

2024 RETAIL MARKET REPORT NARRATIVE

2024 FORT WAYNE, INDIANA RETAIL MARKET REPORT NARRATIVE

This report encompasses an overview of the retail market for the previous 12 months and highlights notable retail real estate transactions in Fort Wayne. It also provides our forecast for the upcoming year.

Despite the ongoing economic challenges, the Fort Wayne retail market is surprisingly strong as evidenced by four consecutive years of increased occupancy.

The retail market statistics for the 2024 report, which is a review of retail activities from May 2023 to April 2024, reflects a positive absorption of 469,000 square feet. The vacancy rate during this period decreased from 10.8% to 9.4%. Currently 13,292 million square feet of retail space in Fort Wayne is occupied, the highest ever recorded by The Zacher Company since we started analyzing the retail market in 2008.

There are seven vacant big box stores each larger than 20,000 square feet totaling 416,000 square feet, of which Carson's at Glenbrook Square is the biggest. Other large vacancies include the AMC Theater on East DuPont Road, the Marsh grocery on Maplecrest Road and Art Van Furniture on Coliseum Boulevard. New retail occupants include Painted Tree Boutiques, which occupies the former Bed Bath & Beyond at Jefferson Pointe, Ace Pickle Ball, who leased 60,000 square feet of space in the former Spiece Fieldhouse. Tesla is opening a dealership at the former Gander Mountain on Lima Road, and Mercedes-Benz of Fort Wayne and Rohrman Toyota are constructing new dealerships on West Jefferson Boulevard and Illinois Road respectively. Centier Bank announced relocating their downtown branch into 13,500 square feet at 127 West Berry Street.

Construction has been completed at the Riverfront at Promenade Park, however, the retail space at the northeast corner of Superior and Harrison Streets remains unoccupied. Construction is nearing completion on The Pearl, a seven-story mixed-use development, including ground floor retail, located on Main Street and Maiden Lane. The Columbia Street West building on The Landing has been renovated for restaurant, retail and residential use. Construction is well underway on the Lofts at Headwaters Park, a mixed-use residential and commercial development, located at the northeast corner of North Clinton Street and Superior Avenue. Mixed-use development is progressing on the north side of the Saint Mary's River, including the Schaab Riverfront Plaza on North Harrison Street, and MORE Brewing Company at North Clinton Street and Fourth Street. The Wedge, another mixed-use development, located west of Promenade Park, is still in the planning stages. The Pepsi site on Harrison Street is being demolished for future riverfront development.

- Looking at retail in the next 12 months, we have a few predictions:
- Vacancy will be stable to falling and absorption will be positive
- Big box vacancies will be repurposed for alternative uses such as entertainment and self-storage
- The supply of downtown mixed-use development retail spaces will continue to outpace demand
- With respect to retail investment sales, the demand will be strong for net leased retail properties with high quality locations and strong credit tenants, however, middle market retail and value-add retail will remain weak
- There will be less retail construction due to active users looking for smaller spaces such as fast food and fast casual restaurants, banks and oil-change facilities
- The Amazon effect is lessening and the surviving retailers will continue to adapt to the impact of E-commerce

The overall forecast for the next 12 months is optimistic with stable to falling vacancy rates, positive absorption and less new construction.

You can find more information and our full retail report on our website at www.zacherco.com.