



CarMax, North Clinton Street

The Zacher company

2020 FORT WAYNE, INDIANA RETAIL MARKET REPORT

PREPARED WITH THE ASSISTANCE OF

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WATCH THIS YEAR'S MARKET REPORT VIDEO

<https://youtu.be/vsDjxhg83CY>

FOR MORE INFORMATION PLEASE CONTACT

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2019 REVIEW

- Retail market vacancy increased from 12.0% to 13.10%
- There have been 2 consecutive years of negative absorption
- In spite of these trends, the pre-COVID-19 economy was strong
- Total retail inventory is stagnant due to the increasing trend of consumer online shopping
- Jefferson Pointe continues with redevelopment, including the proposed construction of a new Trader Joe's
- Glenbrook Square redevelopment, including HomeGoods, Dave & Buster's and Five Below, is under construction
- The Electric Works project has announced several new retail tenants
- Development of the 23 acres that Meijer purchased on Dupont Road in 2018 has yet to commence

2020 FORECAST

- COVID-19 has accelerated E-commerce trends, which will result in more store closings
- Big box stores will be redeveloped for alternative uses
- COVID-19 will have the most profound impact on the restaurant sector, as consumers continue to choose dine-at-home options
- Construction will commence at Electric Works, The Riverfront at Promenade Park and The Lofts at Headwaters Park
- Best locations attract highest rent; there will be a bigger gap between prime and average locations

| MARKET INDICATORS | 2019 | 2020 | 12 MONTH FORECAST |
|-------------------|----------------------|----------------------|-------------------|
| Total Inventory | 13,963,000 SF | 13,981,000 SF | ■ |
| Vacancy | 1,682,000 SF = 12.0% | 1,825,000 SF = 13.1% | ▲ |
| New Construction | 106,000 SF | 265,000 SF | ▼ |
| Absorption | -166,000 SF | -125,000 SF | ▼ |

*All statistics are May 2019 to May 2020

2020 FORT WAYNE, INDIANA RETAIL MARKET REPORT

TOTAL MARKET INVENTORY STATISTICS (SF)

| | |
|-----------------------------|------------|
| Total Inventory – 5/09/2019 | 13,962,645 |
| Vacant Space – 5/09/2019 | 1,681,910 |
| Occupied Space – 5/09/2019 | 12,280,735 |
| Constructed (1) | 265,825 |
| Adjustments (2) | -247,484 |
| Total Inventory – 5/14/2020 | 13,980,986 |
| Vacant Space – 5/14/2020 | 1,825,479 |
| Vacancy Rate – 5/14/2020 | 13.1% |
| Occupied Space – 5/14/2020 | 12,155,507 |
| Net Absorption – 5/14/2020 | -125,000 |

[1] New construction in the Northeast consisted of 85,171 sf at the new Shoppes at Glenbrook; 21,519 sf Northern Tool on Washington Center Road; 14,000 sf strip center at Chapel Ridge; 8,352 sf Pizza Hut strip center on Dupont Road; 7,802 sf Portillo's Hot Dogs; 7,606 sf CarMax Auto Superstore; 6,000 sf Dream Plaza at Hobson/E. State Blvd.; 4,900 sf strip center on Coldwater Road.

New construction in the Northwest consisted of a 3,133 sf Popeye's Louisiana Kitchen on Lima Road.

New Construction in the Southwest consisted of a 19,383 sf Volvo Dealership and a 36,742 sf BMW Dealership both on Grand National Drive; 3,500 sf Sherwin Williams, a 20,517 sf Aldi Grocery Store and a 7,000 sf Discount Tire all on Illinois Road.

New Construction in the Southeast consisted of a 1,200 sf Taco Bell at Southtown Crossing; 7,000 sf Indiana BMV on US 930.

New Construction in the Downtown quadrant consisted of 12,000 sf retail at The Boutique Hotel at Main/Harrison Streets.

[2] Southwest – 8,484 sf was converted to office at Howard Bailey on Covington Road.

