

Shoppers World Brampton

- 53-acre, single-storey shopping centre.
- RioCan acquired the late 1960s shopping centre in 2000.
- Strategic location at an evolving mobility hub (existing Gateway Bus Terminal, and planned Hazel McCallion LRT stop).



Gateway Bus Terminal

STEELES AVENUE WEST

Kaneff Park

CHAROLAIS BOULEVARD

Etobicoke Creek

SvN



Shoppers World Brampton

- The Master Plan vision introduces new public and private streets with multi-modal mobility infrastructure, 5,000 new residential units, over 800,000 square feet of commercial and office space, and a 7.5-acre community hub and park.

Weston Park Development

- Redeveloped by the Weston Park Baptist Church in partnership with Castlepoint Numa.
- Integrates a new community hub with multi-purpose community spaces and innovative food-based ground floor retail.
- Improved connections from Lawrence and Weston to the existing UP Express Station.



What Lies Ahead For Retail Real Estate In Canada: A Look at the Current Market & Future Predictions

Prepared for:

Land & Development
Conference

June 7th 2022

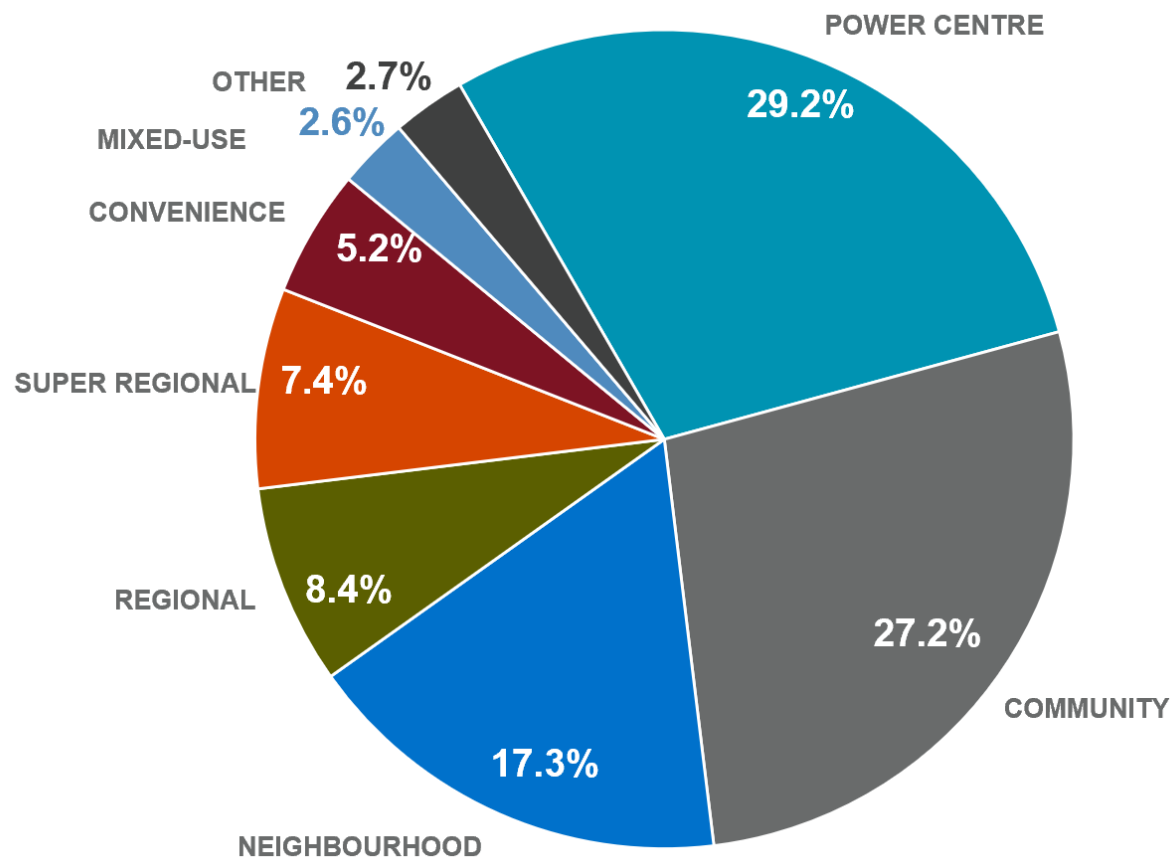
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THE CURRENT STATE OF RETAIL

SHOPPING CENTRES ACROSS CANADA: BY CATEGORY AND SQUARE FOOTAGE



Square Footage (MSF)

Power Centre	193.2
Community	181.5
Neighbourhood	113.9
Regional	52.8
Super Regional	52.2
Convenience	33.2
Mixed-Use	18.9
Other	19.2
Total	664.8

