Active demand among limited supply

▶ 8.4%	▲ $19.59	▼ $14.92	▶ 424.6 K
Availability Rate	NNN/Avg. In-Line Asking Rent	NNN/Avg. Anchor Asking Rent	Shopping Center Under Construction

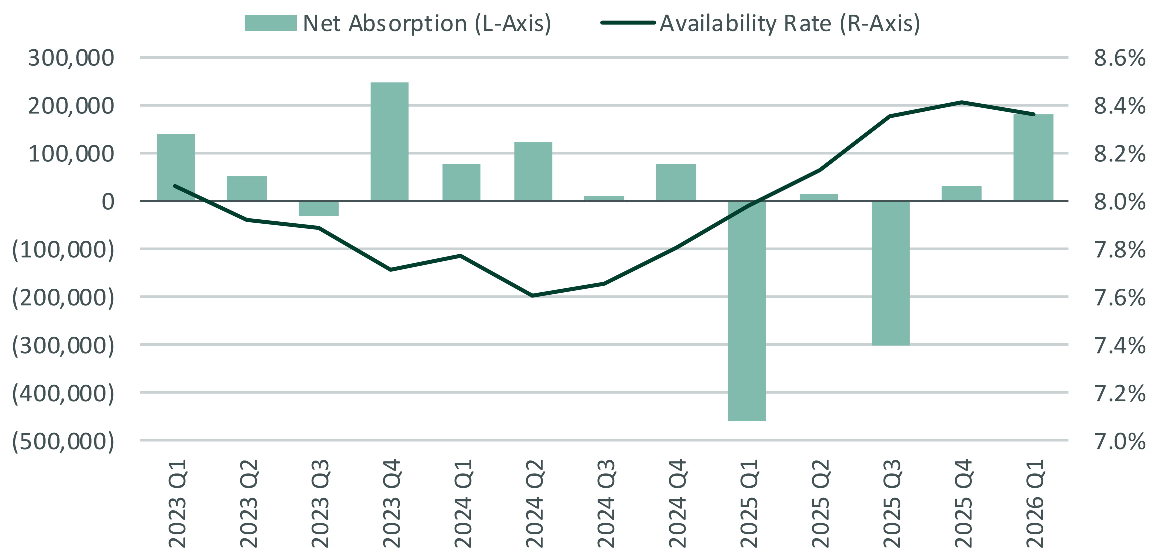
Note: Arrows indicate change from previous quarter.

Greater Philadelphia entered 2026 with limited new development, steady retailer demand, strong investor interest, and a continued shift toward experiential and service-driven concepts. Capital markets and leasing activity accelerated as entertainment operators and healthcare users moved quickly to secure well-located space. Experience, convenience, and care continued to shape where the region's most valuable retail activity occurred.

After leading the region in grocery sales growth in 2025 , according to The Philadelphia Business Journal, citing data from Food Trade News, Amazon generated one of the quarter's most notable headlines by closing all Amazon Fresh stores, including six regional locations in Northern Liberties, Bensalem, Broomall, Langhorne, Warrington, and Willow Grove. While select sites may convert to Whole Foods, the 35,000–40,000-square-foot (sq.-ft.) boxes along major corridors present rare backfill opportunities for grocers, medical users, and fitness concepts that have sought these formats for years.

Experiential operators remain a major force across the metro. King of Prussia entered 2026 following a record year driven by the openings of Eataly and the nation's first Netflix House. Level99 and Dick's House of Sport are slated to join in 2027, reinforcing the mall's role as a

FIGURE 1: Supply vs. Demand



Source: CBRE Research, 2026.

major destination, pulling consumers from a wide geography. Urban neighborhoods also saw activity: Birdie Club, an indoor golf lounge, announced plans to open in a South Philadelphia industrial conversion, while Tidal Force VR leased the former Kids Foot Locker at 15th and Chestnut—both contributing to the expanding retailtainment landscape.

Healthcare users continued to grow their presence in former retail boxes. National trends show primary care, diagnostics, dental, wellness, and fitness as consistent takers of space, and Philadelphia remains ahead of the curve. ArchWell Health opened three senior-focused clinics in former Rite Aid locations and has five additional sites planned for 2026. Rite Aid's standard 11,000–15,000-sq.-ft. footprint aligns closely with ArchWell's 8,000–12,000-sq.-ft. prototype. Former drugstores also continue to show reuse potential, including a Bella Vista site now slated for residential conversion with ground-floor retail.

