

IPA

INSTITUTIONAL
PROPERTY
ADVISORS

2025

RETAIL

*National
Investment
Forecast*





TO OUR VALUED CLIENTS

The retail real estate sector sustained positive momentum through 2024 and entered the new year on strong footing. Vacancy rates have remained range bound near record-low levels, while rents continued on an upward path. At the same time, the modest retail construction pipeline, together with a wide range of retailers who have signaled an intention to expand in 2025, offer an encouraging outlook. Investors have viewed the momentum positively, generating a modest lift in retail center and single-tenant retail transaction velocity.

The retail property performance outlook is promising, though some economic headwinds may emerge. Questions surrounding the potential impact of tariffs and the durability of consumer balance sheets have raised concerns that consumption could soften in 2025, but the supply and demand balance of retail real estate should remain durable. Even if economic turbulence emerges, the exceptionally light construction pipeline should reinforce the performance of retail assets.

To help institutional commercial real estate investors as they evaluate the variety of opportunities found in different markets across the country, Institutional Property Advisors presents the 2025 Retail National Investment Forecast. We hope this report provides useful insights, and our investment and financing professionals look forward to assisting you in meeting your goals.

Thank you and here's to your continued success,



DANIEL M. TAUB
Senior Vice President
National Director
IPA Retail



JOHN CHANG
Senior Vice President
National Director
IPA Research Services

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EXECUTIVE SUMMARY

NATIONAL RETAIL INDEX (NRI)

- Leaders in this year's Index have especially low vacancy relative to their peers. The top 15-ranked metros also share a mutually reinforcing combination of strong growth projections for employment, households and consumer spending. These expectations are supporting strong levels of projected revenue growth for retail property owners in these markets.
- Metros with favorable demographics but recent property performance hurdles land among the Index's middle ranks this year, with gateway markets recovering from recent challenges slotting outside the top 30. The lower echelon of the NRI comprises metros with more stagnant population sizes.

NATIONAL ECONOMY

- The economy was expected to expand more moderately in 2025, but new policies from the White House have clouded the outlook for economic growth and monetary policy. Earlier this year, President Trump moved to implement heightened import duties on goods from China, Canada, Mexico and other nations. The evolving trade dispute could reignite inflation, alter the Federal Reserve's decisionmaking and reduce GDP growth.
- Stubborn or rising rates of inflation would restrict many households' spending power at a time when consumer debt is at an all-time high. The Trump administration, however, intends to extend many of the Tax Cuts and Jobs Act provisions, including lowered personal income tax rates, which could be stabilizing.

NATIONAL RETAIL OVERVIEW

- Recent consumer resiliency and improving foot traffic across many retail types have fostered demand across a diverse tenant base for available space. Some near-term headwinds are likely to impact the sector in 2025, though, including potentially rising inflation and a shift in some consumers' behavior.
- A spike in store closures will also be evident this year; however, demand for these spaces exists among other companies seeking to rapidly gain market share. This backfilling, along with a shrinking construction pipeline and a number of already planned store openings, will support overall occupancy.

CAPITAL MARKETS

- The overall interest rate outlook for this year remains volatile. The Federal Reserve could raise the overnight lending rate if inflation becomes persistently heated or potentially cut rates should the economy worsen drastically. Longer-term interest rates, which have been on a recent downward trend, could push back up if elevated Treasury issuance occurs at a time when key buyers of U.S. debt are pulling back.
- Many lenders have increased their targets for 2025, indicating capital should be readily available for prospective borrowers pursuing retail properties. CMBS will represent the primary avenue for interest-only loans, while borrowers seeking non-recourse loans for grocery-anchored centers and unanchored strip centers may turn to life insurance companies.

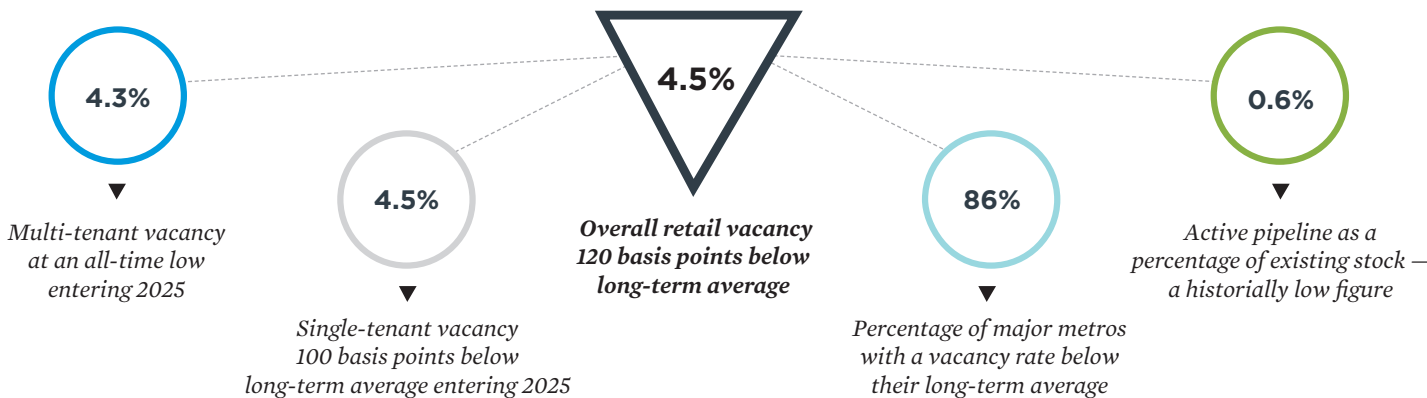
INVESTMENT OUTLOOK

- Net-leased assets and well-located shopping centers, especially those with high-credit anchor chains and long-term leases, should attract active investors and others with significant capital ready for deployment in 2025. Tight conditions across most retail center types should also elicit investment, supporting trading velocity. A cohort of investors focused on capturing value through re-tenanting may target smaller strip centers and some power centers.

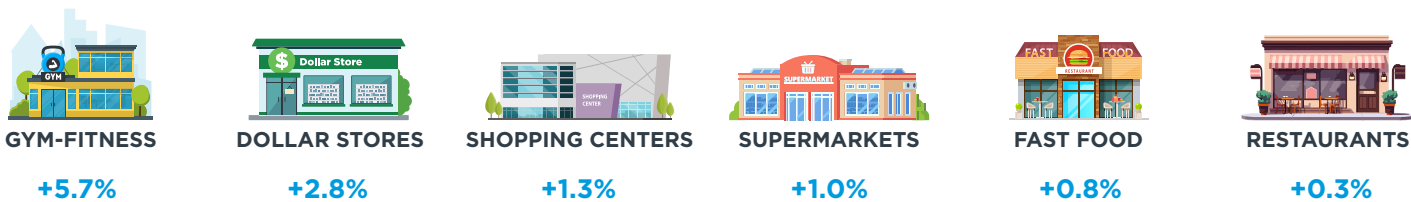
SINGLE-TENANT OUTLOOK

- Despite a rise in store closures, a moderate shift in demand for single-tenant space was registered last year, placing sector vacancy 100 basis points below its long-term average. While this would appear to warrant construction, deliveries are historically muted in 2025. The combination of minimal supply-side pressure and sustained consumer resiliency should continue to reinforce positive leasing velocity.
- Single-tenant trading in 2024 was on par with the 2019 recording — a contrast to most major commercial real estate sectors. Attracted to the property type's demand metrics, private buyers seeking properties that provide long-term stable income will remain active in the segment, often utilizing 1031 exchange capital to trade into less management-intensive properties.

Multiple Metrics Position Sector to Navigate Headwinds



Foot Traffic Improves Across Property Types

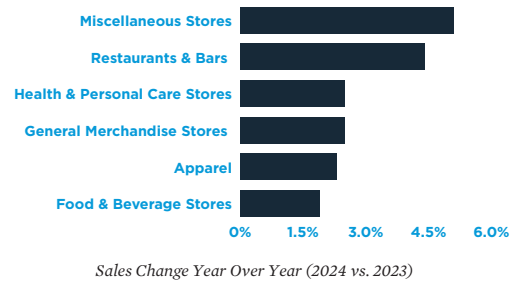


Note: Year-over-year change in nationwide foot traffic during 2024

Consumer Resiliency

- Core retail sales rose by 3.4 percent year over year, outpacing core CPI inflation. Consumers set a new benchmark for monthly spending last December, with the food and beverage, apparel, general merchandise, and restaurants and bars segments all noting record sales tallies.
- Store-based retail sales, which exclude purchases made online or at bars and restaurants, rose 1.5 percent year over year. General merchandise and miscellaneous retailers were among the leaders in gains, as more consumers frequented discount stores and off-price retailers.

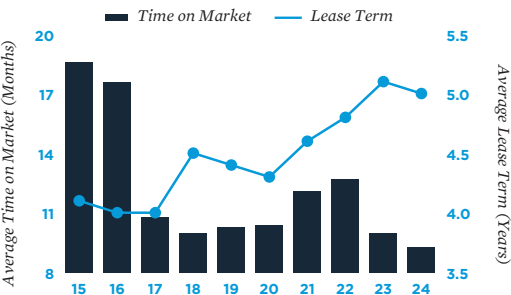
Store-Based Categories; Restaurants Note Gains



Favorable Leasing Dynamics

- Assets leased last year were on the market for an average of 9.3 months, which was the shortest window in at least 10 years. Of those spaces, roughly one-quarter were leased in three months or less, with food service tenants and fitness brands among the most active acquirers of retail space.
- Last year, the average lease term entered into by retailers was 5.0 years — an improvement from the prior 10-year mean of 4.4 years.

Vacant Spaces Secure Tenants Faster, for Longer



Generally Robust Retail Sector Leads to Small Variations Driving Differences in Rankings

Overlapping, beneficial demographic factors lift markets in 2025 rankings. Across a national retail landscape characterized by low vacancy, this year's Index leaders — Orlando (#1), Raleigh (#2), Tampa-St. Petersburg (#3) and Miami-Dade (#4) — have especially low rates relative to their peers. This in turn is translating into strong levels of projected revenue growth for retail property owners in those markets. For the top 15-ranked metros, many this year share a mutually reinforcing combination of strong growth projections for employment, households and consumer spending. These features are prevalent among many Sun Belt markets, including West Palm Beach (#7), Charlotte (#8), Austin (#11) and Jacksonville (#15). Nationally low and falling vacancy highlight Indianapolis (#12), while growing major employment hubs such as Dallas-Fort Worth (#5) and New York City (#10) land in the top 10. Northern New Jersey (#17) and Boston (#14) also stand out in the Northeast with improving vacancy and rent levels, whereas Seattle-Tacoma (#19) leads West Coast markets. A highly skilled workforce bolsters the revenue outlook.

Amid broad strength, metros lagging in any factor fall lower on the Index. Markets with favorable demographics but recent property performance hurdles land among the Index's middle ranks. This comprises metros such as Nashville (#25), Phoenix (#26) and San Antonio (#27) — all of which share strong household growth, but contend with other headwinds like less hiring or some new supply pressure. Midwest markets with low or falling vacancy are also in this echelon, featuring Kansas City (#23), St. Louis (#24) and Minneapolis-St. Paul (#29). Gateway markets still recovering from recent challenges land outside of the top 30 this year, including Los Angeles (#31), Washington, D.C. (#37), and San Francisco (#38). Metros with more stagnant population sizes, where property performance over the next 12 months will not be quite up to par with other peer markets, land on the lower echelon of the NRI — a group that contains Pittsburgh (#46), Cincinnati (#48) and Memphis (#50).

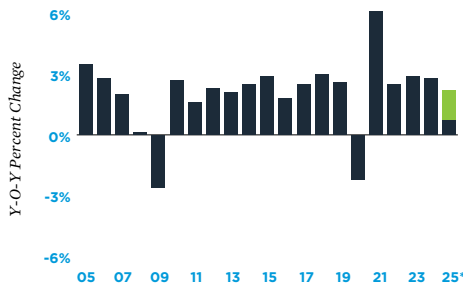
Index Methodology

The NRI ranks 50 major markets on a group of 12-month, forward-looking economic indicators and supply and demand variables. Metros are ranked based on their cumulative weighted average scores for various indicators, including projected job growth, vacancy, construction, retail sales, rents and investment sales trends. Weighing the history, forecasts and incremental change over the next year, the Index is designed to show relative supply and demand conditions at the market level.

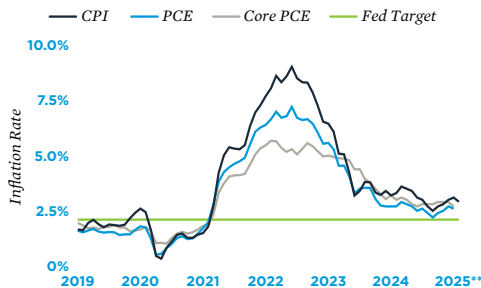
Users of the Index are cautioned to keep several important points in mind. First, the NRI is not designed to predict the performance of individual investments. A carefully chosen property in a bottom-ranked market could easily outperform a poor choice in a higher-ranked market. Second, the NRI is a snapshot of a one-year horizon. A market encountering difficulties in the near term may provide excellent long-term prospects, and vice versa. Third, a market's ranking may fall from one year to the next, even if its fundamentals are improving. The NRI is an ordinal Index, and differences in rankings should be interpreted carefully. A top-ranked market is not necessarily twice as good as the second-ranked market, nor is it 10 times better than the 10th-ranked market. The NRI does not factor in extreme weather-related risks.

RANK	MARKET
1	Orlando
2	Raleigh
3	Tampa-St. Petersburg
4	Miami-Dade
5	Dallas-Fort Worth
6	Las Vegas
7	West Palm Beach
8	Charlotte
9	Houston
10	New York City
11	Austin
12	Indianapolis
13	Fort Lauderdale
14	Boston
15	Jacksonville
16	Charleston
17	Northern New Jersey
18	Salt Lake City
19	Seattle-Tacoma
20	Atlanta
21	Denver
22	Philadelphia
23	Kansas City
24	St. Louis
25	Nashville
26	Phoenix
27	San Antonio
28	San Jose
29	Minneapolis-St. Paul
30	Columbus
31	Los Angeles
32	Portland
33	San Diego
34	Riverside-San Bernardino
35	Chicago
36	Orange County
37	Washington, D.C.
38	San Francisco
39	Baltimore
40	Tucson
41	Milwaukee
42	Louisville
43	Oakland
44	Sacramento
45	Detroit
46	Pittsburgh
47	Cleveland
48	Cincinnati
49	New Haven-Fairfield County
50	Memphis

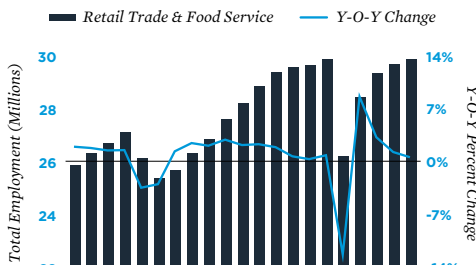
GDP Growth Trends



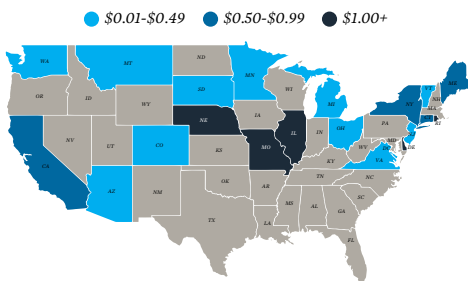
Inflation Holding Above Fed Target



Retail-Focused Hiring Trends



Minimum Wage Increases Across Many States



As Consumer Resiliency Carries Into Early 2025, Evolving Federal Policy Raises Challenges

Extent of tariffs dictate GDP growth. Last year, the labor market overachieved, and consumer spending proved more durable than anticipated, with core retail sales outpacing inflation. Entering 2025, the economy was expected to grow more moderately, with eyes on how inflation and the labor market would perform in relation to anticipated Federal Reserve interest rate reductions. Since then, new policies from the White House have made that outlook less certain. Earlier this year, President Trump moved to implement heightened import duties on goods from China, Canada and Mexico, while also imposing other broad taxes on imports. The resulting and evolving trade dispute has sparked concerns about the health of the economy, requiring the Federal Reserve to adjust their decisionmaking. As such, GDP growth for 2025 could fall to the 0.7 percent to 1.8 percent range — a drop from the consensus projected rate of 2.2 percent at the onset of this year.

Potential inflationary period would test households' budgets. The new tariffs could raise inflation by half a percentage point or more, potentially reaching the mid-3 percent range. As of January, the Fed's preferred inflation gauge — the price index for personal consumption expenditures (PCE) — was 50 basis points above their target rate of 2.0 percent. Stubborn or potentially rising rates of inflation would restrict many households' spending power at a time when consumer debt is at an all-time high. The Trump administration, however, intends to extend many of the Tax Cuts and Jobs Act provisions set to expire this year, including lowered personal income tax rates, which could be stabilizing. The White House also aims to lower the corporate tax rate from 21 percent to as low as 15 percent for some firms. This could curb the risks faced by some highly leveraged restaurant chains and other major retailers.

2025 NATIONAL ECONOMIC OUTLOOK

- **High mortgage rates affect certain retail categories.** This January, pending home sales fell 5.2 percent year over year to a historically low level. The 30-year fixed mortgage rate was above 7 percent on average then. Until this rate falls closer in line with current homeowners' existing rates, the volume of for-sale listings is likely to remain limited, keeping prospective homebuyers on the sidelines. In response, furniture, building and gardening-related stores — segments that noted annual spending declines in each of the past two years — may face additional headwinds.
- **International spending vital for retailers in top U.S. travel destinations.** Domestic air travel reached a record level in 2024; however, the number of international visits has not yet return to pre-pandemic levels. Inbound international tourism was forecast to rise in 2025, but geopolitical tensions, heightened visa scrutiny and extended processing times could temper the rate of improvement.
- **Mandates and move-ins lift midweek patronage.** The final nine months of last year represented the strongest span for office net absorption since before the pandemic. These move-ins, coupled with expectations that more traditionally office-using firms will leverage structured or mandated attendance in 2025, should improve midweek foot traffic for shops and restaurants in suburban and urban office hubs.

* Estimate range

** CPI through February, PCE metrics through January

Retail Registers Another Year of Relative Stability as Backfilling Negates Headline-Grabbing Closures

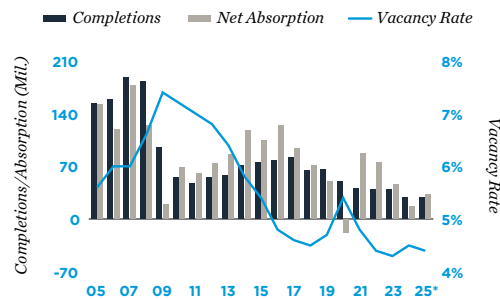
Sector retains strong fundamentals. The volume of occupied retail space across the U.S. is at a record mark, with 43 of the nation's 50 major metros entering 2025 with a vacancy rate below their long-term average. Recent consumer resiliency and improving foot traffic across many retail types have fostered demand across a diverse tenant base for available space. Some near-term headwinds, however, are likely to emerge. Potentially rising inflation may adversely impact consumer sentiment and households' spending power. As such, individuals may pull back on discretionary purchases or shop for discounts online more often, impacting sales at brick-and-mortar businesses. Store closures, meanwhile, are projected to double on a year-over-year basis. Fortunately, the sector's construction pipeline is shrinking — the 28 million square feet delivering in 2025 represents a record low — and the number of store openings is expected to match last year's total. Together, these dynamics will support a fifth straight year of positive net absorption that holds vacancy below 5 percent and allows for upward rent movement, albeit moderate. Beyond this year, the outlook remains positive, as future property performance is bolstered by the millennial generation aging into their prime income-earning and retail consumption years.

Shuttered stores create an opportunity for other retailers. A spike in store closures stemming from company recalibrations and bankruptcy filings is anticipated to occur in 2025. Noteworthy demand for these spaces, however, exists among other companies seeking to rapidly gain market share and expand into new areas. This February, Five Below, Dollar Tree and a number of specialty and off-price retailers — a list that includes Burlington, Barnes & Noble, and La-Z-Boy — combined to purchase over 150 Party City Stores via auction. In the same month, Ollie's Bargain Outlet Holdings acquired 40 former Big Lots store leases, while Hobby Lobby and Aldi made similar commitments in recent months. Demand to backfill comparable spaces will be further tested with upcoming closures by Joann's, Kohl's, Macy's and Forever 21, among others. Fortunately, for shopping center owners with approaching closures, the average time on the market for a vacated property fell to a 10-year low of 9.3 months last year.

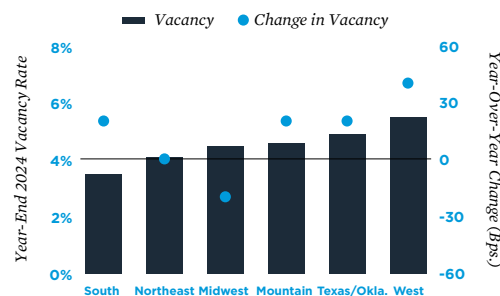
2025 NATIONAL RETAIL OUTLOOK

- Medical sector aiding retail property performance.** The increasing presence of health providers, specialists and animal hospitals in retail settings will aid multi-tenant leasing in 2025. Over the past two years, 2,000-plus retail leases were inked by these and other medical-related groups. With the number of U.S. citizens ages 65 and older projected to reach 80 million by 2040 and the count of pet owners at a record high, more medical providers may prioritize a retail presence. Larger health systems may also be potential candidates to acquire recently closed drug stores.
- Demand for shopping center space outpaces supply in the Heartland.** The Midwest was the only U.S. region to register a decline in vacancy last year. An improvement in multi-tenant demand supported this reduction, as tenants absorbed a net of 2.2 million square feet of vacant space across the region's 10 major markets. With store closures expected to ramp up in 2025, this recent progress in shopping center demand suggests the impact upcoming shutterings will have on regional vacancy may be less pronounced than in other areas of the country.

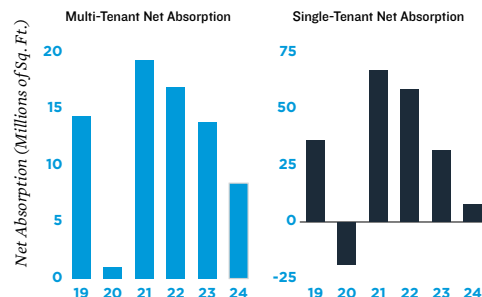
Supply and Demand



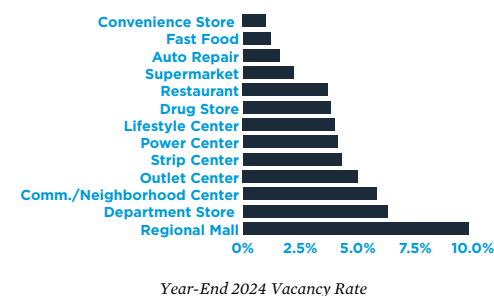
Retail Tightness Apparent Across Regions



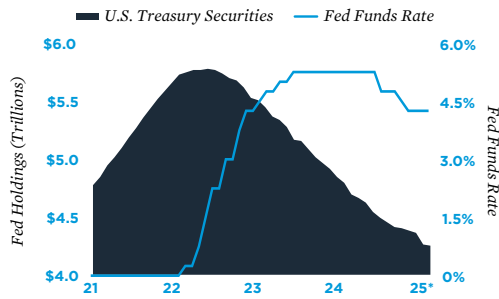
Space Demand by Subsector



Retail Vacancy by Property Type



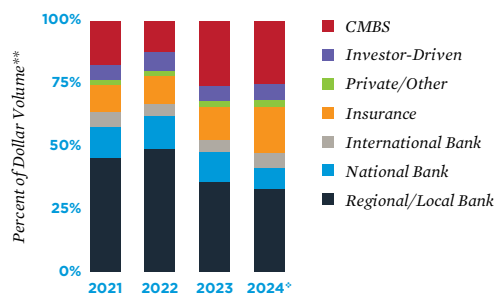
Fed Continues to Reduce Its Balance Sheet



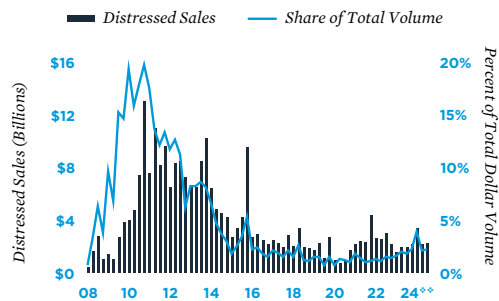
Treasury Yield Trends



Retail Lender Composition



CRE Distress Relatively Low Entering 2025



White House Policies Cloud Interest Rate Outlook, While Lenders Continue to Favor Retail

Fed may face tough choices ahead. The Trump administration's new policies pose complications for capital markets this year. Tariffs and a more stringent stance on immigration have the potential to raise prices while also slowing economic growth, both of which are important considerations for U.S. monetary policy. If inflation becomes persistently heated, it could prompt the Federal Reserve to raise the overnight lending rate. However, should the economy worsen drastically, it could push the central bank to cut rates. What the Federal Open Market Committee's ultimate actions will be over the course of this year remain uncertain. Longer-term interest rates, meanwhile, have been on a recent downward trend, falling into the 4.2 percent zone in early March after peaking at 4.8 percent in January. Uncertainty in the equities market led to increased demand for bonds, but the potential for elevated Treasury issuance at a time when key buyers of U.S. debt are pulling back — such as the Fed itself and other nations — could push yields back up. Due to these sources of uncertainty, the overall interest rate outlook for this year remains volatile.

Multiple capital markets trends to benefit retail investors this year. Many lenders have increased their targets for 2025, and with retail as a widely favored asset class, capital should be readily available for prospective borrowers. While exact criteria vary depending on each borrower and property, as well as the type of lender, borrowing rates mainly fell into the 5.25 percent to 7.00 percent range as of early March, excluding bridge loans. Borrowers seeking non-recourse loans at rates in the 5.25 percent to 6.25 percent band may be able to turn to life insurance companies, provided the investment property is a grocery-anchored center or unanchored strip center. Borrowers seeking similar costs, but willing to accept recourse, should find opportunities with banks and credit unions, which are also open to a wider range of retail properties. CMBS is another prominent option. Together, these sources, along with local and regional banks, composed about half of lending last year. CMBS is also the primary avenue for interest-only loans. Rates here skew higher, however, reaching into the 6.25 percent to 7.00 percent zone, with terms mostly fixed at five or ten years only.

2025 CAPITAL MARKETS OUTLOOK

- **Headwinds facing certain retailers not deterring financing landscape.** Despite elevated store closings last year, and more closures slated for 2025 across both single- and multi-tenant formats, lenders remain largely unaffected. Properties occupied by specific tenants may face more scrutiny than in the past, yet low sector vacancy and minimal construction suggest any vacated spaces will be readily backfilled. If a property is facing an upcoming vacancy, lenders will likely still be open to the deal, but expect an additional reserve for prospective tenant improvements.
- **Financial sector holding stable.** While 15 banks have failed since 2019, with Chicago-based Pulaski Savings Bank marking the most recent shuttering in January, the FDIC's Problem Bank list is still nearly 70 institutions long. That said, relative to the banking sector overall, the share of potentially problematic banks still falls into the normal non-crisis range of 1 percent to 2 percent. Fewer banks were also tightening their loan standards as of last year.

* Through March 12

** Sales \$2.5 million and greater * Estimate

♦♦ Through 3Q

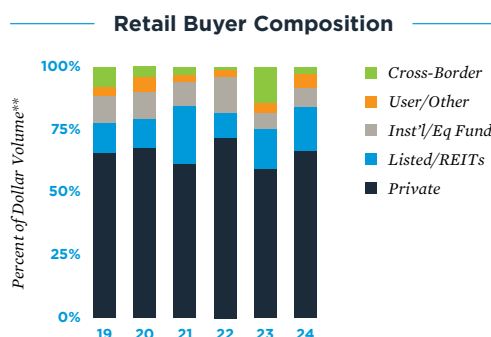
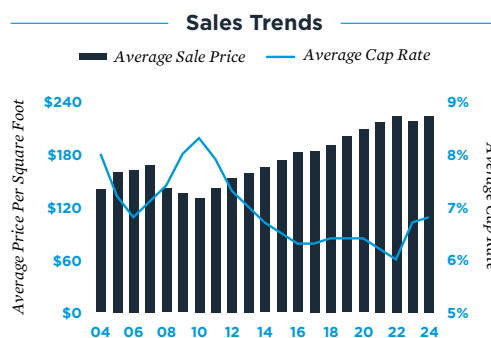
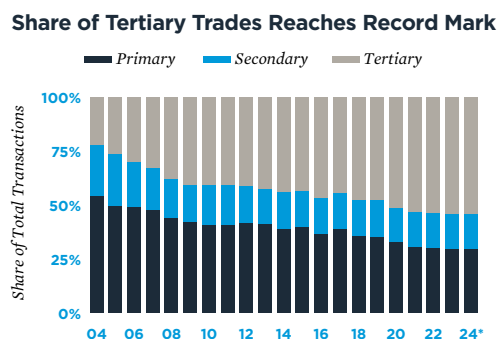
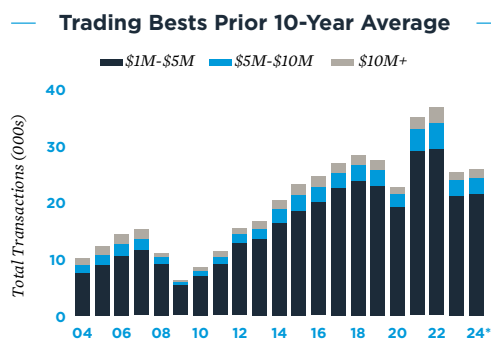
Capital Focusing on Outperformance of Retail Assets Migration Trends a Key Factor

Trading momentum shifts course. Consumers' resiliency, steadfast tenant demand for space and a trio of interest rate reductions facilitated a moderate improvement in overall retail transaction activity last year. Measured gains in trading velocity were noted across both the single- and multi-tenant sectors as private buyers, REITs and institutions all increased their total dollar volumes on a year-over-year basis. Moving forward, net-leased single-tenant assets and well-located shopping centers, especially those with high-credit anchor chains and long-term leases, should continue to represent attractive options for these buyers and others with significant capital ready for deployment. As of last September, available capital in closed-end funds targeting North American real estate was estimated at \$238 billion, with a share of these funds expected to be deployed in 2025. The retail segment's relatively steady valuations – average pricing in 2024 mirrored that of 2022 – and historically tight conditions across most retail center types should help to attract a percentage of this capital to the sector, supporting trading velocity.

Limited vacancy in smaller centers elicits investment. Of the nation's main commercial real estate segments, the retail sector accounted for 42 percent of all trades in the \$1 million to \$10 million price tranche during 2024. This share of deal flow indicates a cohort of private investors remain focused on smaller shopping centers. Many of these properties are strip centers, which composed 35 percent of all multi-tenant trades last year. Frequently available across various sized markets for less than \$200 per square foot, these assets will continue to elicit strong interest from private buyers, including those looking to capture value through re-tenanting. Though larger in scope, some power centers may also attract some of these investors. Comparable average pricing and low-4 percent vacancy across the shopping center type should enhance the appeal of these assets during a favorable period for backfilling spaces.

2025 INVESTMENT OUTLOOK

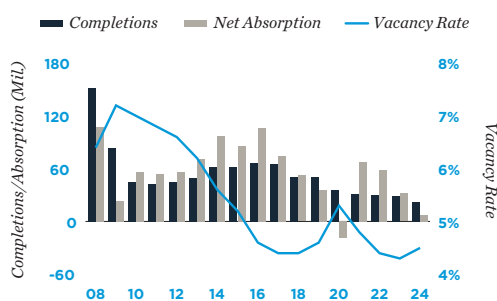
- **Relocation dynamics stoke competition for listings.** Net in-migration to major metros in the Sun Belt is projected to total 2.6 million people over the next five years, with Phoenix, Dallas-Fort Worth, Houston and Las Vegas driving a significant share of this growth. The expansion of these and other Sun Belt markets' consumer bases will heighten demand for goods and services moving forward. This will in turn support strong competition among both retailers and investors for space, with each potentially focusing on regional submarkets that have received a wave of new housing.
- **Transactions across smaller metros a reflection of private investor activity.** Transactions in tertiary markets accounted for a record share of retail deal flow in 2025 at nearly 55 percent. With collective vacancy across tertiary metros at an all-time low, 3.8 percent, and the average asking rent across these areas up 25 percent since year-end 2019, buyer demand for assets in smaller markets should hold up.
- **Shutterings provide opportunities.** A notable spike in store closures in 2025 should set the stage for more properties to be sold at auction. The recent sales of many Big Lots and Party City stores via this route indicates expansion-minded retailers are eager to acquire shuttered stores at potentially steep discounts to replacement costs.



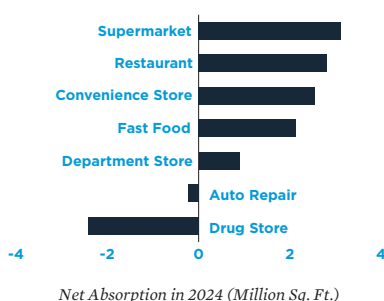
* Estimate

** Sales \$2.5 million and greater

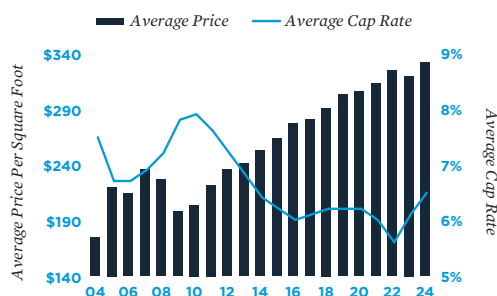
Supply and Demand



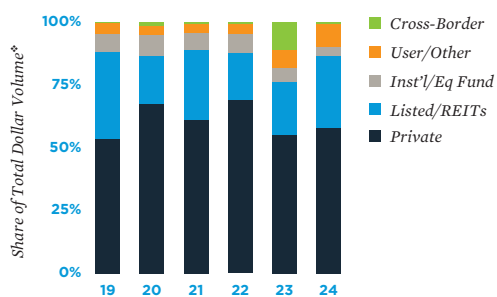
Food-Related Tenants Drive STNL Leasing



STNL Price & Cap Rate Trends



STNL Buyer Composition



Standout Fundamentals Across Most Single-Tenant Segments Revives Sales Activity

Vacancy sparse across food-related categories. Consumers' prioritization of necessity goods, dining and experiences remained intact during 2024, supporting a moderate shift in demand for single-tenant retail space. Entering 2025, segment vacancy sat at 4.5 percent, which is 100 basis points below the sector's long-term average. This metric, however, is skewed by recent drug stores closures and department store dark space, as vacancy in other single-tenant categories — convenience stores, fast food, restaurants and supermarkets — ranged from 1.0 percent to 3.7 percent at the onset of this year. Despite these scant rates, net absorption across each of these segments eclipsed the 2 million-square-foot mark last year, reflecting encouraging leasing and renewal activity. While this would appear to warrant a rise in single-tenant construction, the sector is on pace to add less than 30 million square feet for a fourth straight year, much of which is built-to-suit. The combination of minimal supply-side pressure and continued consumer resiliency — grocery stores, bars and restaurants noted record spending this January — should continue to reinforce positive leasing velocity, aiding property owners attempting to backfill space and retain tenants.

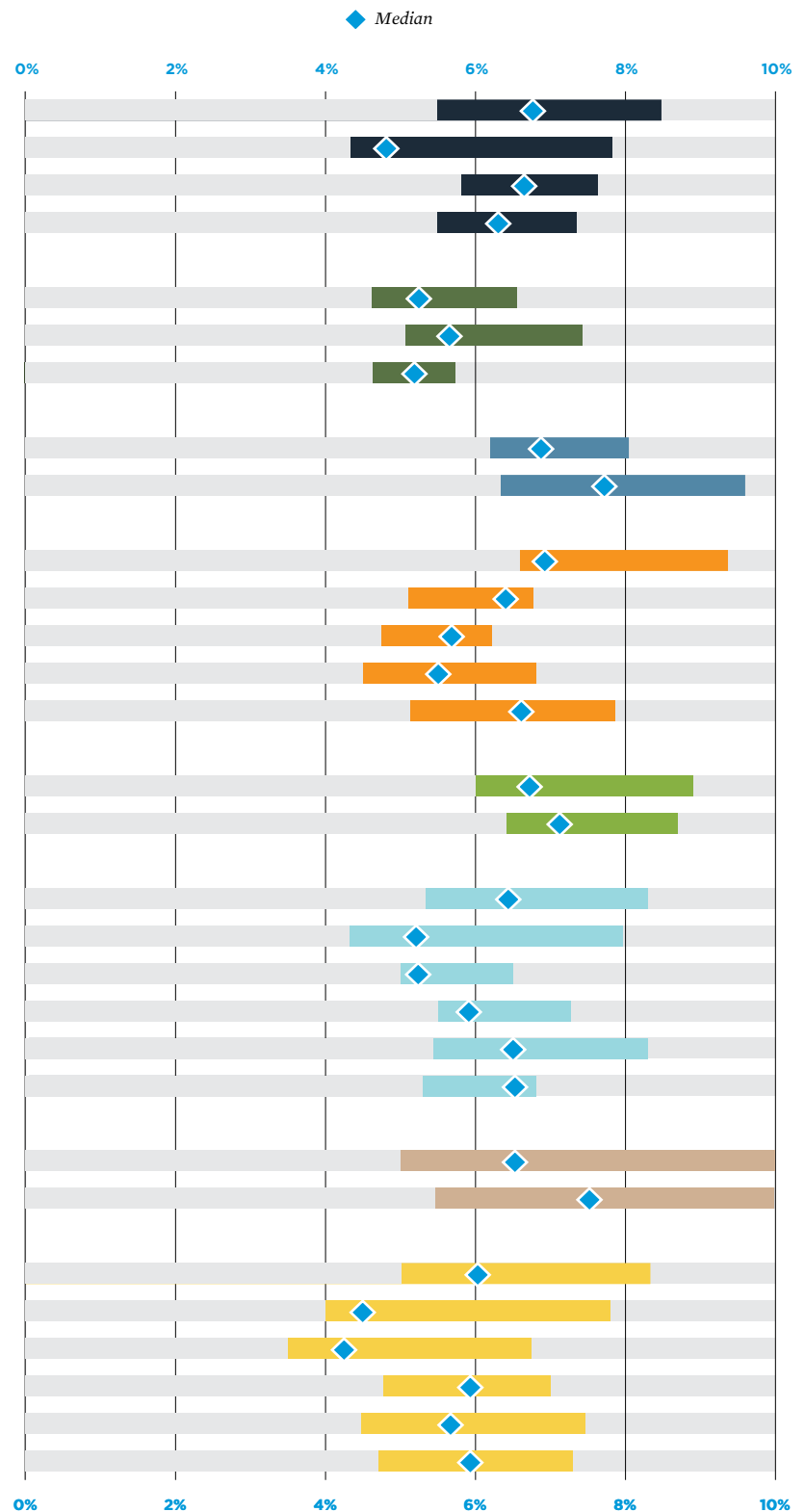
Subsectors' demand metrics entice more private investors. Contrasting most major commercial real estate sectors, the number of single-tenant assets that changed hands in 2024 was on par with the 2019 recording. Activity among private buyers was largely to credit for this encouraging transactional benchmark, reflected in the count of \$1 million to \$5 million closings exceeding the prior 10-year average. Many of these buyers utilized 1031 exchanges to trade into less management-intensive properties, including net-leased dining establishments, convenience stores and supermarkets that provide long-term stable income. As consumers prioritize lower-cost, quick-stop options, which will likely elevate amid potential inflation and household budget tightening, buyer competition for properties occupied by high-credit brands that operate in these categories could heighten. Vacant assets that fit the needs of these tenants should also be in demand. A host of retailers plot notable expansions in 2025, highlighted by Chipotle, Aldi, Raising Canes, Wawa, Sprouts and Casey's.