Source: CSCA

THE CURRENT STATE OF RETAIL

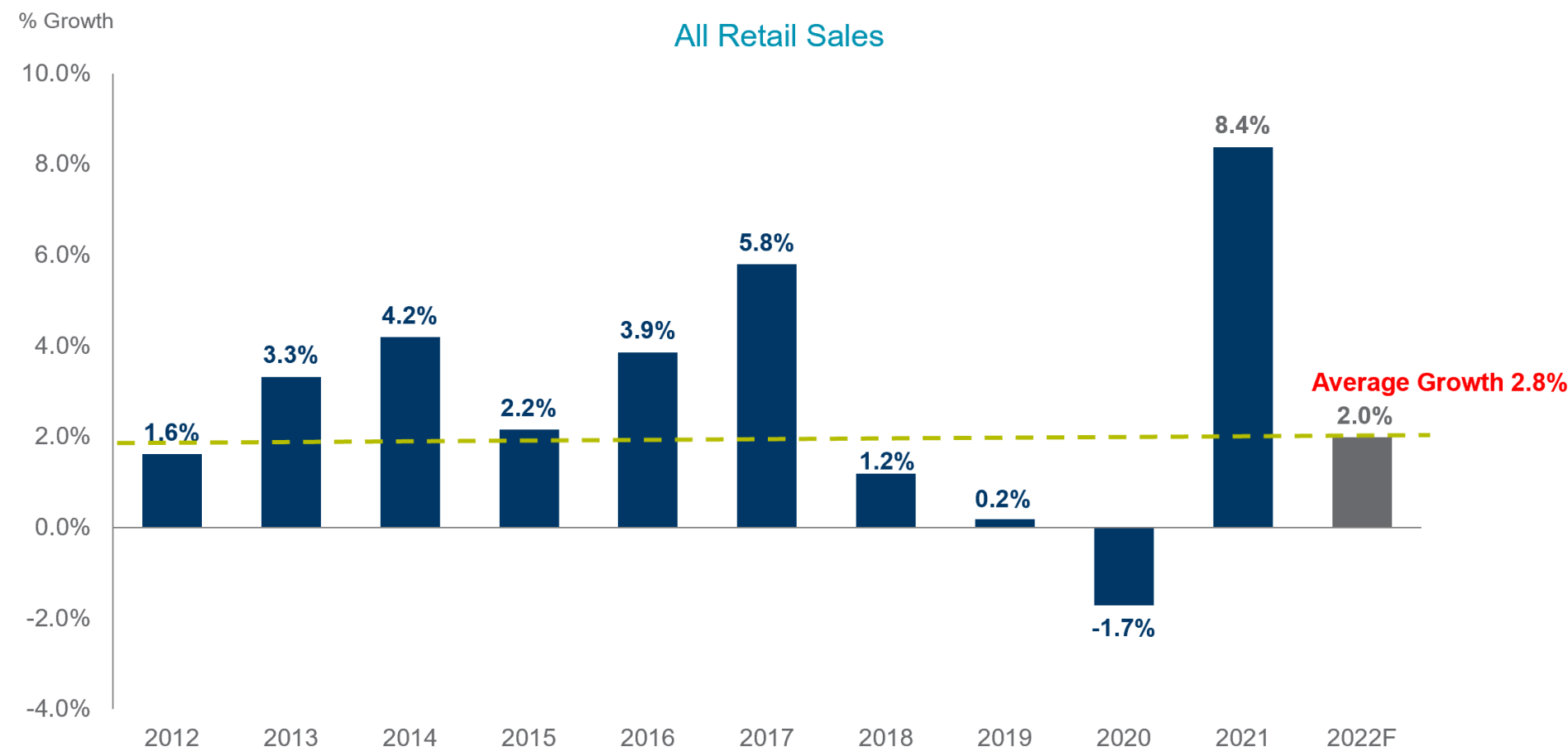
SHOPPING CENTRES ACROSS CANADA: NUMBERS OF MALLS BY PROVINCE



Source: CSCA

THE CURRENT STATE OF RETAIL

CANADA RETAIL SALES: CONTRACTED IN 2020 BUT STRONG BOUNCE BACK IN 2021

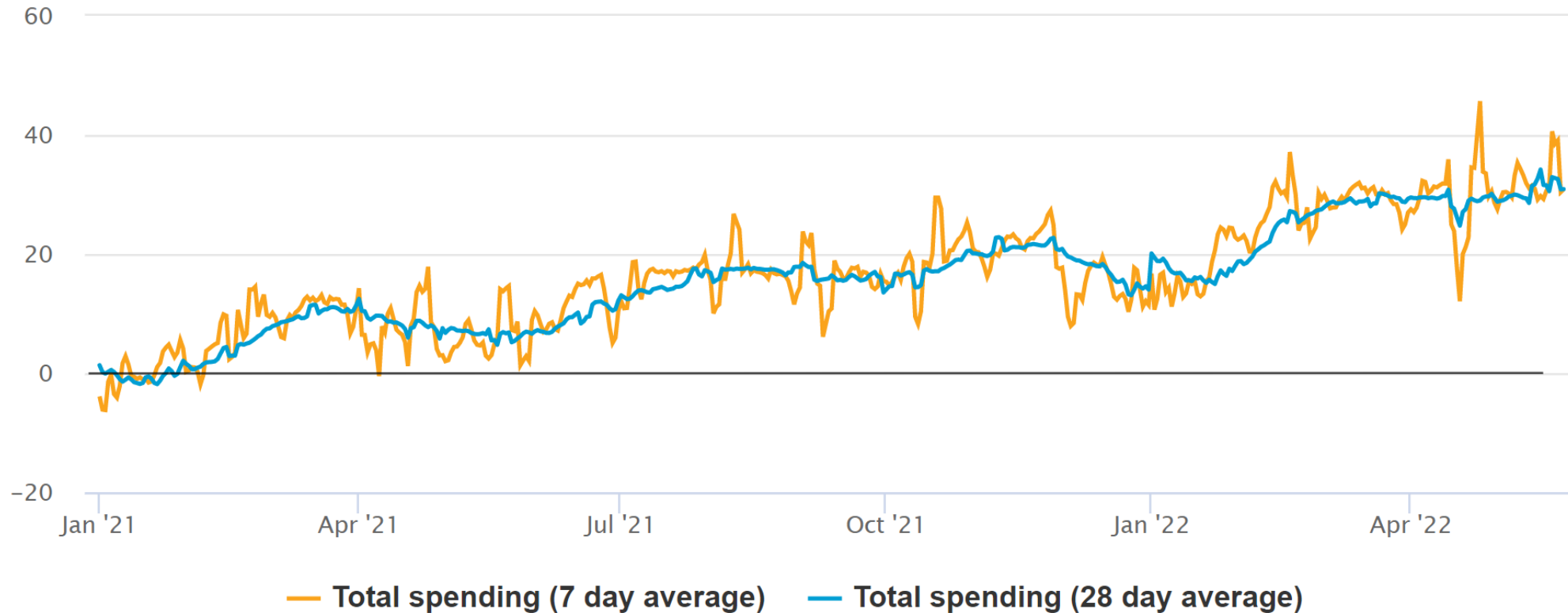


Source: Statistics Canada / Moody's Analytics

THE CURRENT STATE OF RETAIL

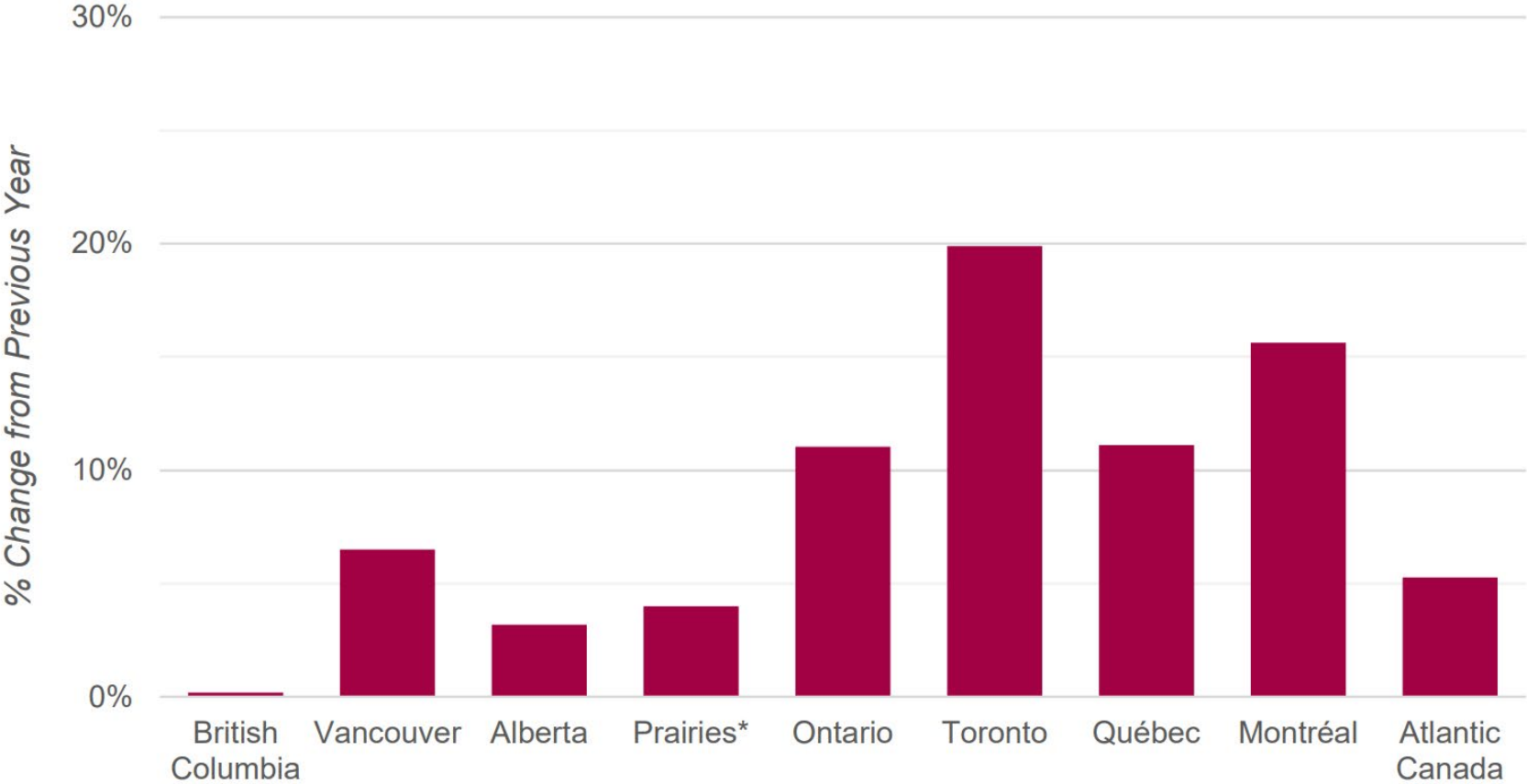
CONSUMER SPEND STARTING STRONG FOR SPRING: 32% ABOVE PRE-SHOCK 2019

% change from 2019 (pre-shock) levels



