

Sustained Positive Absorption Signals Continued Resilience

▼ 8.1%
Availability Rate

▲ \$19.98
NNN/Avg. In-Line Asking Rent

▼ \$14.90
NNN/Avg. Anchor Asking Rent

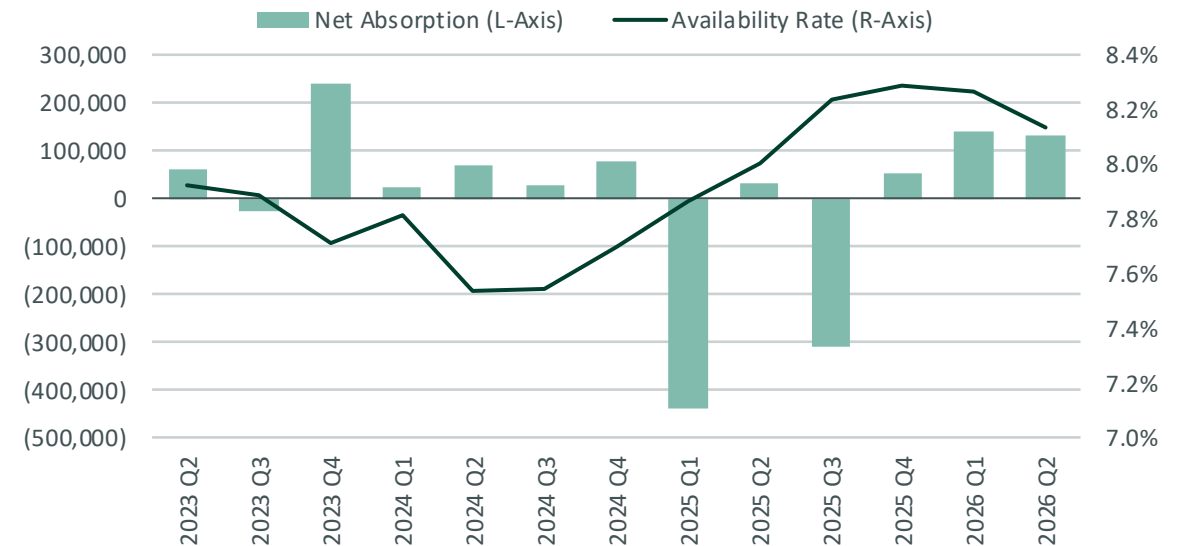
▼ 359.9 K
Shopping Center Under Construction

Note: Arrows indicate change from previous quarter.

Despite macroeconomic headwinds, Greater Philadelphia's retail market recorded more than 100,000 square feet (sq.-ft.) of positive net absorption in Q2 2026, marking the third consecutive quarter of occupancy gains. The region's vacancy rate fell 30 basis points quarter-over-quarter to 8.1%, underscoring continued strength among well-located retail properties. Leasing and investment activity were characterized by a combination of large-format transactions, steady infill leasing, and selective capital deployment as the sector continued to evolve through both expansion and repositioning.

The quarter saw several notable big-box and anchor-level developments. Fusion Gyms and Fusion Theaters signed major leases at the Shops at 69th Street, with Fusion Gyms backfilling a 29,000-sq.-ft. former H&M and Fusion Theaters leasing 41,000-sq.-ft. of space previously occupied by Studio Movie Grill, reinforcing the continued shift toward entertainment and fitness-oriented anchors in historically traditional retail centers. Meanwhile, major commitments such as Wayfair's planned 135,000-sq.-ft. store in Princeton's Nassau Park Pavilion pointed to growing confidence in destination-oriented retail formats, while the introduction of two small-format Whole Foods in both Fittler's Square and Fishtown demonstrated how grocers are adapting to dense urban neighborhoods with more compact footprints. Additionally, Ocean State Job Lot shared plans to open a 40,000-sq.-ft. store at the former Big Lots space in

FIGURE 1: Supply vs. Demand



Source: CBRE Research, 2026.

Glassboro’s Collegetown Shopping Center, further illustrating how discount retailers continued to capitalize on second-generation big-box opportunities.