2025 SINGLE-TENANT OUTLOOK

- **Niche segment valued by younger consumers.** Fitness centers registered a roughly 6 percent increase in year-over-year foot traffic during 2024 — one of the largest gains among retail categories. Gen Z's prioritization of physical and mental health is aiding brands that operate in this segment; one such brand, Planet Fitness, reported record membership last year. New leases executed by fitness centers, gyms, and yoga and boxing studios also accounted for a 12.4 million square feet of space last year — a dynamic that may reshape some investors' perception of the property type.
- **Consolidations remain on property owners' radars.** The Kroger-Albertsons merger was blocked in late 2024; however, other corporate unions were closed that will alter retailer competition, including Saks Global's acquisition of Neiman Marcus Group. Brand mergers are anticipated to stay elevated in 2025, kicked off by Tempur Sealy's acquisition of Mattress Firm in February.

Brand	Locations*
Auto Parts	
Advance Auto Parts	4,616
AutoZone	7,387
Caliber Collision	1,782
O'Reilly Auto Parts	6,378
Convenience Stores	
7-Eleven	13,122
Circle K	11,609
Wawa	1,000
Dollar Stores	
Dollar General	20,523
Dollar Tree/Family Dollar	16,590
Fast-Casual Restaurants	
Applebee's	3,546
Bloomin' Brands	1,118
Chili's	1,625
Darden Restaurants	2,152
Red Lobster	568
Fitness Centers	
LA Fitness	695
Planet Fitness	2,637
Grocery & General Retail	
Kroger	2,722
Aldi	2,325
Safeway	2,273
Sherwin-Williams	4,739
Verizon Wireless	6,415
Walmart	10,660
Pharmacies	
CVS	9,135
Walgreens	11,830
Quick-Service Restaurants	
Burger King	32,125
Chick-fil-A	2,990
McDonald's	43,477
Starbucks	40,576
Wendy's	7,240
Yum! Brands	61,346

Closed STNL Cap Rate Range by Brand



* Number of locations globally, cap rate range derived from U.S. transactions.

Cap rates shown above are representative of transactions that closed in 2024.

Actual yields will vary by locations, tenant, lease terms and other considerations.

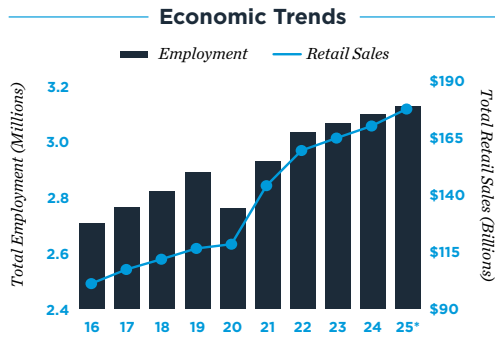
Locations sourced from RetailStat for public companies and company websites for private companies.

Sources: IPA Research Services; CoStar Group, Inc.;

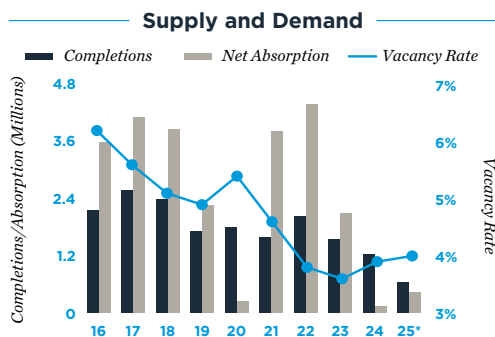
Moody's Analytics; U.S. Census Bureau

ATLANTA

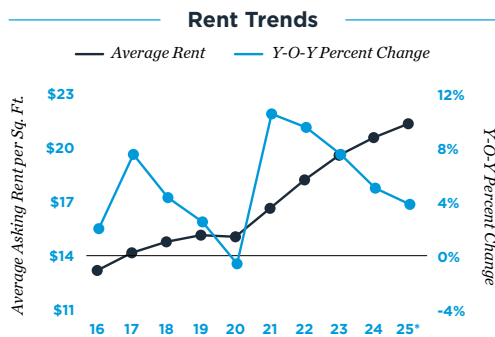
Regionally Leading Net In-Migration Accelerates Consumer Spending, Sustains Investor Engagement



Population trends and extensive pre-leasing curtail vacancy rise. Atlanta is set to rank among the nation's top 25 markets for retail sales growth this year, bolstered by the largest net in-migration count in the eastern United States and population growth more than double the national pace. This demographic momentum is joined by easing CPI inflation, as Atlanta's measure dipped below 3 percent year over year in the latter half of 2024. Still-elevated prices nevertheless continue to orient consumer demand toward discounted products, which may prompt further local expansion from value retailers. Publix will open another location this year, attended by a new Ross and multiple Dollar Tree stores. Even if evolving trade policy raises inflation, metrowide vacancy is in a good position, as only a slight increase is expected this year. Record-low completions — over 80 percent of which were pre-leased as of February — should funnel demand into existing spaces, equating to a year-end vacancy rate of just 4 percent.



Limited availability and rising rents warrant investment. While many major metros had stagnant or declining asking rents in 2024, Atlanta's mean marketed rate rose by 5 percent last year, keeping transaction velocity steady despite elevated borrowing costs. Out-of-state buyers accounted for about half of 2024 transactions, taking place predominantly within the urban core, specifically in Forsyth and Fayette counties. Roughly 80 percent of sales rung in under \$5 million. Single-tenant property sales in these areas largely involved restaurants, fast food establishments and auto repair locations. Meanwhile, no dominant strategy emerged among multi-tenant transactions. In 2025, Atlanta is likely to garner attention from both private and institutional investors, as its vacancy rate at the onset of this year was just 30 basis points above its all-time low.



2025 MARKET FORECAST

NRI RANK 20

Strong revenue growth and sustained investment activity place Atlanta solidly in the top half of the 2025 Index.

+0.9%

EMPLOYMENT: Although 27,000 new positions on net is the least substantial gain since 2010, the metro's projected job creation for 2025 ranks as the tenth-largest total among major markets.

640,000 sq. ft.

CONSTRUCTION: The volume of square footage completed in 2025 will represent the lowest tally since at least 2007. Near-term deliveries will raise inventory by just 0.2 percent.

+10 bps

VACANCY: Minimal, well-accounted-for openings and a growing consumer base restrain vacancy's rise. The metric will end the year at 4.0 percent, just 40 basis points above the record-low figure.

+3.8%

RENT: Limited availability across Greater Atlanta maintains substantial upward pressure on asking rates, driving the mean marketed rent up to \$21.30 per square foot by December.

INVESTMENT: *While institutional investors are engaged across Greater Atlanta, the availability of sub-\$2 million properties with high credit-grade tenants may continue to attract new private investors to the market.*

* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Population Growth Helps Balance Strong Supply Pressures as Local Retail Needs Move Southward

Consumer demand growing across the market. Grocery chain H-E-B has committed to expanding their influence across the metro with at least four new locations slated to open over the next three years, starting with the Manor and Georgetown stores in 2025. This effort is being driven by sustained net in-migration, which is expected to heighten consumer demand for necessities in certain parts of the metro. Suburban areas, including Hays County, have received much of these relocations. This county is likely to continue growing after reporting a 16.4 percent population increase from 2020 to 2023 — a gain that facilitated four consecutive years of retail vacancy compression that lowered the area's rate to 1.3 percent. Another submarket that recorded vacancy decreases in four of the past five years was the area around Pflugerville, culminating in a rate 60 basis points below the metrowide mean in December 2024. The Downtown-University submarket, meanwhile, could also be poised for another year of vacancy compression, fueled by complex zoning requirements limiting new supply.

Growing resident count may prime investor demand. In previous years, investors have targeted areas further from the CBD like Georgetown and Round Rock. The aforementioned submarket has held a large portion of sales activity over the last three years, as buyers acted on vacancy compression and strong rent growth over this period. This trend, however, may begin to shift as fundamentals strengthen closer to the city center. East Austin could garner attention from investors after multiple years of rent increases culminated in the submarket entering 2025 with the second-highest asking rent in the metro — nearly \$36 per square foot. Consumer demand for nearby retail is likely to grow further here following a notable recent uptick in local apartment leasing.

2025 MARKET FORECAST

NRI RANK 11

Strong household creation and job growth aid a top 15 ranking, but rapid new supply keeps Austin below other Texas markets.

+1.8%



EMPLOYMENT: The metro's total job count will increase by 25,000 this year. Health care and social services positions will likely constitute a large portion of these new roles.

**1,500,000
sq. ft.**



CONSTRUCTION: The construction pipeline expands inventory by 1.5 percent in 2025. Georgetown and the area around Pflugerville will account for about half of the incoming supply.

+20 bps



VACANCY: A third consecutive year of completions totaling over 1 million square feet will keep local vacancy on an upward trend, lifting the rate to 3.6 percent by year-end.

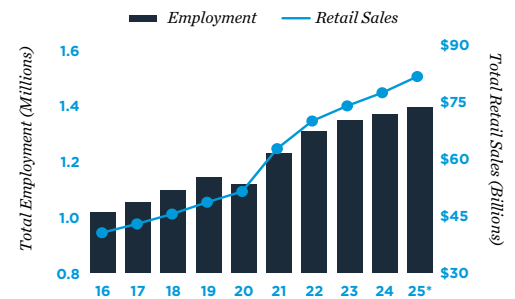
+2.3%



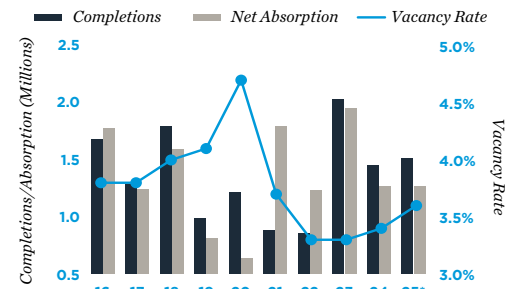
RENT: While rent growth continues to moderate this year, another stretch of strong net absorption will push the average asking rate to its highest level on record, reaching \$28.50 per square foot.

INVESTMENT: *Buyers seeking occupied single-tenant assets may be interested in Bastrop County, where the segment vacancy rate has been one of the lowest in the metro since 2022, entering this year at 1.3 percent.*

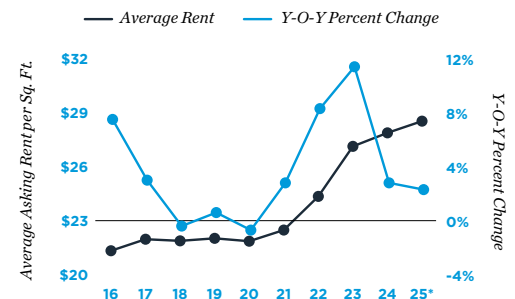
Economic Trends



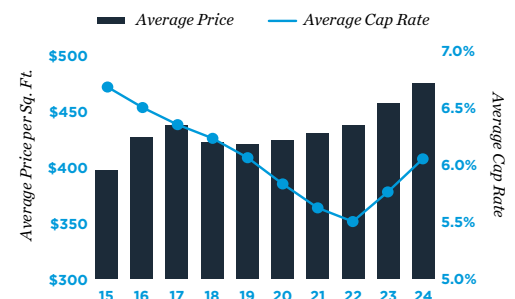
Supply and Demand



Rent Trends



Sales Trends



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

BALTIMORE

Minimal New Supply and Additional Consumers Aid Outlook, but New Factors Raise Questions

Stable performance complicated by Federal budget cuts. Retail supply additions fall this year to the lowest level since at least 2007, with projects delivering in 2025 distributed across suburbs south and west of the city. Aiding demand, the metro recorded its largest net population gain in over two decades last year. Ongoing efforts to reduce Federal employment may blunt this benefit to some degree, however, as these moves have implications for government offices and nearby retailers downtown and in Woodlawn. If funding for government contractors is also constricted, it could affect submarkets southwest of the city toward D.C. Despite these headwinds, overall retail vacancy is expected to hold between 5.5 percent and 5.6 percent again this year — a pattern that began in 2022. Single-tenant properties saw strong net absorption late last year, signaling leasing momentum heading into 2025.

Eastern Baltimore and northern suburbs garnering investment appeal. Transaction velocity last year mirrored vacancy trends within the city of Baltimore, as the east side hosted the most trades, followed by the west side and then Midtown. Demand for retail space downtown may improve after 2024's near-record multifamily absorption, with another 1,000 units slated to deliver in 2025. Baltimore City East assets could gain further attention from retailers and investors following a more than 50-basis-point jump in Class A office occupancy last year. Meanwhile, investors targeting single-tenant buildings may look toward Harford County, where the segment vacancy rate has fallen every year since 2020. Entering 2025 at 5.2 percent, the submarket's rate compares favorably to the metro average. Its large single-tenant inventory provides greater acquisition opportunities for investors.

2025 MARKET FORECAST

NRI RANK 39 *While completions are scant, vacancy above many of its peers impacts Baltimore's ranking for 2025.*

+1.2%



EMPLOYMENT: Total employment will see a modest increase with 17,000 positions added. Job growth will be comparable to the average from 2015-2019.

210,000
sq. ft.

CONSTRUCTION: Retail space inventory grows at 0.2 percent annually — the lowest in the metro since at least 2008. No project that has broken ground as of early 2025 was over 100,000 square feet.

-10 bps



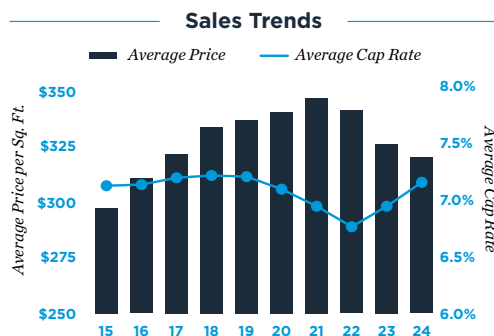
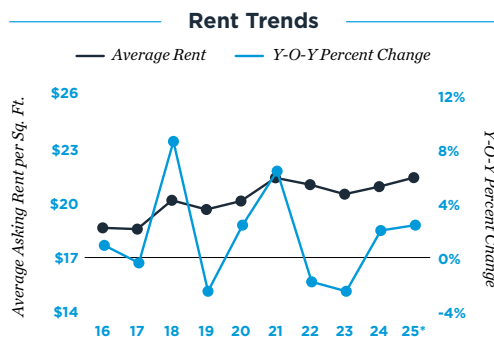
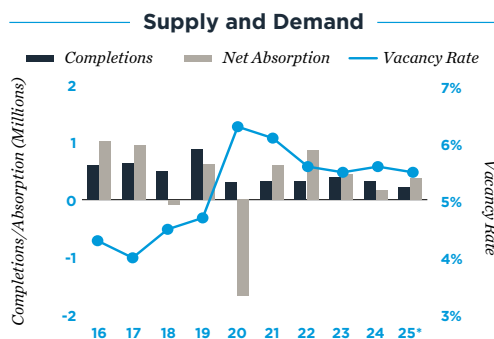
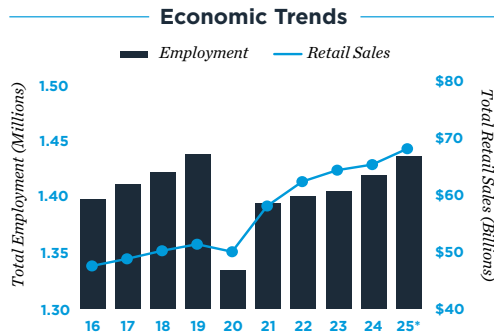
VACANCY: Initially weak net absorption recovered over the course of 2024, hinting at an improved 2025. The vacancy rate returns to its reading two years ago of 5.5 percent.

+2.4%



RENT: Rising to \$21.41 per square foot, Baltimore's average asking rent reaches a point above its 2021 posting, marking a new all-time high. The rate will grow at the same pace as the U.S. average.

INVESTMENT: *Investors may turn toward Carroll County after a handful of deals closed last year, including shopping centers. The area's low and improving multi-tenant vacancy rate reflects greater tenant demand.*



* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Experiential Concepts and Service Tenants Sustain Boston's Tight Retail Market

Urban churn and suburban resilience shape leasing dynamics. Boston's suburban retail landscape continues to see strong demand, driven by essential service providers favoring small-format, convenience-oriented locations. Worcester, Framingham and Southern New Hampshire exemplified this trend in 2024, recording their strongest net absorption since before the pandemic. An average lease term exceeding five years further signals growing tenant confidence. Meanwhile, in closer-in suburbs and the urban core, experience-driven concepts are fueling growth, as traditional retailers remain cautious about large footprints. This shift is evident in the northern suburb of Malden, where an adventure park will backfill 55,000 square feet in a neighborhood center. High-profile retail corridors, such as Back Bay and the Seaport District, are also attracting tenants like golf simulators, art studios and bars. With the MBTA considering late-night service expansion and a new law authorizing 225 additional liquor licenses for the city of Boston, demand for entertainment-driven retail could keep accelerating.

Steady returns drive metro investment activity. With strong single-tenant rent growth, private buyers are set to remain active in the net-lease market. High-traffic properties in urban residential zones, where vacancy is tighter than in exurban areas, should stay key targets. Investors seeking lower entry costs may look to outlying suburbs, focusing on assets occupied by necessity-oriented retailers, as tenants here are often committed to longer leases. Gaining momentum last year, institutional activity should also improve amid tight market conditions. Buyers may target large power centers anchored by national credit tenants in peripheral areas like Lowell and Plymouth, where limited new supply competition should offer stable long-term cash flow.

2025 MARKET FORECAST

NRI RANK 14

Vacancy among the nation's lowest and an affluent consumer base will keep Boston in the upper half of the rankings.

+0.7%



EMPLOYMENT: Job growth remains modest in 2025. The 20,000 positions added will be roughly in line with the metro's historical norm, bringing total employment 1 percent above its 2019 level.

500,000
sq. ft.



CONSTRUCTION: Following last year's record-low delivery total, completions will inch up slightly. Still, delivery volume is equivalent to less than one-third of the long-term annual average.

-10 bps



VACANCY: Minimal deliveries and measured employment gains will keep vacancy on a downward trajectory. At 2.6 percent, the metro's rate will align with all-time lows set in 2017.

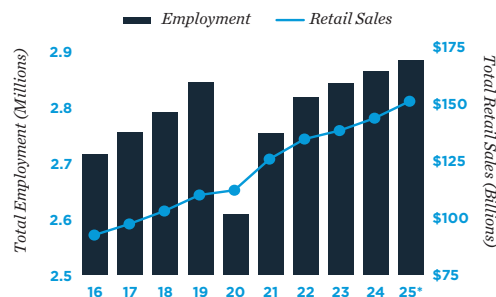
+3.3%



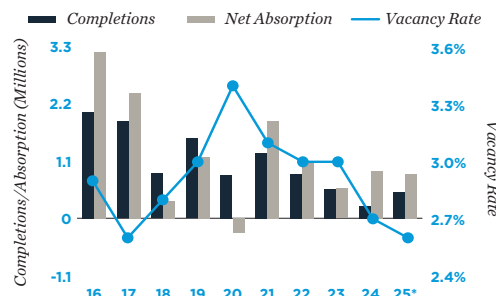
RENT: Historically tight vacancy, fueled by growing tenant demand, will aid a pace of rent growth twice the metro's long-term average. Boston's mean asking rent will reach \$23.90 per square foot.

INVESTMENT: *With vacancy below 2 percent, the areas around Everett and Lawrence rank among the top 10 least vacant U.S. submarkets with at least 10 million square feet of stock, likely attracting investment.*

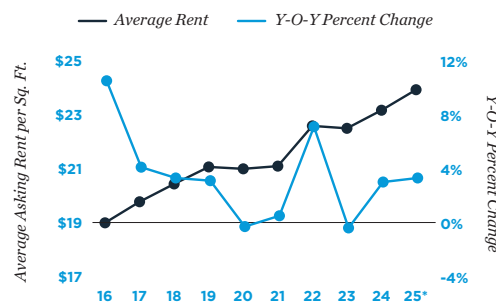
Economic Trends



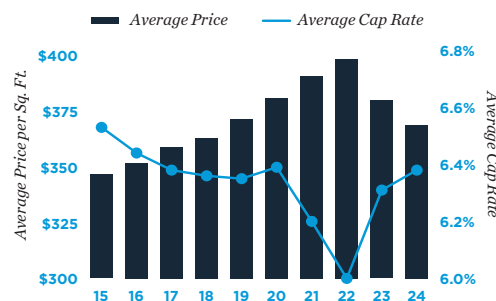
Supply and Demand



Rent Trends



Sales Trends



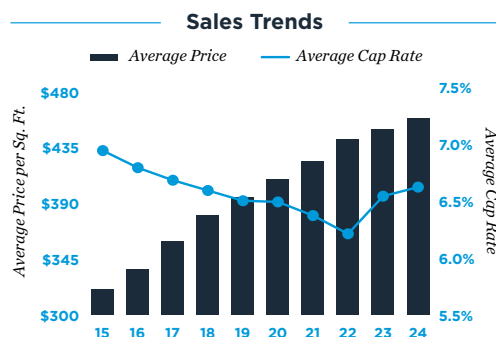
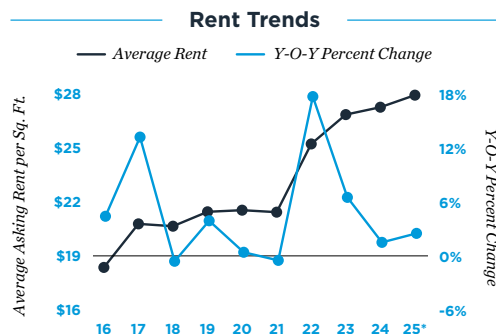
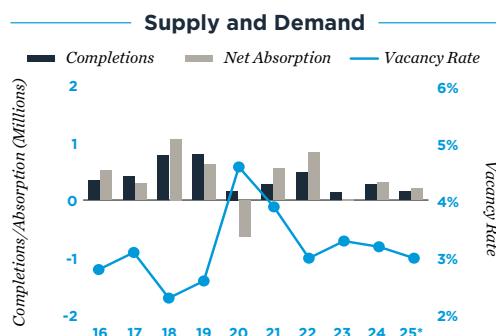
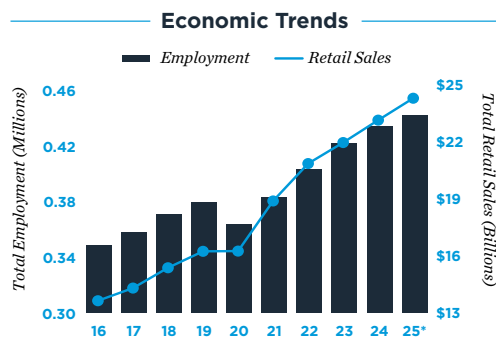
*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Charleston's Expanding Suburbs Reshape Broader Retail Market, While Downtown Leads Investment

Population growth sustains retailer demand. Charleston ranked fifth among East Coast port cities in the net absorption-to-inventory ratio last year, reflecting retailer confidence in the metro. Sustained in-migration and expanding suburbs continue to drive tenant demand, especially in outlying areas. Retailers have followed residential growth into Outlying Berkeley and Dorchester counties, where vacancy has held below 3 percent for three straight years. Moving forward, new supply will be limited here and elsewhere across the market. Concurrently, the number of homes brought online is anticipated to rise after single-family permit activity surged to an 18-year high in mid-2024. As new households move into these homes, consumer demand for nearby retail is anticipated to rise. This dynamic should support strong leasing momentum that allows metro availability to compress in 2025. This tightening will aid property owners, as the metro's average asking rate will climb while tenants compete for a shrinking pool of quality storefronts in high-growth suburbs and the urban core.

Downtown dominance persists as investors navigate shifting conditions. Though trading picked up in the suburbs last year, some of that was due to debt assumptions. Downtown Charleston dictated deal flow for the fifth straight year, and with 3,500 multifamily units arriving in 2025, this trend will likely continue, as a potential increase in local consumers aids underperforming retail properties. Meanwhile, cost-conscious buyers favored Outlying Berkeley County, where more than half of 2024 deals closed below the metro's average sale price of roughly \$460 per square foot. Looking ahead, revived hospitality and office sectors should amplify midweek foot traffic, sustaining potential for retail assets near office hubs and tourist destinations.



2025 MARKET FORECAST

NRI RANK 16

Rapid employment gains and one of the nation's lowest vacancy rates bolster Charleston's NRI rank in 2025.

+1.8%



EMPLOYMENT: Charleston will add 8,000 jobs in 2025, which is above the historical average of roughly 6,000 positions. By year-end, total employment will be 62,000 roles ahead of the 2019 level.

150,000
sq. ft.



CONSTRUCTION: Deliveries in 2025 will fall below 200,000 square feet for just the fifth time since 2007. Summerville is expected to receive the only project over 50,000 square feet.

-20 bps



VACANCY: Vacancy declines for the fourth time in five years to reach 3.0 percent. This rate is 140 basis points below the metro's long-term average.

+2.5%



RENT: Marketed rents will continue to grow at a steady pace in Charleston, as 2025 represents the fourth straight year of annual gain. The overall average will climb to \$27.90 per square foot.

INVESTMENT: *Vacancy in James Island-Folly Beach has held below 4 percent for 13 straight years. Competition in other submarkets and an asking rent gain of over 15 percent since 2023 may lead buyers to target this area.*

* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Swelling Population Supporting Retailers, Emphasized Within Growing Outer Submarkets

Low suburban vacancy contrasted by some urban headwinds. Local residential growth has accelerated over the last two years, with much of the in-migration directed to outer suburbs. Retail vacancy is lowest in these areas as a result, with both Stanly and Lincoln counties entering 2025 with sub-1 percent vacancy. Relatively small inventories with few supply additions over the last three years has helped keep these areas almost fully occupied. An escalation of construction may be warranted in the near future to meet local needs. The city center, meanwhile, reported a second year of vacancy expansion that pushed the rate to 11.7 percent last December — the highest level since at least 2007. This upward trend, however, could slow this year. A 90-basis-point reduction in office vacancy during the final quarter of 2024 points to an upcoming improvement in midweek foot traffic. At the same time, net in-migration metrowide could lead to further apartment vacancy compression in the Uptown-South End area, which would further aid demand for nearby retailers.

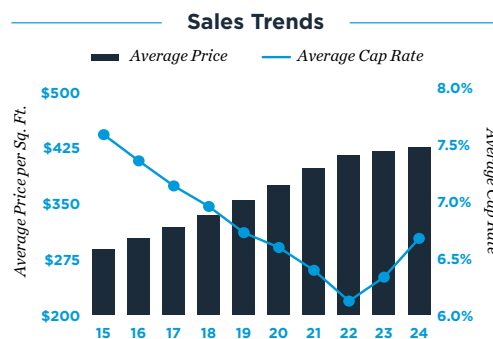
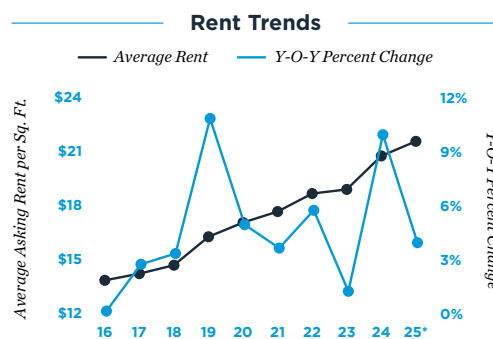
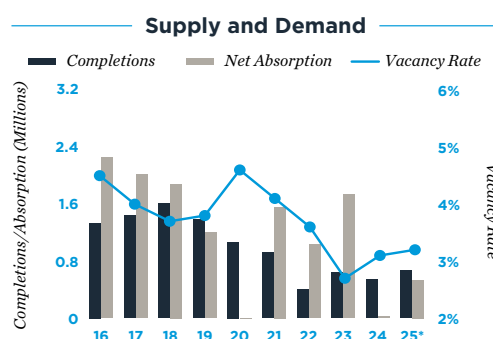
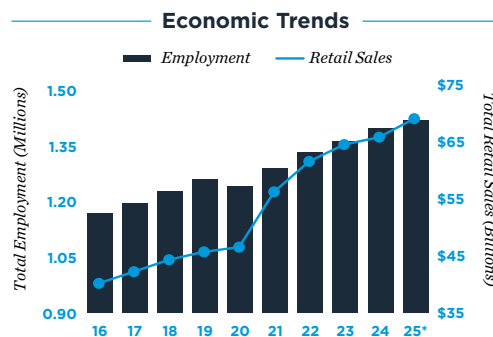
Areas with strong in-migration draw investment. Sales activity over the last three years has been highest in outer submarkets, with Gaston, Cabarrus and York counties proving popular with investors. Buyer should continue to remain interested in outlying areas while population growth remains concentrated further from the city center. With the lowest vacancies in the metro, Lincoln and Stanly counties should attract more stability-seeking investors. Buyers looking for higher returns, however, will need to search closer to the city center. North Charlotte could gain additional sales activity after three consecutive years of rent gains propelled the submarket's average asking rent to \$35.40 per square foot last year — the highest rate in the metro.

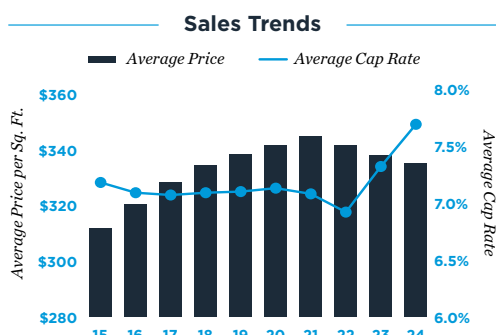
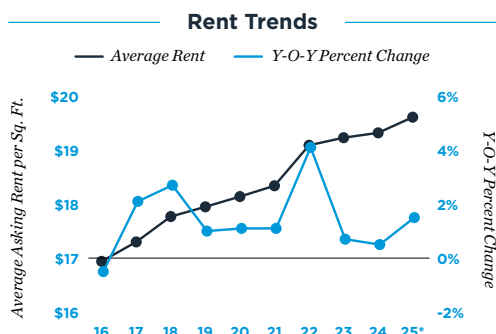
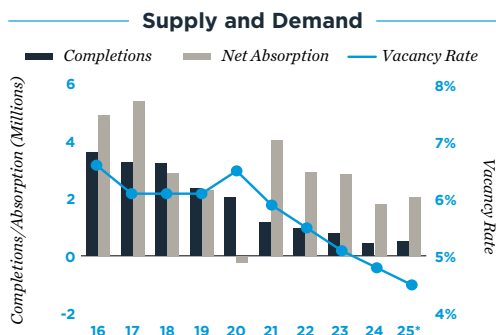
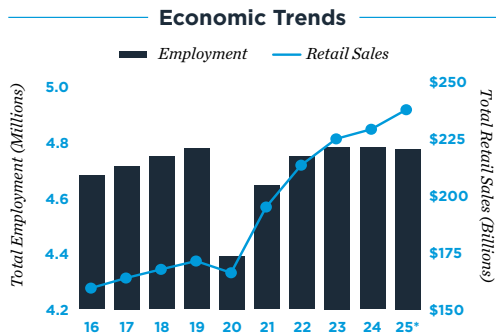
2025 MARKET FORECAST

NRI RANK 8 *Limited vacancy and strong rates of household and revenue growth hold Charlotte in the top 10 of this year's rankings.*

- +1.4%** **EMPLOYMENT:** Job growth moderates this year, with employers adding 20,000 roles on net. Professional and technical service sectors are likely to lead the employment expansion.
- 658,000 sq. ft.** **CONSTRUCTION:** Delivery volume reaches a four-year high; however, additions increase inventory by just 0.5 percent. Lancaster County will host the largest incoming square footage.
- +10 bps** **VACANCY:** This year's net absorption total will amount to nearly one-third of the historical average, lifting vacancy to 3.2 percent. This rate is nearly 200 basis points below the long-term mean.
- +3.9%** **RENT:** While less than the growth reported in 2024, upward momentum will push the average asking rent to \$21.50 per square foot by December — the highest rate on record.

INVESTMENT: *Investors with larger capital pools may be interested in the stability of University City, where a growing UNC Charlotte student population and local health care presence support demand for nearby retail.*





CHICAGO

Chicago Enters 2025 With a Resilient Outlook as Urban Core Draws More Interest

Another record set in 2025. Vacancy decreased to 4.8 percent in 2024, marking eight consecutive quarters of decline and undercutting the previous low set in 2018. This tightening market coincided with a nearly 80 percent drop in deliveries, as rising costs and tighter financing constrained development — trends that will continue, with only a modest rebound expected this year. Suburban submarkets are capturing more move-ins due to higher household incomes and streamlined leasing and permitting processes. Leases here favor fitness and lifestyle concepts in shopping centers of various scale. That said, retail in downtown submarkets is gaining momentum, fueled by rising transit ridership and increased foot traffic from residents returning. The completion of 1000M in 2025 will add high-income residents near Grant Park, boosting demand for retail and dining, while the Red and Purple Line modernization will enhance accessibility, supporting foot traffic. With a deep labor pool and limited new retail development, Chicago's is well positioned for sustained retail growth in 2025.

Chicago closes 2024 with strong retail investment momentum. Transactions remain among the highest in the U.S., registering a gentler dip from 2023 than peer markets. Single- and multi-tenant trades stayed balanced, with gyms, hardware stores and mid-size users in 25,000- to 40,000-square-foot spaces being the most active in trades in the north and northwest corridors. With supply constrained, repurposing older sites has become more common despite overall lower pricing levels. Chicago's average sale price reached its lowest level since 2019, as the fourth-highest average cap rate of major U.S. metros attracts institutional and value-add buyers. Overall, the metro's population, legacy appeal and tight pipeline suggest steady investor interest this year.

2025 MARKET FORECAST

NRI RANK 35

Subdued deliveries and favorable vacancy metrics aid the metro's standing, yet muted job gains prevent a higher rank.

- 0.1%**

▼

EMPLOYMENT: Population attrition and corporate downsizing will translate into a second year of net decrease as Chicago loses roughly 5,000 positions in 2025.
- 500,000 sq. ft.**

▲

CONSTRUCTION: Annual completions fall below the 1 million-square-foot mark for the fourth year in a row. The majority of space slated for delivery this year will come online in St. Charles.
- 30 bps**

▼

VACANCY: Tepid speculative development prompts tenants to seek out existing floor plans, driving vacancy down to 4.5 percent. This will be the lowest rate noted since at least 2007.
- +1.5%**

▲

RENT: Historically low vacancy will keep rents climbing steadily upward, bringing the mean marketed rate to \$19.60 per square foot and marking the highest asking rent on record.

INVESTMENT: *Illinois' five-year economic growth plan, highlighted by the \$250 million Chan Zuckerberg Chicago Biohub in Fulton Market, is set to attract high-wage professionals, enhancing retail demand in the area.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Heightened Cap Rates Boost Smaller Transactions; Cincinnati's Value-Add Prospects Draw Private Buyers

Retail fundamentals stay on strong footing in 2025. Overall vacancy fell below 6 percent last year — the lowest level observed since mid-2016 — spurred by tenant demand in Outlying Warren County, where availability contracted by 230 basis points to 2.5 percent. This contrasts starkly with Western Cincinnati, which is grappling with nearly 40 percent multi-tenant vacancy entering 2025. Single-tenant performance is noticeably healthier, especially in Northern Kentucky, where sub-3 percent vacancy was sustained by experiential projects and steady foot traffic. Retailers are expanding omnichannel operations, adding designated pickup zones and interactive spaces that resonate with evolving consumer needs. Though current development remains modest at 296,000 square feet — much of it pre-leased — major openings like Bass Pro Shop and Aldi's recent expansions highlight corporate confidence. Inflationary pressures and potential store closures pose risks, yet Cincinnati's balanced supply-side fundamentals and steady population gains are set to support a stable outlook for 2025.

Investors pivot retail strategies this year. While having slowed over the last three years, retail property transactions are on the uptick; sub-\$5 million trades in 2024 drove a return to the 2015-2019 average, as debt costs hindered bigger deals. Private buyers focused on single-tenant net-leased quick-service restaurants and drugstores, pushing the average cap rate to about 7.5 percent — among the top 10 U.S. metros for mean yield. Cincinnati's sale price, the second lowest of major Midwest metros, enhances value-add potential, especially in suburban nodes where vacant parcels invite redevelopment. Overall, the region's diverse economy — spanning health care, logistics and consumer goods — continues to bolster investor sentiment in 2025.

2025 MARKET FORECAST

NRI RANK 48

Muted household and job formation holds back Cincinnati's ranking, placing it near the lowest tier of the Index.

+0.3%



EMPLOYMENT: The drop in hiring observed last year will carry into 2025, as just 3,500 positions are added. This will be Cincinnati's slowest year of employment growth since 2020.

296,000
sq. ft.



CONSTRUCTION: Deliveries in 2025 will fall below 300,000 square feet for just the third time since 2007. Mason expects the only single completion over 50,000 square feet this year.

-10 bps



VACANCY: Reaching 5.7 percent in 2025, this marks the third consecutive year of vacancy decline and sits 150 basis points below Cincinnati's long-term average.