From a capital markets standpoint, investor action highlighted a split market. Neighborhood, daily-needs strip centers maintained strong pricing, supported by resilient tenant performance and limited new supply. CenterSquare Investment Management's $15.3 million purchase of the fully leased 32,242-sq.-ft. Valley Gate shopping center in Warrington reinforced demand for small, service-oriented formats in high-traffic corridors. Simultaneously, more opportunistic capital targeted aging mall assets. Lenders initiated the sale of debt tied to PREIT's 95%-leased portion of Willow Grove Park Mall, creating a path for buyers to secure a stabilized property with redevelopment potential. Abrams Realty & Development placed the 804,000-sq.-ft. Concord Mall under contract for repositioning, while the $220 million Voorhees Town Center redevelopment remained dependent on state tax incentive approvals. These movements signal a market where essential retail continues to command premium capital, while older malls transact through creative structures to unlock mixed-use value.

Overall, Greater Philadelphia is shaping its retail landscape around how people live, shop, and seek care. Amazon Fresh closures created strategic openings rather than setbacks, experiential concepts continue to drive destination traffic, and service-heavy tenants are boosting visit frequency and dwell times. With limited new construction and heightened focus on repositioning legacy assets, the region's next phase will center on delivering the right experiences in the right locations, supported by investment strategies aligned with long-term mixed-use potential.

FIGURE 2: Significant Transactions

Retailer	Property	Transaction Size	Transaction Type	Trade Area
Concentra Health Services	Penn Mart Shopping Center	50,160	New Lease	Christiana
Fusion Theaters	Shops at 69th Street	41,000	New Lease	Upper Darby
Ross Dress For Less	Town Square Plaza	30,000	New Lease	Turnersville
Ollie's Bargain Outlet	165 White Horse Pike	25,495	New Lease	Voorhees
Golf Galaxy	Centerton Square	15,000	Renewal	Mount Laurel
Ferguson Enterprises, LLC	3349 Brunswick Pike	13,851	Renewal	Princeton
Ulta Salon, Cosmetics & Fragrance	CPUS King of Prussia Town Center, LP	9,920	Renewal	King of Prussia
C2J Holdings	Valley Fair	7,777	New Lease	Main Line West
Victoria's Secret	Centerton Square	5,900	New Lease	Mount Laurel
PNC Bank NA	3607 W Chester Pike	4,310	Renewal	Newtown Square

Source: CBRE Research, 2026.

FIGURE 4: Market Fundamentals by Trade Area

	Inventory (SF)	Availabilty Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
BUCKS COUNTY						
Bensalem	5,817,950	10.7	$16.56	-	-122,613	0
Doylestown	676,215	2.0	-	-	0	0
Feasterville-Trevose	1,865,831	4.5	$16.00	-	519	0
Newtown	752,601	6.8	-	-	7,796	0
Oxford Valley	5,155,376	2.8	$12.20	-	3,980	0
Quakertown	1,805,133	5.2	$30.00	-	600	0
Richboro	499,128	5.3	-	-	-9,227	0
Warminster	1,949,407	7.6	$20.56	-	-4,318	0
Warrington	1,962,572	3.6	-	-	-4,546	0
Bucks County Total	**20,484,213**	**6.1**	**$16.87**	**-**	**-127,809**	**0**
CHESTER COUNTY						
Exton/Downingtown	4,952,485	16.7	$22.45	$9.00	-89,673	0
Kennett Square	291,836	1.3	-	-	0	0
Main Line West	1,268,388	5.0	$22.87	-	13,245	0
Malvern	753,202	4.1	$25.41	-	2,650	0
New Garden	1,124,888	6.7	-	-	0	0
West Chester	1,236,351	6.0	-	-	14,391	0
Chester County Total	**9,627,150**	**11.2**	**$23.41**	**$9.00**	**-59,387**	**0**

	Inventory (SF)	Availabilty Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
DELAWARE COUNTY						
Boothwyn	493,693	12.2	$12.14	-	0	0
Brookhaven	547,719	6.0	-	-	0	0
Chester	236,484	0.0	-	-	0	0
Concordville	1,257,805	4.1	$22.00	-	489	0
Havertown	685,984	4.1	-	-	-1,100	0
Media	956,107	21.9	$23.00	-	42,177	0
Newtown Square	1,581,630	4.1	-	-	-13,891	0
Springfield	3,413,738	3.2	$43.44	-	-5,625	0
Upper Darby	1,151,506	13.4	-	-	76,233	0
Delaware County Total	**10,324,666**	**6.9**	**$16.49**	**-**	**98,283**	**0**
MONTGOMERY COUNTY						
Bala Cynwyd	451,757	6.2	-	-	-4,146	0
Cheltenham	1,723,550	6.5	$23.21	-	8,378	0
Collegeville	4,161,314	5.7	$18.71	-	-20,655	102,188
Horsham	893,599	4.2	-	-	-4,200	0
King of Prussia	4,512,957	3.4	$30.00	-	-17,648	0
Main Line East	1,053,929	3.2	$35.00	-	7,938	29,730
Montgomeryville	6,312,619	9.5	$21.40	-	38,321	0

