



TETRA
REALTY ADVISORS

2025 Year-In Report

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The Western Canada retail landscape remained resilient in 2025. Despite high construction costs, permitting delays, and limited supply, deals continued to progress through collaboration and creativity. Here's a look at what we saw at Tetra in 2025.

TENANT BEHAVIOUR

Reflecting on 2025, national retailers continued to be active and aggressive in their pursuit of high-quality retail. Local tenants, however, continued to struggle with the increased taxes and rising cost of new buildouts, limiting their ability to compete for new space.

Many groups are focusing on converting existing space to keep costs down. This fits current market conditions due to the scarcity of new space. However, conversion still comes with difficulties due to limited access to information and the need to upgrade base building services.

Rental rates rose across the region, and many tenants reached affordability thresholds, indicating that rental growth will likely moderate into 2026 and asking rents will stabilize. Grocery, pharmacy, and quick-service restaurants (“QSR”) operators remained the core demand drivers across both urban and suburban markets.

To make deals feasible, tenants adopted innovative strategies, including smaller footprints, land-lease formats, and alternative building materials. Despite headwinds, appetite for Western Canada expansion remained competitive.

DEAL TIMING

Lengthy permitting time continue to create natural friction between landlords and tenants. The permitting and approval processes continued to slow tenant rollouts in 2025, pushing key milestones beyond original timelines. These delays affected construction starts, financing schedules, and opening dates.

DEVELOPMENT, CONSTRUCTION & TARIFF ENVIRONMENT

Costs & Supply

New retail supply continued to be limited as construction costs leveled but remained near their peak and financing tightened. Supply-chain pressures eased, electrical panels and HVAC units are now more readily available, but pricing is still materially higher than previous years. Tariffs on steel, equipment, and other imported components added another layer of cost pressure, impacting both shell construction and tenant improvement budgets.

While tenant demand has remained strong, profitability for developers and retailers alike, continues to be under pressure.

The Hudson's Bay Effect

Hudson's Bay closures created one of the year's most notable shifts, prompting landlords to start the process of repositioning these large-format boxes by subdividing space, updating layouts, and refreshing tenancy mixes to keep enclosed centres competitive.

While most of this space won't deliver until 2027 or later, the direction is clear: repurposed shells offer faster timelines, lower capital costs, and greater flexibility than ground-up development. This will broaden retailer options and deliver lower-cost supply.

Project Feasibility

Multi-tenant retail formats showed strong momentum. Single-tenant development remained difficult due to capital intensity and elevated construction costs, thus steering developers toward multi-tenant strips, anchored by grocery, gas bar/ convenience, and drive-thru concepts.

Full-service sit-down restaurants felt increasing pressure as margins tightened and build-out costs stayed elevated. New ground-up development became harder to justify, pushing many operators to focus on existing second-generation spaces where capital requirements were more achievable.

REGIONAL PERSPECTIVES

Alberta

Alberta continued to be a standout market, supported by population growth, affordability, and healthy employment fundamentals. Development-ready land and more efficient approval processes create more predictable timelines. Tenant demand remained steady across Calgary, Edmonton, and strong secondary markets such as Spruce Grove, Red Deer, and Airdrie.

Something we are keeping an eye on, is the labour market within Alberta. The slowdown in immigration and the federal government's commitment to major projects will continue to put pressure on the already strained market, leading to increased cost of construction and hiring challenges for retailers.

British Columbia

British Columbia faces increasing development constraints. While demand is strong, many new retail opportunities are tied to higher-cost, higher-risk redevelopment sites with lingering planning timelines, limiting when new supply can reach the market. This is expected to continue into 2026 and beyond as residential demand remains soft, thereby shelving many planned mixed-use projects.