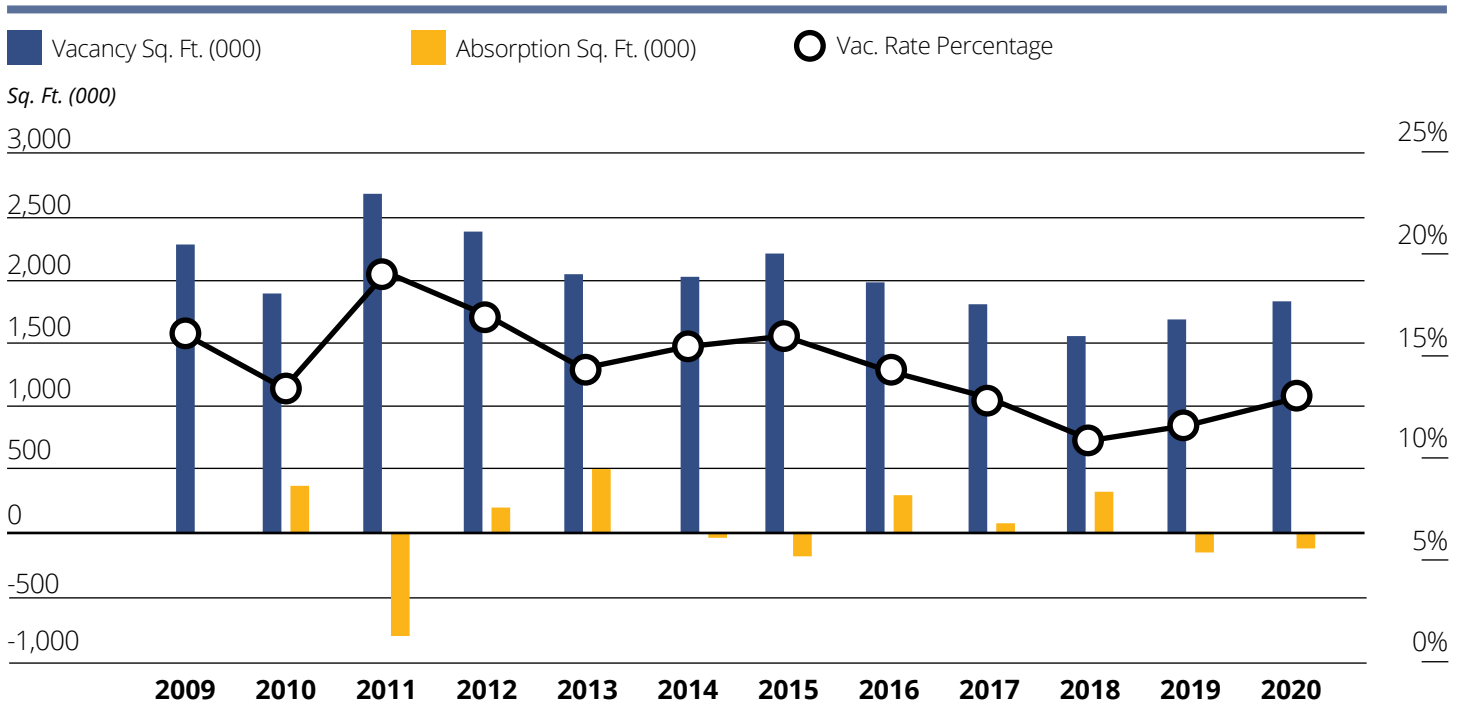
Northeast – 221,000 sf was demolished at the former Sears at Glenbrook Square; 18,000 sf was converted to industrial at the Stoller Building on E. Coliseum Blvd.



Dynamo Alley at Electric Works

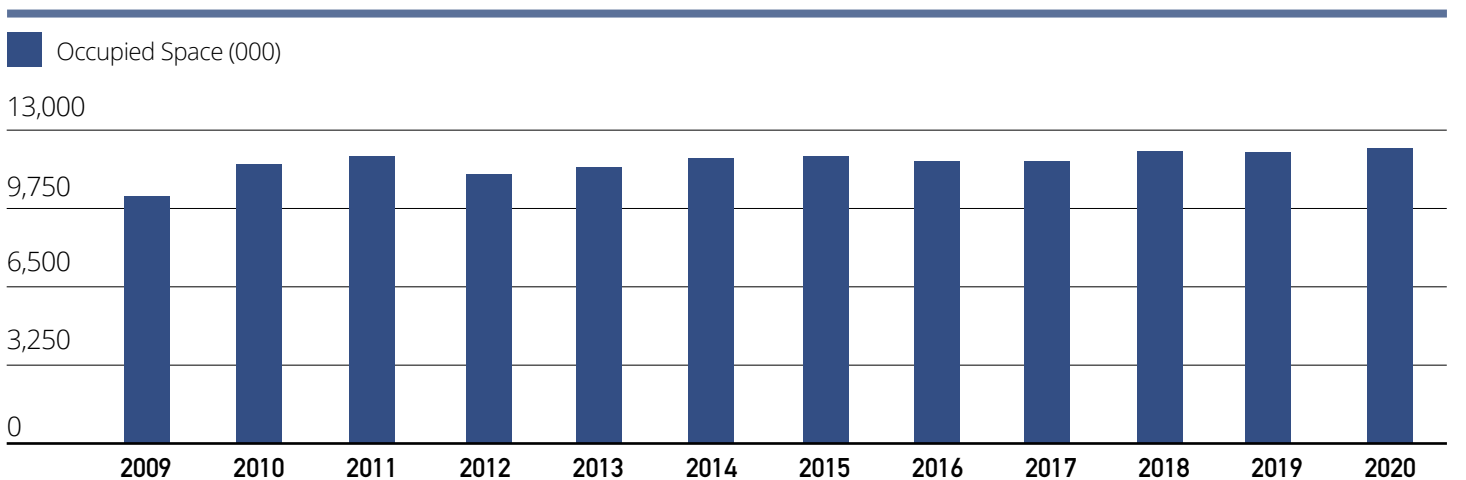
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MARKET VACANCY AND ABSORPTION, 2009-2020



