

Zacher Company 2026 Retail Narrative

2026 Fort Wayne, Indiana Retail Market Report Narrative

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

The Fort Wayne retail market has proven resilient, remaining a strong asset class despite uncertain national forecasts in recent years. Our market continues to grow as both a national and regional destination for retailers, particularly those that have already saturated the larger surrounding metro areas. Supported by Fort Wayne's strategic geographic positioning, relatively low cost of living, and ongoing economic momentum, household formation has grown at a pace exceeding the national average. As rooftops and incomes continue to expand, retail demand in stronger demographic areas has followed suit.

The retail market statistics for the 2026 report, which is a review of retail activities from May 2025 to April 2026, demonstrated solid momentum, supported by improving fundamentals and continued tenant demand. Vacancy declined from 10.4% to 9.7%, while net absorption rebounded significantly to a positive 202,000 square feet, a notable turnaround from the 70,000 square feet of negative absorption recorded the prior year. This shift reflects renewed leasing activity and a healthier overall market environment.

Despite these gains, the number of vacant big box stores increased from 13 to 15, totaling approximately 637,348 square feet and representing nearly 45% of the market's total vacant inventory.

The largest newly vacated space was the 40,787 square foot former Value City Furniture. Encouragingly, a few previously vacant big box locations were successfully backfilled, including Joann Fabrics and Gander Mountain, which were absorbed by Crunch Fitness and AutoZone, respectively.

Retail investments remained active, with 13 notable retail investment transactions completed throughout the year. Key sales included prominent centers such as Glenbrook Square, Covington Plaza, Lincoln Plaza, Shorewood Shoppes, and Fresh Thyme Center, underscoring sustained investor confidence in the market.

Development momentum also continued, with several high-profile announcements. These included the planned District Market grocery store at The Pearl Street Arts Center downtown and a proposed Kroger development at the southwest corner of Lima Road and Hathaway Road. Additionally, auto-oriented users requiring more intensive zoning such as gas stations, car washes, oil change facilities, and auto parts retailers remained highly active across the market.

The food and beverage sector was another major driver of growth, with national brands such as Dutch Bros, 7Brew, Sonic, McAlister's, Culver's, McDonald's, and Bubba's 33 expanding their presence locally. At the same time, prime retail land sites were rapidly absorbed by owner-users, developers, and investors, further tightening supply.

Downtown Fort Wayne continued to build momentum, bolstered by major mixed-use developments including The Lofts at Headwaters Park, The Treeline District, The Landing Exchange, and The Eddy. Collectively, these projects are expected to deliver more than 600 residential units beginning in 2026, contributing to increased density and creating long-term retail demand in the urban core.

Looking ahead at the next 12 months, market conditions are expected to remain stable, with vacancy holding relatively steady and absorption continuing to improve as vacant big boxes are gradually backfilled. Rental rates and operating expenses are projected to rise in line with ongoing inflationary pressures.

Food and beverage operators, along with auto-related users, are expected to remain the most active tenant categories. As available prime sites become increasingly limited, site selection will play a more critical role in tenant, developer and investor decision-making.

Infrastructure and development projects are also expected to shape future growth patterns. The new soccer stadium is anticipated to drive increased traffic and accelerate the evolution of Bass Road into a secondary commercial corridor. Meanwhile, continued residential expansion in the northwest quadrant, particularly along the Lima Road corridor, including the county-owned Byron Health land, will further support retail demand in that area.

Finally, with the announcement of the lead developer for the North River project, progress is set to begin on a transformative, multi-year initiative aimed at enhancing entertainment and retail offerings along the Downtown edge.

Despite ongoing cost pressures, Fort Wayne consumers are expected to remain resilient, providing a stable foundation for continued retail growth in the year ahead.

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