THE CURRENT STATE OF RETAIL

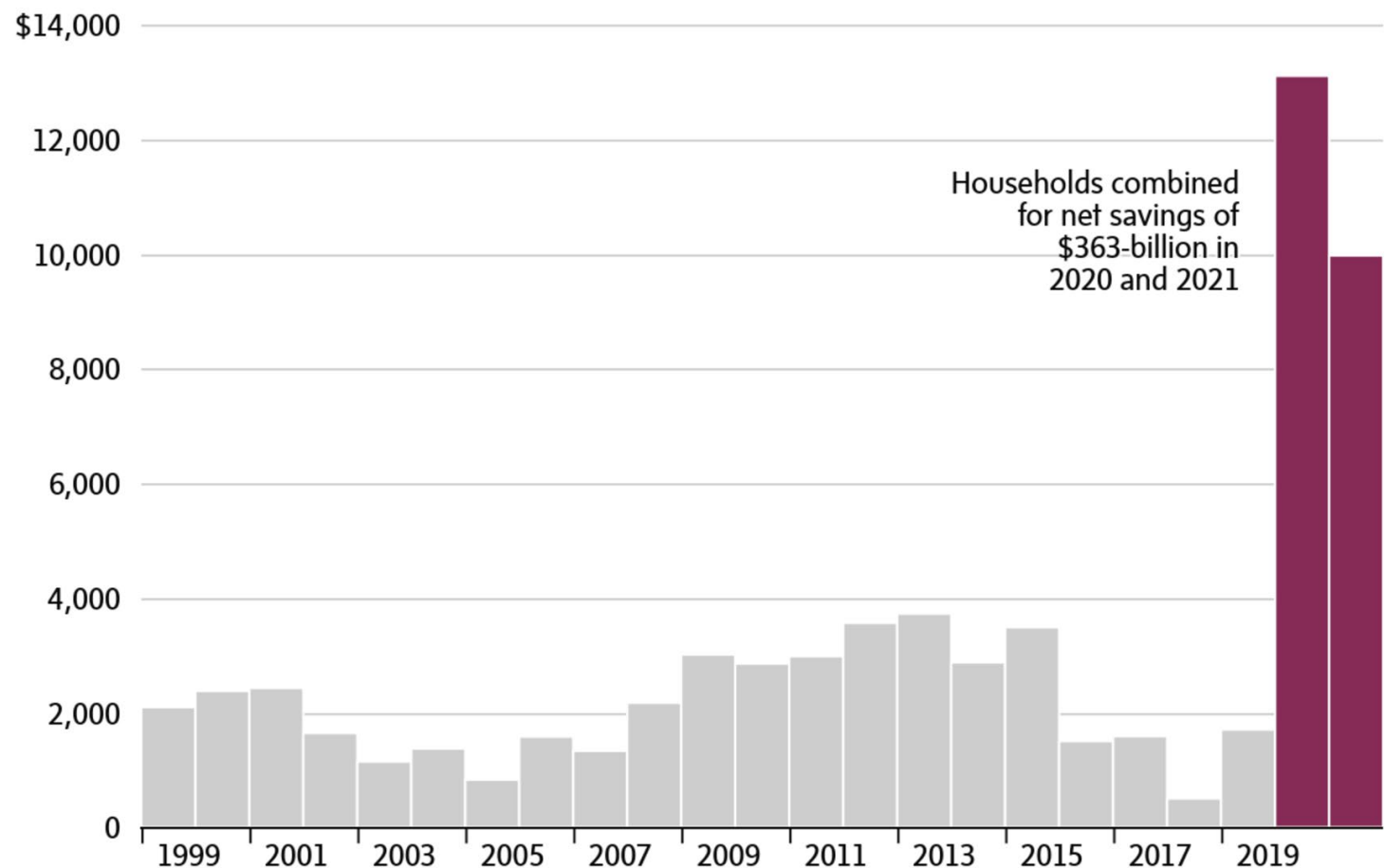
CANADIAN YOY RETAIL SALES: BY CITY / PROVINCE (MARCH 2022)



Source: Statistics Canada / J C Williams

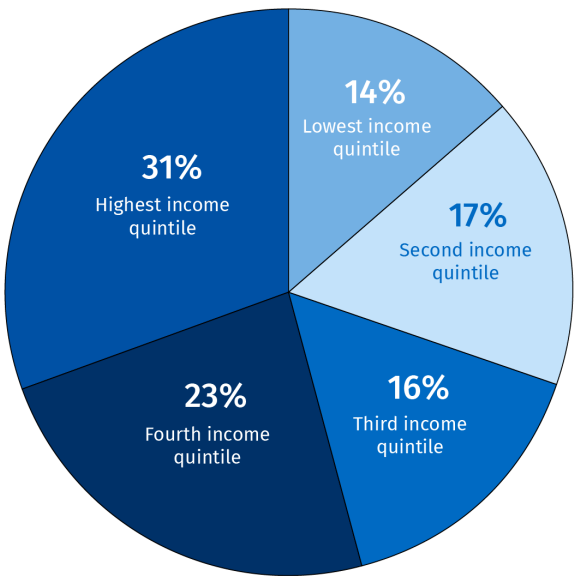
THE CURRENT STATE OF RETAIL

AVERAGE ANNUAL SAVINGS PER HOUSEHOLD IN CANADA SPIKES DURING PANDEMIC



Source: Statistics Canada, Globe & Mail

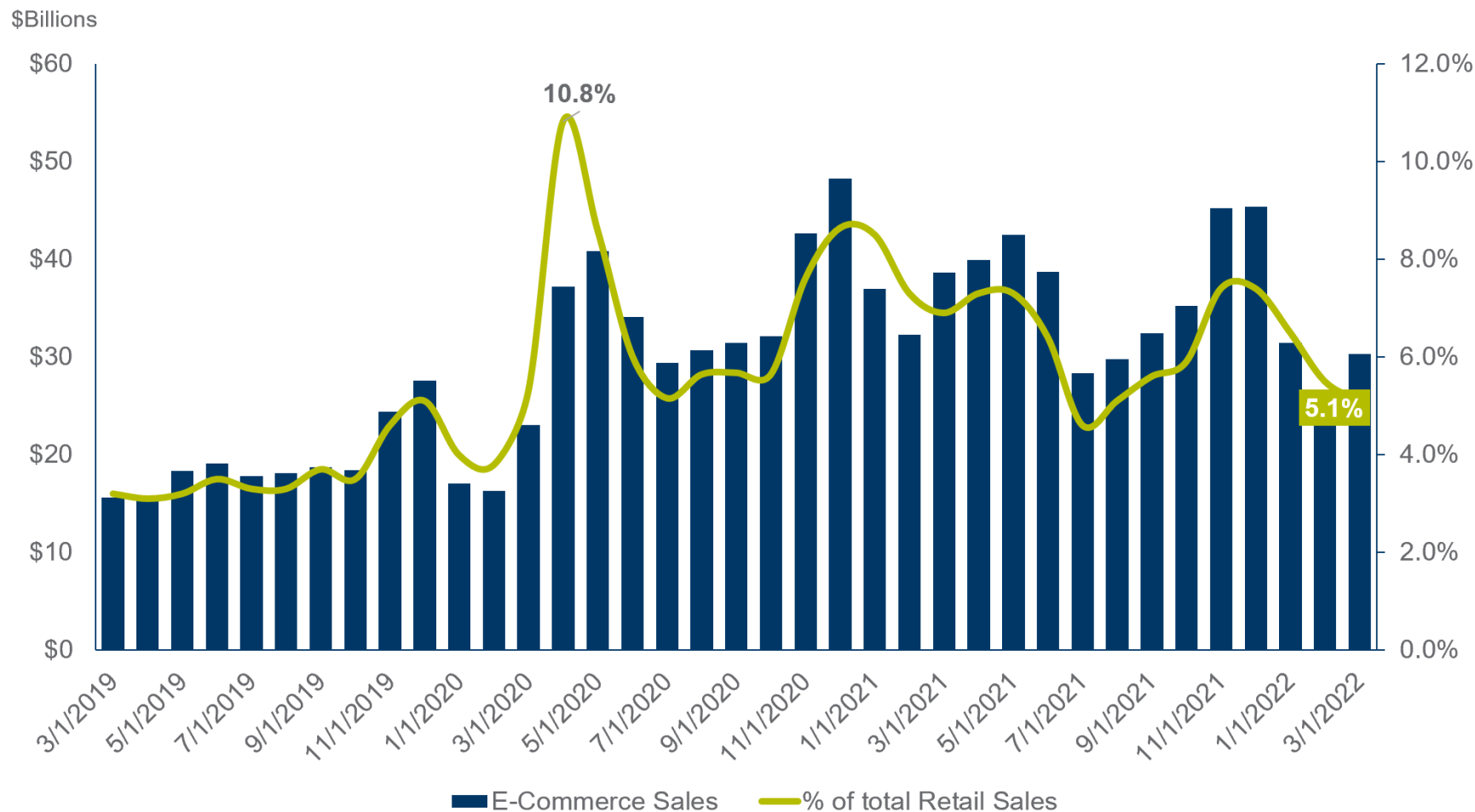
Highest income Canadians saved the most over the pandemic
% of excess savings accumulated, 2020 and 2021 in excess of 3 year pre-pandemic average