| Year | Vacancy SF (000) | Absorption SF (000) | Vac. Rate Percentage | Year | Vacancy SF (000) | Absorption SF (000) | Vac. Rate Percentage |
|------|------------------|---------------------|----------------------|------|------------------|---------------------|----------------------|
| 2009 | 2,271 | n/a | 16.40% | 2015 | 2,210 | -195 | 15.80% |
| 2010 | 1,895 | 376 | 13.70% | 2016 | 1,978 | 304 | 14.10% |
| 2011 | 2,692 | -797 | 19.50% | 2017 | 1,798 | 83 | 12.90% |
| 2012 | 2,383 | 209 | 17.20% | 2018 | 1,561 | 324 | 11.10% |
| 2013 | 2,051 | 505 | 14.70% | 2019 | 1,682 | -166 | 12.00% |
| 2014 | 2,015 | -5 | 14.50% | 2020 | 1,825 | -125 | 13.10% |

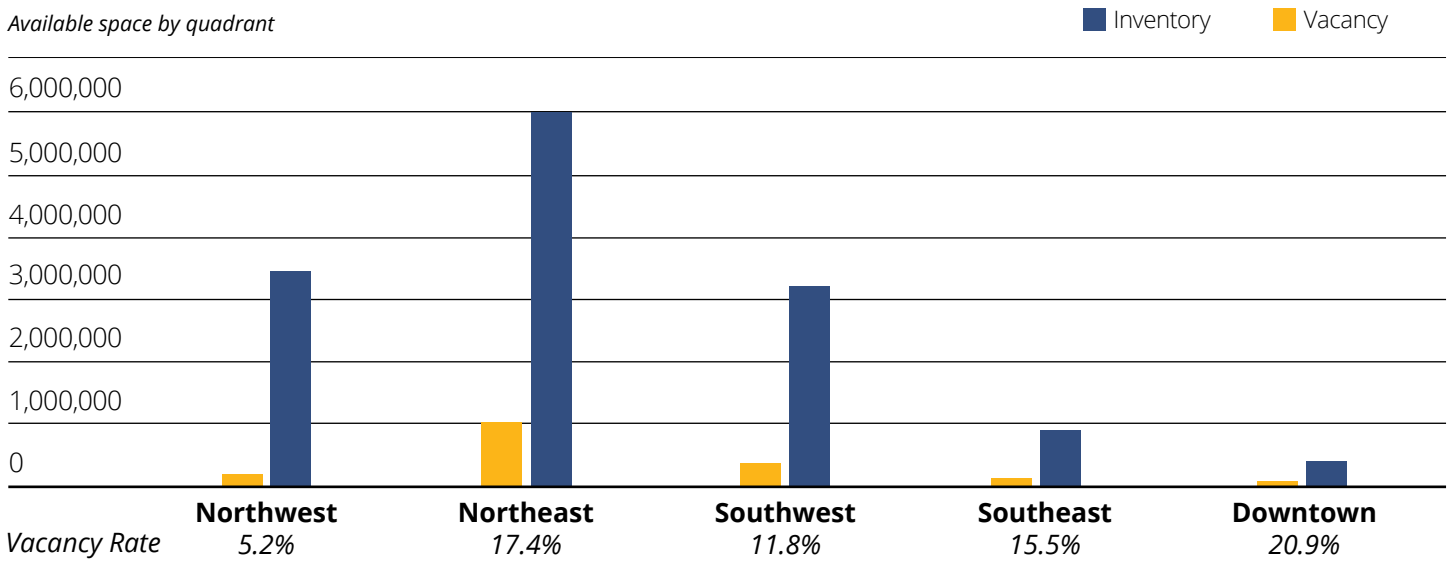
OCCUPIED RETAIL SPACE, 2009-2020



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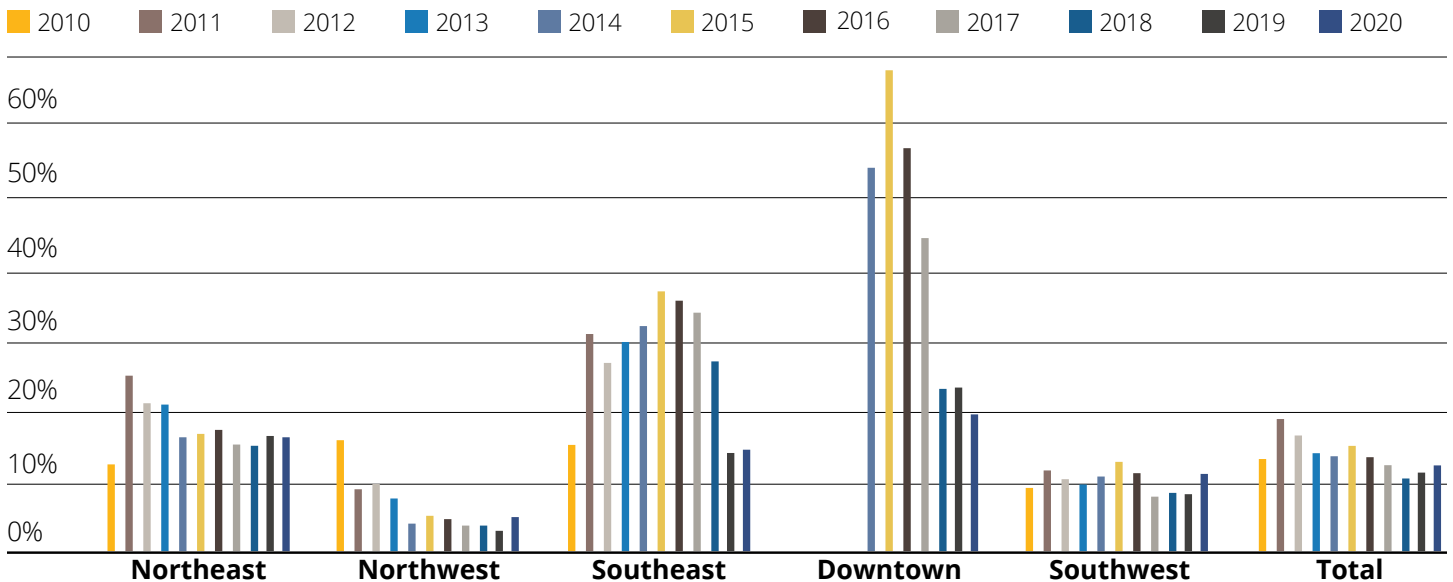
RETAIL MARKET BY QUADRANT

Available space by quadrant



| | 2020 Retail Total Sq. Ft. | 2020 Retail Vacant Sq. Ft. | 2020 Retail Vacancy | 2019 Retail Vacant Sq. Ft. | 2019 Retail Vacancy | Change 2019-2020 |
|--------------|---------------------------|----------------------------|---------------------|----------------------------|---------------------|------------------|
| Northwest | 3,489,492 | 180,604 | 5.2% | 109,039 | 3.1% | 67.7% |
| Northeast | 5,990,726 | 1,043,722 | 17.4% | 1,069,184 | 17.6% | -1.14% |
| Southwest | 3,176,808 | 373,858 | 11.8% | 268,050 | 8.7% | 35.6% |
| Southeast | 909,604 | 140,853 | 15.5% | 135,021 | 15.0% | 3.33% |
| Downtown | 414,356 | 86,442 | 20.9% | 100,616 | 25.0% | -16.4% |
| Total | 13,980,986 | 1,825,479 | 13.1% | 1,681,910 | 12.0% | 9.17% |