Saskatchewan & Manitoba

Vacancy rates for quality retail space remain at or near historic lows as demand continues to outpace supply. Both markets are experiencing a steady rise in rental rates as construction costs remain elevated and new retail supply remains limited, making it increasingly expensive to deliver new space. This coupled with strong tenant demand for well-located, existing retail assets, has intensified competition for a finite inventory of, particularly grocery-anchored and serviced-oriented centres. With fewer new projects coming online and replacement costs climbing, we anticipate rates to continue to climb and vacancy to remain at its historic lows throughout 2026.

INVESTMENT MARKET SNAPSHOT

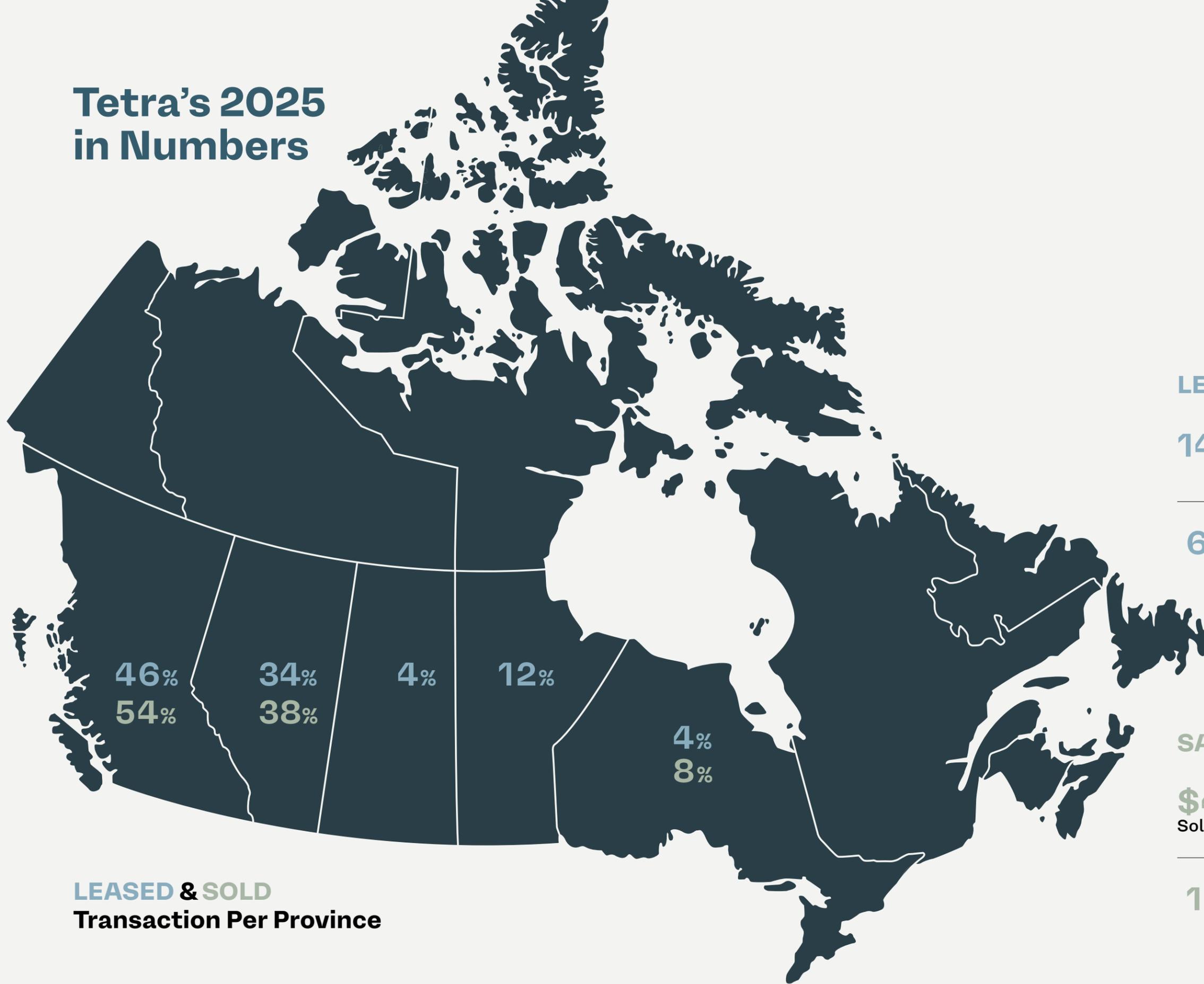
Retail remained a strong amenity for investors in 2025, offering steady income, strong covenants, and durable tenant demand. Private buyers stayed active, and vendor expectations adjusted meaningfully as sellers aligned with current market conditions. Many properties traded below previous list prices, as owners acknowledged that the 2021–2022 market was an outlier driven by record low interest rates and that today's pricing reflects a more sustainable equilibrium. Interest rate stability is likely here to stay for 2026, and we expect a modest uptick in the investment market.

