

Money Talks: Retail Sales Productivity Show Divergence in Performance

Recent store closures have left a dark cloud over the Canadian retail landscape, however, this is not the full picture. Without taking away from the sizable impact retailer failures can have on a property, Canadian shopping centres continue to post reasonable growth as indicated by retailer sales per sq. ft. Recent data from the International Council of Shopping Centers (ICSC) shows sales at Canadian shopping centres averaged \$673 CAD per sq. ft. over the last 12 month, up 5.8% year-over-year. Canadian mall space is on average 12% more productive (adjusted for currency) than U.S. centres, with U.S. sales per sq. ft. at a \$475 USD per sq. ft.

Individual retailer performance ranges from the low hundreds to over \$7,000 per sq. ft. amongst Canada's top retailers. The latest data from the Centre for the Study of Commercial Activity (CSCA) shows extremely high sales per sq. ft. at retailers such as Apple and Lululemon, while other groups such as The Weston Group, Canadian Tire and Roots report more modest sales numbers. The variance in sales productivity demonstrates the considerable divergence that currently exists in the Canadian marketplace.

Select Retailer Average Sales Per Sq. Ft. (ranked by sales per sq. ft.)

Corporate Ownership	Selected Banners	Sales PSF (2013)
Apple Inc.	Apple Store	\$7,241
Lululemon Athletica Inc.	Lululemon, Iivva Athletica	\$2,961
Costco Wholesale Corp.	Costco	\$1,490
LVMH MoJT Hennessy Louis Vuitton SA	Sephora, Louis Vuitton	\$1,224
Katz Group Inc.	Rexall Pharma Plus, Rexall Drug Store	\$1,030
Whole foods Market Inc.	Whole Foods	\$1,000
Zale Corporation	Peoples Jewellers, Mappins Jewellers	\$988
Best Buy Co., Inc.	Future Shop, Best Buy, Best Buy Mobile	\$800
Shoppers Drug Mart Corporation	Shoppers Drug Mart, Home Health Care, SDM Simply Pharmacy	\$790
Mountain Equipment Co-operative	Mountain Equipment Co-op	\$770
Inditex Group	Zara, Massimo Dutti, Zara Home	\$622
Weston Group	The Real Canadian Superstore, No Frills, Maxi	\$615
BCE Inc.	The Source	\$604
Empire Company Limited	Sobeys, IGA, Foodland	\$581
Roots Canada Ltd.	Roots 73 Outlet Store, Roots, Roots Kids	\$576
Metro Inc.	Metro, Food Basics, Super C	\$530
Alimentation Couche-Tard Inc.	Mac's, Couche-Tard, Daisy Mart	\$528
OMERS Administration Corporation	Golf Town	\$504
Wal-Mart Stores, Inc.	Wal-Mart Supercentres, Wal-Mart	\$492
Ikea	Ikea	\$487
La maison Simons	Simons	\$485
The Gap, Inc.	Old Navy, Gap Kids/ Baby Gap	\$407
The Gores Group	Mexx, Mexx Kids, Mexx Outlet	\$386
H & M Hennes & Mauritz AB	H & M	\$367
The Home Depot, Inc.	The Home Depot	\$360
Rona Inc.	Rona, Rona Home & Garden, Reno Depot	\$343
Staples Inc.	Staples	\$339
Indigo Books & Music Inc.	Chapters, Indigo Books & Music, Coles	\$325
The TJX Companies, Inc.	Winners, HomeSense, Marshalls	\$303
Canadian Tire Corporation Limited	Canadian Tire, Mark's Work Wearhouse, Sport Check	\$283
PetSmart Inc.	PetSmart	\$276
Dollarama Inc.	Dollarama	\$238
Sears Holdings Corporation	Sears, Sears Whole Home Furniture, Sears Outlet Store	\$213
NRDC Equity Partners	Hudson's Bay, Home Outfitters, Zellers	\$144
Target Corporation*	Target	\$98

Source: CSCA, 2014.

* Not full year results

Ross J. Moore
 Director of Research, Canada
 +1 604 662 5101
 ross.moore@cbre.com

Roelof van Dijk
 Research Manager, Canada
 +1 416 847 3241
 roelof.vandijk@cbre.com

Christina Cattana
 Research Analyst, Canada
 +1 416 847 3255
 christina.cattana@cbre.com