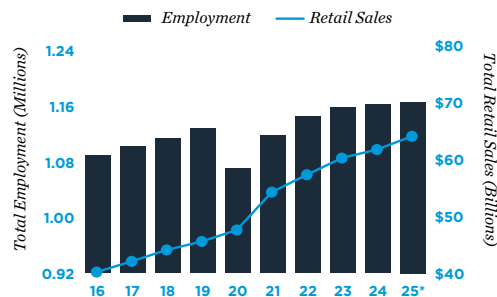
+1.6%



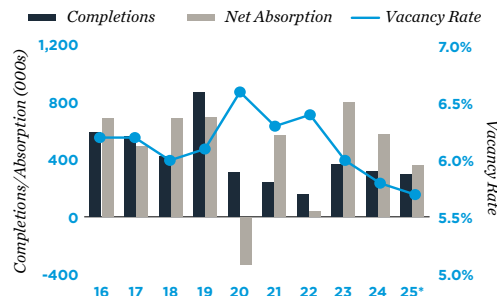
RENT: Despite decelerating rent growth last year, the measure in 2025 matches its 1.8 percent long-term average. As such, the mean marketed rate rises to \$14.90 per square foot.

INVESTMENT: *Investors may look to North Cincinnati, where multifamily vacancy was the lowest among submarkets. Strong retail rent growth, which led the metro in 2024, will likely continue driving interest in the area.*

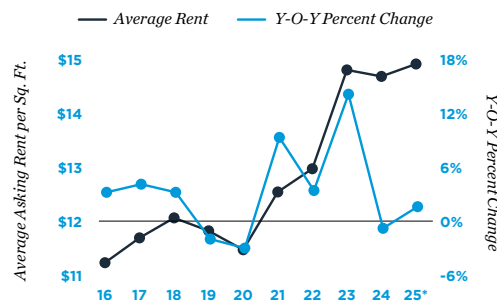
Economic Trends



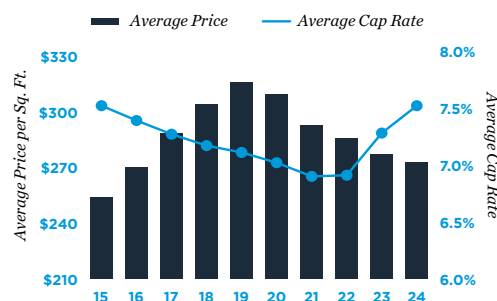
Supply and Demand



Rent Trends



Sales Trends



*Forecast

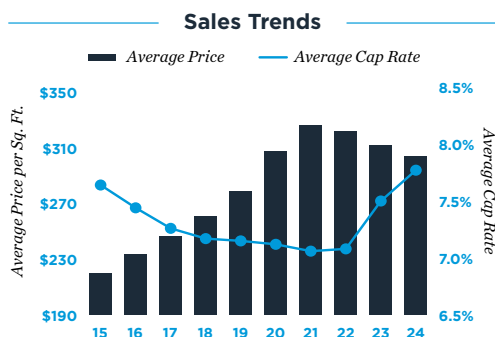
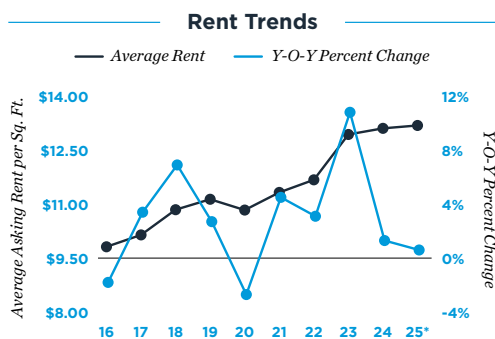
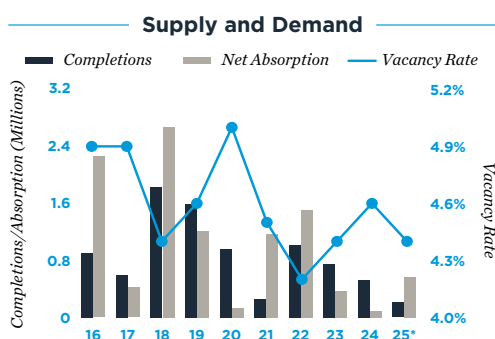
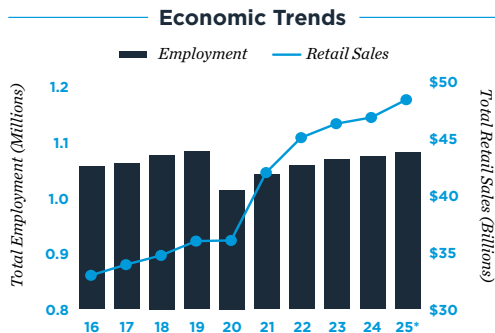
Sources: CoStar Group, Inc.; Real Capital Analytics

CLEVELAND

Cleveland's Waterfront Districts Sustain Popularity as Employment Returns to Pre-2020 Levels

Vacancy remains near record lows, poised for further compression. Cleveland is on track to see the fewest deliveries on record in 2025, which could be its fifth consecutive year of sub-5 percent vacancy. With new supply extensively pre-leased, supply-side vacancy pressure should be minimal. Reduced construction reflects Cleveland's slowing population growth, which will turn to contraction this year. Still, total employment will edge its way back up to mid-2019 tallies by year-end, supporting retail spending. Tenant demand, meanwhile, is divided. Single-tenant vacancy rose 50 basis points in 2024, with an increase of 150 basis points in Lorain County. Multi-tenant spaces, however, experienced a 50-basis-point rate compression, led by triple-digit reductions in West and Northeast Cleveland. Leasing activity was strongest near the waterfront, with a secondary focus around Akron and North Canton. Move-ins slated for this year focus on mixed-use retail spaces in Downtown and Midtown, skewing toward strip centers in the West, Northwest and Lorain County submarkets.

Lakefront districts still demand attention. Over half of last year's transactions took place in West and Northeast Cleveland, or along the northern edge of Lorain County. Trades consisted primarily of sub-\$5 million single-tenant transactions, as private investors continued to drive the bulk of activity. Of note is Southwest Cleveland, which attracts investors further inland and accounted for roughly 20 percent of 2024 transactions — a slight increase from prior years. Starting the year with vacancy at just 2.8 percent, West Cleveland may also draw investors going forward. As Cleveland encourages return-to-office policies and improves walkability and public spaces near city center retail locations, Downtown stands to draw additional investment as well.



2025 MARKET FORECAST

NRI RANK 47

Household growth and total investment activity that lag most major metros position Cleveland lower on the index.

+0.7%



EMPLOYMENT: Robust health and education, manufacturing, and finance sector growth contribute to the addition of 7,500 jobs this year — a figure consistent with the 2014-2019 average.

207,000
sq. ft.



CONSTRUCTION: Cleveland's deliveries will fall by roughly 300,000 square feet year over year, dropping to the lowest figure on record. Total inventory will rise by just 0.1 percent.

-20 bps



VACANCY: Minimal deliveries and extensive pre-leasing will help funnel new demand into existing floorplans. This year will close out with a total vacancy rate of 4.4 percent.

+0.6%



RENT: Though the pace of growth slowed through last year, minimal new supply and constricting availability levels will help raise the mean asking rate to \$13.17 per square foot by year-end.

INVESTMENT: *Triple-net leased assets were the most popular category for 2024 trades. Investors seeking similar opportunities may target fast food, restaurant or drug store properties along major interstates.*

* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Columbus Retail Market Stands Out in Key Aspect as Suburban Expansion Accelerates

Decade-high leasing volume highlights retail resilience. Columbus was the only major U.S. market to post its highest leasing volume of the past decade in 2024, driven by expanding tenant demand and major corporate investments. Beyond ongoing developments from Intel and Honda, Anduril recently announced plans for a new facility, which should be the largest single hiring event in Ohio's history. The project is set to add 4,000 new jobs over the next 10 years, reinforcing employment and long-term population growth. These initiatives are expected to draw retailers to the north, northeast and east suburbs of Franklin County. Outer areas like Delaware and Fairfield counties should also see sustained demand following last year's vacancy declines. While some closer-in suburbs experienced elevated store closures in 2024, vacancy stayed below historical norms. Backfilling from discount retailers, gyms and experiential concepts is anticipated to support leasing momentum in these areas. With new supply forecast to reach record lows this year, vacancy risks across the metro should further diminish.

Rising rents draw investors beyond the Outerbelt. Columbus' average single-tenant asking rent was up nearly 25 percent from 2019 to year-end 2024 — the second-fastest pace in the Midwest — which should support investment activity. Stronger rent gains outside Interstate 270 are poised to sustain buyer interest in the broader metro area, particularly for inline shops and net-leased quick-service retailers. The metro's low entry costs are also expected to attract out-of-state investors. Modern, convenience-oriented assets, such as fast-food restaurants, should remain popular targets for possible portfolio sales. Growing consumer demand for experience-driven retail may also boost investor interest in lifestyle and power centers with strong entertainment anchors.

2025 MARKET FORECAST

NRI RANK 30

Improving job growth helping to stabilize vacancy rates will position Columbus near the middle of the rankings.

+0.7%



EMPLOYMENT: Columbus' workforce will expand by 8,000 positions this year, leading all major Ohio markets, though job gains will reach only about half of the 2014-2019 annual average.

300,000
sq. ft.



CONSTRUCTION: Completions this year will hit their lowest annual total since at least 2007. Deliveries are evenly distributed across the metro and primarily consist of build-to-suit projects.

+10 bps



VACANCY: Minimal new supply and improved job growth will help contain vacancy expansion this year. At 4.3 percent, vacancy will remain below the metro's long-term average of 5.7 percent.

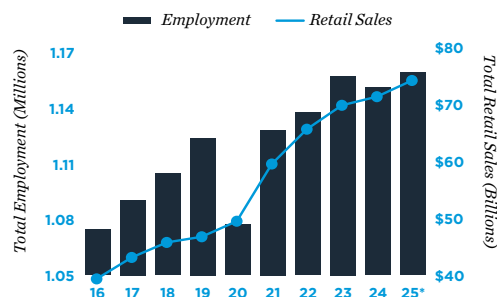
+1.5%



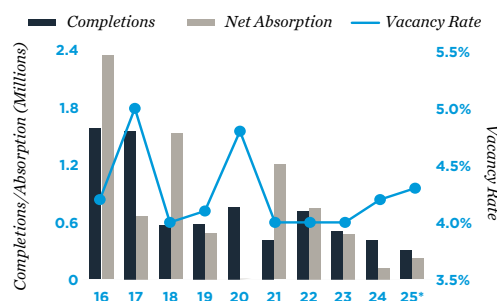
RENT: Historically tight vacancy will support modest rent growth, with stronger gains expected in growing outer suburbs. The metro's mean asking rate reaches \$16.75 per square foot by year-end.

INVESTMENT: *The area around Ohio State University and Dublin ranks among the 10 least vacant single-tenant submarkets nationwide with at least 15 million square feet of inventory, likely drawing investor interest.*

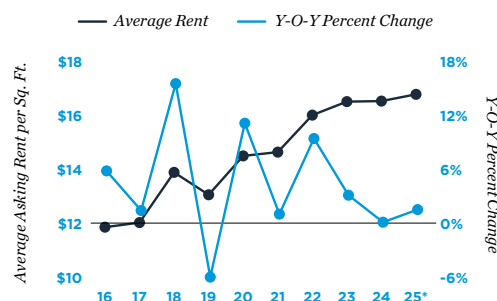
Economic Trends



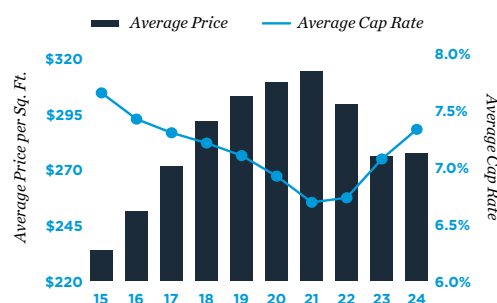
Supply and Demand



Rent Trends



Sales Trends



* Forecast

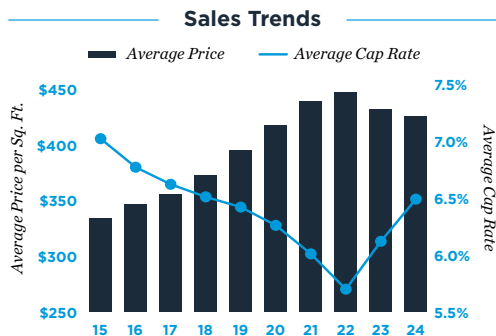
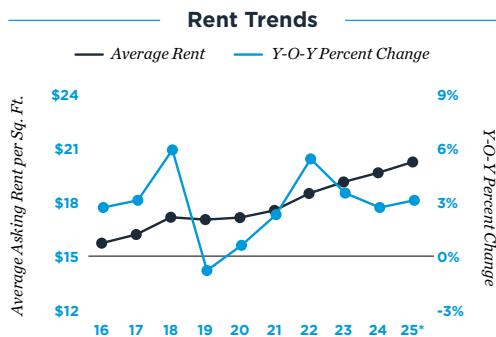
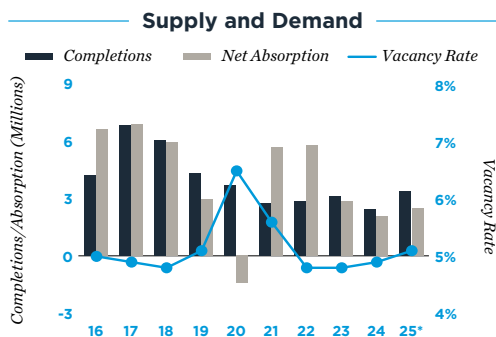
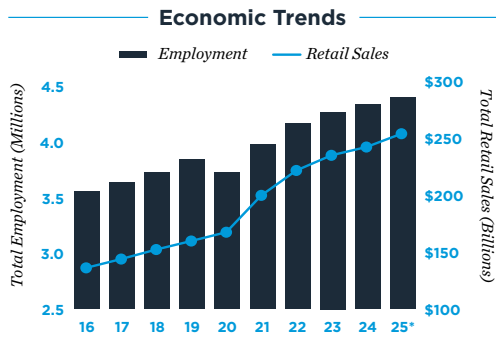
Sources: CoStar Group, Inc.; Real Capital Analytics

DALLAS-FORT WORTH

Dallas-Fort Worth Leads the Nation in Multiple Economic Metrics, Strengthening Long-Term Outlook

Consumer demand helps offset robust supply pressure. To support the needs of a growing population, a plethora of large-scale projects are underway across the metroplex this year. A Lifetime Fitness in north Dallas, as well as two Costcos — one in Weatherford and the other in Aubrey — have helped form the largest pipeline in the nation by square footage. Additionally, a new shopping center in Melody Hills, anchored by H Mart, is set to open late this year. Even with a 0.9 percent boost to total inventory, a need for more retail space is apparent in many suburbs, with vacancy declining by at least 70 basis points in northwest Fort Worth and far north Dallas last year. Both submarkets will also receive over 1,000 apartment units this year, further reinforcing long-term tenant demand here. Multi-tenant space is particularly sought-after by retailers, with the metro's segment vacancy reporting four consecutive years of compression or no change, pushing the rate to 4.5 percent as of December 2024. The Fort Worth side of the metroplex entered this year with multi-tenant vacancy 50 basis points below its Dallas counterpart due to strong occupancy in Fort Worth's suburbs.

Suburban stability and urban rent gains attract investors. Sales activity last year nearly doubled 2023's level, as local and national investors were drawn to the largest population expansion of major U.S. metros. Far north Dallas, Mid-Cities and the northwest Fort Worth suburbs all gained popularity with buyers. Specifically far north Dallas and suburban Fort Worth will likely sustain much of this interest, given their low vacancy. Investors seeking stronger rent growth may look for assets around Dallas proper, closer to the city center. Near north and west Dallas noted a 60 percent and 20 percent boost to sales last year, respectively, and may see further improvement.



2025 MARKET FORECAST

NRI RANK 5

Dallas-Fort Worth holds a premier position, but is kept from the top 5 due to heavy supply pressure.

- +1.4%**

EMPLOYMENT: Employment gains will fall slightly from the previous year, as the total job count expands by 62,000 roles. This will be the second-largest addition among major U.S. metros in 2025.
- 3,360,000 sq. ft.**

CONSTRUCTION: Dallas-Fort Worth will be home to the largest construction pipeline of major U.S. markets this year, growing local inventory by 0.9 percent.
- +20 bps**

VACANCY: Net absorption amounting to half of the metro's long-term average will not be sufficient to offset completions, which will nudge the vacancy rate up to 5.1 percent by December.
- +3.1%**

RENT: Underlying retail demand fundamentals, like a growing population, will aid existing upward momentum, pushing the average asking rent up to \$20.20 per square foot this year.

INVESTMENT: Institutional investors seeking triple-net assets may begin their search between McKinney and Plano, where a cluster of such properties in the \$10 million-plus price tranche traded last year.

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Historic Multifamily Expansion Boosts Denver's Retail Market as Tenants Navigate Tight Supply

Surging population attracts retailers to key corridors. Denver's largest population gain since 1999 drove record multifamily net absorption last year, with over 20,000 units leased. This growth should maintain tenant demand in residential submarkets like Cherry Creek and Aurora, where retail vacancy remains near all-time lows. Limited completions this year should keep vacancy tight and support modest rent gains. Downtown vacancy may continue declining after falling for a second straight year in 2024. In these areas, service-oriented tenants such as health care providers, salons and restaurants are expected to drive leasing at high-traffic shopping centers and mixed-use developments. Expanding Northeast and Southeast suburbs should see sustained demand from necessity-driven and experiential retailers, keeping vacancy near record lows. Though Southwestern cities like Littleton and Lakewood have lagged amid slower residential growth, grocery stores and fitness centers backfilling recently vacated spaces — spurred by affluent demographics — are set to strengthen fundamentals.

Leasing momentum broadens investment opportunities. Northwestern suburbs, such as Broomfield and Arvada, are likely to stay prime investment targets after posting record-high multifamily absorption last year. This population growth should sustain demand for necessity-oriented retail like auto repair shops and convenience stores. Restaurant leasing reaching post-pandemic highs in 2024 may also draw more buyers to these properties. Meanwhile, tight vacancy is expected to drive institutional investment in modern neighborhood and power centers, which saw their highest leasing activity since 2021 last year. Recent expense volatility, however, could push some investors toward net-leased assets, such as grocery and sporting goods stores.

2025 MARKET FORECAST

NRI RANK 21

A growing population and vacancy below the national average support Denver's ranking in the upper half of the Index.

+1.0%



EMPLOYMENT: With 17,000 positions added, job growth remains at half the metro's long-term average. Denver's unemployment rate, among the nation's 10 highest in early 2025, could aid hiring.

220,000
sq. ft.



CONSTRUCTION: Following last year's delivery slate, the smallest since at least 2007, completions will slow further to less than one-fifth of the metro's long-term annual average.

-10 bps



VACANCY: Limited new supply and steady net in-migration will help vacancy fall. At 4.1 percent, Denver will have the second-lowest rate of major markets in the western half of the U.S.

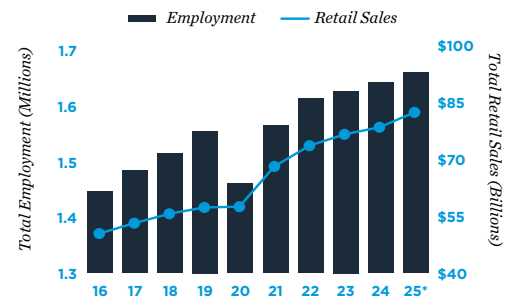
+1.9%



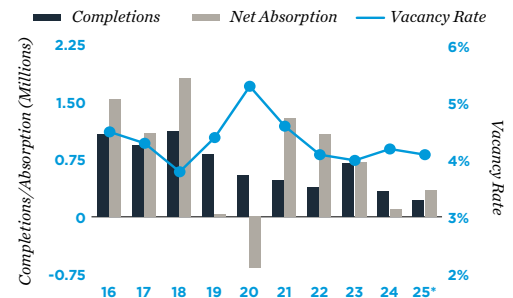
RENT: After last year's decline in asking rents, tightening vacancy should support modest growth, bringing the metro's average rate to \$20.80 per square foot by year-end.

INVESTMENT: *Among western submarkets with at least 5 million square feet of inventory, Aurora and Southeast Denver have the tightest single-tenant sectors with vacancy below 2 percent, likely attracting investors.*

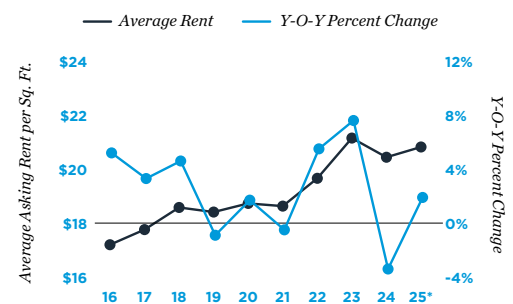
Economic Trends



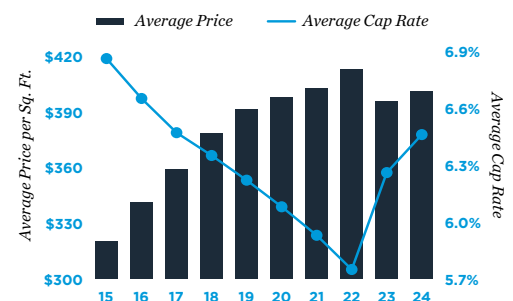
Supply and Demand



Rent Trends

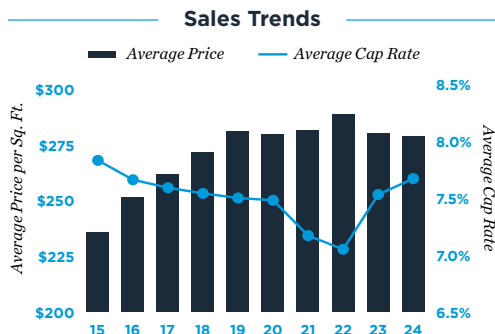
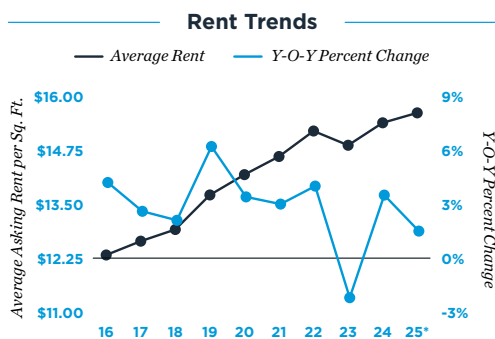
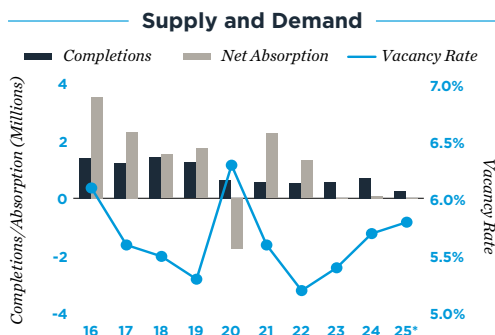
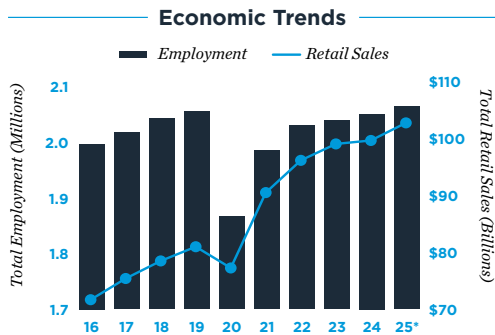


Sales Trends



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics



* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

DETROIT

Multi-Tenant Stability and Scarce Development Open the Door for Long-Term Investment in Detroit

Redevelopment initiatives bolster outlook. Detroit’s major mixed-use undertakings — Cadillac Square, the \$3 billion New Center collaboration and Bedrock’s Hudson’s Building — are advancing in 2025, drawing retailers like Apple back to downtown and expanding the pool of potential customers. Yet elevated construction costs and financing hurdles are keeping retail completions to roughly 247,000 square feet this year, preserving the tight conditions that pushed multi-tenant vacancy below 3 percent in 2024. Demand remains strong among grocery, fitness and dining tenants in Macomb and Southfield. Elsewhere, the Pointes, North Oakland and West Wayne each saw more than 5 percent rent growth last year, supported by low multifamily vacancy and minimal construction pipelines. Aided by recent population growth, these dynamics sustain occupancy and spur long-term investment in Detroit.

More stable fundamentals continue to attract investors to Detroit’s retail sector. In 2024, the metro recorded the fourth-highest average retail cap rate among major U.S. markets at 7.6 percent. Private investors represented approximately 87 percent of sales volume, up from 75 percent in 2023, as institutional investors and REITs have stepped back. Buyers seeking long-term stable income are particularly interested in submarkets like Troy, Royal Oak and West Oakland County, where vacancies have averaged below 5 percent for the last three years. Many properties for sale in these areas are fully leased to a mix of national and local tenants, attracting investors seeking strong cash flows. Although transactions have decreased relative to historical averages, Detroit’s resilient market — evidenced by increasing rents and nearly stable availability due to limited new construction — could stoke renewed investor interest in 2025.

2025 MARKET FORECAST

NRI RANK 45

Sluggish employment gains and limited household formation places the metro in the lower echelon of the Index this year.

+0.6%

▲

EMPLOYMENT: Job growth in 2025 roughly matches last year’s pace, as 13,000 new roles are added. This is only slightly above Detroit’s trailing-decade annual average.

247,000 sq. ft.

▼

CONSTRUCTION: Following last year’s five-year high in retail deliveries, retail construction moderates in 2025. The space anticipated to come online only represent 0.1 percent of existing stock.

+10 bps

▲

VACANCY: Detroit’s vacancy rate will inch up this year to 5.8 percent — just 60 basis points above the record low. More than half of the active pipeline was pre-leased as of early 2025.

+1.5%

▲

RENT: After a 3.5 percent increase last year, rent growth will moderate in 2025, reaching \$15.60 per square foot by year-end. The strongest gains will be in single-tenant properties.

INVESTMENT:

The proposed \$1.6 billion redevelopment of Detroit’s Renaissance Center into a mixed-use complex with housing and offices could revitalize the waterfront and attract additional investment downtown.

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Investor Confidence Rises as Fort Lauderdale Emerges as Regional Retail Leader

Residential boom drives sector stability. Fort Lauderdale’s ongoing influx of affluent professionals is set to drive strong income gains in 2025, sustaining retail sales growth after last year’s gain was the third fastest of major U.S. markets. An expanding consumer base should bolster retailer leasing activity, which held steady in 2024 despite slow-downs in Miami-Dade and Palm Beach. Downtown Fort Lauderdale should continue benefiting from rising office occupancy, fueling demand for restaurants and boutique stores in mixed-use areas. A growing corporate presence near Plantation and Oakland Park should also drive leasing, with discount retailers and grocery stores anchoring local shopping centers, while dining and medical tenants target strip centers to be closer to residents. Traditionally tourism-reliant submarkets like Hollywood and Pompano Beach have lagged, but historic residential growth — evidenced by Hollywood’s record multifamily net absorption last year — is anticipated to drive future retail demand.

Suburban areas fuel investment surge. Despite a regional slowdown, Fort Lauderdale’s retail investment activity strengthened in 2024, as the total sales volume was in line with the 2014-2019 average. This momentum was aided by institutional buyers targeting modern suburban assets, drawn by tighter vacancy relative to the urban core. Steady population growth near Davie and Weston should sustain demand for stable net-lease assets like fast food and auto repair shops, while historically elevated leasing activity at strip centers may attract investors seeking to diversify revenue streams. Meanwhile, spending by higher-income households may bring added investor attention to more affluent areas like Coral Springs and Pembroke Pines, particularly for larger shopping centers anchored by grocery stores or experiential concepts.

2025 MARKET FORECAST

NRI RANK 13 *An influx of residents driving robust consumer spending will keep Fort Lauderdale in the upper quartile of the Index.*

- +1.4%

▲

EMPLOYMENT: The metro’s workforce grows by 13,000 positions this year, aligning with its historical pace of hiring. Total employment is projected to stand 8.5 percent ahead of the 2019 level.
- 375,000 sq. ft.

▲

CONSTRUCTION: Completions will edge up following 2024’s record-low delivery slate. Even so, this year’s annual supply additions will reach only about half of the metro’s long-term average.
- +20 bps

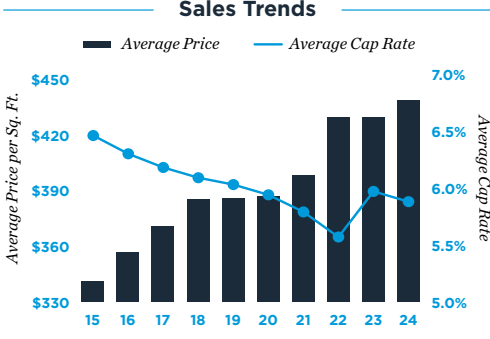
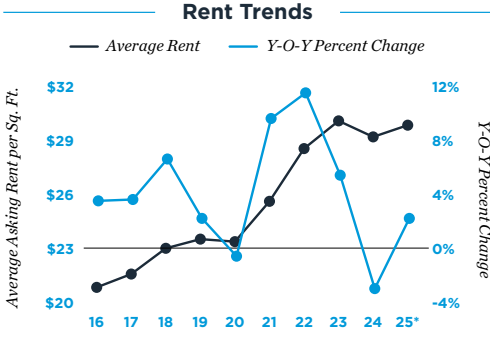
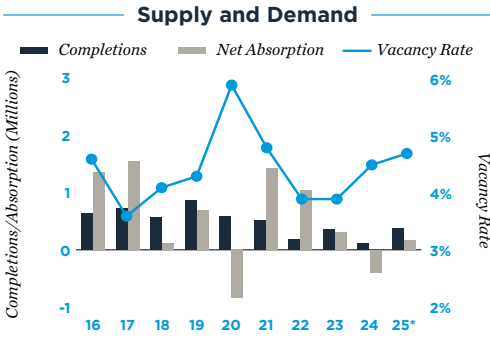
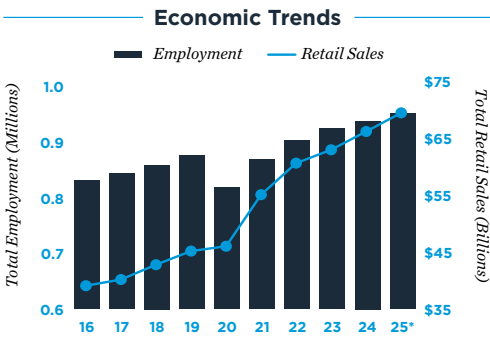
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VACANCY: Vacancy expansion will slow this year amid stable consumer spending and minimal new supply. At 4.7 percent, the metro’s rate will remain below its long-term average of 5.6 percent.
- +2.2%

▲

RENT: Tight vacancy is expected to drive modest rent growth, pushing the metro’s average asking rent to \$29.80 per square foot by year-end — the lowest among Southeast Florida metros.

INVESTMENT: Southwest Broward boasts asking rents above the metro average and ranks within the top 10 tightest submarkets nationwide with over 10 million square feet of inventory, reinforcing its investment appeal.



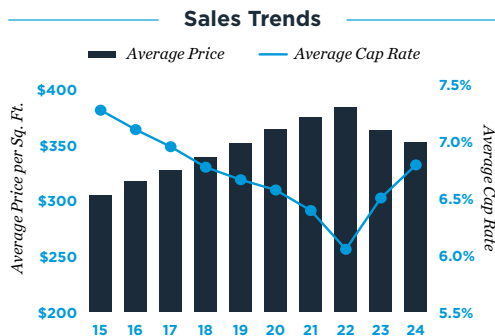
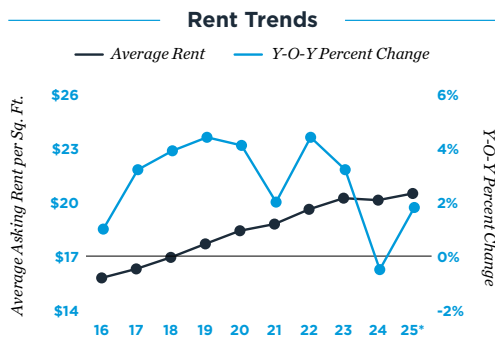
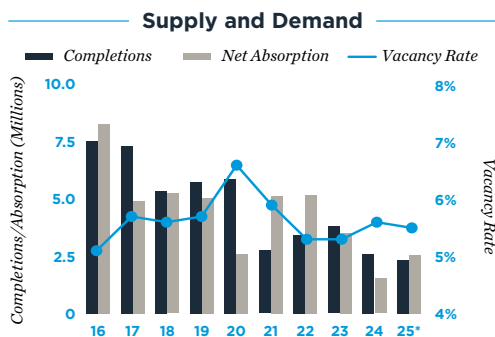
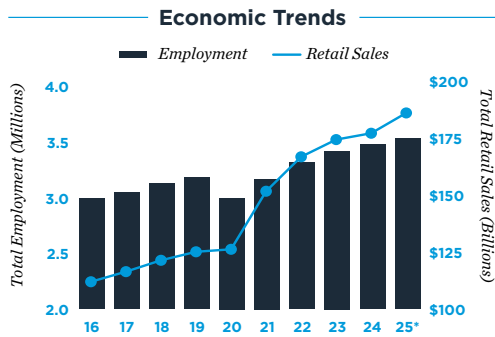
*Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

HOUSTON

Population Expansion at Houston’s Edges
Pulls Retailers and Attracts Investment

Local consumer demand outpaces supply pressure. Population growth in Houston last year more than doubled the 2019 metric, resulting in the second-largest gain among major U.S. metros. A swiftly growing job market has propelled local expansion, supporting a need for additional retail in many suburban areas, including rapidly growing outer suburbs like Katy and Tomball. Both townships reported a population growth rate of at least 15 percent from 2020 to 2023. Additionally, each of these areas saw over 2,000 apartment units absorbed on net last year. Consumer demand for essential retail, such as grocers and restaurants, will grow in conjunction with the population. Moving closer to the city center, retail vacancy in the CBD compressed 80 basis points last year. Some of that momentum could carry into 2025, as office occupancy began trending upwards in mid-2024, bringing additional weekday foot traffic to the area. Still, leasing activity may stay concentrated around growing suburbs, with move-ins scheduled downtown — including a new pickleball gym — reflecting the value placed on experiential tenants to drive foot traffic to surrounding stores.

Fairly steady sales activity evident across the metro. During the last two years, over half the trades closed in Houston were spread among the Northwest, North and Southeast sections of the metro. All three submarkets are home to expanding consumer bases and retail inventories larger than 50 million square feet. Near-term sales trends on the northern half of the metro are unlikely to shift drastically; yet, rent movement was bifurcated last year, with the Northwest area entering 2025 approximately \$2 per square foot higher than North Houston. Meanwhile, deal flow could accelerate in Southwest Houston after the area’s mean asking rent rose by double-digits in 2024.



2025 MARKET FORECAST

NRI RANK 9

Strong inventory and trailing three-year trade volume rankings allow Houston to retain a top 10 placement this year.

- +1.6%**

EMPLOYMENT: Houston adds 55,000 new jobs on net this year, placing it in the top three for role expansion, trailing only Dallas-Fort Worth and New York nationally.
- 2,320,000 sq. ft.**

CONSTRUCTION: Completions moderate this year as inventory expands by 0.6 percent. Still, Houston will receive the second-largest delivery slate by square footage among major U.S. metros.
- 10 bps**

VACANCY: Easing supply pressure and a net absorption level that exceeds the previous year will push the vacancy rate below the trailing five-year average to 5.5 percent by December.
- +1.8%**

RENT: Strengthening tenant demand will assist in lifting the average asking rent to \$20.45 per square foot in 2025 — the second-highest rate among major Texas metros.

INVESTMENT: While home to a relatively small inventory, Austin County could gain traction with investors if a new Tesla factory being considered in nearby Brookshire comes to fruition.

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

A Banner Year Ahead for Vacancy Rates in Indianapolis as Investors Target Surrounding Counties

Low supply pressure environment remains. With Indianapolis' retail vacancy rate nearly the lowest in the country, elevated development could be warranted. Instead, modest deliveries are concentrated in northern areas like Carmel and Zionsville, where the largest upcoming project — a 100,000-square-foot multi-tenant component of a larger mixed-use plan — is set to deliver. North County, including Carmel, is likely to maintain vacancy near 2 percent, while the Zionsville development arrives in the submarket of Boone and Hendricks counties, which entered this year with a metro-low 1.6 percent vacancy rate. Metrowide, average rent growth will slow with expected net absorption reductions; however, multi-tenant vacancy entered 2025 at 0.4 percent, putting tremendous upward pressure on segment rents. West Marion County, featuring the Speedway, is tied with the Far West Counties for the lowest multi-tenant rate of major submarkets after the metric fell 330 basis points to 0.2 percent, placing a premium on any space that becomes available.

East and West are the poles of trading. The far west side of the metro, encompassing Boone and Hendricks counties, had the second-most trades last year. In the larger Hendricks County, buyers targeted single-tenant buildings around 6,000 square feet in size on average. Frequently, these were on three major highways angled north, directly west and south. Above-average asking rents give further reason for investors to pay more attention. On the other side of the metro, Lawrence-East Marion County was the number one submarket for trades, as local vacancy recovering from elevated 2023 readings motivated investment. This rebound in operations was particularly noteworthy among single-tenant assets, where vacancy fell 230 basis points last year.

2025 MARKET FORECAST

NRI RANK 12

First-place vacancy and second-best job growth propel Indianapolis above other Midwest metros in the rankings.

+2.3%



EMPLOYMENT: The labor force adds 28,000 new roles. Indianapolis' labor market grows faster as a percent change than it did in the average of the five years preceding the pandemic.

430,000
sq. ft.



CONSTRUCTION: Deliveries will expand total retail stock by 0.4 percent in 2025 — a minor uptick in what has been a muted development period since 2019.

-20 bps



VACANCY: Vacancy decreases to 2.3 percent, tying with Raleigh for the lowest among all nationally ranked metros. Net absorption comes in about two-thirds the level of 2024.