Source: StatCan, RBC Economics

THE CURRENT STATE OF RETAIL

CANADIAN E-COMMERCE SALES GROWTH SLOWING TO MORE NORMALIZED LEVEL

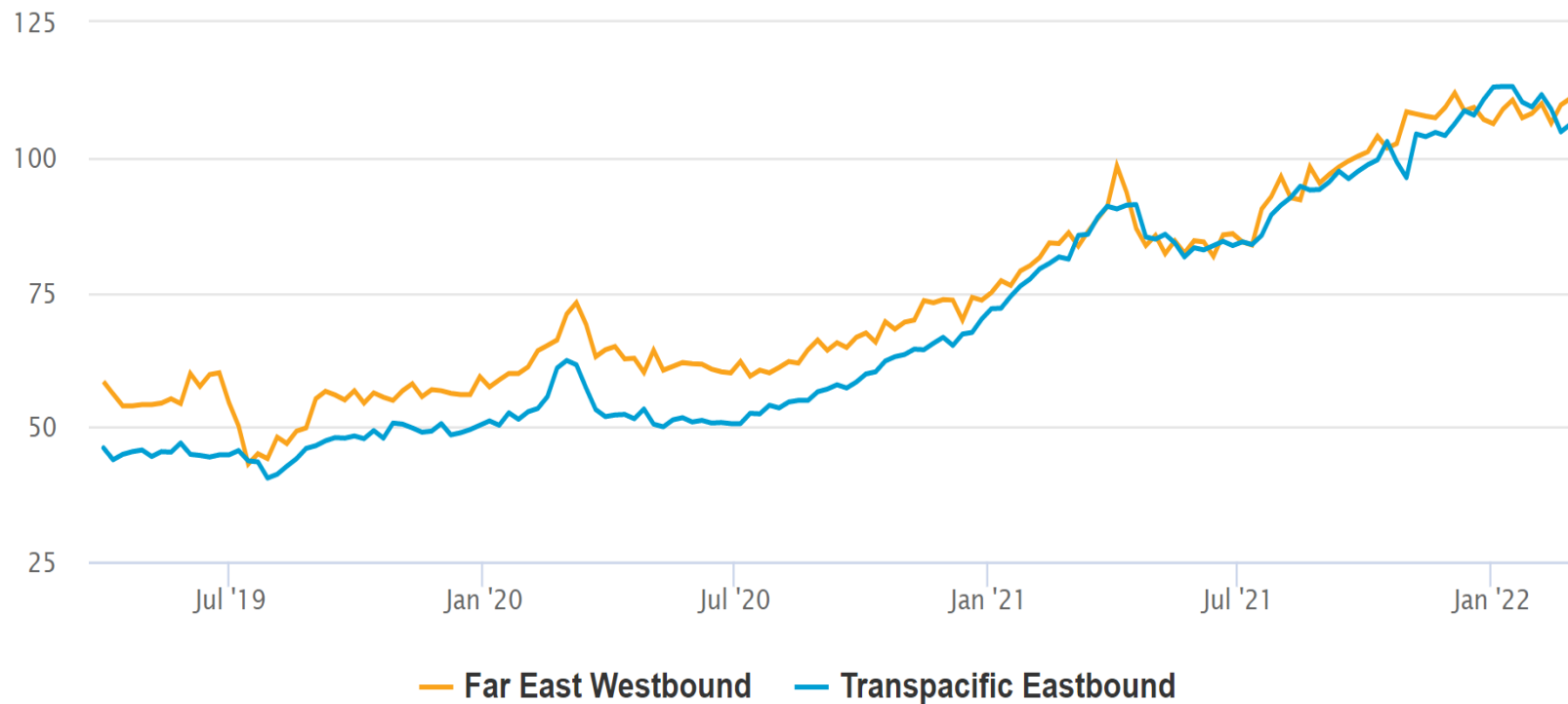


Source: Statistic Canada

THE CURRENT STATE OF RETAIL

SUPPLY CHAIN REMAIN ACUTE FOR RETAILERS

Flexport OTI, # of days from cargo ready date to destination port departure

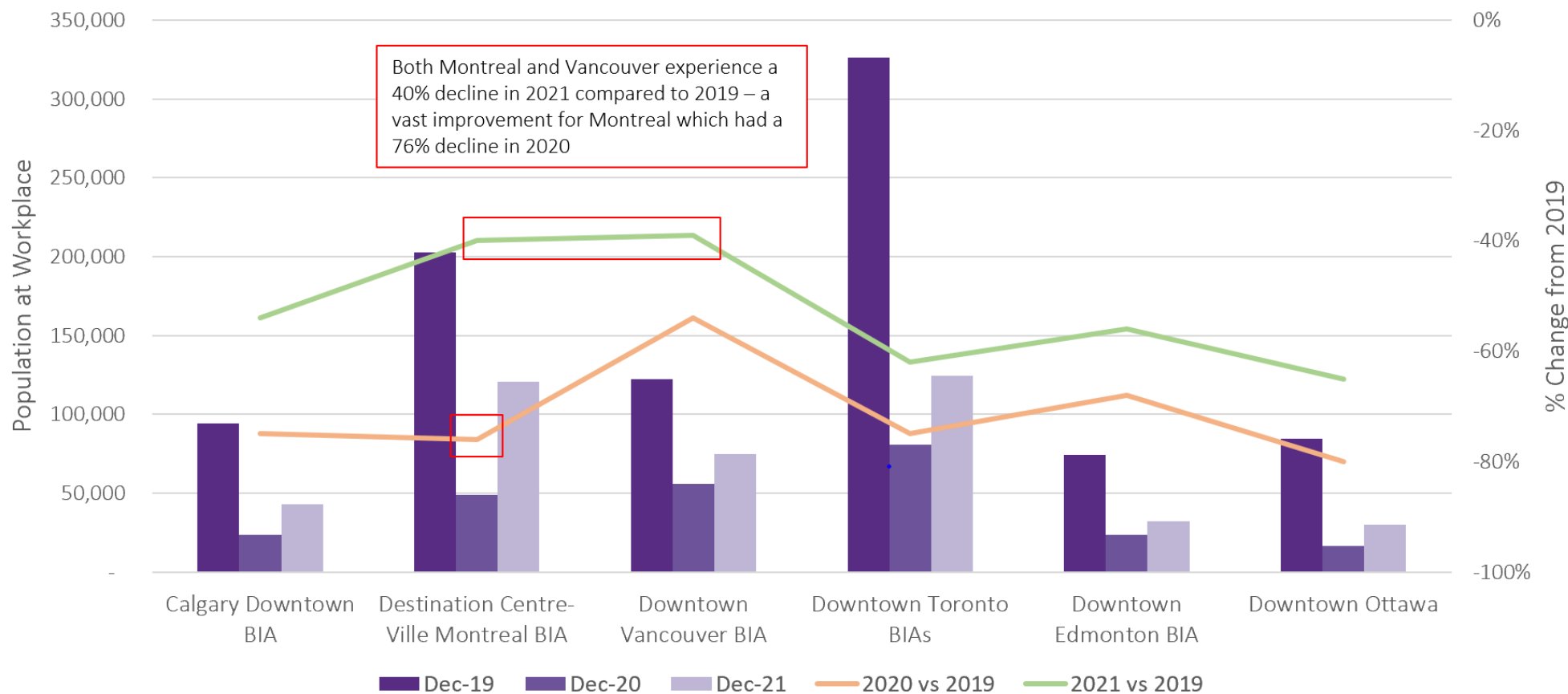


The cost of ocean container shipping has leveled off below summer 2020 peaks—but is still roughly 7 times pre-pandemic levels. And though there have been signs of delivery times easing, ocean shipping on all legs of the journey from factory floor to destination port departure are still taking twice as long as before the pandemic.