RETAIL VACANCY PERCENTAGE BY QUADRANT



2020 FORT WAYNE, INDIANA RETAIL MARKET REPORT

MARKET PRICING BASED ON AVAILABILITY

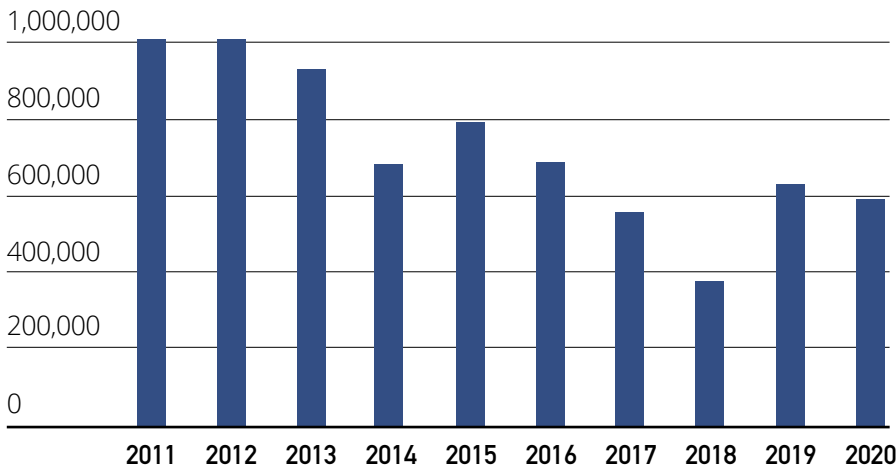
| Type of Center | Size (Sq. Ft.) | # Available Spaces | Rental Rate Range Per SF Per Year (NNN) |
|--|----------------|--------------------|---|
| Strip/Convenience <30,000 Sq. Ft. | 1,000-2,500 | 62 | \$5.00 - \$25.00 |
| | 2,500-5,000 | 22 | \$7.50 - \$22.00 |
| | 5,000-20,000 | 15 | \$4.50 - \$22.00 |
| | 20,000+ | 1 | \$5.50 |
| | Build to Suit | 0 | \$22.00 - \$45.00 |
| Neighborhood Center, Avg. 71,000 Sq. Ft. | 1,000-2,500 | 53 | \$8.00 - \$17.50 |
| | 2,500-5,000 | 29 | \$7.00 - \$15.50 |
| | 5,000-20,000 | 24 | \$5.00 - \$14.00 |
| | 20,000+ | 2 | \$10.00- \$12.50 |
| Community Center, Avg. 197,000 Sq. Ft. | 1,000-2,500 | 32 | \$6.00 - \$16.00 |
| | 2,500-5,000 | 11 | \$6.00 - \$14.50 |
| | 5,000-20,000 | 15 | \$6.00 - \$12.00 |
| | 20,000+ | 3 | \$10.00 |
| Regional Mall, Enclosed | 1,000-2,500 | 10 | Withheld |
| | 2,500-5,000 | 4 | Withheld |
| | 5,000-20,000 | 1 | Withheld |
| | 20,000+ | 1 | Withheld |
| Life Style Center, Outside | 1,000-2,500 | 7 | Withheld |
| | 2,500-5,000 | 4 | Withheld |
| | 5,000-20,000 | 7 | Withheld |
| | 20,000+ | 0 | Withheld |
| Stand Alone | | 27 | \$5.50 - \$25.00 |
| Downtown/Urban Development | 1,000-2,500 | 8 | \$15.00 - \$20.00 |
| | 2,500-5,000 | 7 | \$12.00 - \$24.00 |
| | 5,000-20,000 | 3 | \$14.00 - \$24.00 |
| | 20,000+ | 0 | - |

In our market, triple net (NNN) means the tenant is responsible for all operating costs such as real estate taxes, building insurance and common area maintenance. The landlord is typically responsible for roof and structure.

2020 FORT WAYNE, INDIANA RETAIL MARKET REPORT

BIG BOX VACANCY BY YEAR, SPACES OVER 20,000 SQ. FT.

Square Footage (000)



| Year | # of Spaces | Sq. Ft. (000) |
|------|-------------|---------------|
| 2011 | 18 | 992 |
| 2012 | 18 | 992 |
| 2013 | 15 | 919 |
| 2014 | 12 | 671 |
| 2015 | 14 | 779 |
| 2016 | 12 | 676 |
| 2017 | 10 | 548 |
| 2018 | 9 | 372 |
| 2019 | 11 | 623 |
| 2020 | 14 | 585 |

VACANT BIG BOX LOCATIONS

| Name | Address | Quadrant | Square Footage |
|-----------------------------|------------------|----------|----------------|
| Carsons | Glenbrook | NE | 122,000 |
| Marsh | Maplecrest Road | NE | 66,000 |
| Gordmans | Orchard Crossing | SW | 50,400 |
| Art Van | Coliseum Blvd | NE | 45,982 |
| HH Gregg | Parnell | NE | 42,000 |
| Earthfare | Dupont Road | NE | 38,000 |
| Chapel Ridge - Marshalls | Maysville Road | NE | 36,192 |
| Babies R Us | Coldwater | NE | 31,100 |
| Gander Mountain | Lima Road | NW | 31,080 |
| Westwood Lanes | Jefferson Blvd | DT | 30,000 |
| Cosmic Bowl | Lake Ave | SW | 25,740 |
| Pine Valley Shopping Center | Coldwater Road | NE | 24,000 |
| Chapel Ridge - Office Depot | Maysville Road | NE | 21,491 |
| Piere's Entertainment | St. Joe Road | NE | 21,220 |
| TOTAL | | | 585,205 |