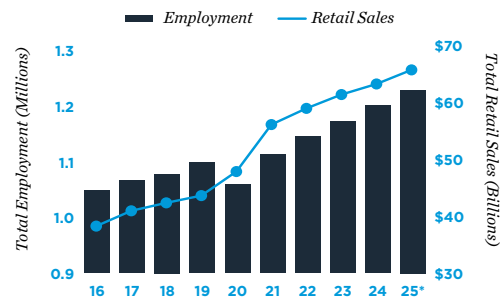
+4.3%



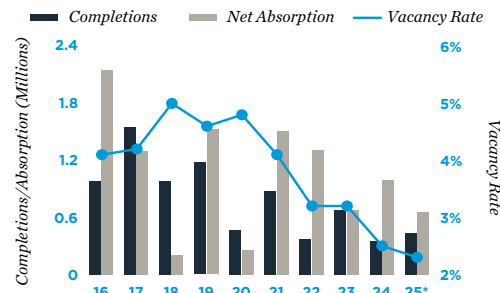
RENT: The average asking rent rises to \$18.55 per square foot this year. While less dramatic than 2024's increase, Indianapolis's rent growth will rank among the top ten major metros.

INVESTMENT: *After holding near 3 percent for two years, vacancy Downtown dropped to 2.0 percent in 2024 due to single-tenant net absorption. Investors in this niche may be more active here in 2025 as a result.*

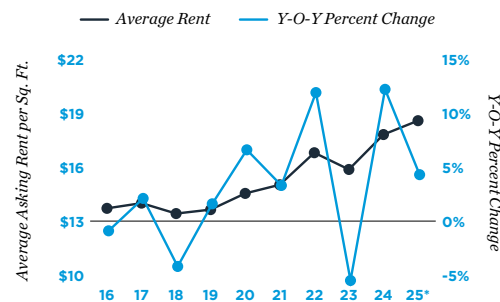
Economic Trends



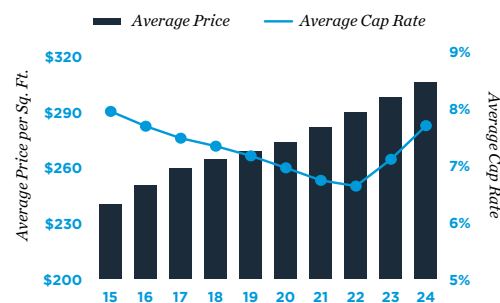
Supply and Demand



Rent Trends



Sales Trends



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

JACKSONVILLE

Strong In-Migration to North Florida Aids Outlook, Keeping Investors Off the Sidelines

Coastal suburbs in the strongest position. Jacksonville will record the sixth-fastest pace of 65-plus population growth among major metros this year, fueled in part by out-migration from New York and Miami-Dade. A lower cost of living bolsters the local retirement population, in turn lifting consumer spending and tenant demand for retail space, especially in Jacksonville's coastal communities. St. Johns County, the third-largest submarket by inventory, ended 2024 with vacancy at 1.9 percent — the second-lowest rate metrowide. With planned move-ins from Sprouts and various restaurants and health & beauty concepts, vacancy should stay tight here this year. The central parts of the market, however, face some challenges. Vacancy was above six percent across Downtown Northbank, Northeast and Northwest Jacksonville in 2024. Nevertheless, improving office occupancy, especially in Northeast and Northwest Jacksonville, may lift midweek foot traffic at local retailers, helping fundamentals.

Historically low vacancy and residential trends motivate investment. Despite elevated borrowing costs, transaction velocity last year was in line with both 2023 and the 2014-2019 annual average. This indicates that improving operating fundamentals are keeping investors engaged, with sales activity following performance trends. During the year, most assets changed hands in St. Johns County. Investors often acquired smaller restaurants and storefronts in St. Augustine, though some assets larger than 10,000 square feet traded as well. Residential growth is aiding sales activity here and elsewhere in the metro. The number of occupied apartments increased 60 percent since 2019 in St. Johns County and 40 percent in Nassau County. While there may be fewer listings in the latter county, this growth may keep investors' focused on the area.

2025 MARKET FORECAST

NRI RANK 15

Falling vacancy amid ongoing population growth place Jacksonville among the top 15 ranked metros.

+2.0%

▲

EMPLOYMENT:

Hiring in Jacksonville picks up from last year, as the 16,000 net new jobs expected in 2025 lifts the total employment base 13 percent above the 2019 level.

360,000 sq. ft.

▼

CONSTRUCTION:

The pace of openings drops to nearly a third of 2024's slate, with completions concentrated in mixed-use and restaurant formats in St. Johns County.

-20 bps

▼

VACANCY:

This year's decrease will mirror 2024's, as vacancy has held within the same mid- to low-4 percent range since 2021 — an improvement from the 5.2 percent average in 2014-2019.

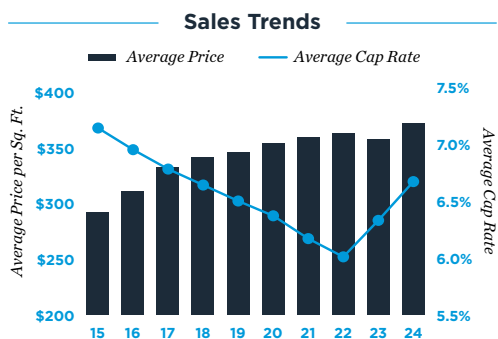
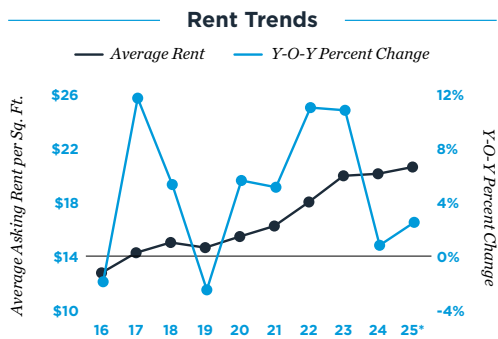
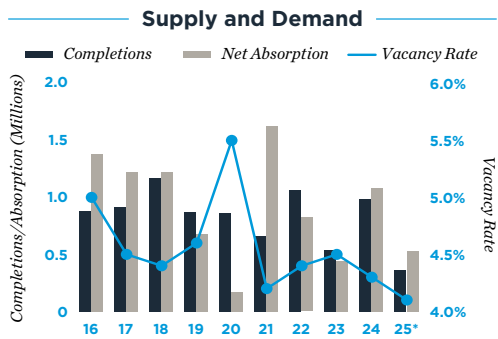
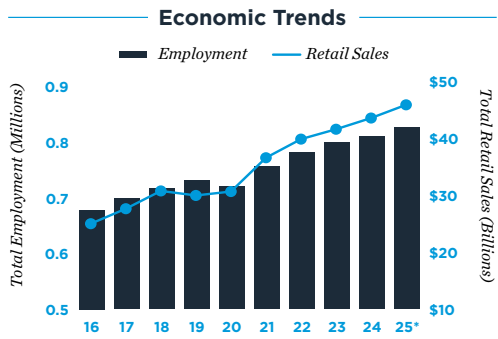
+2.5%

▲

RENT:

The pace of rent growth has pulled back from the double-digit gains recorded in 2022 and 2023. The average asking rate improves to \$20.56 per square foot this year.

INVESTMENT: As residents of higher-cost Florida metros move to Jacksonville, some investors may follow. Jacksonville had the lowest average entry cost and highest mean cap rate of Florida's major metros last year.



* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Thriving Employment Ecosystem Drives Retail Demand, Focuses Attention Within Kansas City Proper

Corporate investment contributes to record-low vacancy. Kansas City was home to several corporate grand openings in the final quarter of 2024 and is expecting to add Panasonic's De Soto EV Battery Facility to that list within the next few months. Though the company has hired several hundred employees, Panasonic is aiming to grow that figure to 1,000 by summer, with roughly 4,000 total jobs anticipated as operations ramp up. In addition to increasing local consumer demand, these positions contribute to the metro's total employment gains, which have seen historic highs in recent years and will match pre-pandemic averages this year. Attended with household income and income growth that both exceed national measures, this tailwind supports strong demand for retail. North and South Johnson counties each saw triple-digit decreases in availability last year, while rates in East Jackson County and southwestern Clay County fell 50 basis points or more. With one of the smallest local construction pipelines on record and much of the year's new supply pre-leased as of February, 2025 is expected to close out with the metrowide rate at its lowest in at least 18 years.

Dwindling vacancy draws investors to submarkets near city center. Investment last year was heaviest in the urban core, with the greatest activity focused near downtown and along Interstates 35 and 70 to the south and east of the city center. Storefronts were the most popular asset, followed by mixed-use retail and office spaces, as well as an even share of restaurant, fast food and auto repair locations. Notably, the northeast quarter of the city proper entered 2025 with sub-3 percent vacancy, while East Jackson and Johnson counties are already leading the metro with move-ins above 10,000 square feet. As such, these areas will likely hold significant interest through 2025.

2025 MARKET FORECAST

NRI RANK 23

Above-average hiring and strong vacancy compression place Kansas City just above the middle of this year's ranking.

+1.2%



EMPLOYMENT: On net, 14,000 positions will be added to Kansas City's employment base in 2025. While a smaller addition than last year, this is in-line with the pre-pandemic average for the metro.

**400,000
sq. ft.**



CONSTRUCTION: Following the fewest completions on record in 2024, this year will see inventory raised by 0.3 percent, as deliveries mark the second-lowest level of new supply in at least 18 years.

-30 bps



VACANCY: Aided by strong tenant demand and minimal availability among newly constructed spaces, the metrowide rate will fall to just 3.9 percent by the end of the year.

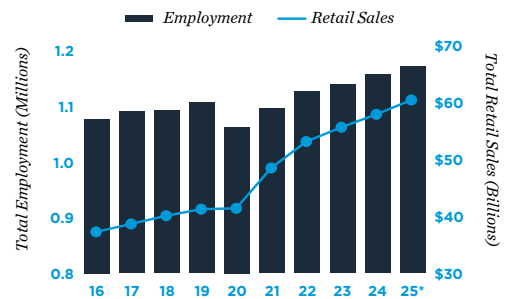
+1.0%



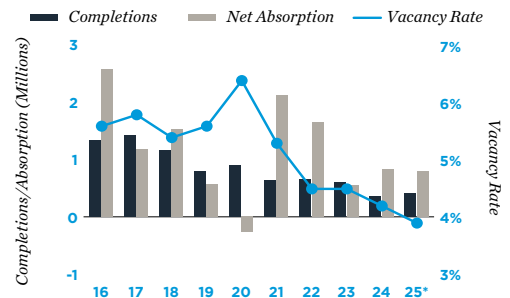
RENT: While rent growth has been slowing since its peak in 2022, continued reductions in available floorspaces will raise the mean marketed rate to \$15.01 per square foot by December.

INVESTMENT: *As Panasonic starts operations, investors may seek assets along Kansas Highways 7 and 10, or in Lenexa, Olathe and De Soto, where numerous new, current and proposed multifamily projects are located.*

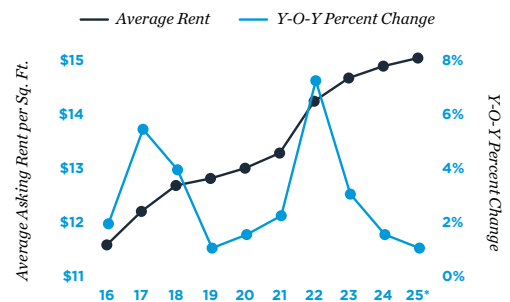
Economic Trends



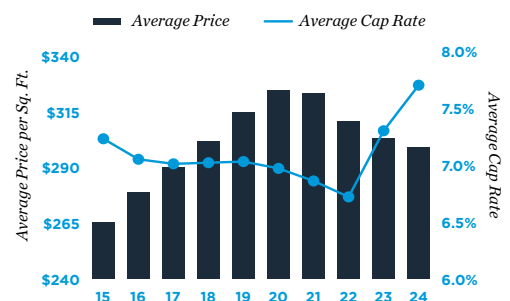
Supply and Demand



Rent Trends



Sales Trends



*Forecast

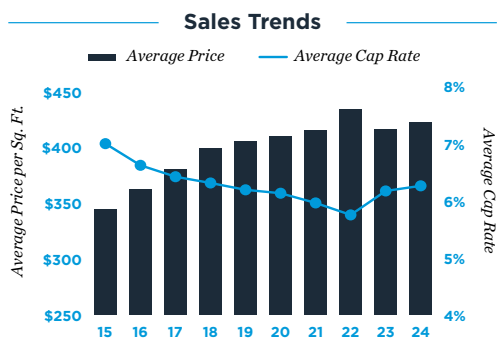
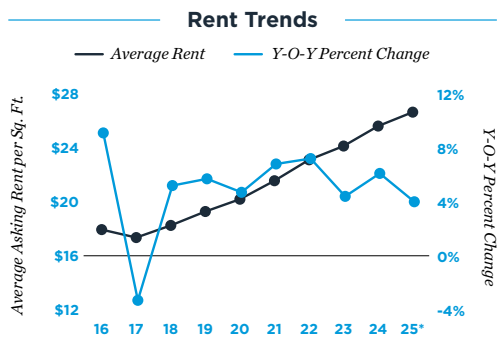
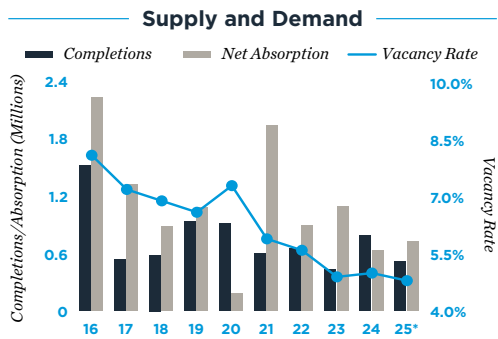
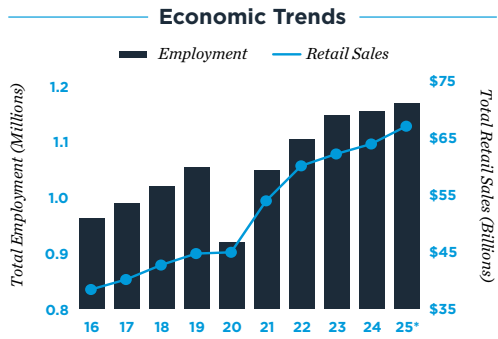
Sources: CoStar Group, Inc.; Real Capital Analytics

LAS VEGAS

Vacancy Gains Further From the City Center
Offset by Near-Term Losses in the Resort Corridor

Short-run movement should not temper long-term outlook. The resort corridor reported a 430-basis-point vacancy jump to 7.1 percent during 2024 — the third-highest rate in the metro. Recovery this year could be minimal as a result; however, multiple large-scale projects along Las Vegas Boulevard could improve future demand. A \$300 million renovation of MGM Grand and the construction of a new hotel-condominium, including a basketball arena, will continue. Meanwhile, a handful of developments will likely improve long-term retail fundamentals metrowide. Construction on the baseball stadium for the former Oakland Athletics will begin this year. A high-speed rail connecting Las Vegas to Los Angeles also continues development, providing a direct link for tourists. In the near term, local consumer spending will be bolstered by an influx of residents drawn to the metro’s expanding multifamily sector. Despite record deliveries last year, apartment vacancy also fell across every submarket, and another wave of elevated completions in 2025 is expected to attract more newcomers.

Population growth strengthens asset fundamentals in the suburbs. Sales activity over the last two years was highest in Central East and Southeast Las Vegas. Southern suburbs may gain additional buyer attention in 2025. Both Southeast and Southwest Las Vegas entered this year with vacancy rates below the metrowide average, with the former registering a 200-basis-point contraction in 2024. Retailer demand on this side of the metro facilitated robust asking rent gains above 10 percent last year. Strong property fundamentals here will likely attract a mix of both private and institutional buyers. Elsewhere, investors with higher risk tolerance could be attracted to assets along the resort corridor, which has new developments underway.



2025 MARKET FORECAST

NRI RANK 6

Strong household formation and vacancy contraction this year will hoist Las Vegas closer to the top 5 this year.

- +1.2%**

▲

EMPLOYMENT: Job growth in 2025 will double the previous year’s, as employers add 14,000 new roles. Another strong boost to the education and health services sectors may be present in 2025.
- 514,000 sq. ft.**

▼

CONSTRUCTION: Completions pull back this year, raising inventory by 0.5 percent. Nearly half of the total square footage is slated to come online across North Las Vegas.
- 20 bps**

▼

VACANCY: Less supply-side pressure will encourage retailers to absorb some existing unoccupied space, lowering the vacancy rate to 4.8 percent by year-end.
- +4.0%**

▲

RENT: Growing population and tourism adds local consumer demand, helping to contract vacancy and lift the average asking rent to \$26.60 per square foot in 2025.

INVESTMENT: *Investors may be drawn to assets in Northwest Las Vegas, where retail vacancy fell to 1.7 percent last year and rising office occupancy is poised to boost weekday foot traffic.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Improving Multifamily Landscape Aids Retailers in One of the Most Active U.S. Investment Markets

Higher overall vacancy level belies local dynamics. Los Angeles retailers are continuing to find opportunities in areas of residential growth. Multifamily vacancy dropped by 50 basis points or more last year in the Santa Clarita Valley, Southeast Los Angeles and the South San Gabriel Valley, allowing these submarkets to retain some of the lowest retail vacancy rates in the county in 2024. That momentum is set to continue this year amid numerous upcoming move-ins, including from tenants like Dollar Tree and Planet Fitness. Vacancy, meanwhile, remains elevated in Downtown Los Angeles. The local rate jumped 220 basis points last year to 9.1 percent. That pressure may begin to ease in the near future, however, as more than 2,000 new rental households entered the submarket last year. The loss of retail properties along stretches of Sunset Boulevard, Fair Oaks Avenue and Lake Avenue from the January wildfires will also increase tenant competition for suitable floorplans in nearby neighborhoods.

Investment ongoing across much of the market. Despite hurdles such as Measure ULA, Los Angeles continues to be one of the most active markets for investment sales nationally, with investors frequently pursuing sub-\$5 million deals. The San Fernando Valley recorded the most trades among submarkets last year, as local buyers pursued storefronts, drug stores and restaurants, among other floorplans. The Mid-Cities area also noted frequent sub-\$3 million trades, with mixed-use storefronts a common option. Both submarkets should see similar interest this year. Investors seeking to outlay additional capital are more likely to look outside the city of Los Angeles due to ULA. Beverly Hills and Santa Monica draw buyers willing to incur a premium, while South Bay attracts with per-square-foot sale prices closer to the metro mean.

2025 MARKET FORECAST

NRI RANK 31

Pockets of high vacancy factor into Los Angeles' placement just outside the top 30 of ranked markets this year.

+0.7%



EMPLOYMENT: Job growth eases from 2024 as 30,000 positions are expected to be created this year. Recent hiring momentum has been strongest in the education and health service sectors.

690,000
sq. ft.



CONSTRUCTION: Deliveries climb to a four-year high, led by shopping centers in Rowland Heights and San Pedro. Downtown Los Angeles will also welcome its first notable project in four years.

+30 bps



VACANCY: After a combined 90-basis-point rise in 2023 and 2024, metrowide vacancy will shift up slightly to 6.5 percent by December. Vacancy is tightest southeast and north of Los Angeles proper.

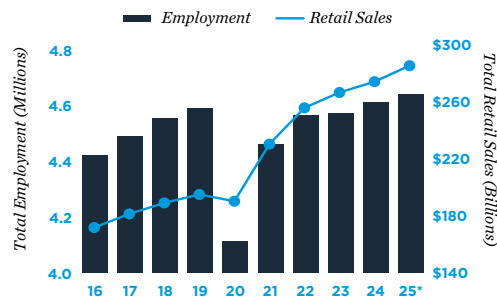
+1.1%



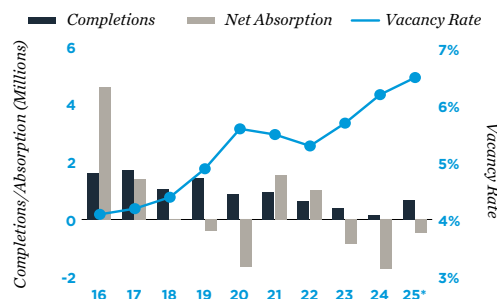
RENT: Less net space relinquishment and a smaller increase in vacancy will both help asking rents improve mildly on average. The market mean rate will inch up to \$34.00 per square foot in 2025.

INVESTMENT: *Housing displacement from the January wildfires could lead to greater retail foot traffic in surrounding neighborhoods such as Santa Monica and Pasadena, further drawing investors to these areas.*

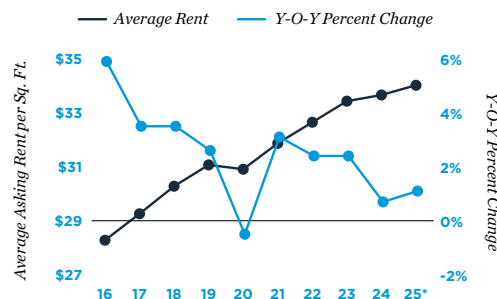
Economic Trends



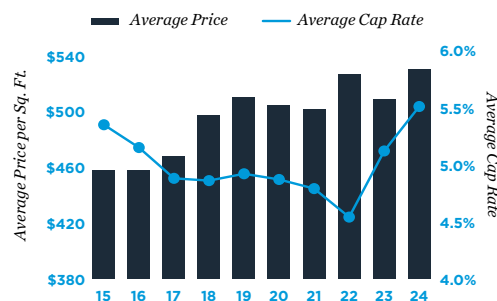
Supply and Demand



Rent Trends



Sales Trends



*Forecast

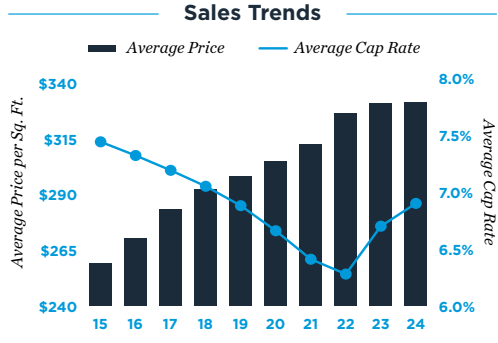
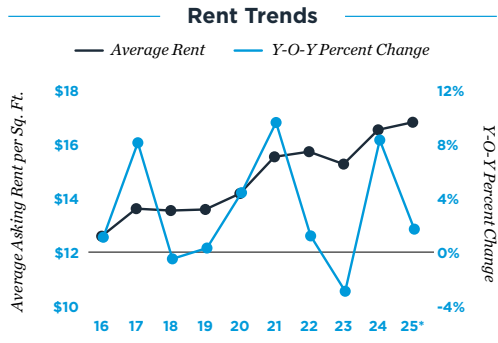
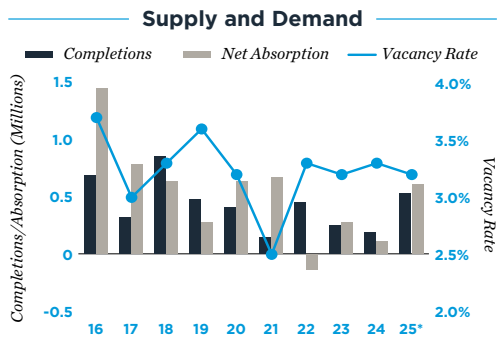
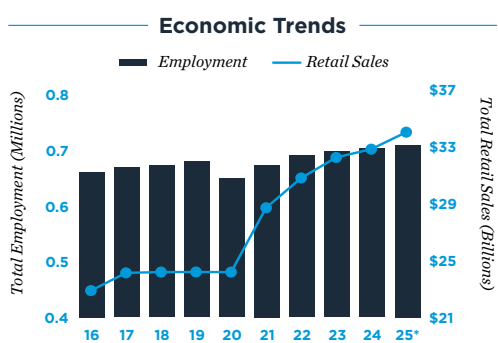
Sources: CoStar Group, Inc.; Real Capital Analytics

LOUISVILLE

Steady Employment Growth Drives Household Formation, Sustaining Investor Interest in Retail Assets

City plans for the future, as the metro maintains equilibrium. For the fourth straight year, metrowide vacancy hovers between 3.2 percent and 3.3 percent. That said, two-thirds of Louisville’s 24 submarkets experienced vacancy shifts of over 100 basis points last year, revealing dynamic local trends at play. Population growth is expected to stall in the coming year, while employment growth in 2025 is poised to remain relatively stable. As such, the Metro Chamber of Commerce recently released its 2025-2030 strategic plan for attracting businesses to central Louisville, with an emphasis on engaging boomerang talent through targeted events and advertising. If successful, this could raise competition for available retail space in the area. While 2025 retail deliveries will more than double 2024’s total, speculative projects are nearly absent from the current pipeline. Leasing, meanwhile, is led by retailers like Kroger and BJ’s Wholesale Club occupying over 100,000 square feet each this year, in addition to new Publix and Goodwill locations, both over 50,000 square feet.

Inner-ring fundamentals capture investor interest. Contrasting the national trend, local transaction velocity in 2024 was consistent with recordings from the prior three years. Buyers have recently focused on listings in high-density areas, with nearly 80 percent of trades taking place within the Outer Loop. Activity was most apparent in Downtown and along U.S. Route 31 between Interstate 264 and Highway 841. Storefronts, restaurants and auto repair shops were the most commonly traded assets. Specifically, buildings within strip centers and community centers were widely sought-after. Moving forward, South Central Jefferson County and New Albany should remain popular local targets for investment, as each entered 2025 with sub-3 percent vacancy.



2025 MARKET FORECAST

NRI RANK 42 Above-average inventory growth and sluggish local retail sales growth drop the metro into the bottom ten on the 2025 Index.

- +0.9%** **EMPLOYMENT:** While the expected net addition of 6,000 positions is roughly on par with the last two years, recent employment trends lag the 2014-2019 average by more than 30 percent.
- 525,000 sq. ft.** **CONSTRUCTION:** At more than double last year’s total, delivery volume in 2025 will be on par with the metro’s long-term average, raising total inventory by 0.7 percent.
- 10 bps** **VACANCY:** The lack of speculative construction limits supply-side pressure this year. The metrowide rate will finish 2025 at 3.2 percent, marking 10 years of sub-4 percent vacancy.
- +1.7%** **RENT:** After near-record growth in 2024, average asking rent will rise more modestly in 2025 as availability inches downward. The metric will reach \$16.79 per square foot by year-end.

INVESTMENT: As the fifth least-vacant submarket in the country with over 4 million square feet of inventory, the Interstate 71 Corridor between Downtown and Worthington Hills is poised to garner increased interest.

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Downtown Provides Silver Lining as Improving Demographics Indicate a Possible Turnaround

Memphis city center proves resistant to overall softening. Downtown vacancy remained relatively stable last year, while East Memphis, Collierville and Cordova experienced rate compressions of up to 100 basis points. This came as less affluent areas of the metro drove the marketwide rate up 70 basis points last year. Tightening in key submarkets is a positive sign for the metro, which saw population growth and net in-migration improve drastically in the last two years, with both expected to strengthen this year. Downtown's retail outlook is also favorable after local apartment vacancy fell 350 basis points last year, while offices in the area started 2025 just 20 basis points below record-high occupancy despite two years of net metrowide job losses. Alongside negligible retail construction this year, household growth roughly 75 percent above the long-term average and renewed hiring bode well for the city center. Move-ins slated for this year are led by experiential retailers, grocers and discount brands, with the greatest leasing activity taking place in Midtown, Collierville and Cordova.

Long-term prospects sustain investor interest. With the exception of 2020, Memphis retail vacancy has stayed below 5 percent for nearly a decade, and while leasing activity slowed in recent years, 2024 transaction velocity stayed in line with the 2014-2019 average. Last year's trades were dominated by fast food and ground-floor office retail locations, with a secondary focus on restaurants and storefronts. Many investors pursued triple-net investments and assets with national tenants, from Taco Bell, KFC and Burger King, to retailers like Family Dollar, AutoZone and Walgreens. Following recent demographic trends, trades are likely to remain concentrated in major population centers in North and Northeast Memphis, Downtown, and Midtown.

2025 MARKET FORECAST

NRI RANK 50

Rising vacancy, sluggish sales growth and limited hiring weigh down Memphis' 2025 ranking.

+0.6%



EMPLOYMENT: After losing nearly 12,000 roles in the last two years, the metro will welcome 4,000 new jobs in 2025, increasing total employment above pre-pandemic levels once again.

35,000
sq. ft.



CONSTRUCTION: Deliveries this year are limited to just a handful of small floorplans, most of which are fast food and restaurant locations. This will raise inventory less than 0.05 percent.

+40 bps



VACANCY: As retail space demand grows in the city center, this year will see a slower overall vacancy rise than 2024, bringing the metric to 4.7 percent by year-end.

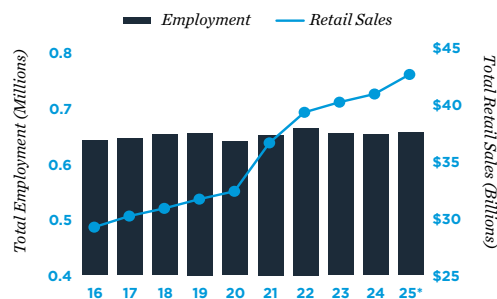
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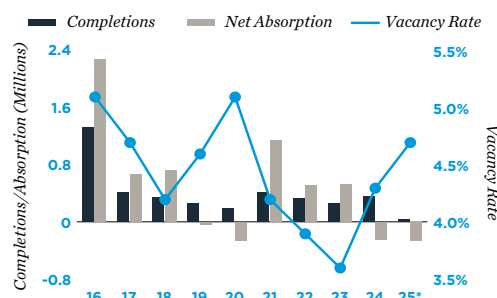
RENT: Loosening conditions will nudge the average asking rent down to \$13.20 per square foot this year, making Memphis the second-most affordable major market in the nation.

INVESTMENT: *Triple-net assets leased to credit tenants trading for as low as \$117 per square foot in Downtown and Midtown should attract investors as falling multifamily vacancy and a tight office sector raise foot traffic.*

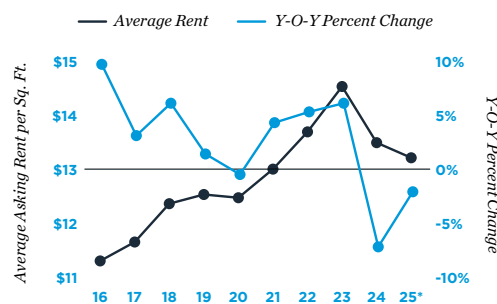
Economic Trends



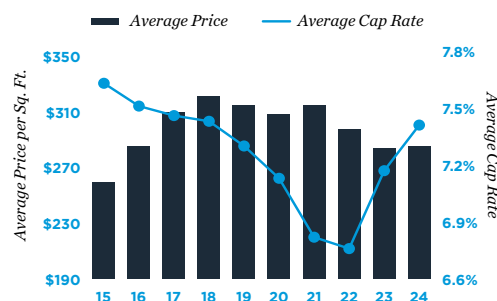
Supply and Demand



Rent Trends

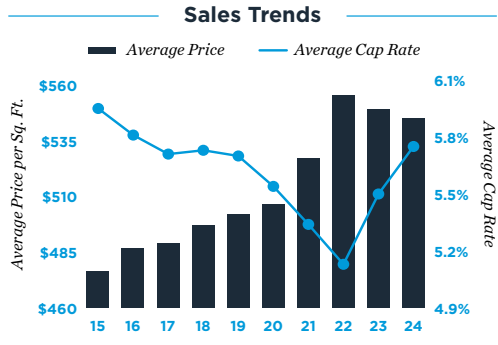
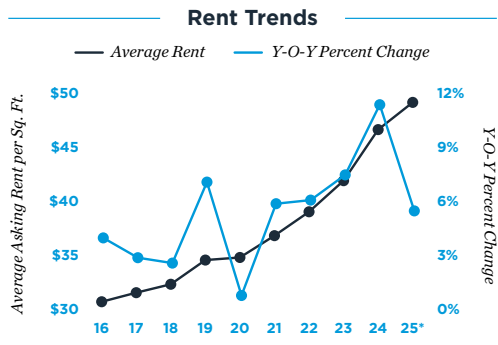
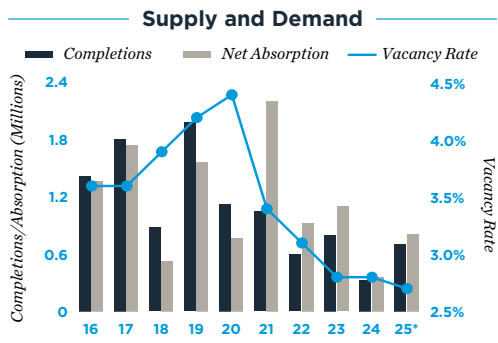
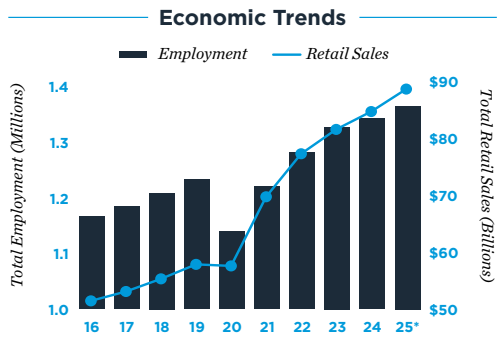


Sales Trends



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics



* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

MIAMI-DADE

Shifting Tenant Composition Bolsters City Centers Amid Sustained Suburban Tightness

Evolving retail mix reshapes the urban landscape. Miami-Dade’s expanding economy is set to maintain one of the nation’s fastest income growth rates in 2025, supporting consumer spending across the metro. Submarkets that were slower to recover post-pandemic are gaining traction, driven by a shift toward experience- and cost-oriented businesses. New retail developments in Downtown reflect this trend; Sawyer’s Block will be anchored by discount stores, while a bowling alley and health club will occupy the largest spaces in Miami Worldcenter. Dining and high-end fashion brands are also expected to maintain steady demand for smaller footprints in the urban core, building on the vacancy compression seen in 2024. In the metro’s northern consumer hubs, traditional retailers are also giving way to experiential concepts, exemplified by Aventura Mall adding a new gym and upscale culinary destination. Elsewhere, record-low vacancy below 2 percent in central and southern areas like Hialeah and Kendall may constrain leasing activity while still supporting above-average rent growth.

Wynwood expands as suburbs stay competitive. Wynwood saw heightened investment activity last year, fueled by strong population growth and a deepening employer base. Historically elevated multifamily absorption, along with Amazon signing the largest-ever office lease in the area, underscore its rising appeal, sustaining investor interest in high-traffic retail within mixed-use developments. Meanwhile, persistently low suburban vacancy should reinforce buyer demand in areas like Coral Gables and Doral, particularly for those pursuing larger shopping centers. Investors seeking net-leased assets may focus on convenience stores or auto repair shops, while strong fast-food and restaurant leasing in 2024 may drive demand for these tenants’ spaces.

2025 MARKET FORECAST

NRI RANK 4

One of the lowest retail vacancy rates nationwide, aided by a growing economy, places Miami-Dade in the top five markets.

- +1.6%**

▲

EMPLOYMENT: Hiring is set to improve modestly in 2025, with a net gain of 22,000 roles. This will rank Miami-Dade’s job growth rate among the top 10 fastest major U.S. markets.
- 700,000 sq. ft.**

▲

CONSTRUCTION: Deliveries will rise slightly from last year, but remain historically subdued. Most of 2025’s completions will be concentrated in the Greater Downtown Miami area.
- 10 bps**

▼

VACANCY: Well pre-leased new supply and steady economic growth are expected to drive tighter vacancy. At 2.7 percent, Miami will have the fourth-lowest rate of major metros.
- +5.4%**

▲

RENT: Tight vacancy enables Miami to join Tampa as the only major market with five straight years of rent growth above 5 percent, with the metro’s mean asking rate reaching \$49.00 per square foot.

INVESTMENT: South Dade should see steady investor demand, as asking rents have risen nearly 60 percent since 2019 – the fifth-fastest pace nationwide among submarkets with over 9 million square feet of inventory.

Limited Availability and High-Yielding Opportunities Drive Investor Competition in Milwaukee

Local retail sector stands on firm ground in 2025. Three straight years of population growth — the first such streak since 2012 — has helped keep net absorption steady. The local single-tenant sector, accounting more than 80 percent of inventory, is the second tightest among major Midwest markets. This robust performance is illustrated along key corridors like Bluemound Road, Miller Parkway and Highway 100, with mid-sized retailers — particularly fitness centers, quick-service restaurants and experiential concepts — composing the bulk of 2024 leases. In submarkets like Ozaukee County, vacancy has hovered at 3 percent since year-end 2022, pushing new entrants to existing layouts. With only 120,000 square feet slated for completion this year, availability stays near historic lows. This dynamic will compel tenants to vie for existing space, fueling an asking rent gain that surpasses the 2024 mark.

Sales momentum sparks investor interest amid tight financing conditions. Building on a 20 percent jump in sales activity during 2024, single-tenant net leased assets are poised to garner outsized interest in 2025, though bridging bid-ask spreads will remain crucial. Still, minimal new supply and record-low vacancies may bolster the viability of value-add plays, spurring investors to redevelop defunct big-box footprints or renovate older centers. The metro’s average price of \$269 per square foot in 2024 — the lowest of major markets — and a 7.3 percent mean cap rate should continue to lure out-of-state buyers. Waukesha County is also pivotal, capturing 20 percent of last year’s transactions. While fast-food properties will fuel deal flow again in 2025, a more balanced mix of single- and multi-tenant trades is expected due to strong local fundamentals.

2025 MARKET FORECAST

NRI RANK 41

Despite noteworthy vacancy compression, lackluster consumer sales growth curtails placement in this year’s NRI rank.

+0.7%

▲

EMPLOYMENT: After a net contraction of 4,100 positions in 2024, Milwaukee’s labor market regains positive momentum with 6,000 new roles added this year, more than doubling the long-term mean.

120,000 sq. ft.

▼

CONSTRUCTION: Supply additions in 2025 fall about 76,000 square feet shy of the trailing five-year average. Almost half of the projects are scheduled to deliver fully pre-leased.

-20 bps

▼

VACANCY: As a result of a minimal construction slate that is already highly accounted for, vacancy in Milwaukee will decrease to 4.1 percent — the lowest rate since at least 2007.