There are reasons to expect supply chain disruptions will ease. Backlogs at ports have begun to clear. Consumer demand is still expected to shift to services from goods as COVID-19 restrictions ease. And the pace of inventory re-stocking from pandemic-related drawdowns should slow. But the ripple-effects from disruptions tied to the Russian invasion could lengthen that process.

THE CURRENT STATE OF RETAIL

DECLINES IN NATIONAL OFFICE ATTENDANCE EFFECTING URBAN RETAIL



Source: Environics Analytics / WorkPlaceNow

THE CURRENT STATE OF RETAIL

RETAIL CHAIN STORE CLOSURES FOR 2021 – MORE MODERATE THAN EXPECTED

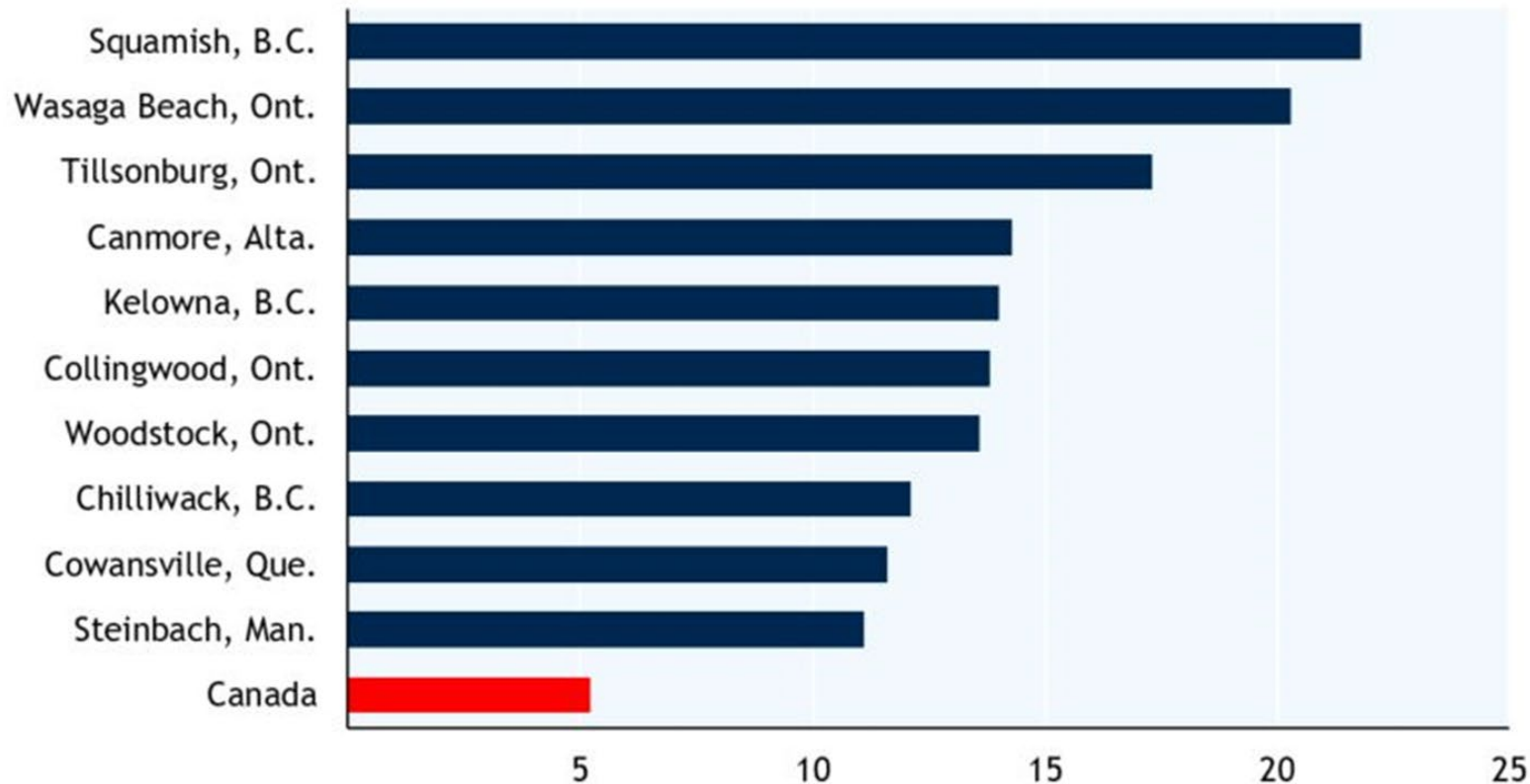


Source: Retail IQ / Retailer Insider

THE CURRENT STATE OF RETAIL

FASTEST GROWING CENTRES ARE SMALLER RESORT TOWNS: RETAIL OPPORTUNITY

Population growth, 2016 to 2021, %