2020 FORT WAYNE, INDIANA RETAIL MARKET REPORT



Shoppes at Glenbrook Redevelopment

NOTABLE TRANSACTIONS, JUNE 2019 - MAY 2020

| <i>Tenant/Development</i> | <i>Type</i> | <i>Location</i> | <i>Quadrant</i> | <i>Sq. Ft.</i> |
|----------------------------|-------------------|----------------------|-----------------|----------------|
| Allegiant Air | Project cancelled | Maplecrest Shops | NE | 66,000 |
| Gordmans | Closing | Orchard Crossing | SW | 50,400 |
| Chapel Ridge - 2 buildings | Investment sale | Chapel Ridge | NE | 46,641 |
| Art Van Furniture | Closing | Glenbrook Plaza | NE | 45,982 |
| Canopy Corners | Investment sale | Getz Road | SW | 38,700 |
| BMW of Fort Wayne | New construction | Grand National Drive | SW | 36,742 |
| Dave & Buster's | New construction | Shoppes at Glenbrook | NE | 30,041 |
| EarthFare | Closed | Dupont Road | NE | 27,000 |
| Ross Dress For Less | Lease | Glenbrook Commons | NE | 23,930 |

2020 FORT WAYNE, INDIANA RETAIL MARKET REPORT

NOTABLE TRANSACTIONS, JUNE 2019 - MAY 2020

| <i>Tenant/Development</i> | <i>Type</i> | <i>Location</i> | <i>Quadrant</i> | <i>Sq. Ft.</i> |
|-----------------------------|--------------------|--|-----------------|-----------------|
| HomeGoods | New construction | Shoppes at Glenbrook | NE | 22,485 |
| Northern Tool + Equipment | New construction | W. Washington Center Road | NE | 21,519 |
| Aldi | New construction | Illinois Road | SW | 20,517 |
| Volvo Cars | New construction | Grand National Drive | SW | 19,383 |
| Iron Society | Rebranded | Northbrook Shopping Center/ Maplecrest Shops | NE | 19,000 & 16,000 |
| Hires | Closed | Illinois Road | SW | 17,600 |
| Connelly's Do It Best | Rebranded | Georgetown North | NE | 16,000 |
| Cap N Cork | New construction | Chapel Ridge | NE | 14,000 |
| Trader Joe's | Proposed | Jefferson Pointe | SW | 14,000 |
| Dan's Porch and Patio | Sale | N. Clinton | NE | 11,403 |
| Direct Care/Sale | Investment sale | Getz Road | SW | 11,000 |
| Max Fitness | Closed | Shorewood Shops | SW | 10,850 |
| North Anthony Redevelopment | Proposed | N. Anthony | NE | 10,000 |
| Pier 1 | Closing | Coldwater Road & Apple Glen | NE/SW | 9,234 |
| Umber's Do It Best | Closed | Lower Huntington Road | SW | 8,750 |
| Five Below | New construction | Shoppes at Glenbrook | NE | 8,406 |
| Logan's Roadhouse | Closed | Lima Road & Jefferson Point | NE/SW | 8,400 |
| Pizza Hut Strip Center | New construction | Dupont Road | NE | 8,352 |
| Marquee on The Landing | Lease | The Landing | DT | 8,200 |
| Discount Tire | New construction | Illinois Road | SW | 8,192 |
| Triumph Studios | Lease | Apple Glen | SW | 8,100 |
| Beer Barrel Pizza & Grill | Lease | Jefferson Pointe | SW | 8,000 |
| Portillo's Hot Dogs | New construction | Glenbrook Square | NE | 7,802 |
| Chantili's | Closed | Covington Plaza | SW | 7,740 |
| Scotty's Brewhouse | Closed | Covington Plaza | SW | 7,650 |
| CarMax | New construction | N. Clinton | NE | 7,606 |
| Dress Barn | Closing | Orchard Crossing | SW | 7,181 |
| Indiana BMW | Under construction | Meadowbrook Shopping Center | SE | 7,000 |
| Royale Fitness, LLC | Lease | Chapel Ridge | NE | 6,055 |