	Inventory (SF)	Availabilty Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
MONTGOMERY COUNTY (CONT.)						
Plymouth Meeting	4,845,727	7.5	$19.26	-	2,675	0
Pottstown	2,922,025	9.5	$12.75	-	90,315	0
Trooper	1,037,636	3.3	$23.64	-	-16,039	0
Willow Grove	2,947,061	13.8	$25.77	-	-36,278	0
Montgomery County Total	**30,862,174**	**7.4**	**$19.74**	**-**	**48,661**	**131,918**
PA Total	**71,298,203**	**7.5**	**$19.41**	**$9.00**	**-40,252**	**131,918**

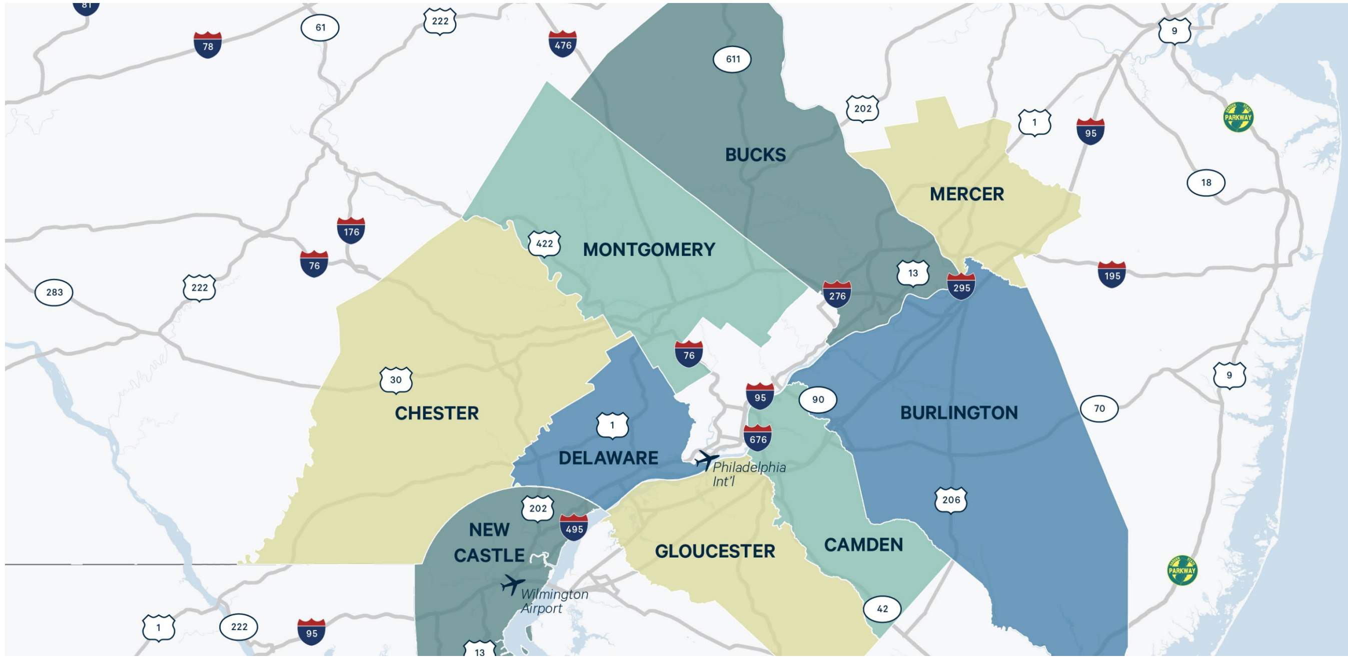
	Inventory (SF)	Availabilty Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
BURLINGTON COUNTY						
Burlington	2,576,318	6.3	$17.00	-	-4,834	0
Delran/Cinnaminson	1,975,930	7.9	$9.56	-	9,700	0
Marlton	2,955,263	7.5	$18.33	-	33,642	0
Mount Laurel	3,809,191	9.8	$15.00	-	4,779	0
Burlington County Total	**11,316,702**	**8.1**	**$16.92**	**-**	**43,287**	**0**
CAMDEN COUNTY						
Berlin	619,089	23.5	$12.38	-	0	0
Camden	313,514	2.0	-	-	400	0
Cherry Hill	6,367,975	8.3	$15.56	-	32,518	0
Voorhees	3,115,397	19.3	$13.78	$17.01	5,695	0
Camden County Total	**10,415,975**	**12.3**	**$14.25**	**$17.01**	**38,613**	**0**
GLOUCESTER COUNTY						
Deptford	3,699,948	5.4	$18.40	-	76,946	0
Turnersville	4,225,656	7.8	$15.93	-	-20,945	0
Gloucester County Total	**7,925,604**	**6.7**	**$17.15**	**-**	**56,001**	**0**