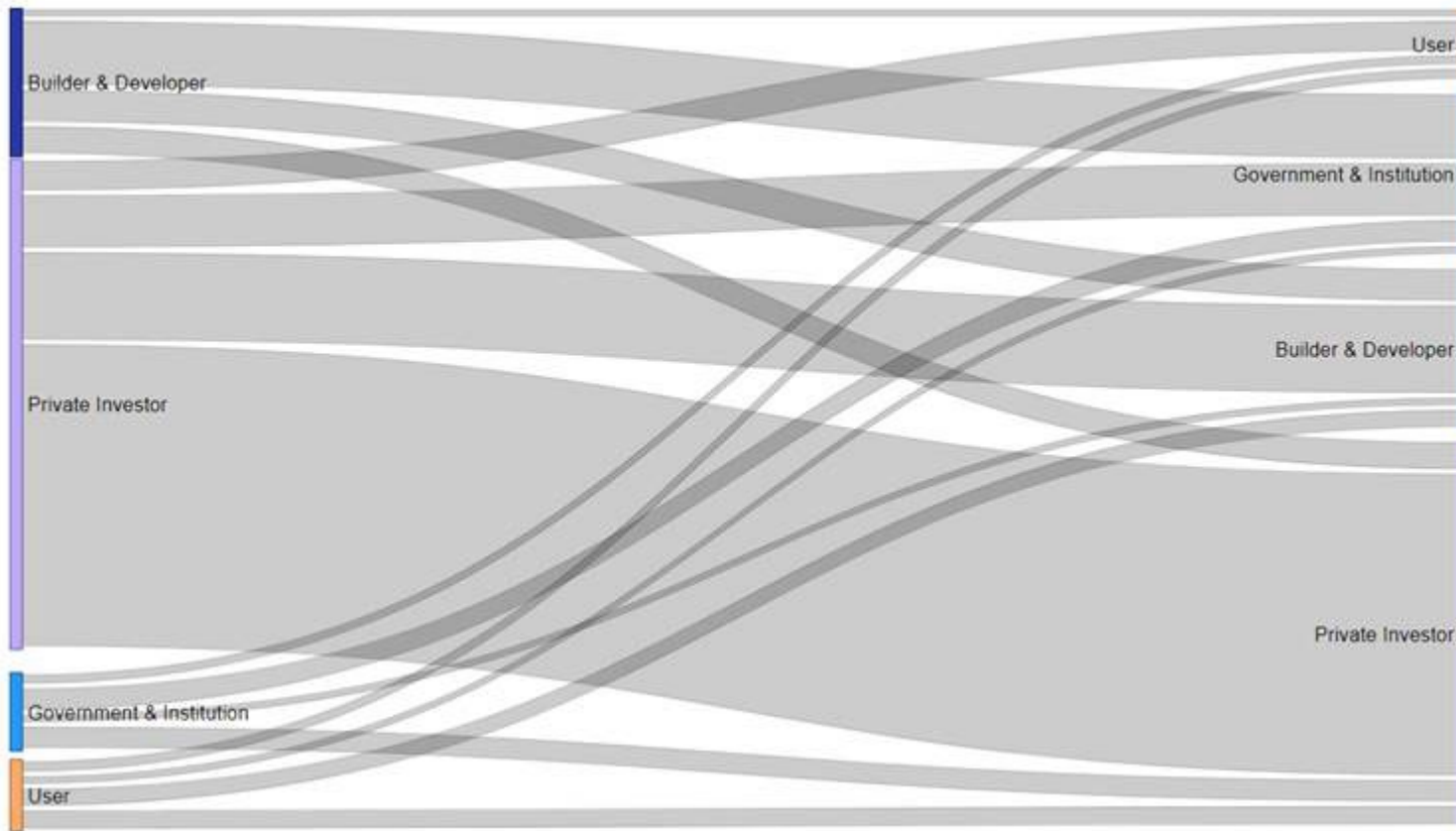


Source: RBC Economic / Statistic Canada

THE CURRENT STATE OF RETAIL

LAND SALES IN CANADA FROM 2019 TO 2021: WHO IS SELLING? ... WHO IS BUYING?

Land Sales, Seller and Purchaser, 2019-2021, Major Markets



Land Sale Highlights: 2019 to 2021:

1. The largest flow of money is from private investors to other private investors
2. Government and institutions (school boards, universities, hospitals) are much more likely to be buyers than sellers.
3. Builders/developers are buying and selling about equally; they buy largely from private investors, then sell a big chunk to government/institutions.

Source Cushman & Wakefield Research:

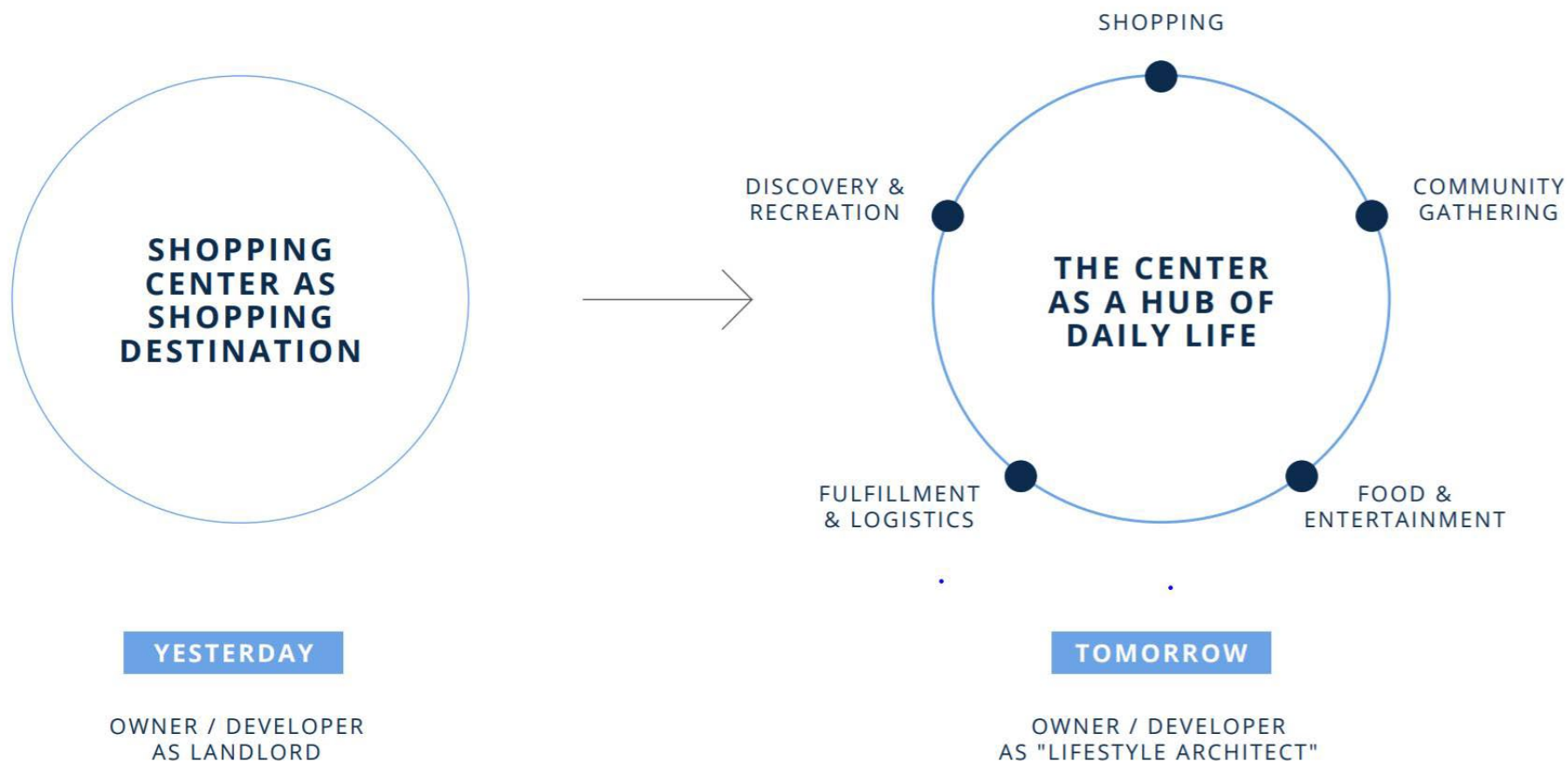
Prediction for Retail

Future of Retail ... Trends to Watch



THE FUTURE OF RETAIL ...