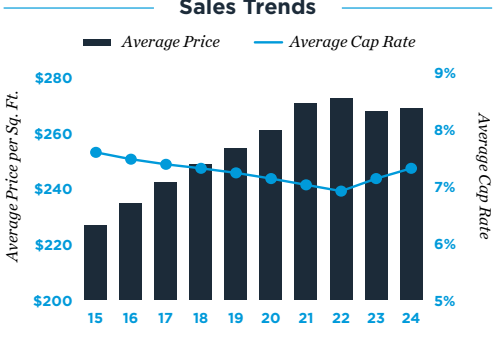
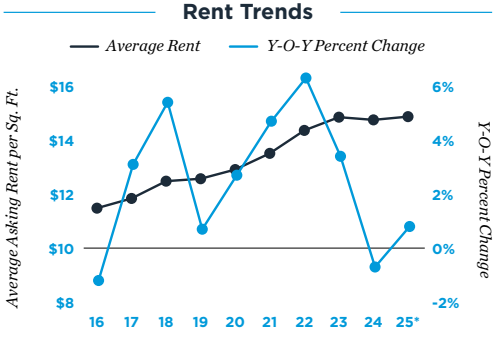
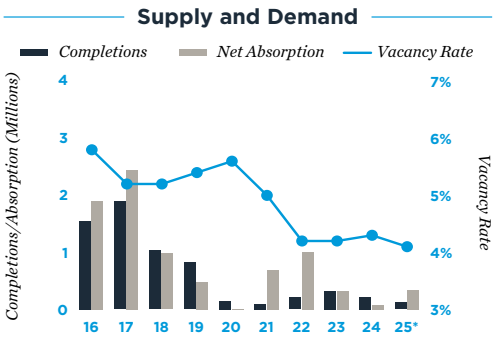
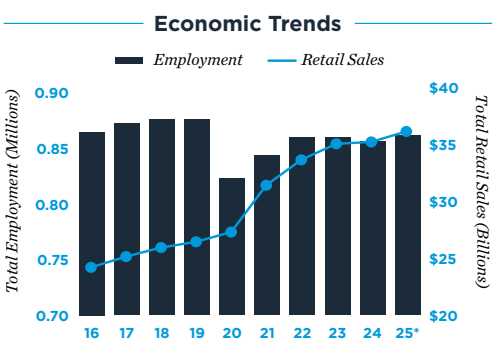
+0.8%

▲

RENT: Supported by record-low vacancy, the average asking rent will rise to \$14.95 per square foot. Multi-tenant properties may weigh on growth, however, after noting a 15.6 percent drop last year.

INVESTMENT:

Reacting to a shift in consumer spending that is favoring takeout over sit-down restaurants, investors should target smaller footprints across Milwaukee that are net leased by quick-service chains.



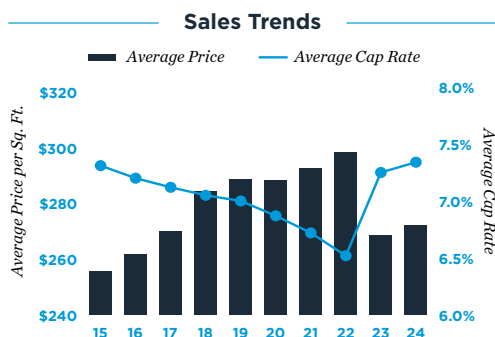
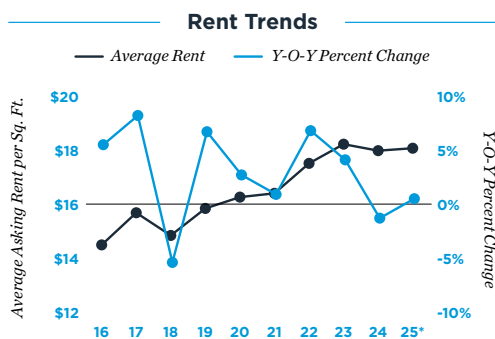
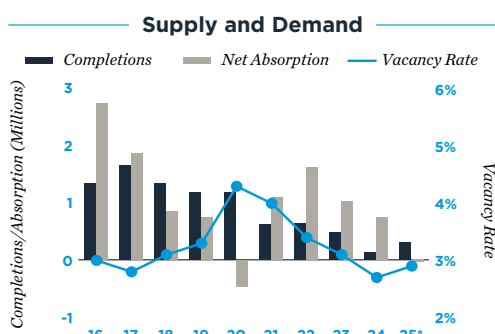
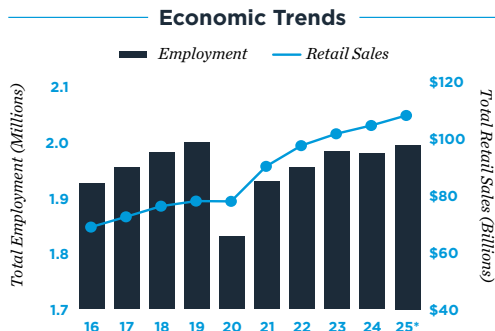
*Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

MINNEAPOLIS-ST. PAUL

Suburban Strength and Limited Construction Keeps Minneapolis Among the Tightest U.S. Retail Markets

A renewed population surge lifts the Twin Cities. By late 2025, Minneapolis-St. Paul's job base will be just 1 percent shy of its pre-pandemic peak, sustaining an unemployment rate below the historical average. This stability, combined with the metro's largest two-year influx of new residents since the 1980s — driven by retirees — continues to bolster retail spending. Supply additions remain constrained by costlier financing, as only 300,000 square feet is set to break ground this year — the second-lowest total on record. Fundamentals are staying strong, particularly in suburban corridors like Maple Grove, Apple Valley and Eden Prairie, where vacancy rates remain below 2 percent. Overall vacancy will rise slightly, but stay near record lows, keeping the metro among the five least vacant major U.S. retail markets. While overall rents are recovering modestly, suburban power centers outperform with higher-than-average rents, driven by strong demand and limited supply. This trend is expected to continue near key exurban nodes, benefiting from the region's strong job and population growth.

Cautious optimism shapes Minneapolis in 2025. Sales activity in 2024 declined 15 percent from the prior year, marking the lowest transaction count since 2014, as investors recalibrated strategies amid persistently elevated borrowing costs. Viewed as more resilient, unanchored strip centers gained ground in response to anchor-dependent vulnerabilities. As 2025 unfolds, pending debt maturities may spur more listings, prompting some owners to sell rather than refinance. Still, first-ring suburbs like Edina, Maple Grove, Eagan and Woodbury capture outsize activity in the sub-\$3 million range, aided by one of the lowest average retail prices per square foot nationally. With a tempered construction pipeline, the investment climate should improve in 2025.



2025 MARKET FORECAST

NRI RANK 29

Even with one of the nation's best vacancy metrics, a slower pace of consumer spending limits the metros ranking this year.

+0.8%



EMPLOYMENT: Job growth will rebound this year, as employers add 15,000 positions. Growth will land 20 basis points off of the long-term average of 1 percent.

**300,000
sq. ft.**



CONSTRUCTION: The multi- and single-tenant sectors will host an addition of 40,000 and 260,000 square feet, respectively, expanding overall inventory by 0.2 percent this year.

+20 bps



VACANCY: Despite limited completions, deliveries will outweigh net absorption by more than 30,000 square feet in 2025. As such, the vacancy rate lifts for the first time since 2020 to 2.9 percent.

+0.5%



RENT: Although asking rents will grow in 2025, this pace falls below the prior 10-year average of 2.5 percent. Minneapolis-St. Paul's mean asking rent will rise to \$18.05 per square foot.

INVESTMENT: *Investors targeting growing residential areas may look to East St. Paul, which has seen an increase of new multifamily renters attracted to Ramsey County's comparatively low living costs.*

* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Long-Term Need for Additional Supply Present Even as Headwinds Emerge in Nashville

Demand for space accelerates farther from city center. A handful of submarkets entered 2025 with vacancy rates below 1 percent, including Mt. Juliet-Lebanon as well as Dickson and Robertson counties. Already strong space demand in these outlying areas, combined with constrained supply, could lead to even greater rent gains; the average asking rate jumped at least \$10 per square foot in both Dickson County and Mt. Juliet-Lebanon last year. Multi-tenant space across multiple outlying areas has nearly reached complete occupancy, emphasizing the acute undersupply in these rural communities. Aggregated across the metro, however, local retailers have shown a preference for single-tenant space, as the marketwide segment vacancy rate entered this year 170 basis points below its multi-tenant counterpart. Single-tenant demand last year was highest in Bellevue-West Nashville, Hendersonville-Gallatin and Rutherford County, where 315,000 square feet was absorbed on net across the three submarkets.

Minimal vacancy could alter investor strategies. Sales activity over the last three years has been greatest in Rutherford County and North Nashville. The former area will likely continue to garner investor attention, as local vacancy has sat at or below 2 percent since late-2022. A shrinking construction slate should reinforce this dynamic. With sub-3 percent vacancy rates across two-thirds of local submarkets, the metro may continue to attract investors interested in value-add strategies. For this approach, areas closer to the city center — like Vanderbilt-West End — have been popular. Owners will renovate older buildings here to access the relatively higher asking rents common in these submarkets. That said, clusters of unrenovated pre-1950s buildings can be found in growing towns across the metro, such as Lebanon and Murfreesboro.

2025 MARKET FORECAST

NRI RANK 25

A low vacancy rate, contrasted against slow employment growth, places Nashville in the middle of the rankings this year.

+0.4%



EMPLOYMENT: Gains to employment will match last year as 5,000 roles are added on net. Job creation since 2022 has been highest in the education and health service sectors.

470,000
sq. ft.



CONSTRUCTION: Completions will pull back slightly this year, growing inventory by 0.4 percent. Nearly half of this construction will be in Rutherford and Robertson counties.

+10 bps



VACANCY: Vacancy will maintain a slight upward trend, inching the rate up to 3.2 percent by year-end. This level is 20 basis points below the trailing 10-year average.

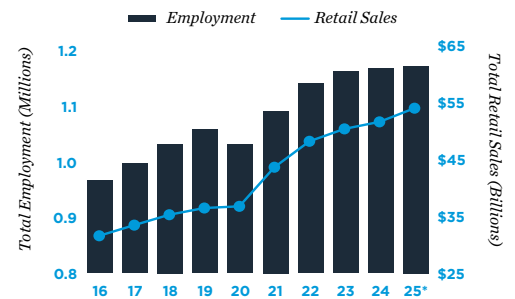
+1.2%



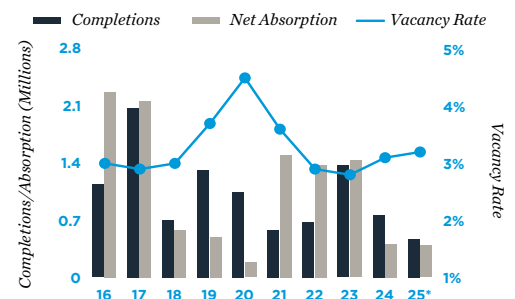
RENT: Gains to the average asking rent will grow from 2024, pushing the monthly rate to \$23.20 per square foot this year. Entering 2025, asking rents were highest in the Greenhills-Belle Meade area.

INVESTMENT: *Investors with larger capital pools seeking assets near the CBD may be interested in Green Hills, which is poised to receive extra weekday foot traffic after a 380-basis-point office vacancy contraction in 2024.*

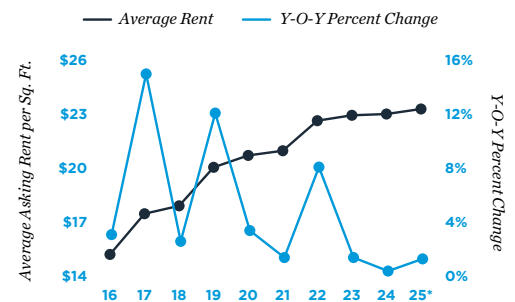
Economic Trends



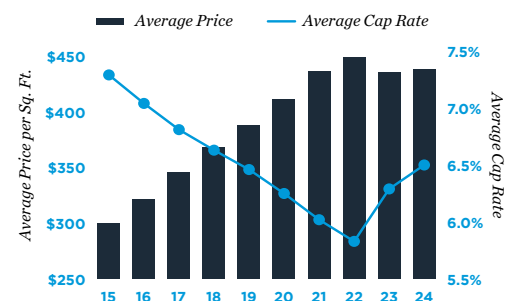
Supply and Demand



Rent Trends



Sales Trends



*Forecast

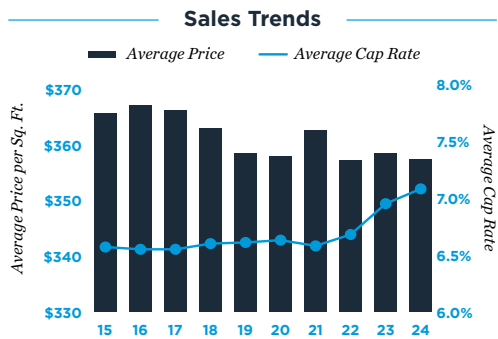
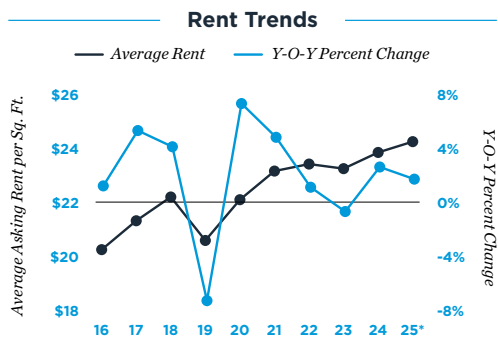
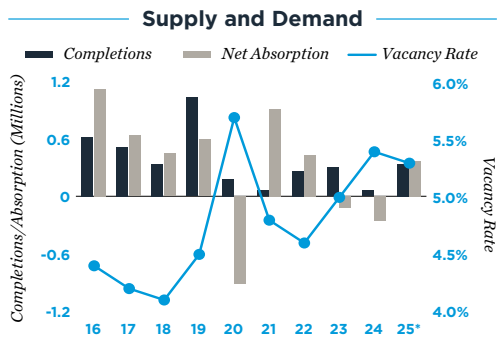
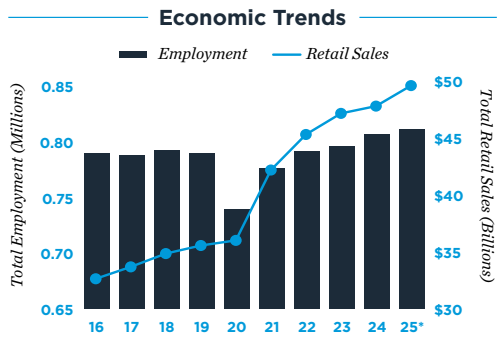
Sources: CoStar Group, Inc.; Real Capital Analytics

NEW HAVEN-FAIRFIELD COUNTY

Labor Market Milestone Bodes Well for Local Retailers; Investment Activity on Par With Historical Norms

Southern Connecticut demonstrating resilience to recent tenant shifts. After nearly returning to the pre-pandemic level in 2022, the market’s overall vacancy rate has since risen 80 basis points. That said, last year’s increase was due entirely to greater availability among New Haven County single-tenant properties. Such spaces were relinquished on net in the second half of 2024, as retailers such as Bob’s Stores, Party City, and Stop & Shop closed locations here and elsewhere in the state. Falling vacancy last year across all other segments of the market, however, provides encouragement. The retail outlook is further brightened by total employment across the two counties climbing back above 800,000 people last year — a feat last achieved in 2000. A greater number of higher-earning households supports consumer spending and retailers’ need for space in aggregate. New supply is picking up this year; however, most floorplans are well accounted for. As such, availability in many segments of the market will continue to be limited, supporting the backfilling of recently vacated properties.

Multifamily trends influencing retail investment. While down from the 2022 peak, trading velocity last year was on par with the 2015-2019 span, indicating investors have not been overly deterred by elevated borrowing costs. Sales activity did, however, lean toward Fairfield County over New Haven, in contrast to some prior years. Investment may take a similar shape this year, given both comparatively tighter vacancy and a more pronounced rise in the number of occupied apartments in the former county. In line with the retailer benefits of these added rooftops, buyers continue to favor grocery-anchored shopping centers of both value-oriented and specialty formats. Single-tenant activity has leaned closer to the New York border in places like Greenwich.



2025 MARKET FORECAST

NRI RANK 49

Modest household formation and consumer spending growth limit the market’s standing in the 2025 NRI.

- +0.6%**
- EMPLOYMENT:** The pace of employment growth returns to a level on par with 2023 as about 4,500 positions are created. A nationally tight unemployment rate constrains local hiring.
- 335,000 sq. ft.**
- CONSTRUCTION:** The largest completion slate since 2019 nevertheless only constitutes a 0.4 percent increase to existing stock. The most space will open in Cheshire, followed by Norwalk.
- 10 bps**
- VACANCY:** Overall vacancy will inch down to 5.3 percent this year, supported by a sub-4 percent level in Fairfield County. The measure is nevertheless 80 basis points above the 2014-2019 average.
- +1.7%**
- RENT:** Upward momentum in asking rates in New Haven County is offset by more stable rents in Fairfield County, translating into a nominal increase in the overall mean to \$24.22 per square foot.

INVESTMENT: *The combination of low vacancy with recent and planned store closures opens the door to acquire assets set for backfilling. While not the norm, such trades did occur last year with lower entry costs.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Outer Boroughs Maintain Momentum as Manhattan Attracts Investors and Tenants

Recovery in New York County lifts retail outlook. The metro's retail landscape enters 2025 on strong tailwinds after its job growth rate climbed into the nation's top 10 last year, supporting income growth in the upper tier of major markets. Expanding affluent neighborhoods in Brooklyn and Northeast Queens are expected to experience sustained demand from necessity-oriented tenants, with leasing activity historically elevated in 2024. Vacancy in the Bronx and South Queens should remain tight despite financial pressures that could impact lower-income households, while Downtown Brooklyn may lag amid a slower office recovery. In contrast, rising tourism and office occupancy in Manhattan will aid retail leasing, particularly in Midtown, where vacancy fell in 2024 for the first time since 2019. Congestion pricing may further reshape leasing dynamics if upheld. Foot traffic within the zone rose 4.6 percent in January, compared with the same month in 2024. Tenants with minimal delivery needs, such as service providers and those selling low-turnover goods, may benefit the most.

Strengthening fundamentals aid institutional demand. Retail transaction volume increased in 2024 as institutional activity grew, particularly in Manhattan. Improved office attendance is set to uphold buyer demand for ground-floor space in premium office buildings, while tightening retail vacancy may spur interest in renovating outdated properties. A growing population in Brooklyn is likely to maintain the appeal of grocery stores and discount retailers, which offer reliable cash flows. The borough's lower entry costs should also sustain private buyer demand. Coney Island could gain investment appeal after posting record multifamily absorption last year. The area stands to benefit from ongoing redevelopment, including a \$42 million sports arena upgrade.

2025 MARKET FORECAST

NRI RANK 10

Tight retail vacancy alongside renewed job growth encourages tenant expansion and gives New York a top 10 ranking.

+1.5%



EMPLOYMENT: Job growth moderates this year as the metro adds 70,000 positions. Strengthened leisure and hospitality hiring last year should continue amid rising tourism.

700,000
sq. ft.



CONSTRUCTION: Following last year's smallest delivery slate on record, completions will rise slightly. Most new supply is concentrated in Brooklyn near Williamsburg and Long Island City.

-10 bps



VACANCY: Limited development and steady job growth are poised to drive vacancy compression. At 3.9 percent, the metro's rate will closely align with its long-term average.

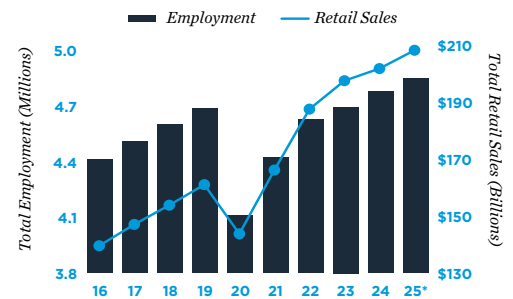
+3.4%



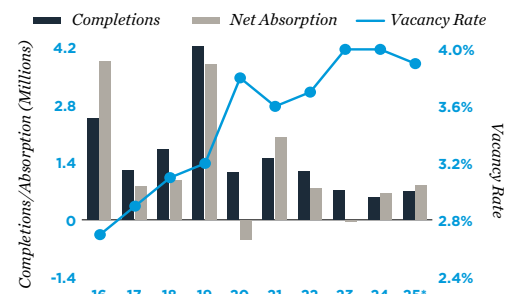
RENT: After strong gains last year, rent growth is expected to remain above the metro's historical average, with the mean asking rate reaching \$64.25 per square foot by year-end.

INVESTMENT: *Northeast Queens should attract investors after vacancy nearly hit an all-time low last year, ranking among the 10 least vacant submarkets nationwide with at least 20 million square feet of inventory.*

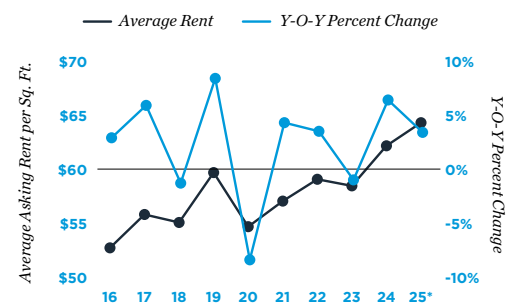
Economic Trends



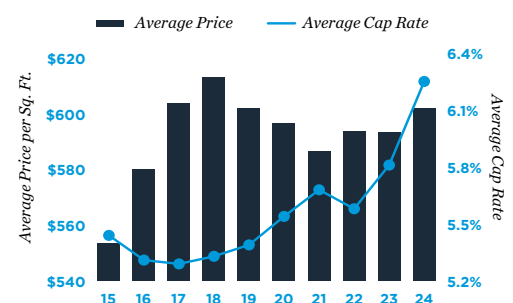
Supply and Demand



Rent Trends



Sales Trends



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

NORTHERN NEW JERSEY

Retail Investment Accelerates as Northern New Jersey’s Market Remains Historically Tight

Residential and corporate growth sustain retail momentum. Tenant demand for retail space across Northern New Jersey is expected to stay strong through 2025, driven by a resilient labor market and affluent consumers. Hudson County’s expanding corporate presence should maintain retail leasing activity, as office absorption reaching post-pandemic highs in 2024 should aid midweek foot traffic. Accelerated multifamily development will further attract tenants, though sub-2 percent retail vacancy may necessitate smaller footprints. Elsewhere, rising residential density in Bergen and Essex counties should support consumer demand for grocery and drug stores. Meanwhile, expanding household and commercial clusters in Passaic and Morris counties are positioned to draw additional retailers, following Morris County’s record apartment absorption last year. While retail vacancy rates in these areas reached historical lows last year, they remain higher than submarkets closer to the Hudson River, providing tenants such as experiential concepts with more options for larger floorplans.

Deal flow improves as private buyers target affluent consumer hubs. Retail transaction activity in Northern New Jersey increased by more than 20 percent in 2024 — a year-over-year gain that outpaced all major Northeast metros. Private buyers led the way, attracted by the metro’s relatively low pricing and high household incomes. Tight vacancy should continue drawing investors to the dense submarkets of Bergen, Essex and Union counties, particularly for spaces leased to necessity-based tenants. Meanwhile, buyers focused on multi-tenant assets, such as power and strip centers, are expected to be more active in 2024. These properties maintained vacancy near 4 percent last year, with strip centers posting their strongest leasing activity since 2018.

2025 MARKET FORECAST

NRI RANK 17

One of the nation’s lowest vacancy rates and a stable local consumer base place the metro in the upper half of the Index.

+0.7%

↑

EMPLOYMENT: Job growth aligns with last year as metro employers add 15,000 new roles. The total workforce will stand 4.2 percent above its 2019 level, trailing only Philadelphia in the Northeast.

170,000
sq. ft.

↓

CONSTRUCTION: Completions will mirror 2024’s record low, staying below a quarter of the metro’s long-term mean. This translates to the lowest delivery total among major Northeast metros.

-20 bps

↓

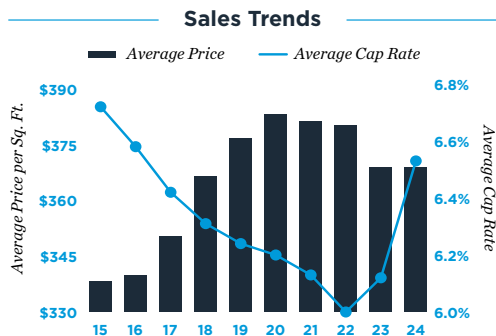
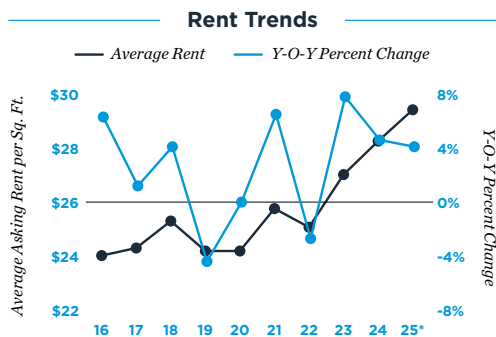
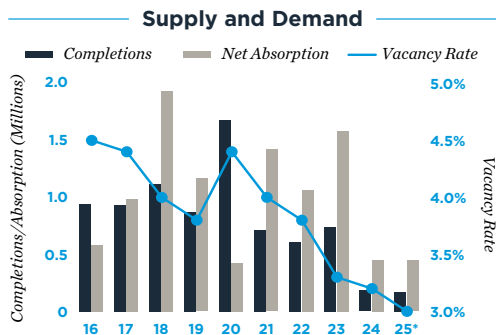
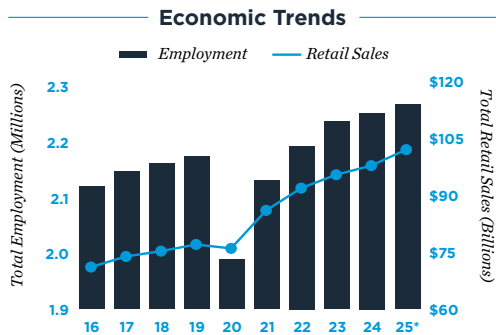
VACANCY: Limited new supply steers retailers to existing properties in 2025. This helps reduce vacancy to 3 percent, an all-time low rate that ranks as the seventh lowest among major U.S. markets.

+4.1%

↑

RENT: Historically low vacancy is expected to support a third consecutive year of 4 percent-plus rent growth. The metro’s average asking rate reaches \$29.40 per square foot by December.

INVESTMENT: Investors seeking areas poised for an improvement in midweek foot traffic may look to Union County. Last year, the area registered record office absorption, which has bolstered the outlook for local retailers.



* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Varied Performance Across Submarkets Defines Investment Landscape for the Oakland Metro

Momentum may be picking up in the East Bay. After six months of net move-outs, the second half of 2024 noted a return of positive net absorption that is poised to carry forward this year. A series of retailers have move-ins scheduled across the East Bay, including national chain restaurants, health and wellness concepts, auto parts vendors, and value stores. The city of Oakland, along with the Interstate 880 Corridor to the south, entered this year with the lowest vacancies of local submarkets at 4.4 percent and 4.1 percent, respectively. Availability remains elevated, meanwhile, in Richmond and San Pablo, with the Interstate 80 Corridor at 10.4 percent to conclude 2024. Operations this year may be aided by a lack of new supply pressure, as the development pipeline is largely focused north and west along the Highway 4 and Interstate 680 corridors. These projects are generally well accounted for; however, other troubled retailers closed locations here in recent months. This trend will carry forward into this year as brands such as Joann's plan local closures, partially offsetting openings.

Least vacant submarket continues to record most deals. Trading activity for multi-tenant properties picked up last year, while remaining about half that of the 2014-2019 norm. The Interstate 880 Corridor spanning San Leandro to Fremont continued to garner the most transactions among both types of tenancy. While convenience stores and fast food establishments changed hands at a premium, local buyers found opportunities for other assets at entry costs under \$300 per square foot. Compared with 2023, sales velocity picked up last year along Highway 4, led by the multi-property exchange of the San Creed Road Lifestyle Center. Individual transactions also took place here for restaurants, quick-service food stops and smaller strip centers.

2025 MARKET FORECAST

NRI RANK 43

Elevated vacancy compared with its peers and a lack of rent growth place Oakland in the lower echelon of this year's Index.

+1.2%



EMPLOYMENT: The pace of hiring nearly doubles from 2024 as about 14,500 jobs are created this year. Employment growth has been strongest among education and health services.

280,000
sq. ft.



CONSTRUCTION: Oakland boasts the largest completion slate in the Bay Area for this year, with a new Brentwood Costco and Phase IV of Plaza Gale Ranch in San Ramon leading deliveries for 2025.

-10 bps



VACANCY: Pre-leased openings will help net absorption improve, resulting in a slight vacancy dip to 5.9 percent. The multi-tenant rate is about 100 basis points tighter than the single-tenant mark.

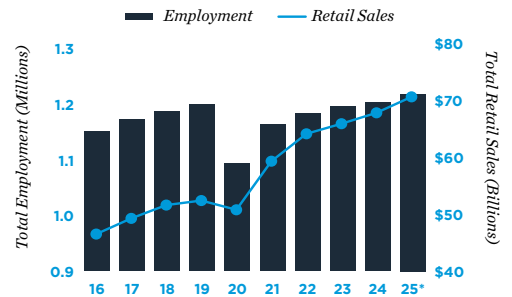
-1.2%



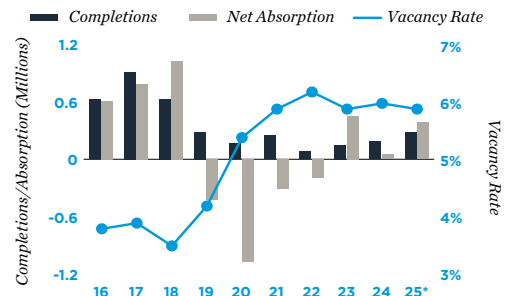
RENT: The average asking rent in Oakland will inch down for the third consecutive year as less optimal space remains vacant. The metro's average rate will end the year at \$29.35 per square foot.

INVESTMENT: *As one of the few East Bay areas to register population gains since 2020, Oakland proper notes below-market vacancy, which supports a small but consistent level of investment activity.*

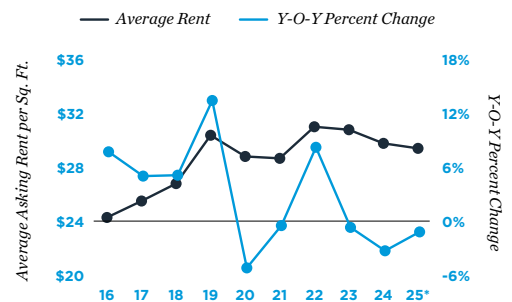
Economic Trends



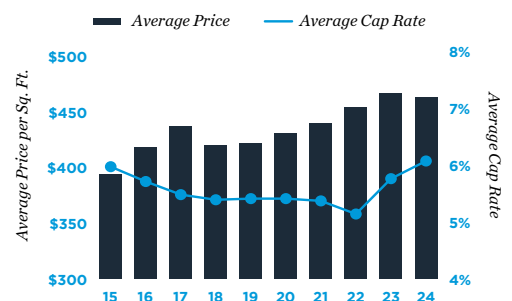
Supply and Demand



Rent Trends



Sales Trends



*Forecast

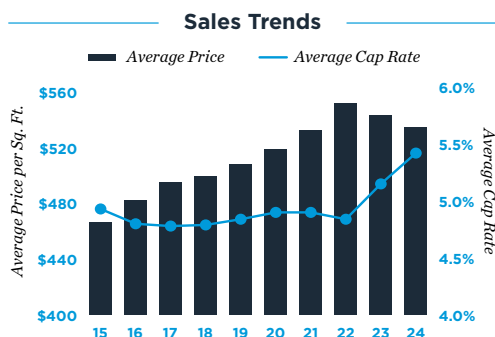
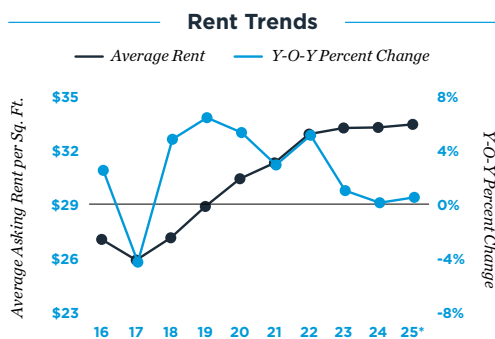
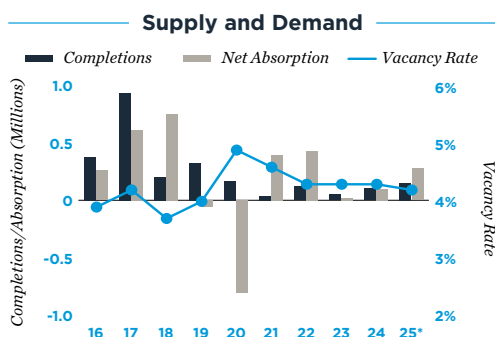
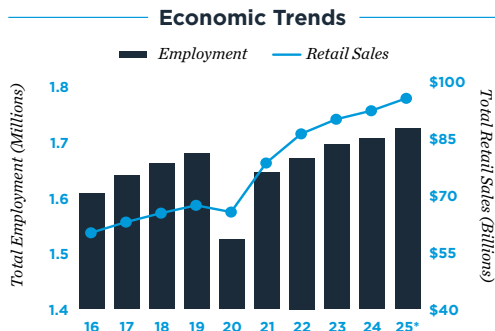
Sources: CoStar Group, Inc.; Real Capital Analytics

ORANGE COUNTY

California's Least Vacant Retail Market Also Maintains One of the Few Stable Asking Rents in the State

Select areas uphold metro strength. Increasing demand in West Orange County, Irvine and Newport Beach are offsetting rising vacancy in and around Santa Ana, as well as in the south part of the county. Beginning 2025 with especially low vacancy of 1.9 percent, Irvine will likely benefit from foot traffic generated by improving office occupancy, as well as an increasing number of local housing options. Multifamily inventory in Irvine has risen 8 percent since 2019, with more than 3,000 units still in the pipeline. While metrowide store closures have weighed on net absorption over the past two years, gross absorption has held relatively steady. Looking ahead, more move-ins are slated for this year, while redevelopments like with Santa Ana's Metro Town Square will remove vacant stock from the market. This demand growth, along with potential removals and restrained construction, will allow Orange County to retain its status as California's least vacant major retail market.

Investors active across market. Favorable fundamentals continue to elicit investment, especially among southern California-based private buyers. While cap rates are inching higher, a mean of 5.4 percent on 2024 trades is tight compared with borrowing costs. This may have made it hard for deals to pencil, contributing to an overall lower transaction volume than in years past. Still, the activity that is taking place is generally well dispersed across the market. Entry costs were often highest around John Wayne Airport, as storefronts – even ones without mixed-use components – changed hands last year at sales prices that sometimes exceeded \$1,000 per square foot. Investors seeking lower entry costs may turn to North and Central Orange County, as assets here under 10,000 square feet often traded for below \$700 per square foot last year.



2025 MARKET FORECAST

NRI RANK 36

Orange County ranks near its Southern California peers, as regionally low vacancy is offset by subdued household growth.

+1.1%



EMPLOYMENT: Job growth accelerates from last year, as an unemployment rate above 4 percent to start the year facilitates more hiring. In 2025, about 18,000 jobs will be created on net.

150,000
sq. ft.



CONSTRUCTION: The pace of construction picks up slightly from 2024, but deliveries will still only represent 0.1 percent of existing stock. The largest projects will be two grocery stores in Irvine.

-10 bps



VACANCY: After holding flat at 4.3 percent for the past two years, Orange County's overall vacancy rate will inch down to 4.2 percent in 2025. The average from 2014-2019 was 4.0 percent.

+0.5%



RENT: Similar to vacancy, asking rents have held relatively steady in recent years. This trend will continue in 2024 as the average marketed rate will inch up to \$33.40 per square foot by December.

INVESTMENT: *While less common, out-of-state capital does come into the market each year. Assets occupied by national credit tenants, like fast food chains in central areas like Santa Ana, are frequently targeted.*

* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Strong Property Performance Is Set to Endure as Tourism Sector Advances

Tenant expansion warranted amid resilient consumer spending. Local population gains in each of the last three years exceeded the pre-pandemic norm. With a swiftly growing resident base, the need for essential retailers like grocery stores is on the rise. Taking advantage of this flourishing demand, H Mart will open a location in the West Colonial submarket in 2025. Additionally, Sprouts will open a store in Poinciana, while Target moves into a 150,000-square-foot lease in Lake Nona Central. Consumer demand will also likely be bolstered by a strong tourism sector. Though domestic visitor volume to Orlando fell slightly in 2023, the dip was offset by a boost in international tourism during the same period. A handful of improvements to Orlando's theme parks will likely further draw additional visitors, bringing a swell of traffic to nearby retailers. Universal Orlando Resort will introduce Epic Universe, a new theme park that is expected to attract millions annually when it opens in May. SeaWorld Orlando will also open a new attraction mid-year. This mix of population growth and strengthening tourism should support a sturdy long-term outlook for local retailers.

Outer suburbs holding large portion of sales activity. Outlying submarkets have been popular for retail trades over the last three years, with buyers targeting the large inventory in Lake and Osceola counties. Both areas are expected to report a population gain of at least 9 percent from 2023 to 2028. Buyers may be attracted to multiple submarkets across the metro with vacancy rates below 2 percent. Two such areas are West University and Winter Park, where higher-priced properties may gain additional interest from well-capitalized, stability-seeking investors after both areas reported vacancy compressions in three of the last four years.

2025 MARKET FORECAST

NRI RANK 1

Orlando jumps to the front ranking this year, boosted by the top household formation rate and revenue growth in the country.

+0.7%



EMPLOYMENT: Job growth will continue to moderate this year as 11,000 roles are added on net. The leisure and hospitality industries are expected to remain among the leading sectors for job gains.

665,000
sq. ft.



CONSTRUCTION: Construction this year will match the 2024 level, increasing inventory by 0.5 percent. Square footage completed will amount to roughly half of the prior 10-year average.

-10 bps



VACANCY: Moderating supply and a minor boost to net absorption this year will inch vacancy down slightly to 3.4 percent. This is only 10 basis points above the historic low set in 2023.