Landlords are also carrying significant capital that needs to be deployed. Holding vacant land for mixed-use projects is increasingly difficult to justify, prompting a return to straightforward retail programs built around long-term stability and value. This has reinforced the fundamentals: strong national tenants, 10–15-year NNN lease terms, and predictable cash flow.

Retail strips continue to represent core real estate fundamentals: efficient land use, daily-needs retail and service tenancy, and reliable performance. Multi-tenant centres fit within this profile, and cap rates reflected that stability, settling across most regions as pricing adjusted to more sustainable levels.

One trend from 2025 that we expect to continue moving forward is traditional residential developers looking to diversify into retail income deals to keep their staffing levels occupied and capital sources satisfied.

Tetra's 2025 in Numbers



LEASED & SOLD
Transaction Per Province

LEASED TRANSACTIONS

142 Completed Transactions

300,000+ Square Feet

62 Markets

20+ Represented National Covenants

SALE TRANSACTIONS

\$48M+ Sold

30+ acres Total Size of Land Sold

11 Markets

14 Transactions



NOTABLE LEASED TRANSACTIONS

LEASED



Pacific Place Mall
999 36 Street NE
Calgary, AB

Premises: 2,700 sf

Opened: November 2025



Caribou Crossing
200, 7385 Boundary Avenue
Prince George, BC

Premises: 1,969 sf

Opened: June 2025



Harvest Hills Market
5352 Ellerslie Road SW
Edmonton, AB

Premises: 2,400 sf

Opened: July 2025



Westshore Town Centre
2945 Jacklin Road
Langford, BC

Premises: 2,503 sf

Opened: November 2025



Langley Crossing Shopping Centre
501 - 6339 200 Street
Langley, BC

Premises: 1,522 sf

Opened: February 2025



Grove on 17
1 - 1891 Tamarack Way
Edmonton, AB

Premises: 1,200 sf

Opened: August 2025

LEASED



Richmond Centre
6551 No. 3 Road
Richmond, BC

Premises: 1,987 sf
Opened: January 2025



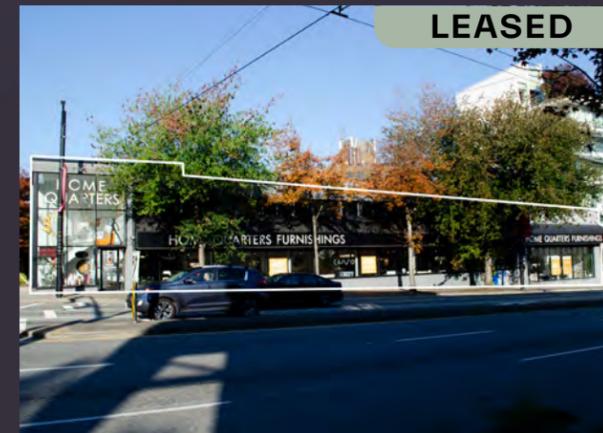
Vancouver Covention Centre
1055 Canada Place
Vancouver, BC