Beyond anchor-level activity, this quarter featured strong leasing momentum across smaller-format retail, particularly in high-performing corridors. Suburban Square in Ardmore stood out as a leading example, reaching full occupancy after adding 13 new tenants, reinforcing the importance of demographics and location quality in leasing decisions. In Center City, the conversion of a former 7-Eleven into a Chase Bank branch reflected a broader trend of financial institutions repurposing prime retail space. The quarter also saw three notable food-and-beverage concepts entering the region. Blank Street Coffee announced plans to enter the market with stores in University City and Rittenhouse Square, replacing former Bluemercury and Starbucks locations. Next, Chicken Salad Chick shared plans to open six units in the region, starting with one in Montgomery County. Finally, Topsy Scoop, an alcohol-infused frozen dessert concept, opened in Rittenhouse Square. Together, these announcements and openings underscored the ongoing local demand for new food-and-beverage concepts.

On the capital markets side, investment activity in Greater Philadelphia remained constrained by the broader macroeconomic environment, particularly elevated borrowing costs and cautious underwriting, limiting overall transaction volume. Despite this slowdown, capital continued to focus on redevelopment-oriented opportunities, most notably involving the region’s underperforming malls. The pending sale of Franklin Mall to redeveloper Dean Alder and the June 30 closure of Exton Square Mall—currently in the planning and approvals process for redevelopment into a mixed-use community featuring multifamily, office, and retail—highlighted the ongoing repositioning of obsolete retail assets and a shift toward long-term, mixed-use value creation rather than traditional single-use retail strategies. Additionally, institutional investment remained active in the necessity-based segment, evidenced by TPG Real Estate’s acquisition of ECHO Realty, which included several Philadelphia-area assets, including Shops at Lionville Station, Swedesford Plaza, Media Shopping Center, and Giant Marketplace in Bensalem. Amid a more selective investment climate, this transaction reinforced continued investor confidence in grocery-anchored and convenience-driven retail centers with stable occupancy and essential tenant mixes.

Overall, Q2 2026 demonstrated that while capital and tenant demand remained selective, Greater Philadelphia’s strongest retail assets continued to attract investment and leasing

FIGURE 2: Notable Transactions

Retailer	Property	Transaction Size	Transaction Type	Trade Area
Ocean State Job Lot	Collegetown Shopping Center	40,001	New Lease	Turnersville
Ross Dress For Less	Eagle Plaza	22,000	Renewal	Voorhees
10 Hands Fight Sports	1900 Market St	12,956	New Lease	Philadelphia
Petco Animal Supplies Stores	8500 Henry Ave	9,077	Renewal	Philadelphia
Mattress Warehouse, Inc.	730 Baltimore Pike	8,137	New Lease	Springfield
Road Runner Sports	King of Prussia Town Center	5,977	Renewal	King of Prussia
Clockwork Escapes	Country Square Shopping Center	5,000	New Lease	Quakertown
Saatva	620 W Dekalb Pike	4,216	New Lease	King of Prussia
Seamless Sewing Arts	Shoppes at Valley Forge	3,967	New Lease	Collegeville
PNC Bank NA	Hillcrest Plaza Shopping Center	3,710	Renewal	Plymouth Meeting

Source: CBRE Research, 2026.

activity. Consistent positive net absorption and a declining vacancy rate demonstrated the sector’s resilience and the continued appeal of high-quality, well-positioned retail properties. While challenges remain, the quarter’s activity showcased the market’s ongoing ability to evolve through redevelopment, tenant expansion, and necessity-based investment.