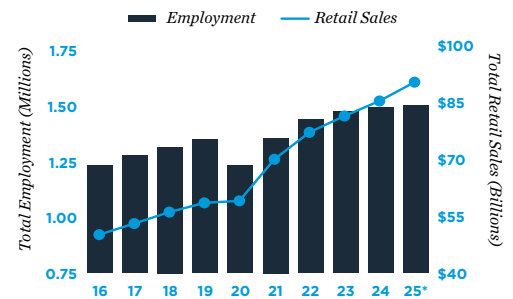
+6.0%



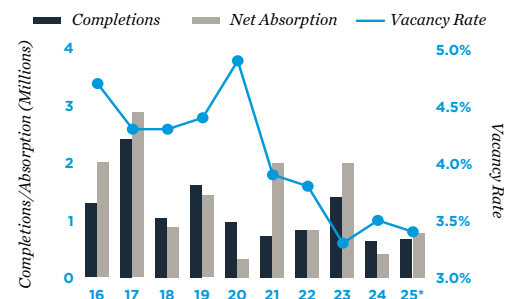
RENT: Gains to the average asking rent in 2025 will lead the nation, with the rate reaching \$25.50 per square foot by year-end. This will be the third consecutive year of growth of at least 6 percent.

INVESTMENT: *Institutional investors seeking high-performing, multi-tenant assets may be attracted to the Tourist Corridor. These properties reported a mean asking rent gain of 36.9 percent from 2019 to the end of 2024.*

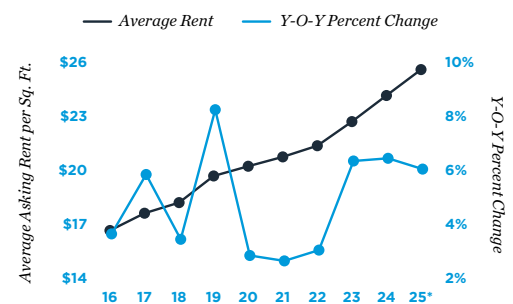
Economic Trends



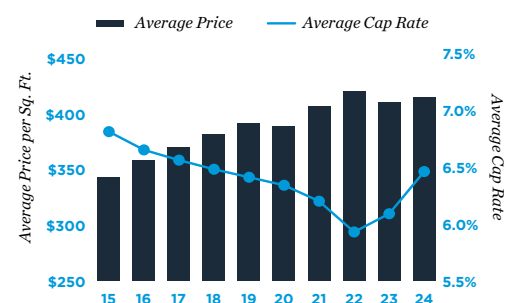
Supply and Demand



Rent Trends

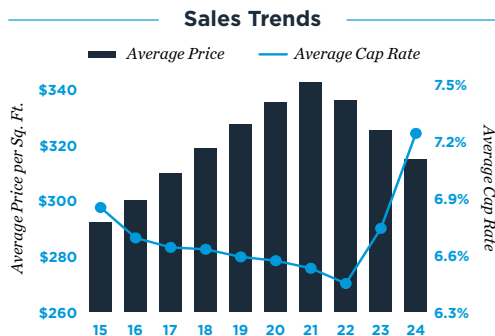
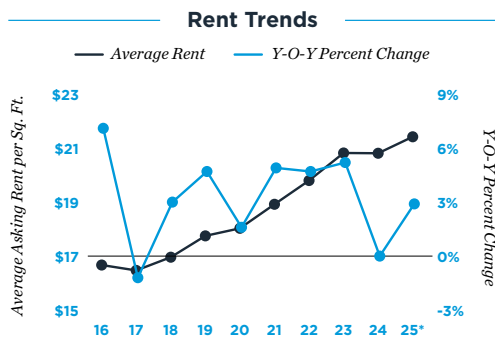
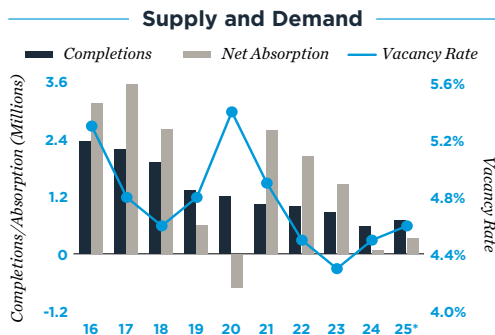
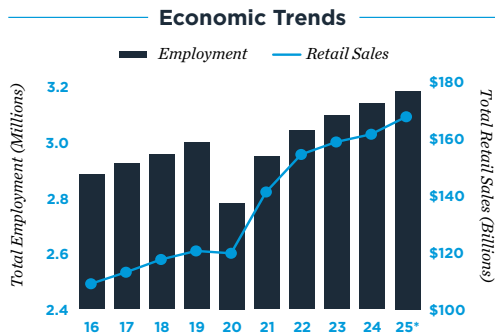


Sales Trends



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics



PHILADELPHIA

Investment Strengthens Amid Steady Housing and Employment Growth

Backfilling characterizes leasing gains. Rising employment opportunities and notable household formation will reinforce consumer spending across the metro this year. Office absorption returned to pre-pandemic levels in 2024, and record multifamily deliveries attracted new residents. Although store closures increased last year and may rise further in 2025, strong demographic trends drove leasing activity to post-pandemic highs in 2024 and should sustain rapid backfilling. Grocery stores, discount retailers and fitness centers lead this year's move-ins, concentrated in higher-income suburbs like Bucks and Burlington counties. Even if vacancy ticks up in less affluent areas like Camden County, experiential concepts are revitalizing harder-to-fill spaces across the market. Center City will see a wave of activity-based tenants, while an Italian marketplace and cooking school takes space at the King of Prussia Mall, alongside luxury and specialty retailers leasing smaller spaces in anticipation of renewed foot traffic.

Tight vacancy draws investors to growing suburbs. Transaction velocity improved last year and is expected to hold firm as tight market conditions drive renewed rent growth. Low vacancy in North and South Philadelphia's inner-ring suburbs should attract buyers as auto repair shops and restaurants remain key targets following last year's strengthened leasing activity. Lower entry costs and a growing consumer base could draw investors to further-out areas like Bucks County, which posted record retail and multifamily net absorption in 2024. Meanwhile, trades of malls slated for redevelopment or re-tenanting gained momentum last year. Their high-traffic locations and strong connectivity, alongside repositioning efforts that introduce mixed-use elements or updated tenant rosters, may draw investors to nearby retail properties.

2025 MARKET FORECAST

NRI RANK 22

Steady employment gains reinforcing consumer spending will place Philadelphia above the midpoint of the rankings.

+1.4%

EMPLOYMENT: Job gains align with last year as the metro's workforce expands by 45,000 positions. Total employment will stand 6.2 percent above the 2019 level, leading major Northeast metros.

700,000 sq. ft.

CONSTRUCTION: Completions will closely reflect the subdued pace of the past two years. Construction remains concentrated in downtown-adjacent neighborhoods and select outer suburbs.

+10 bps

VACANCY: A stable consumer base and limited supply risk will temper vacancy expansion. At 4.6 percent, the metro's rate will stay below its long-term average of 5.3 percent.

+2.9%

RENT: Strong backfill demand and historically tight vacancy are expected to reignite rent growth, bringing Philadelphia's average asking rate to \$21.40 per square foot by year-end.

INVESTMENT: *Investors may target retail assets along the Chester waterfront, where the Philadelphia Union's \$55 million, 32-acre sportsplex, opening in early 2025, is expected to boost tourism and foot traffic in the area.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Phoenix Retail Benefits From Job Gains and Industrial Expansions, Despite Select Vacancy Upticks

The market remains resilient amid shifting vacancy trends. The metro should stay in the top 10 markets nationally for job growth, while its fourth-ranked population expansion in 2024 continues to drive consumer demand. Despite closures from 99 Cents Only, Conn's Home Plus and Big Lots, vacancy is still below the long-term average. North Phoenix and North Scottsdale saw vacancy decline in 2024. Benefiting from affordability and freeway connectivity, the former areas also posted rent gains exceeding 10 percent and improved multi-tenant occupancy. At the same time, large-scale manufacturing investments — Intel's CHIPS Act-backed expansion, Pentagon Technologies' \$50 million Mesa facility and SEALSQ's Phoenix base — are bolstering employment and retail spending power. While vacancy did increase in the East Valley and West Phoenix in 2024, a well-leased construction pipeline should help Phoenix retain its reputation as one of the nation's more resilient markets.

A measured slowdown in Phoenix retail trading sets the tone for 2025. Deal flow fell 20 percent last year, as higher debt costs tempered activity among REITs and institutional buyers. That said, several Phoenix submarkets bucked that trend. The Red Mountain-Mesa area claimed a fifth of local deals, while Anthem and Apache Junction each doubled their annual activity, fueled by freeway connectivity and residential expansion. Private investors remained active in the \$1 million to \$5 million range, especially for multi-tenant triple-net strip centers, with North Phoenix capturing the bulk of these deals thanks to some of the metro's highest rent growth. Although buyer-seller expectation gaps persist, East Valley expansions, including new data centers and offices for firms like Terraline, could create selective investment opportunities in 2025.

2025 MARKET FORECAST

NRI RANK 26

Rising vacancy limits Phoenix's ranking, but strong household and job growth support consumer fundamentals in 2025.

+1.6%



EMPLOYMENT: Phoenix's job growth will improve from last year, but stay below its long-term average of 2.7 percent. Local firms add 40,000 jobs on net by the end of December.

**1,900,000
sq. ft.**



CONSTRUCTION: Annual supply additions will reach the highest total since 2017. Most of the projects proposed or under construction this year are under 30,000 square feet.

+50 bps



VACANCY: Vacancy elevates to 5.5 percent this year — up 90 basis points since hitting its lowest point on record in 2023. Still, this year's rate remains well below the 8.1 percent long-term average.

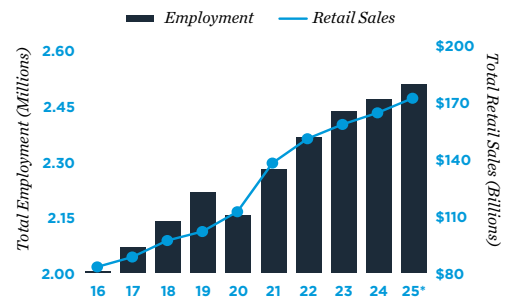
-0.5%



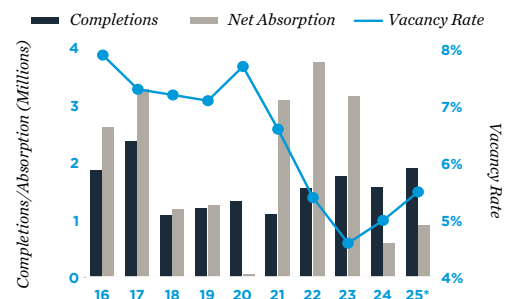
RENT: Elevated vacancy pulls down the average asking rent for the second time in the last decade. Yet at \$19.50 per square foot, the metric will still be 21 percent higher than the 2019 mark.

INVESTMENT: *Gulfstream's new \$130 million support center at Mesa Gateway Airport, set to add hundreds of jobs in 2025, could spark increased demand for dining and service-based retail assets in the area.*

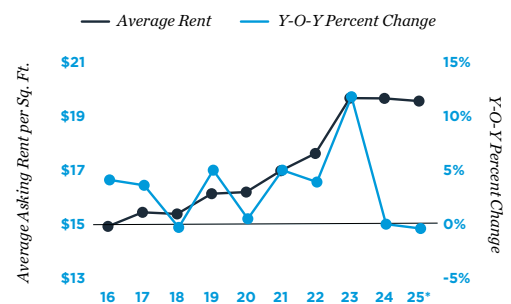
Economic Trends



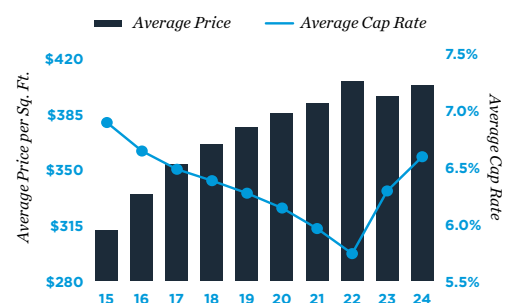
Supply and Demand



Rent Trends



Sales Trends



*Forecast

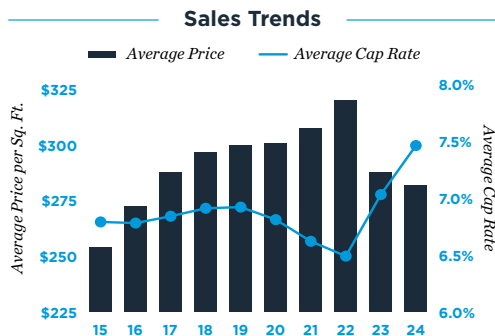
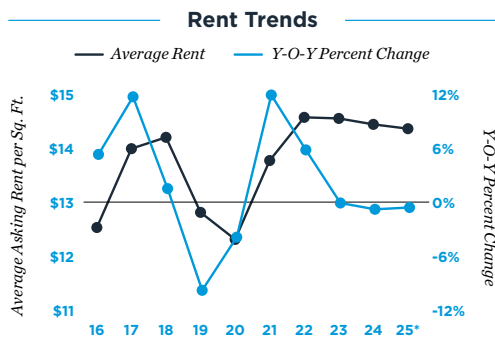
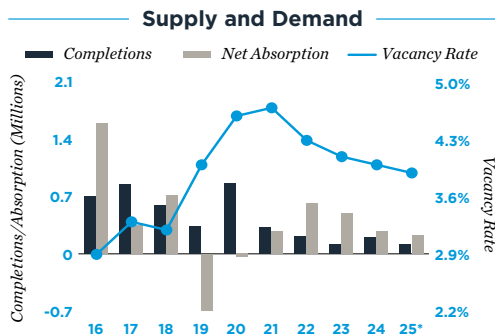
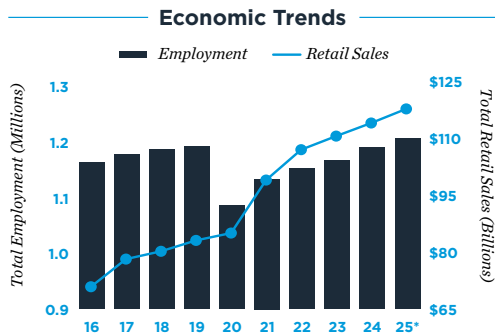
Sources: CoStar Group, Inc.; Real Capital Analytics

PITTSBURGH

Rising Confidence in Long-Term Prospects Draws National Brands, Out-of-State Investors

With Pittsburgh's outlook on the rise, inner ring gains momentum. Vacancy has fallen 90 basis points since early 2021, supported by yearly deliveries of less than half and employment growth more than double their respective 2014-2019 averages. Greater Downtown availability also fell at least 110 basis points in both 2023 and 2024. This momentum should carry forward, as the city plans to renovate public spaces and add nearly 1,000 new or renovated apartments as part of its revitalization efforts. The Golden Triangle and Strip District should continue to be focal points for leasing activity, though demand is also increasing in adjacent neighborhoods to the north and east. This year, Dick's Sporting Goods leads the charge for scheduled move-ins with two locations totaling nearly 300,000 square feet. The metro also has plans for its first-ever Bass Pro Shops, set to open next year in Bridgeville. Alongside move-ins across the metro from retailers like Dollar General and Enterprise Rent-A-Car, this indicates confidence in Pittsburgh's long-term prospects among nationally branded retailers.

Steady recovery draws growing pool of investors. As Pittsburgh approached pre-pandemic figures for vacancy and total employment, 2024 transaction velocity did the same, recovering from a precipitous drop in 2023. Combined with high levels of out-of-state interest, this suggests that investors are bullish about the metro's future. Retail in mixed-use developments pervades single-tenant transactions, trailed by restaurant and auto repair locations. The prevalence of mixed-use spaces reflects investors' focus on the greater downtown region, particularly in the Golden Triangle and Strip District, as they seek assets offering access to Pittsburgh's thriving employment base at regionally attractive prices. This trend should sustain interest through 2025.



2025 MARKET FORECAST

NRI RANK 46 Sales and household growth rates among the slowest for U.S. major metros place Pittsburgh near the bottom of the Index.

- +1.4%** **EMPLOYMENT:** This year's addition of 17,000 positions on net remains significantly higher than the 2014-2019 average and will raise total employment above pre-pandemic levels for the first time.
- 117,000 sq. ft.** **CONSTRUCTION:** The fewest deliveries on record will increase retail inventory 0.1 percent in 2025. This follows three years of completions at least 60 percent below the long-term average.
- 10 bps** **VACANCY:** Coupled with improving demand, the limited number of speculative projects in this year's construction pipeline will help lower metrowide vacancy to 3.9 percent by year-end.
- 0.6%** **RENT:** Following a nearly 18 percent increase in 2021 and 2022, average asking rent has gradually adjusted downward. This year will see the mean marketed rate drop to \$14.35 per square foot.

INVESTMENT: Despite generally higher prices, Downtown may still appeal to value-add investors seeking high-vacancy assets. These sold last year for as little as \$140 per square foot, comparable to outer suburb pricing.

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Suburban Stability Fuels Investment, While the Urban Core Shows Signs of a Recovery

Downtown nears turning point as suburban strength holds. Expanding western and northern suburbs are expected to sustain tight retail fundamentals in 2025, even as tenant turnover lingers in less affluent parts of the metro. Retail vacancy in Washington and Clark counties declined by nearly 100 basis points last year, approaching record lows of around 3 percent. Within these counties, Hillsboro and Beaverton should continue drawing residents, bolstered by major employment hubs anchored by Intel and Nike. Meanwhile, Vancouver is likely to remain a magnet for remote workers due to the absence of a state income tax, reinforcing tenant demand. Despite ongoing store closures in the urban core, such as Forever 21's planned departure from the Lloyd Center, foot traffic is set to improve. Last year's rise in hotel occupancy, along with the first increase in office occupancy since before the pandemic, should help attract retailers. Additionally, the mayor's plan to create 1,500 new beds at homeless shelters by year-end could enhance public health and safety, further strengthening local retail activity.

Multnomah County leads investment as outer regions gain appeal. Sales activity held steady last year and may improve in 2025, supported by low suburban vacancy and potentially eased lending conditions. Demand for net-leased assets in Multnomah County should stay strong, where vacancy is below 5 percent. Local multi-tenant rent growth exceeding 10 percent last year should also sustain interest in grocery- and discount-anchored centers. Meanwhile, some of the lowest pricing of major Western markets could draw more out-of-state investors. Washington County will likely appeal to buyers targeting centers anchored by department stores and luxury brands, as discretionary spending remains more stable among higher-income households.

2025 MARKET FORECAST

NRI RANK 32

Improved job growth helps offset elevated vacancy in the urban core, positioning Portland near the middle of the index.

+1.4%



EMPLOYMENT: Job growth is set to rebound in 2025 with the addition of 17,000 positions, though this is just over half the metro's average annual gain from 2014 to 2019.

480,000
sq. ft.



CONSTRUCTION: Completions reach a seven-year high this year, largely concentrated in Washington County. The 275,000-square-foot Parkway Village in Sherwood is the most notable delivery.

+40 bps



VACANCY: Steady consumer spending prompts more stores to open even as others close. At 4.9 percent, the metro's rate will slightly exceed its 4.6 percent long-term average.

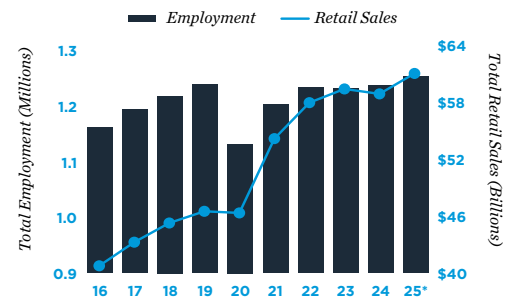
+2.7%



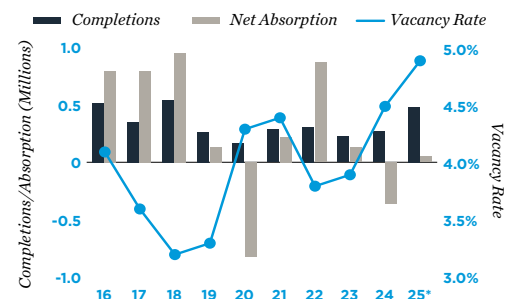
RENT: Rent growth moderates amid rising vacancy, but will still lead all major West Coast markets. The metro's average asking rate climbs to \$23.20 per square foot by year-end.

INVESTMENT: *Oregon Health and Science University's \$650 million hospital expansion, set to complete in spring 2026, may attract investors to Portland's medical district in anticipation of increased retail foot traffic.*

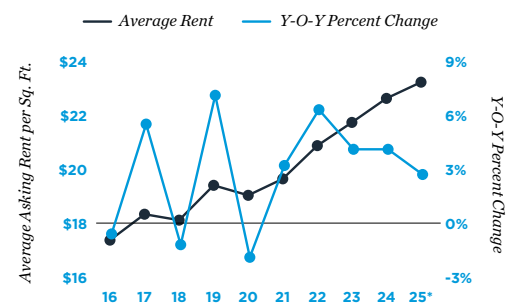
Economic Trends



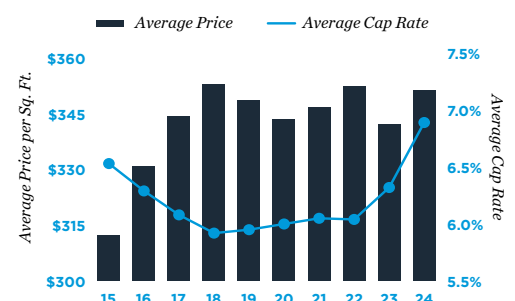
Supply and Demand



Rent Trends

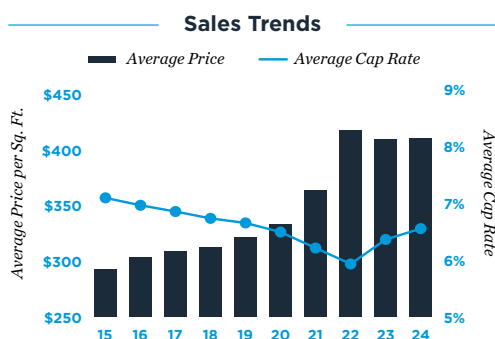
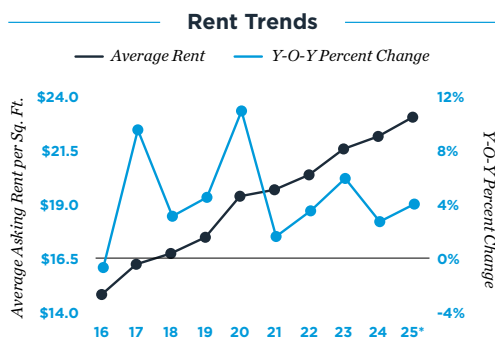
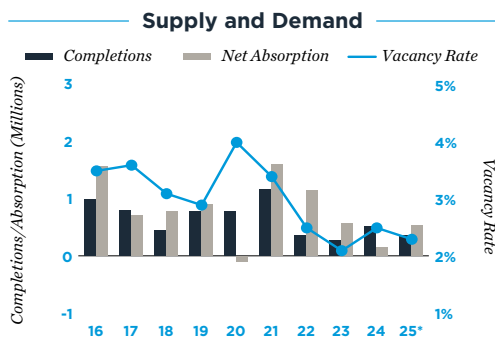
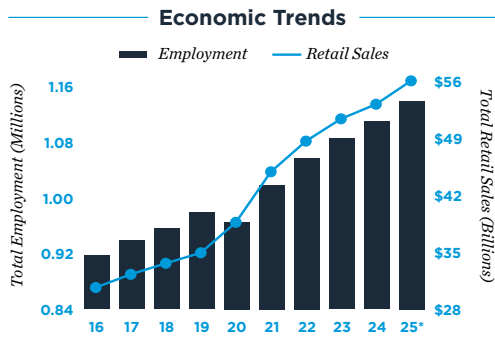


Sales Trends



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics



* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

RALEIGH

Investor Strategies Evolve as Raleigh's Retail Market Maintains Record-Low Vacancy

Johnston County supports Raleigh's historically tight retail conditions. Elevated competition for limited storefronts persists in the metro, where vacancy remains the nation's lowest entering 2025. This constraint stems from subdued construction. New supply is less than half the long-term average, with over 40 percent of deliveries already leased. Meanwhile, Johnston County — set to receive a quarter of 2025 completions — entered the year near a record-low 1.7 percent vacancy. Helping drive consumer demand, are dual demographic factors. More than 90,000 total jobs have been added since 2021, outpacing pre-2020 growth. Raleigh's population also grew by over 3 percent annually last year — second only to Austin among major U.S. markets — reflecting the influx of professionals seeking high-wage opportunities. These conditions underscore strong tenant demand, fueling a favorable retail sales forecast. With new stock largely pre-leased and rising household incomes bolstering spending, Raleigh's availability will stay exceptionally tight, sustaining above-average rent gains.

Sales volume sits below historical norms entering 2025. Despite lower activity, redevelopment and sub-\$1.5 million single-tenant deals continue at a steady pace. East Wake County's record absorption last year signals potential for renewed investor interest, aided by expanding life sciences and tech firms driving long-term job growth. Redevelopment momentum is accelerating, highlighted by a \$14 million vacant K-Mart acquisition slated for a \$500 million mixed-use project, which could benefit from major corporate expansions like Novo Nordisk's planned 1.4 million-square-foot facility. While financing remains tight, the county's strong labor pipeline, steady in-migration and diverse economy suggest 2025 could present strategic entry points for investors.

2025 MARKET FORECAST

NRI RANK 2
Raleigh secures the number two spot in the NRI ranking, driven by job growth and one of the nation's tightest vacancy rates.

+2.6%

▲

EMPLOYMENT: Novo Nordisk's expansion, the largest life sciences project in state history, will add 1,000 jobs and contribute to the overall 29,000-person gain for Raleigh in 2025.

350,000 sq. ft.

▼

CONSTRUCTION: Developers complete 160,000 less square feet in 2025 than in the prior year. Nevertheless, the 0.4 percent rate of inventory growth matches the three-year average.

-20 bps

▼

VACANCY: A limited construction pipeline slated for this year, paired with sustained retailer demand, will compress vacancy to 2.3 percent — the second lowest year-end rate since before 2007.

+4.0%

▲

RENT: Tight conditions and already leased construction set the stage for increased asking rents at existing properties, lifting the metro's average marketed rate to \$23.00 per square foot.

INVESTMENT: Significant office expansion in North Hills, paired with 2,000 new apartments in 2025, is set to enhance foot traffic and retail demand in Northeast Raleigh, potentially drawing investor interest in 2025.

Regionally Standout Population Growth Fuels Demand Among Retailers and Investors for Space

Demographic trends cultivate optimism despite increase in availability. Vacancy in the Inland Empire this year will rise for just the third time since 2011. Development is picking up, particularly in Coachella Valley and along Interstate 215 from Riverside to Murrieta; yet leasing for both upcoming deliveries and existing properties is improving. After several years of decline, leasing velocity improved last year, with the number of executions slightly exceeding the tally from 2023. Move-ins slated for this year will be led by grocers and discount retailers, including Sprouts Farmers Market, Dollar Tree and Daiso, with the latter opening four new locations. PetSmart, Inc. is also expanding its presence in the region. These move-ins are supported by the market's strong demographic trends. Net in-migration over the past five years surpassed the combined total from the prior 14 years, contributing to the metro's highest population growth since 2006 last year, as well as record-setting net absorption of apartments. Bolstered by household income above the national average, this momentum should keep cultivating retailer demand for available spaces.

Investors still cautious amid loosening market conditions. Sales velocity was on par with the 2023 level last year; however, it remained nearly 50 percent below the 2014-2019 average. Deal flow was centered around Ontario International Airport and in the Coachella Valley, reflecting the appeal of assets with access to both travel-related spending and local population centers. Storefronts, restaurants and fast food chains led activity in Coachella Valley, while mixed-use offices with ground floor retail took precedence in Ontario. Reflecting the region's strong demographics, institutional investors targeted community and power centers in the metro's most populous areas.

2025 MARKET FORECAST

NRI RANK 34

Sustained trading raises the Inland Empire's ranking, though rising vacancy keeps the metro in the Index's bottom half.

+1.4%



EMPLOYMENT: Job creation falls below the trailing-decade annual average in 2025; however, this year's employment growth — 24,000 positions — exceeds the recording from 2023.

545,000
sq. ft.



CONSTRUCTION: A 60,000-square-foot year-over-year increase in completions grows inventory by just 0.3 percent. Still, the metro adds more space than San Diego and Orange County combined.

+40 bps



VACANCY: Most of the metro's pipeline is accounted for, preventing a sizable increase in vacancy from occurring in 2025. At 7.1 percent, the year-end rate is 80 basis points below the long-term mean.

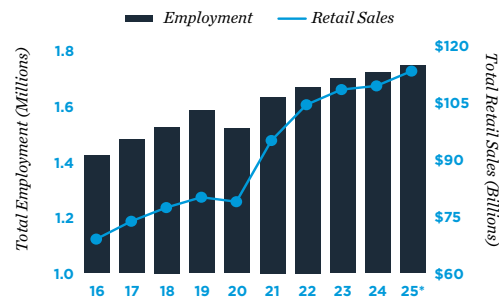
-1.3%



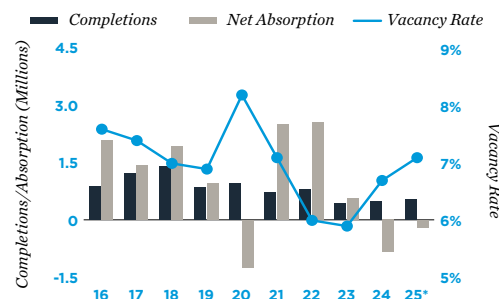
RENT: A second consecutive year of rising availability will hinder the trajectory of asking rents, with the mean marketed rate projected to drop to \$20.38 per square foot in 2025.

INVESTMENT: *Home to the metro's lowest retail vacancy, Ontario is set to attract greater investment as a recently sizable drop in multifamily vacancy and a roster of new nonstop flights aid local retail spending.*

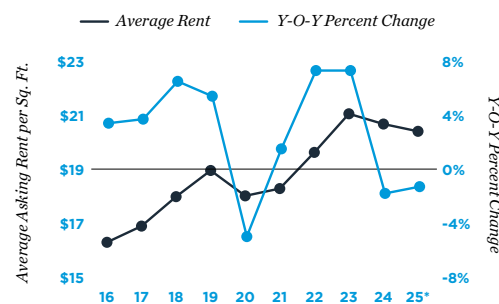
Economic Trends



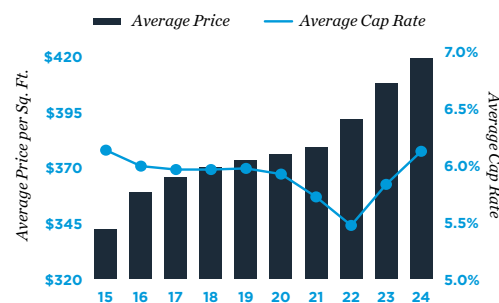
Supply and Demand



Rent Trends



Sales Trends



*Forecast

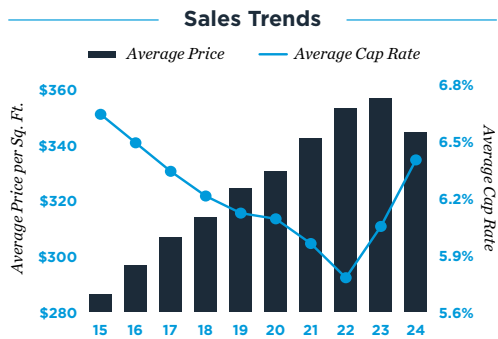
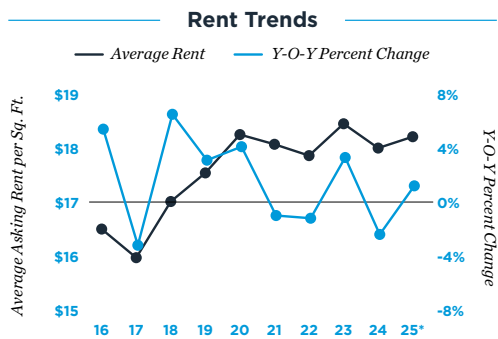
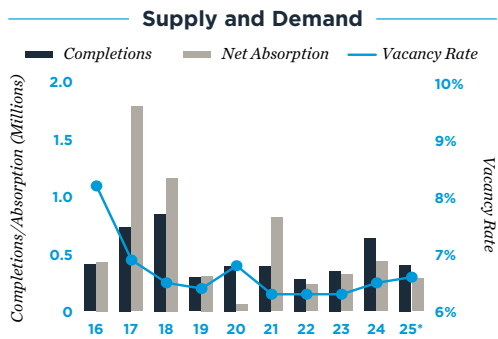
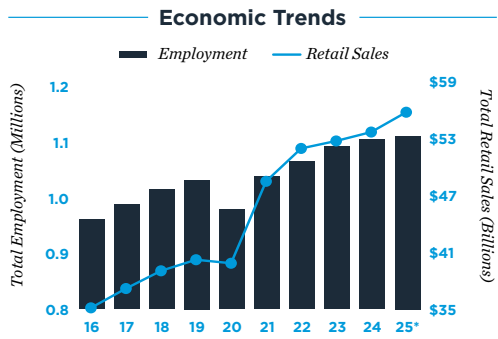
Sources: CoStar Group, Inc.; Real Capital Analytics

SACRAMENTO

New Entertainment and Education Endeavors Fuel Urban Retail as Investors Target Expanding Suburbs

Economic catalysts drive retail leasing across the metro. Despite elevated store closures in 2024, the metro’s retail vacancy stayed largely stable, as leasing activity surged to a post-pandemic high. Sacramento County is set to sustain strong tenant demand after recording the only vacancy decline last year. Opening in spring 2025, Aggie Square — a new public-private innovation district near the UC Davis Medical Campus — will serve as an incubator for medical and tech firms, driving job creation. Meanwhile, the Athletics’ relocation to Sutter Health Park through 2027 should boost tourism and foot traffic in nearby downtown, prompting retailers to expand. Last year’s record multi-family absorption will also fuel retailer demand, particularly among health and grocery tenants. Outside the urban core, affluent residents and steady household formation should draw businesses to Placer County, where vacancy is more than 200 basis points below Sacramento County. Bosch’s planned \$1.9 billion semiconductor plant in Roseville should further accelerate demand for local retail space.

Investors favor suburbs for steady returns. While transaction activity remained subdued last year, higher-income suburbs like Roseville continued to gain momentum. Private investors are expected to stay active here, targeting net-leased assets with national credit tenants as they prioritize stable cash flows. With multi-tenant vacancy declining across all submarkets last year, demand for grocery-anchored centers could strengthen. Buyers targeting infill neighborhoods are likely to focus on centers anchored by discount retailers to align with these areas’ more price-sensitive demographic. Value-add investors, meanwhile, may look to convert larger properties into multiple floor plans, as leasing remains more stable among small-format tenants.



2025 MARKET FORECAST

NRI RANK 44 *Elevated vacancy will offset a modestly expanding consumer base, placing Sacramento near the bottom of the Index.*

- +0.6%** **EMPLOYMENT:** While 7,000 positions will be added this year, job growth is still about half the metro’s long-term average. Increased tourism should bolster hiring in the leisure and hospitality sector.
- 400,000 sq. ft.** **CONSTRUCTION:** Completions will stay in line with the past decade’s average, with most projects being single-tenant, build-to-suit properties in Sacramento and Placer counties.
- +10 bps** **VACANCY:** Modest supply additions help limit vacancy expansion this year. At 6.6 percent, the metro’s rate will align with its 2019 level, yet remain the third highest among major U.S. markets.
- +1.2%** **RENT:** Stable vacancy allows asking rents to inch up. Still, the metro’s rent growth will lead all major California markets, as the average rate is set to reach \$18.20 per square foot by year-end.

INVESTMENT: *Investment in Downtown Sacramento may strengthen. Last year’s post-pandemic office absorption high and the ongoing Railyards development are brightening the outlook for local retail.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Investment Strengthens as High Growth Neighborhoods Absorb Limited Supply

Availability stays historically tight, aided by demographics. Salt Lake City's population of 20- to 34-year-olds is growing at one of the fastest rates nationally, reinforcing consumer spending and retail space demand. Job growth and rising household incomes further support leasing momentum, while retail construction remains subdued. Just 670,000 square feet is slated for completion this year, roughly half the historical average. Regardless, vacancy will edge up to 3.5 percent in 2025, though this is only 30 basis points from its all-time low. Over half of the metro's retail stock lies in submarkets with sub-3 percent vacancy, with the South Valley — plus Davis, Weber and Utah counties — poised to capture much of 2025's net absorption. Meanwhile, the CBD should hold near 4.6 percent vacancy this year, supported by steady foot traffic from high residential density, as well as from major employers and the University of Utah. Despite broader economic uncertainties, the metro's demographic tailwinds and historically tight inventory should maintain healthy leasing activity through year-end.

Private buyers sustain deal flow as institutions remain cautious. Investment activity in Salt Lake City picked up in 2024, with transactions rising nearly 25 percent year over year. Private buyers, often utilizing 1031 exchanges, dominated as institutional capital stayed largely absent, resulting in few trades above \$10 million. The Southwest Valley and Central Valley East emerged as the most active submarkets for trades, particularly for sub-5,000-square-foot properties built before 1975, while the CBD had elevated sales velocity amid falling vacancy and steady rent growth. Although borrowing costs are still a challenge, Salt Lake City holds the lowest vacancy among major markets west of the Mississippi in 2025, reinforcing its investment appeal.

2025 MARKET FORECAST

NRI RANK 18

Salt Lake City drops from last year, as rising vacancy and new supply temper its momentum in this year's ranking.

+1.4%



EMPLOYMENT: Salt Lake City will welcome 20,000 positions in 2025 as hiring slows. Nevertheless, the total employment base will end this year roughly 190,000 jobs higher than the 2019 count.

670,000
sq. ft.



CONSTRUCTION: Completions will reach a four-year high, with new supply centered in Utah County. Even so, growth this year will be less than the long-term mean pace of approximately 1.1 percent.

+20 bps



VACANCY: After reaching an all-time low in 2022, vacancy will inch up slightly this year. At 3.5 percent, however, the metro's rate is still well below its 4.7 percent historical average.