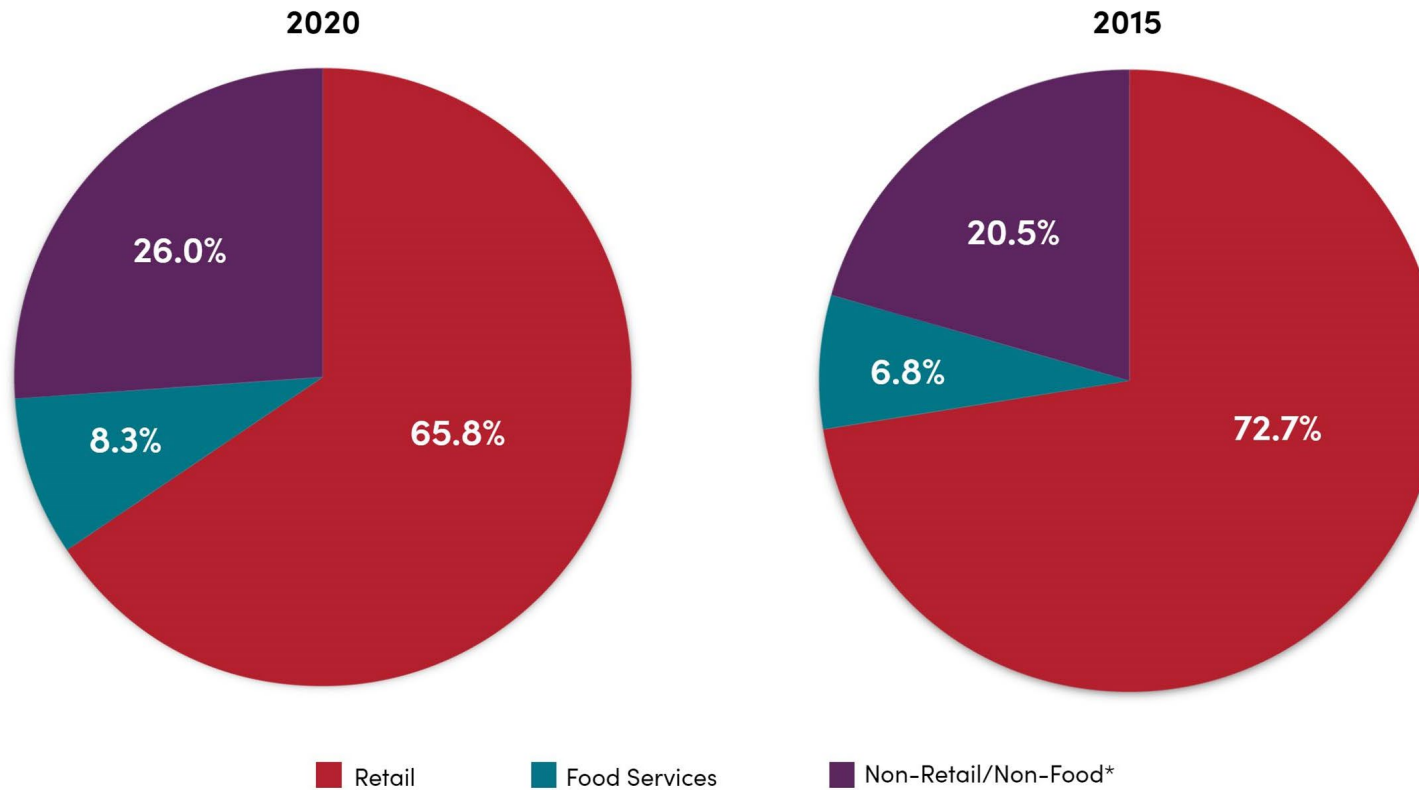
PREDICTION: NEW PRIORITIES FOR THE SHOPPING MALL



Source: Brookfield Properties Report

THE FUTURE OF RETAIL ...

PREDICTION: TENANT MIX WILL SHIFT TO MORE NON-RETAIL USES + FOOD

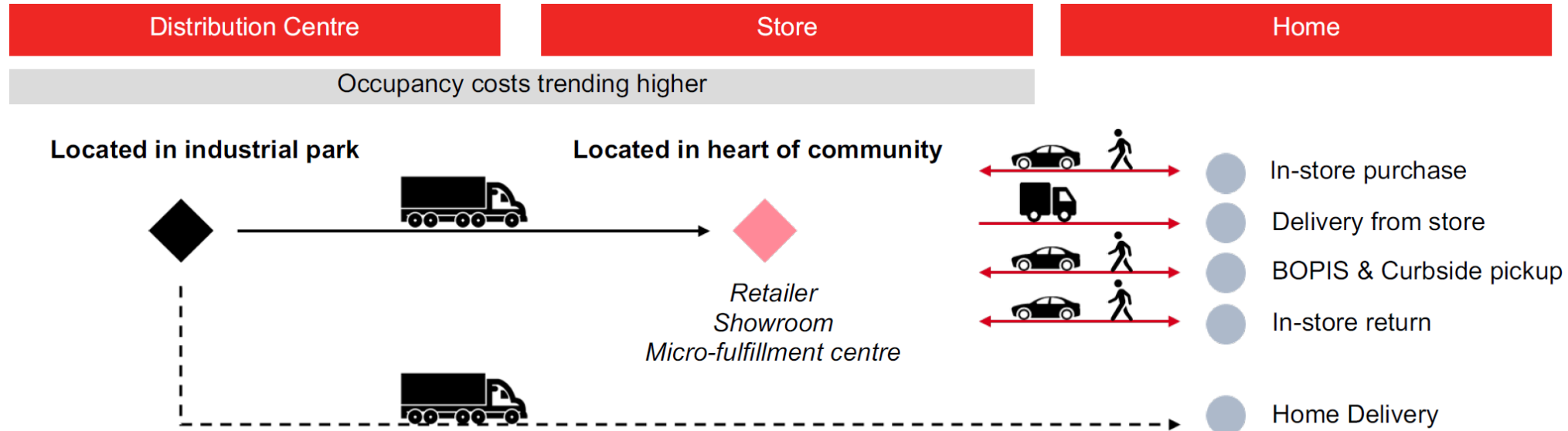


*Category includes businesses such as urgent care clinics, tax preparation, salons, gyms, arcades, etc.

Source: ICSC / Co-Star

THE FUTURE OF RETAIL ...

PREDICTION: OMNI-CHANNEL IS THE FUTURE FOR PHYSICAL STORES



CRITICAL ROLE OF THE PHYSICAL STORE:

Customer acquisition

Physical store is a brand builder driving sales across channels, and as brand engagement for customers to touch, feel and try on products

Transactional centre

Physical store is a in-store revenue generator and as a returns center, reduces shipping costs and leads to incremental in-store sales

Last mile hub

Physical store is a distribution centre reducing cost of last mile delivery as well as congestion and carbon emissions from truck traffic. Store as pickup centre also leads to incremental in-store sales

THE FUTURE OF RETAIL ...

PREDICTION: OMNI-CHANNEL IS THE FUTURE – CANADIAN EXAMPLES

Canadian Tire spending \$3.4-billion over four years to expand products, bolster operations



Walmart Canada Announces Massive Fulfillment Centre Near Calgary as Part of Significant National Growth Initiative



Willowbrook Centre Near Vancouver Launches Unique Omni-Channel Shopping Experience



THE FUTURE OF RETAIL ...

PREDICTION: UPBEAT ON REVENUE GROWTH FOR CANADIAN RETAILERS IN 2022

Most retail executives surveyed (77%) expect revenue to rise in 2022 and almost all (93%) are confident in their organization's ability to hit its growth targets. However, 40% expect margins to fall in 2022 and 37% feel they'll remain stable.