Premises: 1,105 sf
Opened: April 2025



17392 57 Avenue
Surrey, BC

Premises: 2,651 sf
Opened: December 2025



2285 & 2219 Cambie Street
Vancouver, BC

Premises: 11,765 sf
Opened: March 2025



RioCan Langley Centre
Langley, BC

Premises: 10,339 sf
Opened: August 2025



One12
8315 112 Street
Edmonton, AB

Premises: 1,512 sf
Opened: November 2025

LEASED



LEASED



Colwood Corners
117 - 1909 Sooke Road
Colwood, BC

Premises: 1,905 sf

Opened: February 2025



LEASED



Guildford Town Centre
1285 - 10355 152 Street
Surrey, BC

Premises: 2,633 sf

Opened: September 2025



LEASED



1680 Columbia Avenue
Castlegar, BC

Premises: 2,185 sf

Opened: August 2025



LEASED



574 Granville Street
Vancouver, BC

Premises: 1,756 sf

Opened: December 2025



LEASED



Comma,
3475 Fraser Street
Vancouver, BC

Premises: 1,386 sf

Opened: November 2025



LEASED



1359 Cliveden Avenue
Delta, BC

Premises: 1,480 sf

Opened: November 2025

LEASED



Meridian
502 Clarke Road
Coquitlam, BC

Premises: 5,512 sf

Opened: June 2025



923 12 Street
New Westminster, BC

Premises: 2,364 sf

Opening: Q1 2026



Heritage Valley Town Centre
2830 James Mowatt Trail SW
Edmonton, AB

Premises: 2,632 sf

Opened: February 2025



Ironwood Plaza
7000 - 11686 Steveston Highway
Richmond, BC

Premises: 2,686 sf

Opened: September 2025



McCallum Junction
130 - 1878 McCallum Road
Abbotsford, AB

Premises: 1,001 sf

Opened: July 2025



22 Edward Street
Toronto, ON

Premises: 1,700 sf

Opened: October 2025



NOTABLE INVESTMENT SALES

SOLD



FEATURED LISTING

SOLD

Long Lake Plaza
 4890 Rutherford Road
 Nanaimo, BC

Land: ~0.25 acres (11,078 sf)

Premises: 37,102 sf

Sale Date: December 2025

-  **A highly visible daily-needs retail plaza** in central Nanaimo, benefiting from strong vehicular traffic and shadow-anchored by the established Nanaimo North Town Centre
-  **Value Add Opportunity:** Value-add opportunity by way of lease-up of vacant end cap unit.
-  **Long-Term Development Potential:** The property is designated under Mixed-Use Corridor Land Use Plan, permitting future mixed-use development.