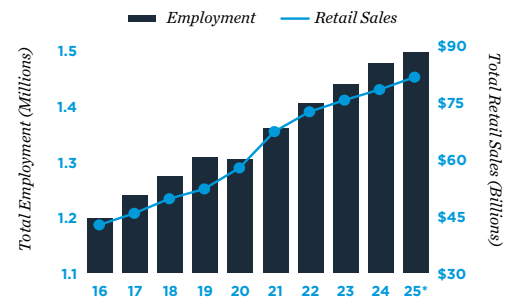
+2.5%



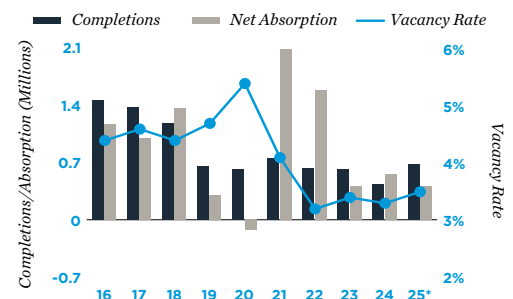
RENT: A slight softening in tenant demand will curtail retail growth, leading to a moderate rent increase. Salt Lake City's average asking rate will rise to \$23.85 per square foot by year-end.

INVESTMENT: *Leasing velocity in buildings under 5,000 square feet highlights strong demand from local restaurants and fitness operators, presenting investors with stable small-format retail opportunities.*

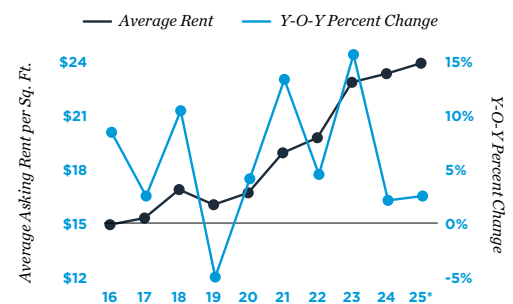
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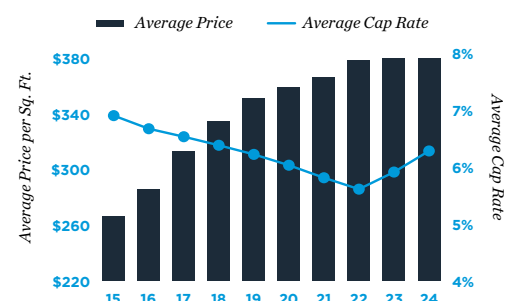
Supply and Demand



Rent Trends



Sales Trends



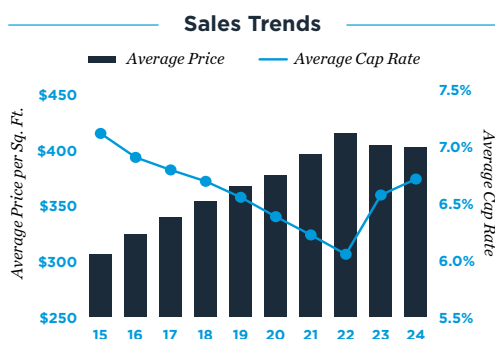
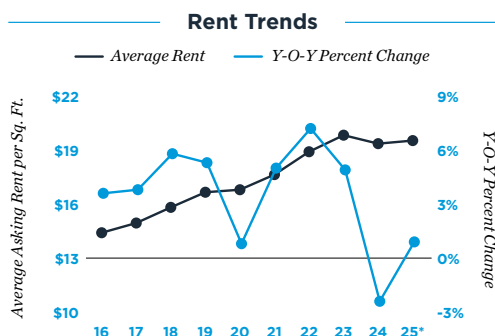
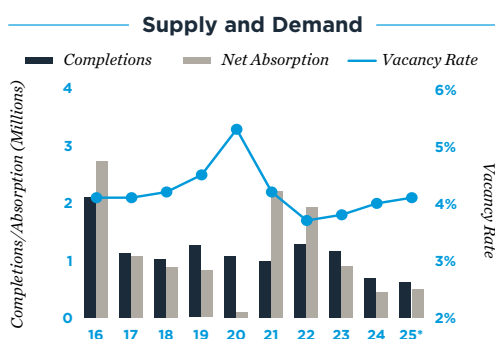
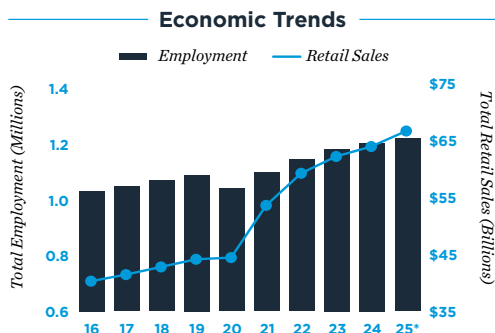
*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Outlying Property Fundamentals Strengthen; Consumer Spending Resilient Despite Headwinds

Retailers zero in on prominent pockets of residential expansion. Local population growth has stayed above the pre-pandemic metric for the past three years, accompanied by a growing need for essential retailers, with grocery-anchored centers showing strong performance. Consumer demand in 2025 will likely heighten in New Braunfels and Far Northwest San Antonio after over 5,800 apartment units were completed in both areas last year, with 5,300 absorbed on net. Additionally, about one-fifth of the population growth in 2024 was from the age 20 to 34 cohort, driving a need for entertainment- and health-related venues. The three largest move-ins planned for 2025 will be a movie theater in Far West San Antonio, a sporting goods store in Comal County and a gym in Northwest San Antonio. As young professionals continue to migrate to the metro and employers bolster return-to-office policies, retailers in the CBD and Northwest San Antonio could receive additional weekday foot traffic, especially after both submarkets reported triple-digit office vacancy compression last year.

Gains in outer suburbs may shift investor attention. Investment sales over the last three years has been centered around the largest submarket by inventory, Northwest San Antonio. Here, an inventory of nearly 41 million square feet aids in liquidity. A diversity of properties allows for a variety of strategies, ranging from value-add executions on older buildings to the purchase of new net-leased assets. Property fundamentals here weakened slightly last year, however, which may allow other submarkets to capture local buyer interest. Outlying Comal County represents one such area, as the area recorded a more than 30 percent increase to its average asking rent from 2020 to 2024. More gains are also expected as New Braunfels' population expands.



2025 MARKET FORECAST

NRI RANK 27

Relatively weak revenue growth and a low completions ranking result in San Antonio placing lower than other Texas metros.

- +1.4%** **EMPLOYMENT:** Employment growth continues to moderate this year, as employers add 17,000 roles on net. Recent job expansion has been strongest in the education and health service sector.
- 620,000 sq. ft.** **CONSTRUCTION:** Completions will fall below 1 million square feet for the second year in a row, increasing inventory by 0.5 percent — the smallest boost since at least 2007.
- +10 bps** **VACANCY:** Net absorption below the long-term average is balanced by a supply pullback, translating to a small increase in vacancy that places the year-end rate at 4.1 percent.
- +0.9%** **RENT:** Rent growth will be recorded this year after a slight decline was registered in 2024. At an average of \$19.50 per square foot the year-end marketed rate is up roughly 17 percent from 2019.

INVESTMENT: *Institutional buyers have been most active in the northern half of San Antonio, especially in the areas within a few miles of Route 281, with a handful of \$10-million-plus properties traded in the last two years.*

* Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Local Submarket Stands Out on a Regional Level; Property Owners in Tourist Corridors Well Positioned

Metro poised for another year of moderate vacancy adjustment. San Diego entered 2025 on a three-year stretch of sub-5 percent vacancy, largely due to tenant demand in Central San Diego. Accounting for 30 percent of the metro's inventory, this submarket — which includes downtown, Mission Valley and beach communities — has the lowest vacancy of California submarkets with at least 20 million square feet of retail stock. Near term, available space in the area should remain minimal, as its active pipeline is scant and a long-vacant, 260,000-square-foot building was demolished earlier this year. The preservation of tight conditions here will prevent a notable shift in metrowide vacancy from occurring in 2025. Beyond this year, Central San Diego retailers, specifically those reliant on tourism, are in a favorable position. Over the next two years, the number of cruise passengers boarding in San Diego will double, as Royal Caribbean and Norwegian Cruise Line each homeport here for the first time.

Active investors prioritize areas populated by younger consumers. As more capital re-engages with the marketplace in 2025, San Diego is poised to attract investors seeking assets in metros with a reputation for steady tenant demand and limited supply-side pressure. Private buyers targeting restaurants and mixed-use properties with ground floor retail will compete for listings in central beach communities and neighborhoods surrounding Balboa Park popular with young professionals and college students. Pricing for these assets here rarely falls below \$600 per square foot. These same buyers and those targeting strip and neighborhood centers may also consider assets proximate to San Diego State University, University of California San Diego and Cal State San Marcos, as enrollment at each college has reached a record mark.

2025 MARKET FORECAST

NRI RANK 33

Held back by a moderate vacancy increase and below-average hiring, San Diego falls just outside the Index's top 30.

+0.5%



EMPLOYMENT: Job creation mirrors last year, with employers adding 8,000 positions. Retail trade-related sectors will factor into this job creation after contributing 2,100 new roles last year.

140,000
sq. ft.



CONSTRUCTION: For a fourth straight year, developers grow local retail stock by 0.1 percent. A 85,000-square-foot Lifetime Fitness in Chula Vista is the largest project on tap for delivery.

+20 bps



VACANCY: Vacancy rises moderately during 2025, extending a recent two-year trend. At 4.7 percent, however, the metro's year-end rate will be just 10 basis points above its long-term average.

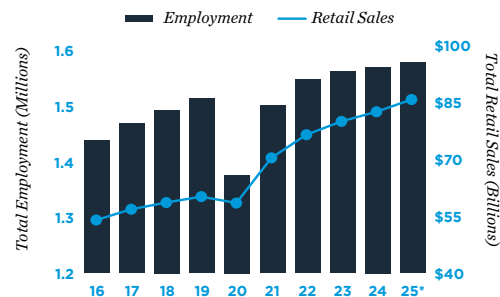
+1.0%



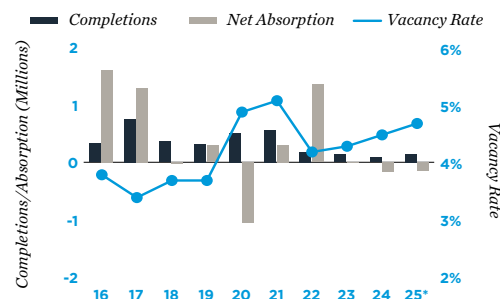
RENT: Similar to other major Southern California markets, a moderate shift in vacancy allows the metro's average asking rent to rise slightly, ending the year at \$29.50 per square foot.

INVESTMENT: *The completion of new housing at three major golf course redevelopments along the Interstate 15 Corridor should boost future retail spending in the area, potentially attracting more investors to listings.*

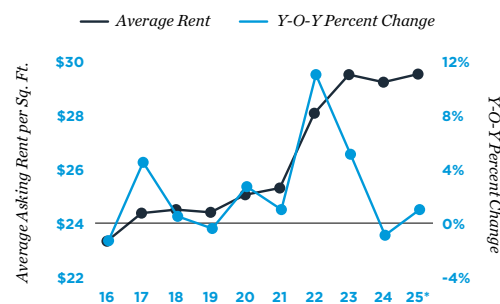
Economic Trends



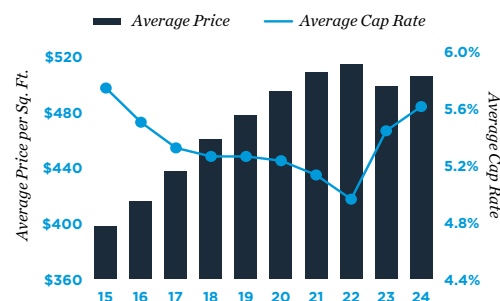
Supply and Demand



Rent Trends



Sales Trends



*Forecast

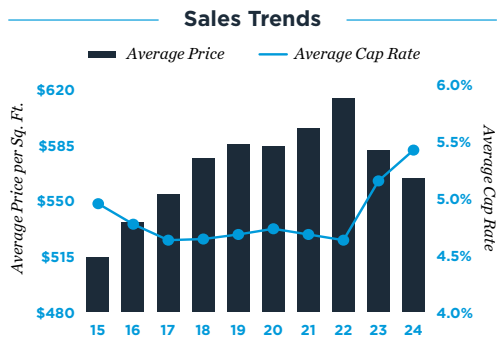
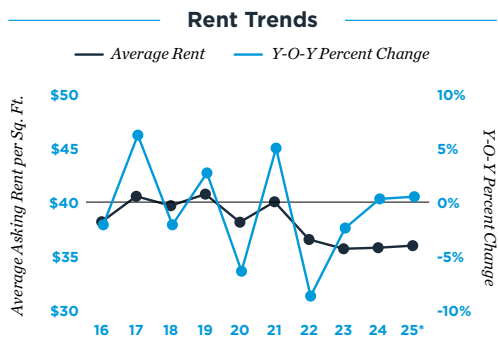
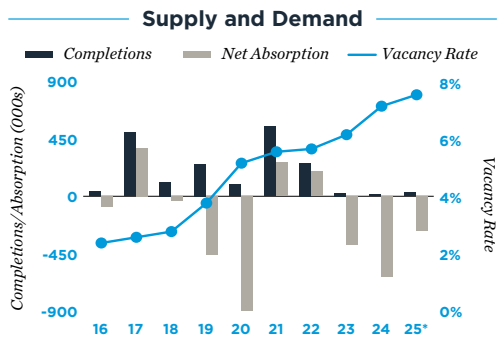
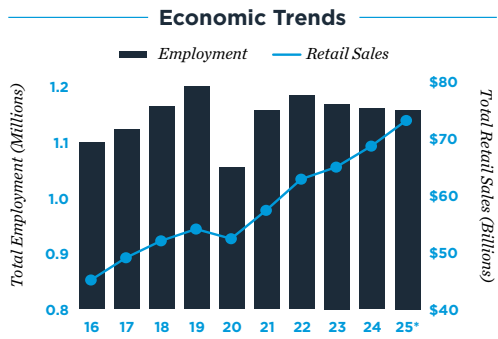
Sources: CoStar Group, Inc.; Real Capital Analytics

SAN FRANCISCO

Strong Suburban Performance Supports Greater Investment, With Change on the Horizon for the Core

Amid general strength, troubled core sees signs of improvement. While overall vacancy in the metro continues a climb that began in 2015, available retail space is limited across most of the city of San Francisco. For the area west of Fort Mason and south to Visitacion Valley, which represents about a third of the market's retail inventory, vacancy was at 3 percent to start this year and falling. The challenges facing the local retail sector instead largely reside downtown, where vacancy ended 2024 at 15.7 percent. The loss of daytime office worker foot traffic and public safety concerns have inhibited many retailers in these areas. The Office of Mayor Lurie, however, hopes to use a new state of emergency ordinance to streamline the process for establishing public health centers, aiding those in the city who are homeless or suffering from drug addiction. The mayor aims to establish 1,500 new beds at such settings — a process that, should it come to fruition, could both rehabilitate vacant retail space and improve public health and safety and, by relation, retail foot traffic.

Investors step up their engagement. Despite certain challenged areas, about 30 percent more properties changed hands last year than in 2023. Nearly half of trades were in San Francisco neighborhoods outside of downtown. Buyers, predominantly local private parties, acquired mixed-use storefronts with per-square-foot price points that could range from under \$200 or above \$700, depending on the property and location. That dynamic is likely to carry forward this year, given local vacancy less than half the metrowide rate and adjacent offices and residences providing benefits. While sales activity remained 40 percent under the 2014-2019 norm, if cap rates continue their recent upward shift, more buyers and sellers could come to agreement this year.



2025 MARKET FORECAST

NRI RANK 38 *The highest vacancy rate of ranked metros and contracting pay-rolls delegate San Francisco to the second half of the NRI.*

- 0.2%** **EMPLOYMENT:** The metro will lose 2,500 jobs — the third-straight year of contraction. Still, a sub-4 percent unemployment rate to begin 2025 indicates the labor market is fairly tight.
- 31,000 sq. ft.** **CONSTRUCTION:** Retail development remains negligible, with a Sunnydale storefront the only notable 2025 completion. Larger projects are planned for after this year, including Discovery Station.
- +40 bps** **VACANCY:** Ongoing move-outs across downtown San Francisco will continue to push up the metrowide vacancy rate. The measure will hit 7.6 percent by December — double the 2019 year-end mark.
- +0.5%** **RENT:** Tight availability outside of the core supports higher rents in these areas. The overall mean asking rate will inch up to \$35.92 per square foot this year, down 12 percent from pre-pandemic.

INVESTMENT: *Investors bullish on the long-term outlook for San Francisco's central business district may find opportunities for assets at adjusted pricing. About one-sixth of last year's trades were downtown.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Local Retail Headwinds Calm as Unique Concentration of Skilled Labor Aids Outlook

Bay Area's strongest retail market getting stronger. Last year's late jump in San Jose office occupancy strengthened an already well-entrenched retail sector. Submarkets home to numerous tech companies, including Mountain View-Los Altos, Palo Alto, Santa Clara and Sunnyvale-Cupertino, saw contracting retail vacancy last year, with rates entering 2025 under 4 percent. High household incomes supported retail services even when work habits were less tied to the office. As those habits become increasingly work-place-centric, demand for retail space is expected to further improve. The main pocket of relatively high vacancy is in South San Jose, where the local rate rose to 5.1 percent last year. Local net absorption, while negative last year, may turn positive amid planned move-ins by Costco, T&T Supermarket, and various restaurants.

Investment activity on upward path. Transaction velocity increased about 15 percent last year over 2023 as more buyers and sellers came to agreement over adjusted terms, which included a higher mean cap rate near 6 percent. Although this was slightly below the average first-year yield in Oakland, San Jose recorded a vacancy rate 100 basis points lower and now boasts a recent track record of asking rent growth. This dynamic is likely to keep buyers from across California interested in the South Bay, with South San Jose, Sunnyvale-Cupertino and Santa Clara among the areas of focus. Single-tenant assets with national credit tenants, such as fast food chains, in high-income submarkets like Sunnyvale-Cupertino can command sale prices over \$1,000 per square foot, while larger shopping centers can trade closer to \$400 per square foot. Sales in South San Jose can hit similar high-end benchmarks; however, the opportunity to acquire assets under \$400 per square foot is much more common.

2025 MARKET FORECAST

NRI RANK 28

The robust spending habits of a highly-skilled population propel San Jose to just under the Index's midpoint.

+0.5%



EMPLOYMENT: While modest by historical standards, the 6,000 jobs slated to be added this year on net will mark the metro's strongest year for hiring since 2022.

**86,000
sq. ft.**



CONSTRUCTION: Supply pressure holds steady as local inventory expands by a very slight 0.1 percent in 2025. Development is focused in South San Jose, Palo Alto and Morgan Hill.

-10 bps



VACANCY: Building on momentum gained over the course of the second half of last year, positive net absorption will push the metrowide vacancy rate down slightly to 4.6 percent by December.

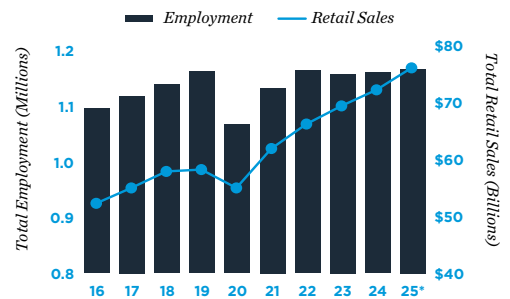
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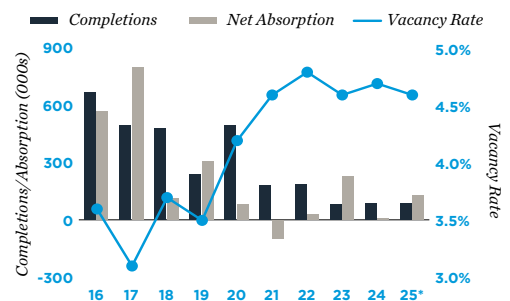
RENT: In conjunction with improved demand, the pace of rent growth will improve in 2025 as the market's mean asking rate rises to \$37.36 per square foot, nearly 6 percent above the 2019 mark.

INVESTMENT: While local entry costs are comparable or higher, investors from other parts of California continue to acquire assets in the South Bay. A highly educated population supports a strong consumer base.

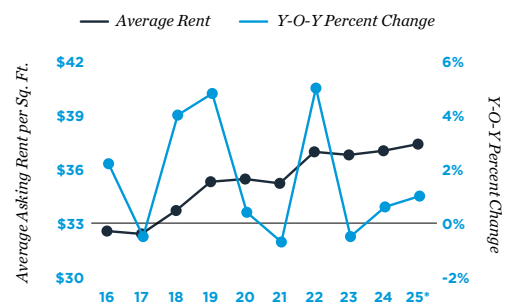
Economic Trends



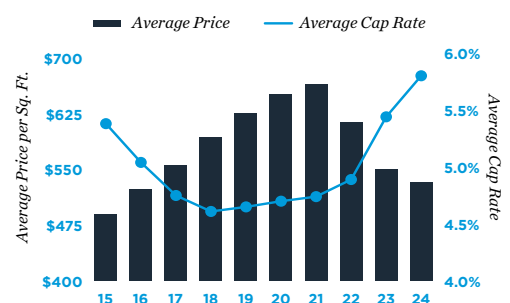
Supply and Demand



Rent Trends



Sales Trends



*Forecast

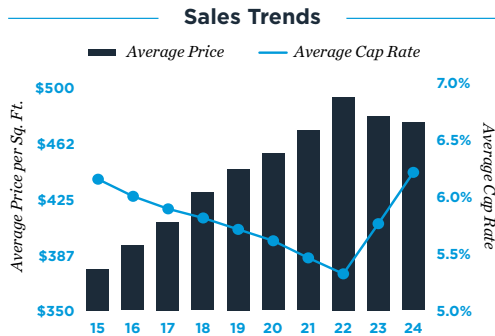
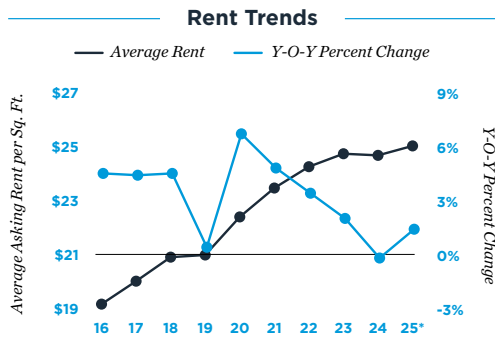
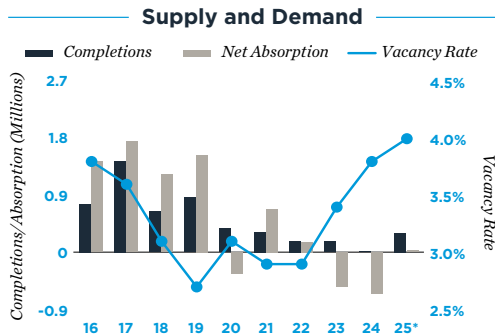
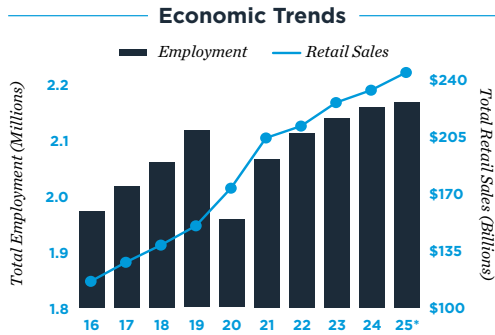
Sources: CoStar Group, Inc.; Real Capital Analytics

SEATTLE-TACOMA

Constrained Supply and Strengthening Investor Confidence Preserves Market Progress

Seattle-Tacoma retail enters 2025 with measured optimism. Modestly higher vacancy masks exceptionally swift backfilling. Big-box space left by Big Lots and Bed Bath & Beyond have been quickly absorbed by fitness, off-price grocers and niche retailers. Snohomish and Pierce counties lead in leasing velocity, bolstered by high-income in-migrants and stable tech and aerospace hiring. Meanwhile, the Eastside's affluent demographics continue attracting new entrants in the 10,000- to 50,000-square-foot range, fulfilling rising demand for experiential and daily-needs retail. Though Seattle proper grapples with diminished office foot traffic, premier locations still command top rents amid recent historically low completions. Large-format availabilities also vanish quickly, showcasing strong fundamentals that benefit investors seeking a market where tenant demand stays robust, supply expansion remains constrained and asking rents — despite moderating growth — are trending upward.

Momentum in the final half of 2024 signals a more active 2025. Overall transactions climbed roughly 10 percent last year, with properties over \$10 million drawing renewed investor interest. Despite total trading hovering at about half the 2021-2022 peak, sales were on par with typical 2015-2019 levels. Larger trades reemerged in the second half of 2024, signaling a renewed focus on institutional-scale acquisitions, particularly in the Northend. Single-tenant deals rose 15 percent, reflecting steady demand for national credit tenants, with 30 percent of \$10-million-plus transactions concentrated in Lynnwood. Multi-tenant centers also gained momentum as investors capitalized on minimal availability. With bigger buyers returning and average deal sizes on the upswing, 2025 appears poised for a more balanced investment environment.



2025 MARKET FORECAST

NRI RANK 19 *Seattle-Tacoma secures a top 20 rank as strong revenue growth offsets rising vacancy and a tempered employment outlook.*

- +0.5%** **EMPLOYMENT:** Seattle will add roughly half the number of new jobs that were created in 2024. Recent hiring has been strongest in construction and in education and health services.
- 300,000 sq. ft.** **CONSTRUCTION:** While this year's completion total will be 300,000 square feet below the historic average, stock growth is set to accelerate from the near-negligible additions added in 2024.
- +20 bps** **VACANCY:** Still-recuperating net absorption is pushing vacancy up, reaching 4.0 percent this year. While this marks a 10-year high, the rate remains below levels seen from 2007 to 2015.
- +1.4%** **RENT:** Single- and multi-tenant vacancy rates in the 4 percent range preserve upward momentum in asking rents, lifting Seattle's average marketed rate to \$25.00 per square foot.

INVESTMENT: *Pending House Bill 1175 could open residential zones to neighborhood stores and cafés statewide. Investors may see fresh demand for small-format retail footprints, especially in walkable areas.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Gathering Demographic Momentum Drives Inner-Ring Retail and Sustains Investment

Population tailwinds boost city center fundamentals. St. Louis retail vacancy has remained below 6 percent since 2014, and after four straight years of tightening, began 2025 at a historical low. Two years of record-setting net in-migration led to a 100-basis-point drop in apartment vacancy, with new households adding to demand for retailers. Improving office vacancy — particularly downtown, where rates fell to an all-time low last year — is also aiding weekday foot traffic. Attended by the fewest retail deliveries in at least 18 years, this momentum is expected to carry forward and should reinforce tenant demand for space. Leasing activity will likely concentrate in St. Louis County and metro Illinois, where retail vacancy in central submarkets dropped by up to 140 basis points last year. Move-ins slated for 2025 will be led by a wave of fitness centers and discount retailers across the metro, including two new locations each from Daiso and Dollar Tree. Openings from brands like Starbucks, Dutch Bros, Paris Baguette and KFC will help further sustain vacancy compression this year.

Steady market, strong outlook hold investor attention. Last year, transaction velocity remained just below the 2014-2019 average, driven by sub-\$5 million trades as investors capitalized on St. Louis' sale price per square foot — the sixth-lowest among major markets. While the past decade saw extended periods of population decline, robust hiring and steady vacancy drops in the last four years have kept investors bullish on the metro's long-term prospects. Nearly one in five trades in 2024 involved retail in mixed-use developments, reflecting investor interest in centrally located assets. Metrowide, triple-net investments were popular, with investors demonstrating a strong preference for properties leased by restaurants, fast food and auto repair shops.

2025 MARKET FORECAST

NRI RANK 24

Comparatively slow household growth weighs against falling vacancy, keeping St. Louis in the middle of the pack.

+1.2%



EMPLOYMENT: At 17,000 positions, this year's net employment gain will be the smallest since 2020; however, hiring remains roughly 25 percent above the pre-pandemic decade average.

184,000
sq. ft.



CONSTRUCTION: The 2025 delivery slate will raise total inventory just 0.1 percent — a more than 50 percent reduction from 2024 — and will be the fewest completions in the metro's recorded history.

-20 bps



VACANCY: Entering the year at record-low vacancy, the market is expected to see additional compression this year, pushing the metrowide metric down to 4.4 percent by December.

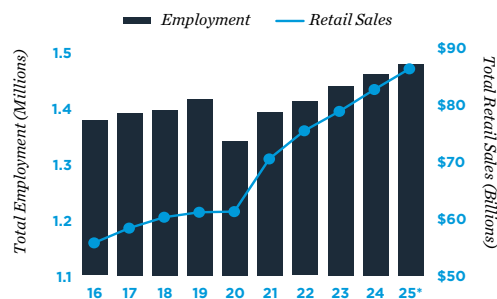
+2.1%



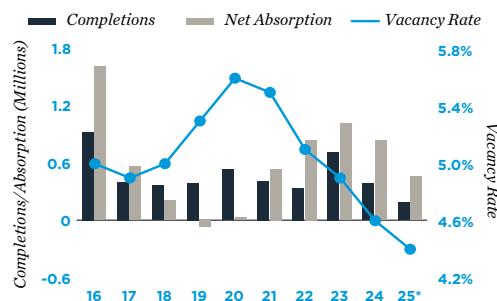
RENT: Rent growth in 2025 will slow from recent years. Nevertheless, the mean asking rent will reach \$15.50 per square foot as negligible deliveries push retailers to already limited floorspaces.

INVESTMENT: *A three-year 350-basis-point reduction in local office vacancy brought Downtown to its lowest rate on record last year. Increased foot traffic in the area should drive up investor competition for retail space.*

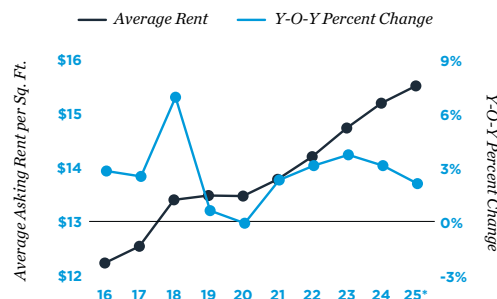
Economic Trends



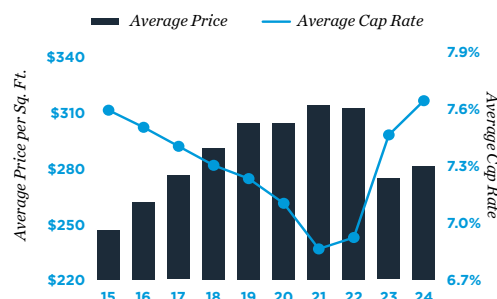
Supply and Demand



Rent Trends



Sales Trends

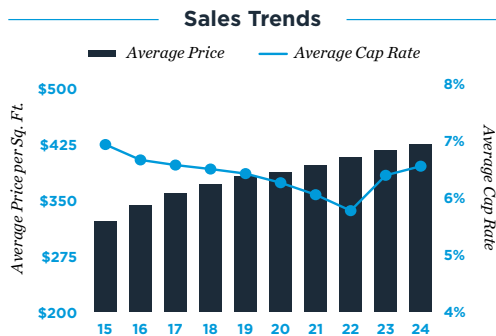
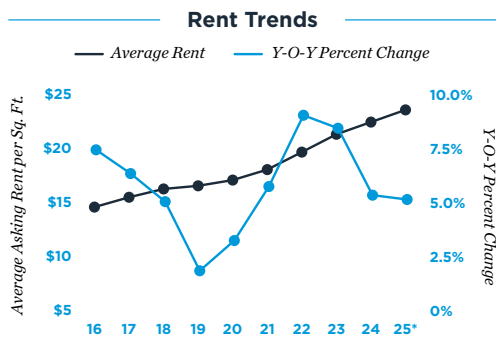
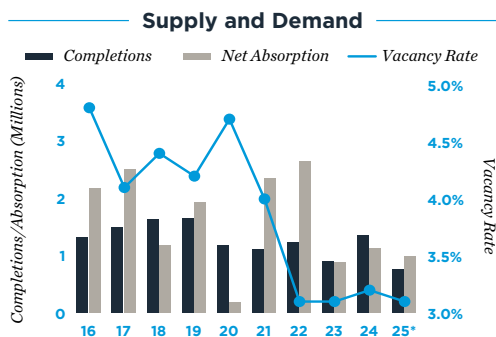
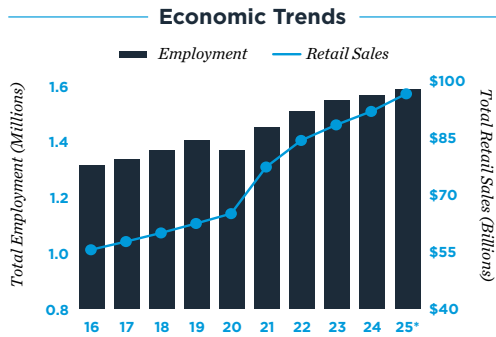


*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

TAMPA-ST. PETERSBURG

Florida's Residential Influx Facilitating Low Vacancy Across Tampa-St. Petersburg



Expansion at metro's edges warrant retailer move-ins. Continued demand by businesses has held Tampa's vacancy rate below 3.5 percent since mid-year 2022. Both national and international retailers are drawn to the market's growing population and burgeoning outer submarkets. Japanese store chain Daiso will be arriving in Northdale, while Utah-based soda shop Swig will open their second Florida location in Lutz. As outer areas grow in population, consumer demand will rise, providing positive rent movement among retail assets. North Hillsborough and Pasco County both recorded double-digit percent rent growth last year, and could be poised to retain some of that momentum in 2025. Both submarkets reported little discrepancy between single-tenant and multi-tenant occupancy, showcasing the strong retailer demand in the outer areas that has led to historically tight vacancy. Nearly all Tampa submarkets entered 2025 with sub-3.5 percent vacancy, with the rates in Pinellas County and the Sarasota-Bradenton area only slightly higher.

Investors target properties in and around downtown. After increasing last year, transaction volume may keep growing in urban submarkets like Pinellas and Central Tampa. If mid-week foot traffic continues on the path of improvement noted last year, retail property fundamentals for assets here may improve, drawing more investors. Flood risks will likely continue to be a concern for buyers, which may shift some attention to properties further inland. Investment activity may grow in areas such as the Interstate 75 Corridor, North Hillsborough and East Pasco County as a result. Additionally, with segment vacancy rates below the metrowide average, these submarkets may also attract buyers seeking stable multi-tenant assets.

2025 MARKET FORECAST

NRI RANK 3 *Rapid revenue growth and few weaknesses aid Tampa in holding a top three placement again this year.*

- +1.3%** **EMPLOYMENT:** Employment growth will tick up this year, increasing the role count by 21,000 jobs. The leisure and hospitality sector will likely lead this improvement once again this year.
- 750,000 sq. ft.** **CONSTRUCTION:** A construction pullback will result in the least new square feet since 2012, raising inventory by 0.4 percent in 2025. New supply is centered around the Sarasota-Bradenton area.
- 10 bps** **VACANCY:** A reduced construction pipeline will help nudge vacancy down to 3.1 percent by year-end. The rate is set to remain under 3.2 percent for a fourth consecutive year.
- +5.1%** **RENT:** Average asking rent growth will continue to slow following large post-pandemic gains. Even so, the metro's rate will increase to \$23.45 per square foot by the end of December.

INVESTMENT: *Investors interested in opportunities to renovate vacant older properties may begin their search along Interstate 275 in Tampa proper, where a large cluster of such assets exist.*

Tucson's Expanding Job Base and Steady In-Migration Bolster Long-Term Retail Stability

Amid shifting demand, constrained supply preserves market balance. While employment gains have moderated, Tucson's affordability and sustained in-migration — surpassing 10,000 new arrivals for a fourth consecutive year — reinforce the market's retail stability, particularly among health care and manufacturing employment hubs. Even as big-box closures — including Sam Levitz — created vacancies, discount retailers such as Burlington and Dollar Tree quickly backfilled space, sustaining net absorption. Supply constraints persist, with only 180,000 square feet delivered in 2024 and just 70,000 square feet underway, most of which is preleased. As a result, vacancy will stay near its historical 6.5 percent average in 2025. Meanwhile, expansions like American Battery Factory's \$3.1 billion gigafactory, opening in 2025, broaden the metro's job base, supporting long-term consumer spending amid a cooling labor market.

Momentum holds in Tucson's evolving retail environment. Despite fewer total trades in 2024 than in 2023, private buyers — who completed 75 percent of deals over the past five years — continued to drive local velocity, aided by regionally low pricing that fostered 1031 exchanges and asset upgrades. User acquisitions also held firm, targeting prime pads and corner sites with redevelopment potential. At the same time, the influx of newly vacated big-box spaces amplified the market's pivot toward experiential retail and broader foot traffic, as they were often reimaged for entertainment or discount concepts. Looking ahead to 2025, a tight construction pipeline and steady consumer demand should sustain rent growth, bridging bid-ask gaps and supporting further capital inflows from private buyers and larger groups.

2025 MARKET FORECAST

NRI RANK 40

In-migration sustains consumer demand, yet high vacancy and limited employment temper Tucson's standing in the NMI.

+0.7%



EMPLOYMENT: Tucson employers will add 2,800 positions in 2025 as hiring slows. Even so, the total employment base will end this year roughly 15,000 jobs higher than the 2020 count.

**70,000
sq. ft.**



CONSTRUCTION: Development activity slows after 2024 marked a six-year high in annual completions. This year, metrowide inventory is projected to expand by just 0.2 percent.