FIGURE 4: Market Fundamentals by Trade Area

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD Net Absorption	Under Construction (SF)
BUCKS COUNTY						
Bensalem	5,817,950	10.4	\$16.32	-	15,088	0
Doylestown	676,215	2.6	-	-	-3,729	0
Feasterville-Treose	1,797,831	4.6	\$16.00	-	3,519	0
Newtown	752,601	7.1	-	-	5,421	0
Oxford Valley	5,155,376	3.2	\$9.49	-	-18,263	0
Quakertown	1,805,133	5.9	\$30.00	-	2,040	0
Richboro	499,128	5.2	\$25.00	-	-8,327	0
Warminster	1,949,407	7.7	\$20.56	-	-6,541	0
Warrington	1,488,612	3.4	-	-	-5,581	0
Bucks County Total	19,942,253	6.3	\$16.91	-	-16,373	0
CHESTER COUNTY						
Exton/Downingtown	4,952,485	15.3	\$22.46	\$9.00	-15,372	0
Kennett Square	291,836	0.9	-	-	1,188	0
Main Line West	1,268,388	4.6	\$21.70	-	18,902	0
Malvern	753,202	4.1	\$25.41	-	2,650	0
New Garden	513,992	11.4	-	-	2,500	0
West Chester	1,236,351	5.8	-	-	17,010	0
Chester County Total	9,016,254	10.8	\$23.32	\$9.00	26,878	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD Net Absorption	Under Construction (SF)
DELAWARE COUNTY						
Boothwyn	493,693	13.0	\$11.83	\$14.75	-3,769	0
Brookhaven	547,719	6.0	-	-	0	0
Chester	236,484	0.0	-	-	0	0
Concordville	1,257,805	4.5	\$22.00	-	-5,007	0
Havertown	685,984	4.1	-	-	-1,100	0
Media	94,822	3.5	\$23.00	-	0	0
Newtown Square	1,581,630	4.1	-	-	-15,158	0
Springfield	3,413,738	3.9	\$43.44	-	-32,219	0
Upper Darby	1,151,506	11.0	-	-	104,600	0
Delaware County Total	9,463,381	5.4	\$16.67	\$14.75	47,347	0
MONTGOMERY COUNTY						
Bala Cynwyd	451,757	7.7	-	-	-10,211	0
Cheltenham	1,723,550	6.4	\$23.22	-	10,128	0
Collegeville	3,391,320	5.3	\$18.71	-	27,153	67,188
Horsham	893,599	4.0	-	-	-2,490	0
King of Prussia	4,512,957	4.0	\$30.00	-	-149,061	0
Main Line East	729,929	6.3	\$35.00	-	39,709	0
Montgomeryville	6,312,619	9.4	\$22.23	-	42,147	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD Net Absorption	Under Construction (SF)
MONTGOMERY COUNTY (CONT.)						
Plymouth Meeting	4,845,727	7.7	\$19.26	-	-3,445	0
Pottstown	2,922,025	9.2	\$12.75	-	98,760	0
Trooper	1,037,636	3.3	\$23.64	-	-16,039	0
Willow Grove	2,947,061	14.5	\$25.56	-	-58,461	0
Montgomery County Total	29,768,180	7.7	\$20.43	-	-21,810	67,188
PA Total	68,190,068	7.4	\$19.90	\$11.38	36,042	67,188

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD Net Absorption	Under Construction (SF)
BURLINGTON COUNTY						
Burlington	2,576,318	6.6	\$16.74	-	-11,134	0
Delran/Cinnaminson	1,975,930	6.5	\$9.28	-	37,710	0
Marlton	2,706,260	6.3	\$18.48	-	46,687	0
Mount Laurel	3,809,191	10.1	-	-	-106,015	0
Burlington County Total	11,067,699	7.7	\$16.76	-	-32,752	0

CAMDEN COUNTY						
Berlin	619,089	24.3	\$13.57	-	-4,800	0
Camden	313,514	2.3	-	-	400	0
Cherry Hill	6,367,975	7.6	\$21.61	-	78,060	0
Voorhees	3,115,397	19.3	\$14.00	\$17.01	8,047	0
Camden County Total	10,415,975	11.9	\$14.48	\$17.01	81,707	0