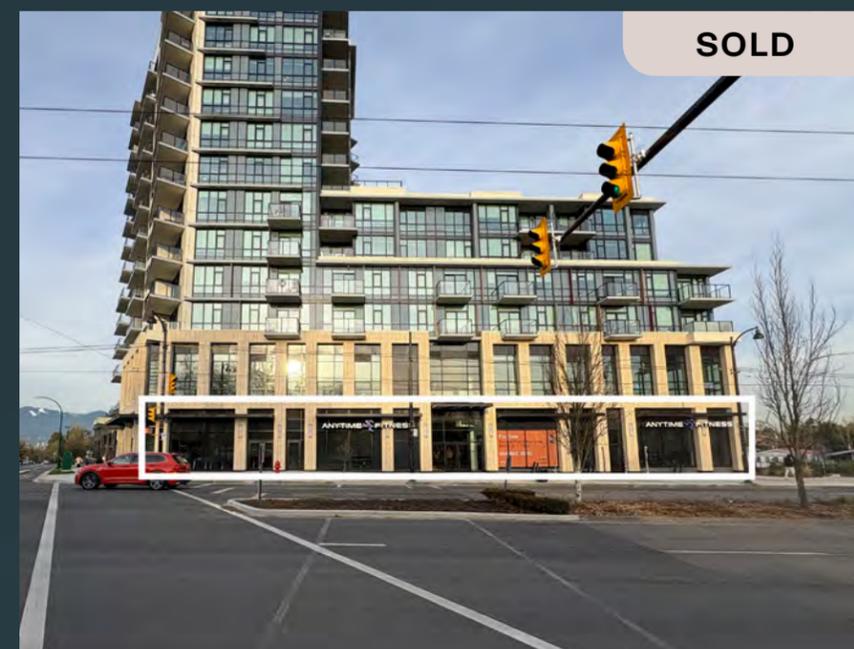
SOLD

249 Westminster Avenue
 Penticton, BC

Land: ~0.75 acres (32,725 sf)

Premises: 12,380 sf

Sale Date: October 2025



SOLD

1529 Kingsway
 Vancouver, BC

Premises: 7,645 sf

Sale Date: March 2025

SOLD

FEATURED LISTING



SOLD

Resources Road & 68 Avenue

Grande Prairie, AB

Land: 12.16 acres (529,602 sf)

Sale Date: March 2025

-  12.16 acres of CA - Arterial Commercial zoned land, permitted for grocery and **pharmacy anchored retail development.**
-  **Highly accessible location** located directly along Resources Road, a primary arterial servicing Grande Prairie seeing over 30,428 vehicles per day.
-  Prime south **Grande Prairie retail corridor location** with strong visibility, easy access, and a solid surrounding residential catchment.



SOLD

2150 Rutland Road North Kelowna, BC

Land Size: 1.07 acres (46,609 sf)

Premises: 3,040 sf

Sale Date: May 2025



SOLD

10 SE Marine Drive Vancouver, BC

Land: 0.51 acres (22,097 sf)

Premises: 2,827 sf

Sale Date: January 2025



ACTIVE LISTINGS

ACTIVE - BC FOR LEASE



FOR LEASE

Stonebridge Village

Mill Bay, BC

Land:	1,000 - 31,000 sf
Timing:	Q3 2027
Zoning:	C3 - Commercial
Noteworthy:	Grocery & Drug Anchored

Click photos to view brochure



FOR LEASE

1455 United Boulevard

Coquitlam, BC

Premises:	28,590 sf
Timing:	Q1 2026
Zoning:	B-1 Business Enterprise



FOR LEASE

2681 - 2689 Leigh Road

Langford, BC

Land:	1,000 - 20,000 sf
Timing:	2026/2027
Zoning:	Comprehensive Development - South Skirt Mountain (CD12) (C-2)



FOR LEASE

445 Kingsway

Vancouver, BC

Premises:	11,613 sf
Timing:	Immediate
Zoning:	CD-1 (792)



FOR LEASE

Jubilee Heights Commercial Village

608 Beaver Creek Boulevard

Campbell River, BC

Land:	1,000 - 10,000 sf
Timing:	Q3 2027
Zoning:	CD-A1 Comprehensive Development A1
Noteworthy:	Grocery Anchored



FOR LEASE

1000 Alpha Lake Road

Whistler, BC

Premises:	1,000 - 12,125 sf
Timing:	Q4 2027
Zoning:	IS5 - Industrial CS2 - Commercial