	Inventory (SF)	Availabilty Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
MERCER COUNTY						
East Windsor	1,094,065	5.0	$15.09	-	10,663	0
Hamilton	2,594,060	7.9	$19.06	-	-1,260	0
Princeton	4,571,134	13.6	$38.00	-	-2,469	292,700
Trenton	2,325,083	9.0	$16.00	$16.00	4,300	0
Mercer County Total	**10,584,342**	**10.3**	**$18.61**	**$16.00**	**11,234**	**292,700**
NJ Total	**40,242,623**	**9.5**	**$16.16**	**$16.60**	**149,135**	**292,700**

	Inventory (SF)	Availabilty Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
NEW CASTLE COUNTY						
Christiana	6,083,857	7.0	$43.02	-	24,555	0
Concord Pike	3,599,775	17.6	$26.02	-	-39,927	0
Hockessin	706,396	4.0	$24.86	-	50	0
Kirkwood Highway	2,088,954	5.7	$24.42	-	6,784	0
Newark	1,954,479	8.8	$17.00	-	63,374	0
Wilmington	1,133,766	10.5	$19.75	-	16,703	0
New Castle County Total	**15,567,227**	**9.6**	**$25.86**	**-**	**71,539**	**0**
DE Total	**15,567,227**	**9.6**	**$25.86**	**-**	**71,539**	**0**

	Inventory (SF)	Availabilty Rate (%)	In-Line Asking Rents (NNN)	Anchor Aking Rents (NNN)	YTD O-Net Absorption	Under Construction (SF)
BY CENTER TYPE						
Community/Neighborhod Centers	69,559,241	7.5	$19.27	$14.92	111,488	359,888
Lifestyle/Power Centers	53,003,930	9.5	$23.33	-	95,387	35,000
Strip/In-Line Centers	4,544,882	8.2	$17.73	-	-26,453	35,000
Market Total	**127,108,053**	**8.4**	**$19.59**	**$14.92**	**180,422**	**424,618**

Market Area Overview



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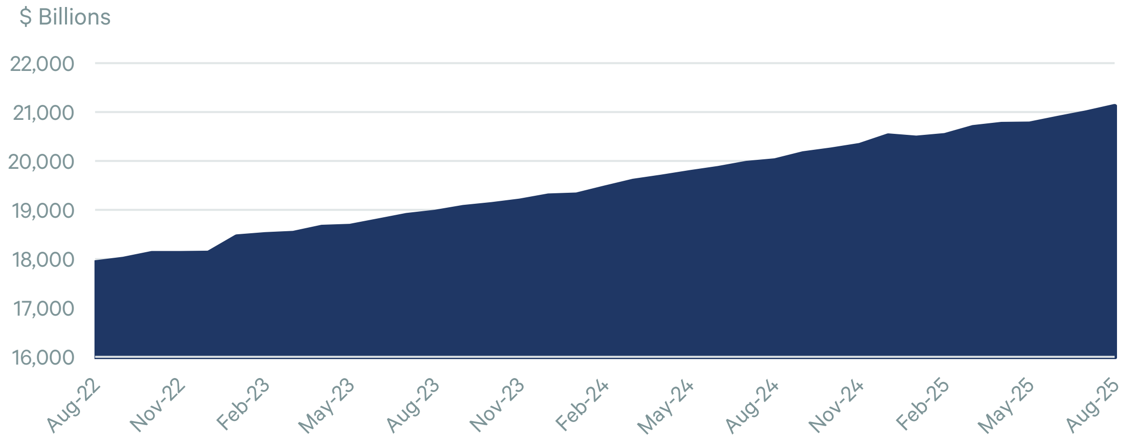
Economic Overview

The combination of continued economic momentum with a likelihood that the Fed's dramatic tightening cycle is now complete makes a 'soft landing' appear more likely for early 2024 but the pace of growth will be more modest than in recent quarters. Foremost, lower and middle-income households no longer have the luxury of excess savings and the pace of wage growth, whilst remaining elevated, is slowing. This nuance with wage growth is important. Higher wages is helping to maintain higher, albeit decelerating, core inflation. This backdrop will likely translate into the Fed only slowly lower its target rate in 2024. (CBRE expects 75 – 100 basis points worth of rate cuts in 2024.) This outlook may deter some spending, but it does help illuminate a pathway forward for real estate capital markets. Indeed, the combination of healthy fundamentals for many sectors and thawing credit markets could provide some welcome upside surprises for real estate performance in 2024.

FIGURE 3: Consumer Spending (Personal Consumption Expenditures)



Source: U.S. Bureau of Economic Analysis; St. Louis Fed.