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NOTABLE TRANSACTIONS, JUNE 2019 - MAY 2020

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|----------------------------------|--------------------|------------------------------|-----------------|----------------|
| Washington Center Plaza | Investment sale | Washington Center Road | NE | 6,015 |
| Dream Plaza | New construction | East State Blvd./Hobson Road | NE | 6,000 |
| The Landing Artisan Brew Company | Lease | The Landing | DT | 6,000 |
| Custer Inc. | Lease | Superior Lofts | DT | 5,000 |
| Conjure Coffee | Proposed lease | Electric Works | DT | 5,000 |
| Blue Jacket, Inc. | Lease | Coldwater Crossing | NE | 4,800 |
| The WorXout | Sale | Covington Road | SW | 4,440 |
| Yen Ching | Closed | Covington Plaza | SW | 4,115 |
| Lalos | Lease | Wallen Road | NW | 4,000 |
| Mission BBQ | Lease | Glenbrook Square Shops | NE | 4,000 |
| M. Vince' Nail Spa | Lease | Jefferson Pointe | SW | 3,800 |
| Sherwin-Williams | New construction | Illinois Road | SW | 3,500 |
| House to Home | Lease | The Landing | DT | 3,400 |
| Subway/Hardee's | Sale | Jefferson Pointe | SW | 3,179 |
| Payless Shoes | Closed | Jefferson Pointe | SW | 3,169 |
| Popeyes Louisiana Kitchen | New construction | Lima Road | NW | 3,133 |
| Farmers & Merchants Bank | Under construction | Illinois/Hadley Roads | SW | 3,010 |
| CPR Fort Wayne | Lease | Coliseum Shops | NE | 2,903 |
| Inguard Fit Grocer | Lease | 202 Metro | DT | 2,800 |
| Nothing Bundt Cakes | Lease | Lima Road | NW | 2,800 |
| Hall's on Harrison Street | Proposed | Harrison Street | DT | 2,600 |
| Utopian Coffee | Lease | The Landing | DT | 2,500 |
| Connor's Rooftop/Hampton Inn | Opened | W. Jefferson Blvd. | DT | 2,500 |
| Gymboree | Closed | Jefferson Pointe | SW | 2,500 |
| Motherhood Maternity | Closed | Jefferson Pointe | SW | 2,500 |
| Burger Fi | Lease | Jefferson Pointe | SW | 2,400 |
| Pizza King | Lease | Eagle Point | SW | 2,098 |
| Simply Yoga | Lease | Valley Centre | NE | 2,000 |
| Guadalupe's Mexican Grill | Lease | Shoppes at Scott Road | SW | 2,000 |