ACTIVE - BC FOR LEASE



Somenos Marketplace

Duncan, BC

Land: 1,000 - 5,580 sf

Timing: Q2 2027

Zoning: C-3 Commercial Service Zone

Noteworthy: Grocery Anchored

Click photos to view brochure



Long Lake Plaza

Nanaimo, BC

Premises: 4,993 sf

Timing: Immediate

Zoning: COR3 Mixed-Use Corridor



18399 Blundell Road

Richmond, BC

Land: 900-1,800 sf

Timing: Q2 2026

Zoning: I-Industrial



Bayshore Landing

6569 Sooke Road
Sooke, BC

Premises: 850 - 16,000 sf

Timing: 2026 - 2027

Zoning: CD7 Mariner's Village CD Zone



43949 Industrial Way

Chilliwack, BC

Premises: 1,563 sf

Timing: Immediate

Zoning: CS2 - Tourist Commercial



1604 Cliffe Avenue

Courtenay, BC

Premises: 10,752 sf

Timing: Immediate

Zoning: C2 Commercial Two Zone

ACTIVE - AB & SK FOR LEASE



Resources Road, 68 Avenue & 76 Avenue
Grande Prairie, AB

Land: 1,200 - 35,000 sf

Timing: Q4 2026

Zoning: CA - Arterial Commercial

Noteworthy: Grocery and Drug Anchored



Knight's Crossing
1st Street N, East 100 N
Raymond, AB

Land: 1,000 - 14,000 sf

Timing: 2027

Zoning: UF - Urban Fringe

Noteworthy: Grocery Anchored



Frontier Centre
North Battleford, SK

Premises: 1,200 - 3,827 sf

Timing: Q4 2026

Click photos to view brochure



Cassils Road & Sutherland Drive E
Brooks, AB

Land: 16,020 sf

Timing: Q3 2026



1 Ballpark Way
Spruce Grove, AB

Premises: 1,098 sf

Timing: Q2 2026

Noteworthy: Join: Tim Horton's & Firehouse Subs

ACTIVE - FOR SALE



1250 S Island Highway*
South Nanaimo, BC

Land: 4.16 Acres

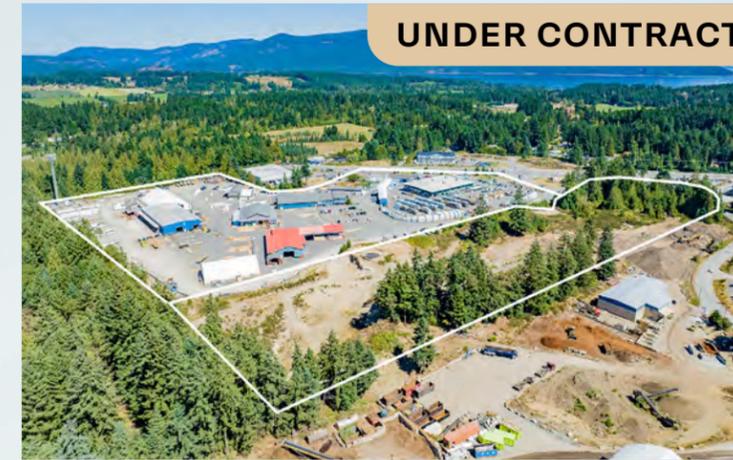
Premises: 41,905 sf

Tenant: Rona Inc.

Listing Price: Contact Listing Agents

*Available as a portfolio with 3730 Trans Canada Highway & 1305 and 1315 Fisher Road, Cobble Hill, BC

Click photos to view brochure



3730 Trans Canada Highway & 1305 & 1315 Fisher Road*
Cobble Hill, BC

Land: 25.43 Acres

Tenants: Contact Listing Agents

Listing Price: Contact Listing Agents

* Available as a portfolio with 1250 S Island Highway, Nanaimo, BC



4445 Dunbar Street
Vancouver, BC

Premises: 4,155 sf

Listing Price: \$4,975,000



130 Trans Canada Highway
Duncan, BC

Land: 0.65 Acres

Premises: 3,872 sf

Tenants: The Original Farm Ltd.

Listing Price: Contact Listing Agents



1002 Trans-Canada Highway
Golden, BC

Land: 8.89 Acres

Premises: 4,199 sf

Tenants: KFC, Chai Bar, Pizza Pizza

Listing Price: Contact Listing Agents



Fraser Gateway Centre
Chilliwack, BC

Land: 4.46 Acres

Premises: 102,590 sf

Tenants: Fairfield by Marriott, Canco, Tim Hortons

Listing Price: \$33,600,000



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