retailers.

The movement towards “experiences” is an opportunity that both retailers and landlords are enthusiastically embracing, especially as value in real estate assets continues to grow exponentially. By carefully curating compelling and productive retailer mixes, upping square footage devoted to food and beverage options, introducing innovative, one-of-a kind, destination-worthy entertainment attractions, and building more residential and office complex options on their properties, shopping centre owners in Canada are setting the groundwork for a renaissance. Redevelopments will ensure shopping centres become, as they expand beyond pure retail, even more relevant, functioning as integrated community hubs.

Smart landlords understand the need for mixed-use retail complexes, connecting digital driven customers and offering the ultimate “single channel” where consumers can get whatever they want, how and when they want it. And, while shopping centres have traditionally been a suburban phenomenon, many are becoming new amenity-rich “urban” hubs that will anchor growing neighborhoods.

It is as if we can hear the words of Victor Gruen, the inventor of the shopping centre while we watch the many changes now taking place in our retail environment. Victor saw the shopping centre as a “gathering place with town squares that would include multi-family residential buildings, schools, medical facilities, parks and lakes”. We think he would approve of this sector’s metamorphosis, one that is indeed responding to the changing nature of the Canadian shopping environment and our consumers. Both shopping centre owners and retailers are listening very closely to what consumers need and, in the process, continuing to transform and build an even stronger retail landscape in Canada.

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