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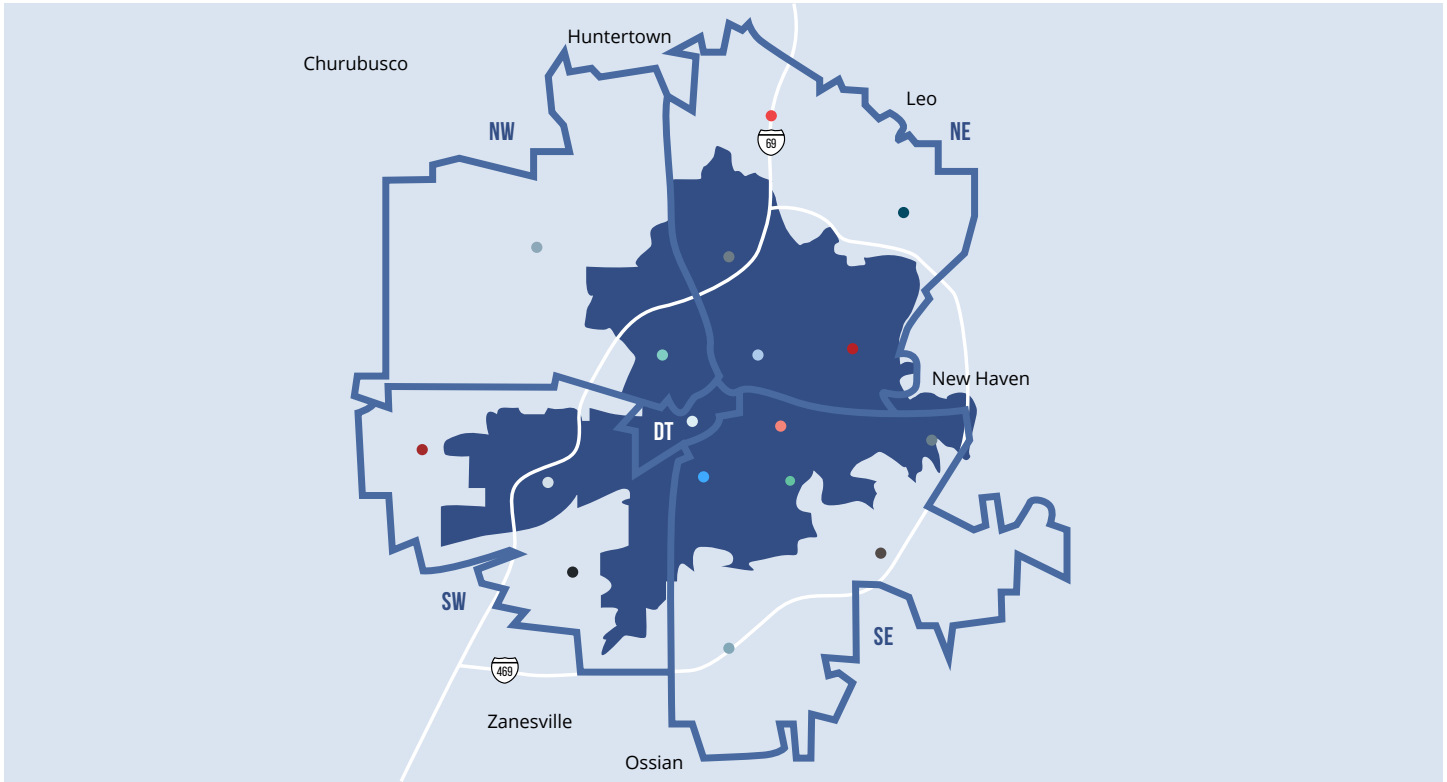
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| <i>Tenant/Development</i> | <i>Type</i> | <i>Location</i> | <i>Quadrant</i> | <i>Sq. Ft.</i> |
|-----------------------------|------------------|---|-----------------|----------------|
| Mercado | Lease | The Landing | DT | 2,000 |
| Wing Stop | Lease | Glenbrook Square Shops | NE | 2,000 |
| Xfinity | Lease | Glenbrook Square Shops | NE | 2,000 |
| 5 Star Nutrition | Lease | Glenbrook Square Shops | NE | 2,000 |
| Joseph Decuis | Proposed lease | Electric Works | DT | 2,000 |
| Tim Hortons | Closed | Lima Road, Jefferson Blvd. & Crescent Ave. NW/SW/NE | | 1,800 |
| Smoothie King | Lease | Jefferson Blvd. | SW | 1,700 |
| Rocket Fizz | Lease | Jefferson Pointe | SW | 1,600 |
| Sweets on Main | Lease | Main Street | DT | 1,572 |
| Burger Bar/Hampton Inn | Opened | West Jefferson Blvd. | DT | 1,500 |
| Jeffrey Benjamin Hair Salon | Lease | The Landing | DT | 1,400 |
| Taco Bell | New construction | Southtown Crossing | SE | 1,200 |



The Riverfront at Promenade Park

2020 FORT WAYNE, INDIANA RETAIL MARKET REPORT



MARKET SURVEY AREAS

NW Area Includes Zip Codes: ● 46808, ● 46818

NE Area Includes Zip Codes: ● 46805, ● 46815, ● 46825, ● 46835, ● 46845

SW Area Includes Zip Codes: ● 46804, ● 46809, ● 46814

SE Area Includes Zip Codes: ● 46774, ● 46803, ● 46806, ● 46807, ● 46816, ● 46819

Downtown Area Includes Zip Codes: ● 46802

METHODOLOGY

The Zacher Company Retail Market Report is a compilation of data from many sources. The total amount of square footage in the marketplace area was originally gleaned from reports prepared by various industry resources. It is reviewed annually and adjusted due to circumstances in the market, such as new construction, re-positioning of existing buildings to another type of use and demolition. It includes retail buildings only and does not include flex space or space that was formerly retail and converted to an alternative use. The vacancy square footage is compiled from a combination of online data from multiple major listing services, brokers' information from their websites and their mailings and The Zacher Company's knowledge. New construction is added to the inventory when above-ground construction has commenced, during the reporting period. Retail vacant spaces are added to available inventory at the time of the announced closing. Retail spaces are taken out of inventory if a signed lease has been announced by May 1st. Available space also includes retail spaces available for sub-lease. The brokers in our office are involved in the creation of this report to provide the most accurate information possible. We cannot be responsible, however, for errors, omissions, prior sale or lease or withdrawal from the market.

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