+20 bps



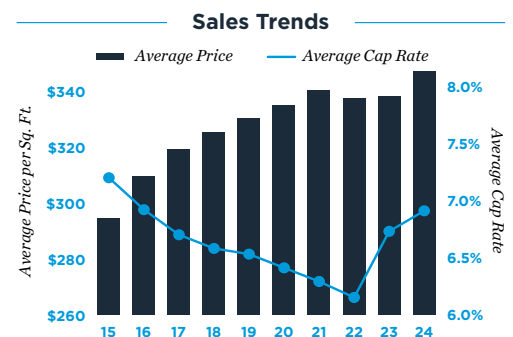
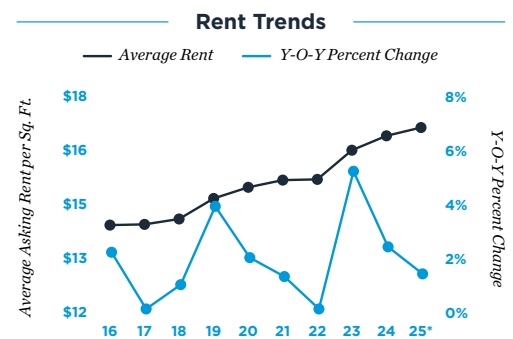
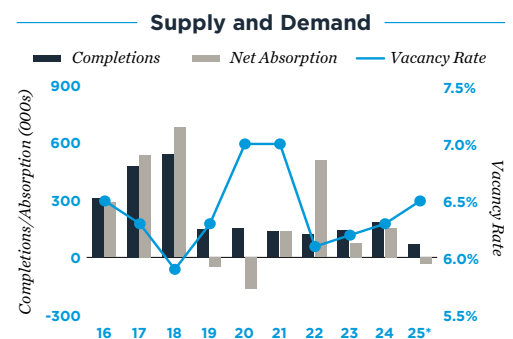
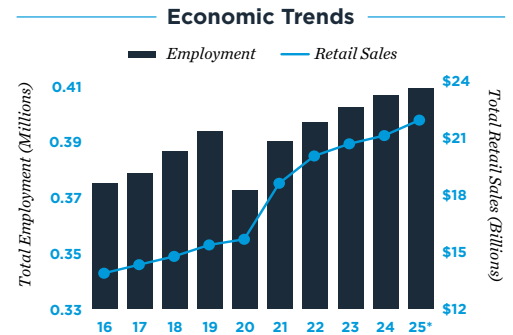
VACANCY: Limited construction will prevent a major change in vacancy from occurring. Still, the rate will inch up to 6.5 percent while some retailers reassess their physical space needs.

+1.4%



RENT: Tucson's average asking rent will continue to climb in 2025, albeit at a slower pace than in recent years. By year-end, the mean marketed rate will stand at \$17.10 per square foot.

INVESTMENT: *The Casa Adobes-Oro Valley area and the Airport-Drexel Heights-Sahuarita area upheld below-market multifamily vacancy last year, positioning them as potential targets for retail investors in 2025.*



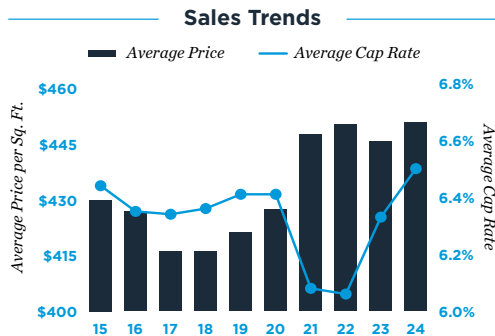
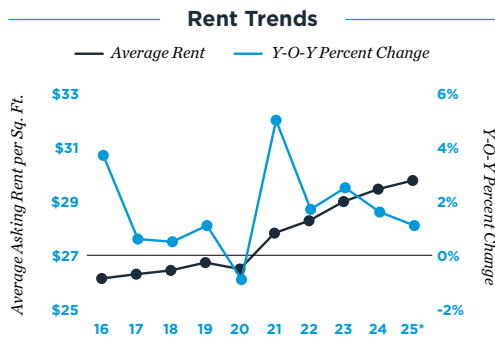
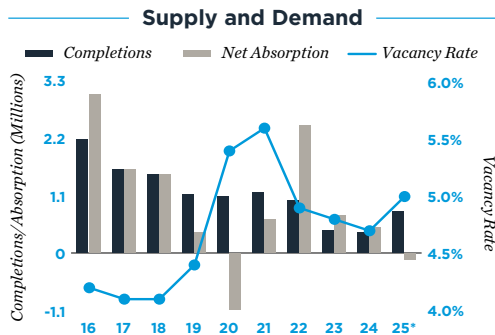
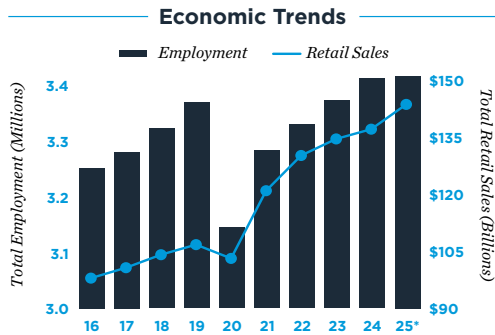
*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

Downtown D.C. Navigates Headwinds as Prominent Suburbs Drive Retail Investment Recovery

Limited supply and tourism growth aid retail stability. The Washington, D.C., metro faces widening submarket disparities as government downsizing and office lease terminations weigh on consumer spending and weekday foot traffic. The District, recording retail vacancy above 5 percent entering 2025, will likely be most affected. Rising tourism should support future retailer demand, however, with the CBD’s hotel occupancy above 70 percent last year for the first time since 2019 and an upcoming \$800 million renovation planned for Capital One Arena. Minimal new supply will also help contain vacancy risks. Deliveries are concentrated in Virginia’s suburbs, where rates are nearly 200 basis points lower. Steadier population and job growth in these areas and affluent Maryland suburbs like Bethesda — which posted record multifamily net absorption last year — should uphold tenant demand. Meanwhile, vacancy in lower-income parts of Montgomery and Prince George’s counties remains above 7 percent, but declined in 2024 as grocery stores, discount retailers and fitness centers backfilled spaces. Experiential concepts moving in this year should strengthen fundamentals.

Investor focus shifts beyond the urban core. Spending from high-income households and historically low vacancy should sustain buyer demand in Virginia’s suburbs, especially among institutions, which grew more active last year. Grocery- and discount-anchored centers will likely stay targets due to their reliable cash flows. Meanwhile, power centers — coming off their strongest post-pandemic leasing year — may draw yield-seeking investors. Buyers looking for lower entry costs may focus on assets near emerging mixed-use developments in Maryland, such as Waldorf Station and expansion efforts at National Harbor, which will support job creation and retailer demand.



2025 MARKET FORECAST

NRI RANK 37 *Evolving federal policies raise the metro’s risk profile and lead to a ranking below the midpoint.*

- +0.1%** **EMPLOYMENT:** Public-sector job cuts will limit net employment gains in 2025 to 5,000 positions, though private-sector hiring in industries such as health care is expected to hold up better.
- 800,000 sq. ft.** **CONSTRUCTION:** Completions will more than double last year’s record-low delivery total, but new supply will stay below the metro’s past decade’s annual average of 1.2 million square feet.
- +30 bps** **VACANCY:** Affluent consumers and steady net in-migration help offset a federal hiring slowdown. The metro’s vacancy reaches 5.0 percent in 2025, in line with its 4.9 percent historical average.
- +1.1%** **RENT:** Rent growth remains modest amid rising vacancy, while tighter conditions in Virginia should drive stronger gains. The metro’s average asking rent will reach \$29.75 per square foot.

INVESTMENT: *Among submarkets nationwide with over 10 million square feet of inventory, Southeast Fairfax County was one of five to sustain rent growth above 4 percent for four straight years, drawing investors.*

* Forecast
Sources: CoStar Group, Inc.; Real Capital Analytics

Housing Expansion Aids Downtown Palm Beach While Large Investors Return to Affluent Areas

Retailers follow population surge as leasing trends shift. An influx of established professionals and wealthy retirees is expected to keep the metro among the five fastest-growing major markets this year, fueling one of the nation's strongest increases in retail sales. Concentrated growth in downtown Palm Beach and Lake Worth Beach, where retail vacancy also held firm last year, should sustain tenant demand, supported by over 600,000 square feet of recently opened, well-leased office space. Tourism-heavy areas like Downtown Boca Raton may lag, though the metro's triple-digit basis-point rise in hotel occupancy last year could aid retail leasing should this trend hold. New mixed-use projects will also draw residents and businesses. In Delray Beach, the soon-to-open Sundry Village and the expanding Atlantic Crossing will enhance the area's appeal. Boca Raton is following suit, with the former Office Depot headquarters slated for redevelopment. A proposed downtown City Hall project with 2.5 million square feet of mixed-use space would also bolster future demand for retail space.

Rising rents draw investors to wealthy suburbs. Institutional activity improved in 2024 and should continue to grow as tight vacancy fuels strong rent gains. Grocery-anchored centers will likely remain key targets in high-income residential neighborhoods of Boca Raton, Delray Beach and Boynton Beach, where asking rents lead the metro. Private buyers are expected to stay active along Route 1, where net-leased restaurants, gas stations and drugstores remain popular. Lake Worth Beach may see investment rise after record multifamily absorption last year, with another 1,000 units set to deliver in 2025. Amid elevated rent growth, buyers could pursue strip centers, where shorter lease terms provide greater flexibility to bring rents to market rates.

2025 MARKET FORECAST

NRI RANK 7

A rapid influx of affluent consumers, combined with tight vacancy, positions West Palm Beach near the top of the Index.

+1.7%



EMPLOYMENT: Employment gains will rise slightly from last year with the addition of 12,000 positions. West Palm Beach's job growth rate is expected to continue leading all major Florida markets.

180,000
sq. ft.



CONSTRUCTION: Completions align with last year's near-record-low total. Most projects slated for delivery are sub-10,000-square-foot neighborhood and strip centers that are well pre-leased.

+10 bps



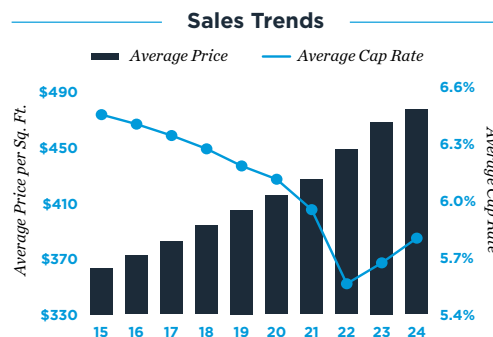
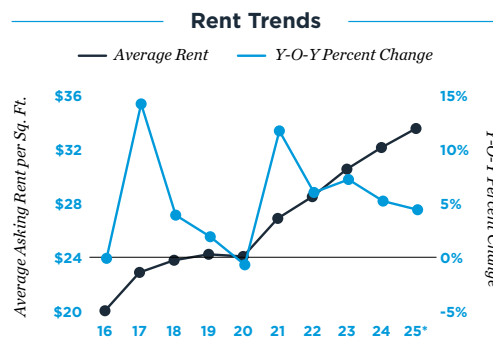
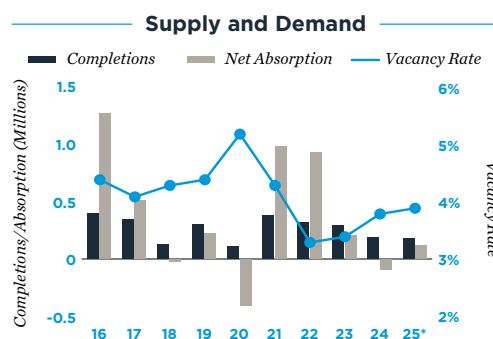
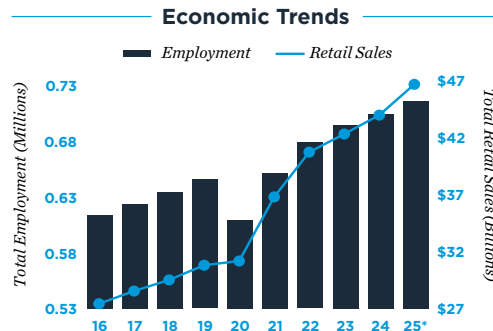
VACANCY: Minimal new supply and an influx of wealthy residents attracting retailers help slow vacancy expansion. At 3.9 percent, the metro's rate will stay below its past decade average of 4.3 percent.

+4.4%



RENT: Low vacancy supports historically elevated rent growth, which will exceed 4 percent for the fifth consecutive year. The metro's average asking rent reaches \$33.50 per square foot by year-end.

INVESTMENT: *As two of just 10 U.S. submarkets with over 5 million square feet of stock to see asking rents surge over 60 percent since 2020, Delray Beach and Boynton Beach are poised to draw investors.*



*Forecast

Sources: CoStar Group, Inc.; Real Capital Analytics

United States

Corporate Headquarters

Marcus & Millichap
23975 Park Sorrento
Suite 400
Calabasas, CA 91302
(818) 212-2250
www.MarcusMillichap.com

Atlanta

1100 Abernathy Road, N.E.
Building 500, Suite 600
Atlanta, GA 30328
(678) 808-2700
John M. Leonard

Austin

9600 N. Mopac Expressway
Suite 300
Austin, TX 78759
(512) 338-7800
Bruce Bentley III

Bakersfield

4900 California Avenue
Tower B, Second Floor
Bakersfield, CA 93309
(661) 377-1878
Jim Markel

Baltimore

One West Pennsylvania Avenue
Suite 850
Towson, MD 21204
(443) 703-5000
Brian Hosey

Baton Rouge

10527 Kentshire Court, Suite B
Baton Rouge, LA 70810
(225) 376-6800
Jody McKibben

Birmingham

800 Shades Creek Parkway
Suite 815
Birmingham, AL 35209
(205) 510-9200
Jody McKibben

Boise

800 W. Main Street, Suite 1460
Boise, ID 83702
(208) 401-9321
Adam Lewis

Boston

100 High Street, Suite 1025
Boston, MA 02110
(617) 896-7200
Thomas Shihadeh

Charleston

151 Meeting Street, Suite 450
Charleston, SC 29403
(843) 952-2222
Benjamin Yelm

Charlotte Uptown

201 S. Tryon Street, Suite 1220
Charlotte, NC 28202
(704) 831-4600
Benjamin Yelm

Chicago Downtown

333 W. Wacker Drive, Suite 200
Chicago, IL 60606
(312) 327-5400
Joseph Powers

Chicago Oak Brook

One Mid-America Plaza, Suite 200
Oakbrook Terrace, IL 60181
(630) 570-2200
Steven D. Weinstock

Cincinnati

312 Walnut Street, Suite 2460
Cincinnati, OH 45202
(513) 878-7700
Josh Caruana

Cleveland

Crown Centre
5005 Rockside Road, Suite 800
Independence, OH 44131
(216) 264-2000
Grant Fitzgerald

Columbia

1320 Main Street, Suite 300
Columbia, SC 29201
(803) 678-4900
Benjamin Yelm

Columbus

500 Neil Avenue, Suite 100
Columbus, OH 43215
(614) 360-9800
Grant Fitzgerald

Dallas

5001 Spring Valley Road, Suite 100W
Dallas, TX 75244
(972) 755-5200
Mark R. McCoy

Dallas Uptown

3131 Turtle Creek Boulevard
Suite 1200
Dallas, TX 75219
(972) 267-0600
Mark R. McCoy

Denver

1144 15th Street, Suite 2150
Denver, CO 80202
(303) 328-2000
Adam A. Lewis

Detroit

2 Towne Square, Suite 450
Southfield, MI 48076
(248) 415-2600
Steven Chaben

Encino

16830 Ventura Boulevard, Suite 100
Encino, CA 91436
(818) 212-2700
Jim Markel

Fort Lauderdale

5900 N. Andrews Avenue, Suite 100
Fort Lauderdale, FL 33309
(954) 245-3400
Harrison E. Rein

Fort Worth

300 Throckmorton Street, Suite 1500
Fort Worth, TX 76102
(817) 932-6100
Mark R. McCoy

Fresno

6795 N. Palm Avenue, Suite 109
Fresno, CA 93704
(559) 476-5600
Jim Markel

Greensboro

200 Centreport Drive, Suite 160
Greensboro, NC 27409
(336) 450-4600
Benjamin Yelm

Hampton Roads

208 GoldenOak Ct, Suite 210
Virginia Beach, VA 23452
(757) 777-3737
Benjamin Yelm

Houston

3 Riverway, Suite 800
Houston, TX 77056
(713) 452-4200
Ford Noe

Indianapolis

600 E. 96th Street, Suite 500
Indianapolis, IN 46240
(317) 218-5300
Josh Caruana

Inland Empire

3281 E. Guasti Road, Suite 800
Ontario, CA 91761
(909) 456-3400
Mario J. Alvarez, Jr.

Iowa

425 Second Street S.E., Suite 610
Cedar Rapids, IA 52401
(319) 333-7743
Todd Lindblom

Jacksonville

818 N Highway A1A, Suite 203
Ponte Vedra Beach, FL 32082
(904) 672-1400
Justin W. West

Kansas City

9393 W 110th Street, Suite 500
Overland Park, KS 66210
(816) 410-1010
Josh Caruana

Knoxville

1111 Northshore Drive, Suite S-301
Knoxville, TN 37919
(865) 299-6300
Jody McKibben

Las Vegas

9205 W Russell Road, Suite 100
Las Vegas, NV 89148
(702) 215-7100
Cameron Glinton

Los Angeles

1900 Avenue of the Stars, Suite 2000
Los Angeles, CA 90067
(213) 943-1800
Tony Solomon

Louisville

9300 Shelbyville Road, Suite 1012
Louisville, KY 40222
(502) 329-5900
Josh Caruana

Manhattan

260 Madison Avenue, Fifth Floor
New York, NY 10016
(212) 430-5100
John Horowitz

Memphis

5100 Poplar Avenue, Suite 2505
Memphis, TN 38137
(901) 620-3600
Jody McKibben

Miami

2916 North Miami Avenue, Suite 700
Miami, FL 33127
(786) 522-7000
Victor M. Garcia

Milwaukee

13890 Bishops Drive, Suite 300
Brookfield, WI 53005
(262) 364-1900
Todd Lindblom

Minneapolis

1601 Utica Avenue South, Suite 301
Minneapolis, MN 55416
(952) 852-9700
Todd Lindblom

Mobile

208 N. Greeno Road, Suite B-2
Fairhope, AL 36532
(251) 929-7300
Jody McKibben

Nashville

6 Cadillac Drive, Suite 100
Brentwood, TN 37027
(615) 997-2900
Jody McKibben

New Haven

265 Church Street
Suite 210
New Haven, CT 06510
(203) 742-3300
John Horowitz

New Jersey

250 Pehle Avenue, Suite 501
Saddle Brook, NJ 07663
(201) 742-6100
Jim McGuckin

New Mexico

100 Sun Avenue N.E., Suite 650
Albuquerque, NM 87109
(505) 445-6333
Ryan Sarbinoff

Oakland

555 12th Street, Suite 1750
Oakland, CA 94607
(510) 379-1200
Ramon Kochavi

Oklahoma City

201 Robert S Kerr Avenue, Suite 700
Oklahoma City, OK 73102
(405) 446-8238
Jody McKibben

Orange County

19800 MacArthur Boulevard
Suite 150
Irvine, CA 92612
(949) 419-3200
Jonathan Giannola

Orlando

300 S. Orange Avenue, Suite 700
Orlando, FL 32801
(407) 557-3800
Justin W. West

Palm Springs

74-710 Highway 111, Suite 102
Palm Desert, CA 92260
(909) 456-3400
Mario J. Alvarez Jr.

Palo Alto

2626 Hanover Street
Palo Alto, CA 94304
(650) 391-1700
Ramon Kochavi

Philadelphia

2005 Market Street, Suite 1510
Philadelphia, PA 19103
(215) 531-7000
Timothy B. Stephenson, Jr.

Phoenix

2398 E. Camelback Road, Suite 300
Phoenix, AZ 85016
(602) 687-6700
James K. Crawley

Portland

111 S.W. Fifth Avenue, Suite 1950
Portland, OR 97204
(503) 200-2000
David Tabata

Raleigh

101 J Morris Commons Lane,
Suite 130
Morrisville, NC 27560
(919) 674-1100
Benjamin Yelm

Reno

50 W. Liberty Street, Suite 400
Reno, NV 89501
(775) 348-5200
Daniel A. Kapic

Richmond

4401 Waterfront Drive, Suite 230
Glen Allen, VA 23060
(804) 802-6900
Benjamin Yelm

Sacramento

3741 Douglas Boulevard, Suite 200
Roseville, CA 95661
(916) 724-1400
Daniel A. Kapic

Sacramento Downtown

333 University, Suite 150
Sacramento, CA 95825
(916) 724-1400
Daniel A. Kapic

Salt Lake City

95 South State Street, Suite 1280
Salt Lake City, UT 84111
(801) 736-2600
Kent Guerin

San Antonio

8200 IH-10 W, Suite 603
San Antonio, TX 78230
(210) 343-7800
Bruce Bentley III

San Diego

12544 High Bluff Drive, Suite 100
San Diego, CA 92130
(858) 373-3100
Damon Wyler

San Francisco

750 Battery Street, Fifth Floor
San Francisco, CA 94111
(415) 963-3000
Ramon Kochavi

Seattle

401 Union Street, Suite 3200
Seattle, WA 98101
(206) 826-5700
Josh Deis

South Bay

880 Apollo Street, Suite 101
El Segundo, CA 90245
(424) 405-3900
Dawson Rinder

St. Louis

7800 Forsyth Boulevard, Suite 710
St. Louis, MO 63105
(314) 889-2500
Josh Caruana

Tampa

201 N. Franklin St., Suite 1100
Tampa, FL 33602
(813) 387-4700
David G. Bradley

Tucson

2 E Congress Street, Suite 1050
Tucson, AZ 85701
(520) 202-2900
James K. Crawley

Washington, D.C.

7200 Wisconsin Avenue, Suite 1101
Bethesda, MD 20814
(202) 536-3700
Brian Hosey

Westchester

50 Main Street, Suite 925
White Plains, NY 10606
(914) 220-9730
John Horowitz

Canada**Calgary**

602-16 Avenue Northwest
Suite 211
Calgary, Alberta T2M 0J7
(587) 349-1302
Michael Heck

Edmonton

10175 101 Street, Suite 1820
Edmonton, Alberta T5J 0H3
(587) 756-1600
Michael Heck

Montreal

1 Place Ville Marie, Suite 1082
Montreal, Quebec H3B 4S6
(438) 844-6500
Kevin Marshall

Ottawa

275 Bank Street, Suite 301
Ottawa, Ontario K2P 2L6
(613) 364-2300
Mark Paterson

Toronto

200 King Street W, Suite 1210
Toronto, Ontario M5H 3T4
(416) 585-4646
Mark Paterson

Vancouver

1111 West Georgia Street, Suite 1100
Vancouver, British Columbia
V6E 4M3
(604) 638-2121
Michael Heck

CONTACTS, SOURCES AND DEFINITIONS

Research Services Team

- John Chang** | Senior Vice President, National Director
- Peter Tindall** | Vice President, Director of Research Operations
- Luke Simurda** | Director of Canada Research
- Cody Young** | Research Publication Manager
- Jacinta Tolinos** | Research Operations Manager
- Kathryn Blessington** | Copy Editor
- Noah Brown** | Research Associate
- Kyle Chang** | Research Associate
- Maria Erofeeva** | Graphic Designer
- Nicholas Johnsrud** | Research Associate
- Joseph Julian** | Research Associate
- Cody Moody** | Research Associate
- Chris Ngo** | Data Analyst II
- Adam Norbury** | Data Analyst II
- Erik Pisor** | Research Analyst II
- Musab Salih** | Data Analyst
- John Salter** | Research Associate
- Samuel Vogel** | Digital Media Coordinator
- Robert Weeks** | Research Associate
- Frank Zhao** | Research Analyst

Senior Management Team

- Hessam Nadji**
President and Chief Executive Officer
- Richard Matricaria**
Executive Vice President,
Chief Operating Officer, Western Division
- J.D. Parker**
Executive Vice President,
Chief Operating Officer, Eastern Division
- Evan Denner**
Executive Vice President, Head of Business, MMCC
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Executive Vice President, Chief Financial Officer
- Gregory A. LaBerge**
Senior Vice President, Chief Administrative Officer
- Andrew Strockis**
Senior Vice President, Chief Marketing Officer
- Michael L. Glass**
Senior Vice President, Division Manager
- John Horowitz**
Senior Vice President, Division Manager
- Brian Hosey**
Senior Vice President, Division Manager
- Ryan Nee**
Senior Vice President, Division Manager
- Tim Speck**
Senior Vice President, Division Manager
- John Vorsheck**
Senior Vice President, Division Manager

IPA Retail

Daniel Taub | Senior Vice President, National Director
(212) 430-5100 | dtaub@ipausa.com

Contact:

John Chang | Senior Vice President, National Director
Research and Advisory Services
4545 East Shea Boulevard, Suite 201
Phoenix, Arizona 85028
(602) 707-9700 | jchang@ipausa.com

Media Contact:

Gina Relva | Public Relations Director
555 12th Street, Suite 1750
Oakland, CA 94607
(925) 953-1716 | gina.relva@marcusmillichap.com

¹ National Retail Index Note: Employment and retail data forecasts for 2025 are based on the most up-to-date information available as of March 2025 and are subject to change.

² Statistical Summary Note: Metro-level employment, vacancy and asking rents are year-end figures and are based on the most up-to-date information available as of March 2025. Average prices and cap rates are a function of the age, class and geographic area of the properties trading and therefore may not be representative of the market as a whole. Forecasts for employment and retail data are made during the fourth quarter and represent estimates of future performance. No representation, warranty or guarantee, express or implied, may be made as to the accuracy or reliability of the information contained herein. This is not intended to be a forecast of future events and this is not a guarantee regarding a future event. This is not intended to provide specific investment advice and should not be considered as investment advice.

Sources: IPA Research Services; Bureau of Economic Analysis; Bureau of Labor Statistics; Coresight Research; CoStar Group, Inc.; Economic Policy Institute; Federal Reserve of New York; Moody's Analytics; National Association of Realtors; Placer.ai; Realtor.com; RetailStat; Visit Orlando; U.S. Census Bureau; U.S. Department of Housing and Urban Development; U.S. Travel Association

STATISTICAL SUMMARY

Market Name	Employment Growth ²				Completions (000's of Sq. Ft.) ²				Vacancy Rate ²				Average Asking Rent ²				Average Price per Sq. Ft. ²			Market Name
	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	2025*	2022	2023	2024	
Atlanta	3.5%	1.1%	1.0%	0.9%	2,010	1,530	1,220	640	3.8%	3.6%	3.9%	4.0%	\$18.18	\$19.55	\$20.53	\$21.30	\$372	\$382	\$390	Atlanta
Austin	6.4%	2.9%	1.7%	1.8%	860	2,020	1,440	1,500	3.3%	3.3%	3.4%	3.6%	\$24.32	\$27.10	\$27.85	\$28.50	\$438	\$457	\$475	Austin
Baltimore	0.5%	0.3%	1.0%	1.2%	320	380	310	210	5.6%	5.5%	5.6%	5.5%	\$21.02	\$20.49	\$20.91	\$21.41	\$341	\$326	\$320	Baltimore
Boston	2.3%	0.9%	0.7%	0.7%	850	550	240	500	3.0%	3.0%	2.7%	2.6%	\$22.56	\$22.47	\$23.14	\$23.90	\$398	\$380	\$369	Boston
Charleston	5.3%	4.6%	2.9%	1.8%	470	140	270	150	3.0%	3.3%	3.2%	3.0%	\$25.19	\$26.82	\$27.23	\$27.90	\$442	\$449	\$459	Charleston
Charlotte	3.3%	2.1%	2.7%	1.4%	400	640	540	660	3.6%	2.7%	3.1%	3.2%	\$18.60	\$18.83	\$20.69	\$21.50	\$414	\$420	\$425	Charlotte
Chicago	2.2%	0.7%	-0.1%	-0.1%	940	800	450	500	5.5%	5.1%	4.8%	4.5%	\$19.08	\$19.22	\$19.31	\$19.60	\$342	\$338	\$335	Chicago
Cincinnati	2.5%	1.1%	0.4%	0.3%	160	360	320	300	6.4%	6.0%	5.8%	5.7%	\$12.96	\$14.79	\$14.67	\$14.90	\$285	\$277	\$273	Cincinnati
Cleveland	1.6%	1.0%	0.5%	0.7%	1,010	740	520	210	4.2%	4.4%	4.6%	4.4%	\$11.66	\$12.92	\$13.09	\$13.17	\$322	\$312	\$303	Cleveland
Columbus	0.9%	1.7%	-0.5%	0.7%	720	500	410	300	4.0%	4.0%	4.2%	4.3%	\$15.98	\$16.48	\$16.50	\$16.75	\$299	\$276	\$277	Columbus
Dallas-Fort Worth	4.8%	2.4%	1.6%	1.4%	2,860	3,110	2,410	3,360	4.8%	4.8%	4.9%	5.1%	\$18.45	\$19.09	\$19.60	\$20.20	\$447	\$431	\$425	Dallas-Fort Worth
Denver	3.1%	0.8%	1.0%	1.0%	390	700	330	220	4.1%	4.0%	4.2%	4.1%	\$19.64	\$21.13	\$20.42	\$20.80	\$413	\$395	\$401	Denver
Detroit	2.3%	0.5%	0.5%	0.6%	530	560	700	250	5.2%	5.4%	5.7%	5.8%	\$15.18	\$14.85	\$15.37	\$15.60	\$289	\$280	\$279	Detroit
Fort Lauderdale	3.9%	2.4%	1.4%	1.4%	190	360	120	380	3.9%	3.9%	4.5%	4.7%	\$28.50	\$30.04	\$29.15	\$29.80	\$429	\$429	\$438	Fort Lauderdale
Houston	4.7%	3.0%	1.7%	1.6%	3,390	3,770	2,570	2,320	5.3%	5.3%	5.6%	5.5%	\$19.57	\$20.19	\$20.08	\$20.45	\$383	\$362	\$352	Houston
Indianapolis	2.9%	2.4%	2.4%	2.3%	370	670	350	430	3.2%	3.2%	2.5%	2.3%	\$16.77	\$15.84	\$17.78	\$18.55	\$290	\$298	\$306	Indianapolis
Jacksonville	3.3%	2.3%	1.4%	2.0%	1,060	530	980	360	4.4%	4.5%	4.3%	4.1%	\$17.97	\$19.91	\$20.06	\$20.56	\$363	\$357	\$372	Jacksonville
Kansas City	2.8%	1.1%	1.6%	1.2%	660	590	360	400	4.5%	4.5%	4.2%	3.9%	\$14.21	\$14.64	\$14.86	\$15.01	\$310	\$303	\$299	Kansas City
Las Vegas	5.2%	3.9%	0.7%	1.2%	650	440	780	510	5.6%	4.9%	5.0%	4.8%	\$23.07	\$24.09	\$25.57	\$26.60	\$434	\$416	\$423	Las Vegas
Los Angeles	2.3%	0.2%	0.9%	0.7%	660	400	150	690	5.3%	5.7%	6.2%	6.5%	\$32.63	\$33.41	\$33.64	\$34.00	\$527	\$509	\$530	Los Angeles
Louisville	2.5%	1.0%	0.9%	0.9%	440	250	190	530	3.3%	3.2%	3.3%	3.2%	\$15.70	\$15.24	\$16.51	\$16.79	\$326	\$331	\$331	Louisville
Memphis	1.9%	-1.6%	-0.2%	0.6%	330	260	350	40	3.9%	3.6%	4.3%	4.7%	\$13.68	\$14.52	\$13.48	\$13.20	\$297	\$284	\$285	Memphis
Miami-Dade	5.0%	3.6%	1.2%	1.6%	590	800	330	700	3.1%	2.8%	2.8%	2.7%	\$38.87	\$41.75	\$46.48	\$49.00	\$555	\$549	\$545	Miami-Dade
Milwaukee	1.9%	0.0%	-0.5%	0.7%	210	330	220	120	4.2%	4.2%	4.3%	4.1%	\$14.34	\$14.83	\$14.73	\$14.85	\$272	\$268	\$269	Milwaukee
Minneapolis-St. Paul	1.3%	1.5%	-0.2%	0.8%	640	480	130	300	3.4%	3.1%	2.7%	2.9%	\$17.49	\$18.20	\$17.96	\$18.05	\$298	\$268	\$272	Minneapolis-St. Paul
Nashville	4.5%	1.9%	0.5%	0.4%	670	1,360	760	470	2.9%	2.8%	3.1%	3.2%	\$22.55	\$22.85	\$22.92	\$23.20	\$448	\$435	\$438	Nashville
New Haven-Fairfield County	1.9%	0.6%	1.3%	0.6%	260	300	60	340	4.6%	5.0%	5.4%	5.3%	\$23.39	\$23.22	\$23.82	\$24.22	\$357	\$358	\$357	New Haven-Fairfield County
New York City	4.6%	1.5%	1.8%	1.5%	1,180	720	540	700	3.7%	4.0%	4.0%	3.9%	\$59.01	\$58.40	\$62.11	\$64.25	\$594	\$593	\$602	New York City
Northern New Jersey	2.9%	2.0%	0.7%	0.7%	600	730	180	170	3.8%	3.3%	3.2%	3.0%	\$25.05	\$27.00	\$28.24	\$29.40	\$380	\$369	\$369	Northern New Jersey
Oakland	1.7%	1.1%	0.7%	1.2%	80	150	190	280	6.2%	5.9%	6.0%	5.9%	\$30.95	\$30.73	\$29.72	\$29.35	\$454	\$466	\$463	Oakland
Orange County	1.6%	1.4%	0.7%	1.1%	120	50	100	150	4.3%	4.3%	4.3%	4.2%	\$32.86	\$33.20	\$33.23	\$33.40	\$552	\$543	\$534	Orange County
Orlando	6.0%	2.7%	1.1%	0.7%	820	1,400	640	670	3.8%	3.3%	3.5%	3.4%	\$21.27	\$22.61	\$24.06	\$25.50	\$420	\$409	\$415	Orlando
Philadelphia	3.2%	1.8%	1.4%	1.4%	990	860	580	700	4.5%	4.3%	4.5%	4.6%	\$19.78	\$20.80	\$20.79	\$21.40	\$336	\$325	\$315	Philadelphia
Phoenix	3.8%	3.0%	1.3%	1.6%	1,560	1,760	1,560	1,900	5.4%	4.6%	5.0%	5.5%	\$17.56	\$19.61	\$19.60	\$19.50	\$405	\$396	\$403	Phoenix
Pittsburgh	1.7%	1.3%	1.9%	1.4%	210	120	200	120	4.3%	4.1%	4.0%	3.9%	\$14.56	\$14.54	\$14.43	\$14.35	\$320	\$287	\$282	Pittsburgh
Portland	2.5%	-0.1%	0.4%	1.4%	310	220	270	480	3.8%	3.9%	4.5%	4.9%	\$20.85	\$21.71	\$22.60	\$23.20	\$352	\$342	\$351	Portland
Raleigh	3.8%	2.6%	2.3%	2.6%	360	270	510	350	2.5%	2.1%	2.5%	2.3%	\$20.33	\$21.53	\$22.11	\$23.00	\$417	\$409	\$410	Raleigh
Riverside-San Bernardino	2.2%	1.8%	1.3%	1.4%	790	430	490	550	6.0%	5.9%	6.7%	7.1%	\$19.60	\$21.03	\$20.65	\$20.38	\$392	\$407	\$419	Riverside-San Bernardino
Sacramento	2.6%	2.6%	1.0%	0.6%	280	350	630	400	6.3%	6.3%	6.5%	6.6%	\$17.85	\$18.44	\$17.99	\$18.20	\$353	\$356	\$344	Sacramento
Salt Lake City	3.3%	2.4%	2.6%	1.4%	620	620	430	670	3.2%	3.4%	3.3%	3.5%	\$19.71	\$22.79	\$23.27	\$23.85	\$378	\$379	\$380	Salt Lake City
San Antonio	4.3%	3.2%	1.9%	1.4%	1,270	1,150	690	620	3.7%	3.8%	4.0%	4.1%	\$18.88	\$19.80	\$19.33	\$19.50	\$415	\$404	\$402	San Antonio
San Diego	3.2%	0.9%	0.5%	0.5%	180	140	80	140	4.2%	4.3%	4.5%	4.7%	\$28.05	\$29.48	\$29.20	\$29.50	\$514	\$498	\$505	San Diego
San Francisco	2.4%	-1.3%	-0.7%	-0.2%	260	30	20	30	5.7%	6.2%	7.2%	7.6%	\$36.49	\$35.63	\$35.73	\$35.92	\$614	\$581	\$564	San Francisco
San Jose	2.7%	-0.5%	0.3%	0.5%	190	80	80	90	4.8%	4.6%	4.7%	4.6%	\$36.93	\$36.76	\$36.99	\$37.36	\$613	\$549	\$532	San Jose
Seattle-Tacoma	2.3%	1.2%	0.9%	0.5%	170	170	10	300	2.9%	3.4%	3.8%	4.0%	\$24.23	\$24.71	\$24.65	\$25.00	\$493	\$480	\$476	Seattle-Tacoma
St. Louis	1.4%	2.0%	1.5%	1.2%	330	710	380	180	5.1%	4.9%	4.6%	4.4%	\$14.19	\$14.72	\$15.18	\$15.50	\$312	\$274	\$281	St. Louis
Tampa-St. Petersburg	3.9%	2.7%	1.1%	1.3%	1,230	890	1,350	750	3.1%	3.1%	3.2%	3.1%	\$19.54	\$21.19	\$22.32	\$23.45	\$408	\$417	\$425	Tampa-St. Petersburg
Tucson	1.8%	1.3%	1.0%	0.7%	120	140	180	70	6.1%	6.2%	6.3%	6.5%	\$15.66	\$16.47	\$16.87	\$17.10	\$338	\$338	\$347	Tucson
Washington, D.C.	1.4%	1.3%	1.2%	0.1%	1,000	420	380	800	4.9%	4.8%	4.7%	5.0%	\$28.26	\$28.97	\$29.43	\$29.75	\$450	\$446	\$451	Washington, D.C.
West Palm Beach	4.2%	2.3%	1.4%	1.7%	320	290	180	180	3.3%	3.4%	3.8%	3.9%	\$28.45	\$30.49	\$32.09	\$33.50	\$448	\$468	\$477	West Palm Beach
United States	3.0%	1.7%	1.3%	1.1%	39,290	39,170	29,070	28,000	4.4%	4.3%	4.5%	4.4%	\$21.70	\$22.44	\$22.91	\$23.46	\$224	\$218	\$224	United States


* Forecast

² See Statistical Note on Page 64



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DANIEL TAUB

*Senior Vice President, National Director
IPA Retail
dtaub@ipausa.com*



EVAN DENNER

*Executive Vice President, Head of Business
IPA Capital Markets
edenner@ipausa.com*



JOHN CHANG

*Senior Vice President, National Director
IPA Research Services
jchang@ipausa.com*

OFFICES THROUGHOUT THE UNITED STATES AND CANADA

RESEARCH SERVICES

4545 E. Shea Boulevard • Phoenix, AZ 85028 • 602.707.9700

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