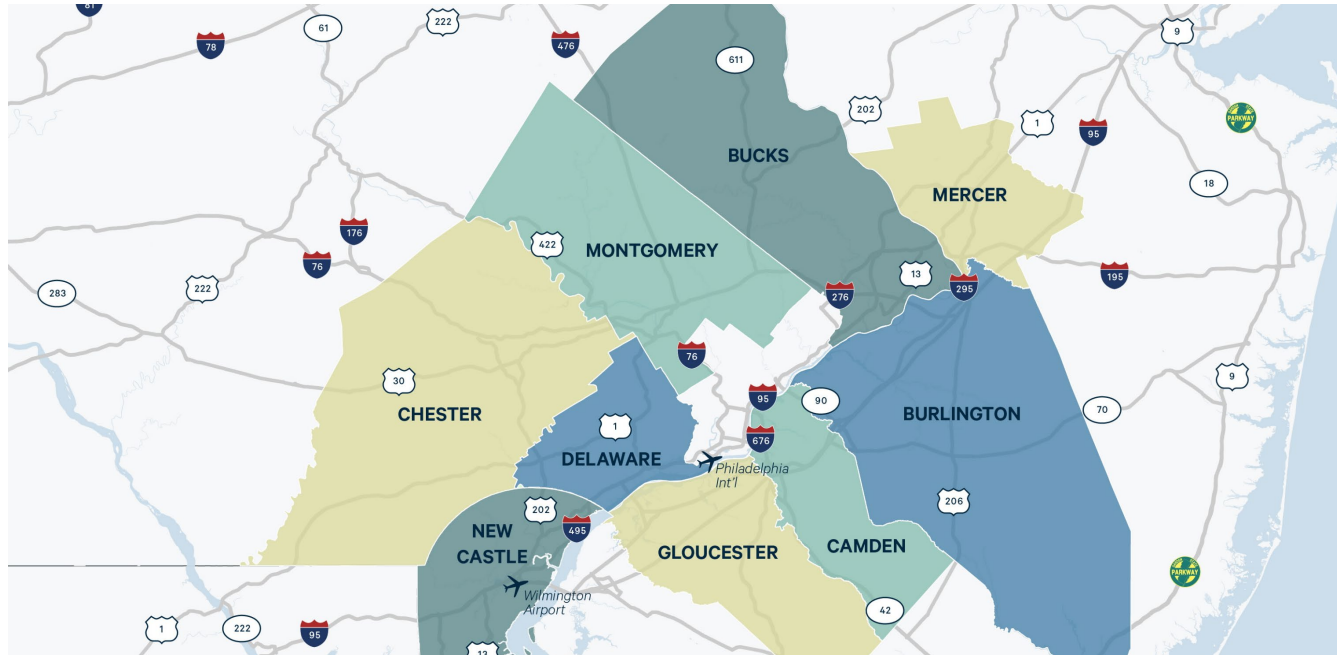
GLOUCESTER COUNTY						
Deptford	3,699,948	8.0	\$18.40	-	-25,053	0
Turnersville	4,049,538	7.3	\$17.46	-	-61,918	0
Gloucester County Total	7,749,486	7.6	\$17.93	-	-86,971	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD Net Absorption	Under Construction (SF)
MERCER COUNTY						
East Windsor	1,094,065	4.2	\$15.09	-	19,063	0
Hamilton	2,513,300	3.9	\$19.84	-	100,650	0
Princeton	4,328,134	10.3	\$38.00	-	138,650	292,700
Trenton	2,325,083	8.8	\$16.00	\$16.00	9,813	0
Mercer County Total	10,260,582	7.7	\$19.05	\$16.00	268,176	292,700
NJ Total	39,493,742	8.8	\$16.62	\$16.60	230,160	292,700

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD Net Absorption	Under Construction (SF)
NEW CASTLE COUNTY						
Christiana	6,083,857	8.0	\$43.02	-	-53,440	0
Concord Pike	3,549,775	16.4	\$26.02	-	-32,949	0
Hockessin	706,396	4.2	\$24.86	-	-1,990	0
Kirkwood Highway	2,088,954	5.9	\$24.22	-	7,048	0
Newark	1,954,479	8.7	\$17.00	-	62,548	0
Wilmington	1,133,766	10.2	\$16.56	-	24,523	0
New Castle County Total	15,517,227	9.7	\$25.89	-	5,740	0
DE Total	15,517,227	9.7	\$25.89	-	5,740	0

	Inventory (SF)	Availability Rate (%)	In-Line Asking Rents (NNN)	Anchor Asking Rents (NNN)	YTD Net Absorption	Under Construction (SF)
BY CENTER TYPE						
Community/Neighborhood Centers	69,594,241	7.4	\$19.79	\$14.90	347,746	359,888
Lifestyle/Power Centers	49,061,914	9.1	\$23.13	-	-40,688	0
Strip/In-Line Centers	4,544,882	8.5	\$18.05	-	-35,116	0
Market Total	123,201,037	8.1	\$19.98	\$14.90	271,942	359,888

Market Area Overview



DOWNTOWN PHILADELPHIA OFFICE SUBURBAN PHILADELPHIA OFFICE

50 S. 16th Street
Philadelphia, PA 19102

555 E. Lancaster Avenue
Radnor, PA 19087

WILMINGTON, DE OFFICE

3711 Kennett Pike
Wilmington, DE 19807

MOUNT LAUREL, NJ OFFICE

1000 Howard Boulevard
Mount Laurel, NJ 08054

ALLENTOWN, PA OFFICE

1275 Glenlivet Drive
Allentown, PA 18106

HARRISBURG, PA OFFICE

5 Capital Drive
Harrisburg, PA 17110

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