77%

expect revenues to rise

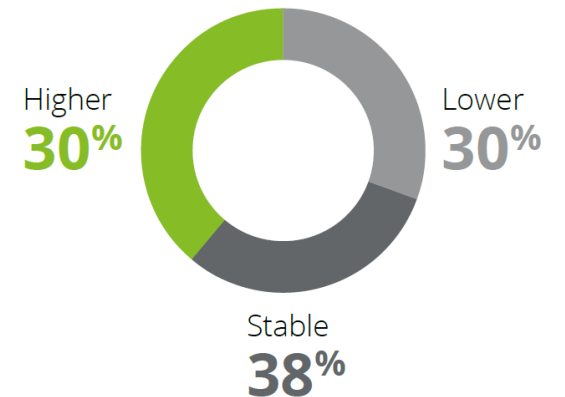
93%

are confident in their organization's ability to hit its growth targets

Retail executives' expectations for industry revenue growth in 2022

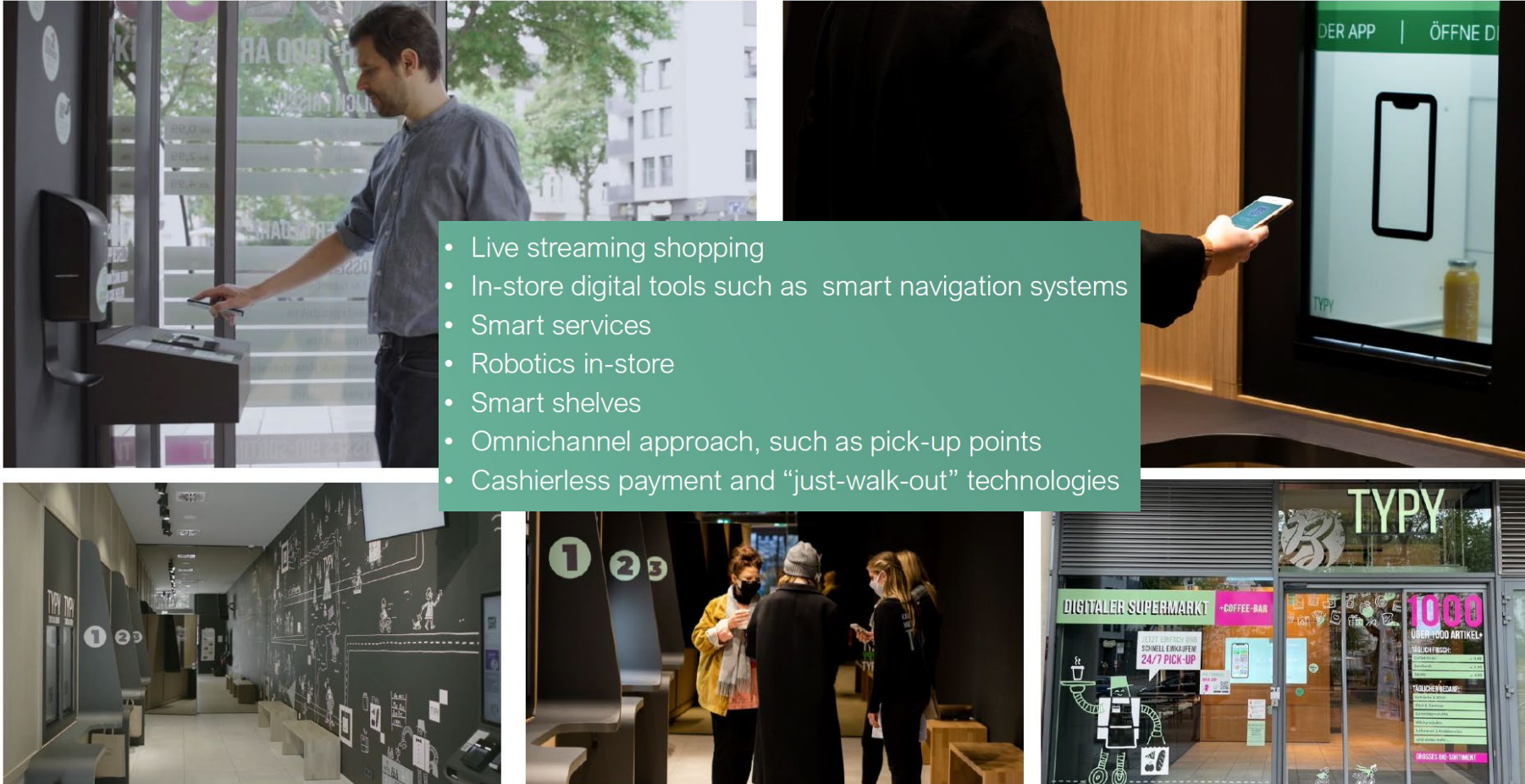


Expectations for year-over-year operating margin



THE FUTURE OF RETAIL ...

PREDICTION: BETTER EFFICIENCIES & TECHNOLOGY IN STORES



Source Ebeltoft Group / JCWG – Retail Innovations 2022

THE FUTURE OF RETAIL ...

PREDICTION: LONG LIVE THE AUTOMOBILE IN A POST COVID WORLD

Starbucks Says That When It Comes to Expansion, Drive-Thru Only Is On The Menu

Coffee Chain Was Most Prolific Signer of Retail Leases in 2020, But Committed to Smaller Spaces



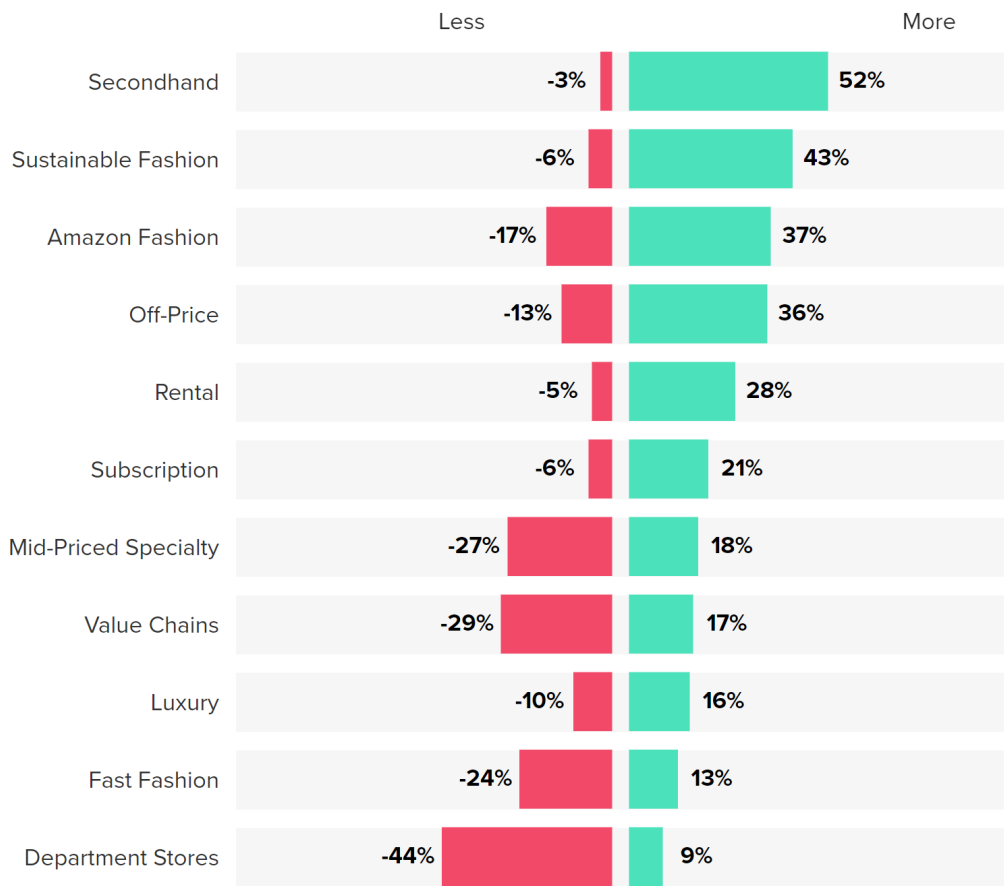
SITE KEY DESIGN ELEMENTS	FACADE KEY DESIGN ELEMENTS
1 Double Drive-Thru	7 Heritage Tower
2 Digital Menu Boards	8 Red Light Band
3 By-Pass Lane	9 Silver Band
4 Bump Outs	10 Drive-Thru Red Canopy
5 Expediting Doors	11 Wood Textured Panels
6 Service Door	12 Storefront Glazing
	13 Kitchen Theatre (Optional)
	14 Stucco Reveals
	15 Front Red Canopy



Source: Co-Star / BK Design Group

THE FUTURE OF RETAIL ...

PREDICTION: SHOPPERS WILL SHIFT MORE SPEND TO SECONDHAND PRODUCTS



Responses represent buying intentions of consumers over the next 5 years

Top Resellable Categories and Brands



1. Bags

Gucci satchel
Louis Vuitton shoulder bag
Tory Burch backpack
Michael Kors leather satchel
Madewell leather bag



2. Outerwear

Patagonia jacket
Lululemon jacket
Vince wool coat
Coach trench coat
Burberry coat



3. Dresses

Anthropologie
Free People
Madewell
Diane von Furstenberg
Prada



4. Boots

Frye
Doc Martens
UGG
rag & bone
Cole Haan



5. Sweaters

Veronica Beard cashmere sweater
rag & bone turtleneck sweater
Coach wool sweater
Patagonia cashmere sweater
Everlane cashmere cardigan



THE FUTURE OF RETAIL ...

PREDICTION: MORE RETAILERS WILL SELL INTO THE METAVERSE WORLD



With roughly 2.7 billion people playing games globally, there's opportunity in digital retail. It's all about Brand Integration, Brand Expansion and Brand Expression ... And Making Money!

THE FUTURE OF RETAIL ...

PREDICTION: REVIVAL OF EXPERIENTIAL RETAIL



Source Superfly X

THE FUTURE OF RETAIL ...

... RETAIL IS NEVER A SINKING SHIP ... ALL ABOARD!



Hong Kong is home to many structural curiosities, and among the quirkiest has got to be the Whampoa — a shopping mall shaped like a luxury cruise ship. Located in Hung Hom, Kowloon, the concrete boat is part of a larger shopping arcade named the The Wonderful Worlds of Whampoa, which is a complex of shops, restaurants, and residential buildings.

THANK YOU



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Oakridge Park, Vancouver



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