

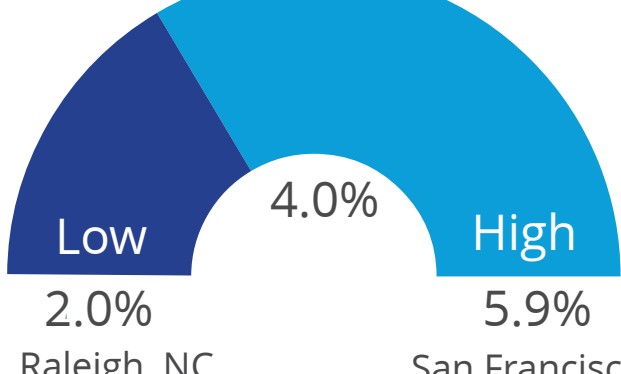
Vacancy Rate

The national retail vacancy rate dropped ten basis points during the fourth quarter, reaching 4%. Leasing activity continues to be impacted as minimal space availability holds back leasing on the supply side, and concerns over rising operating costs and moderating sales gains affect demand.



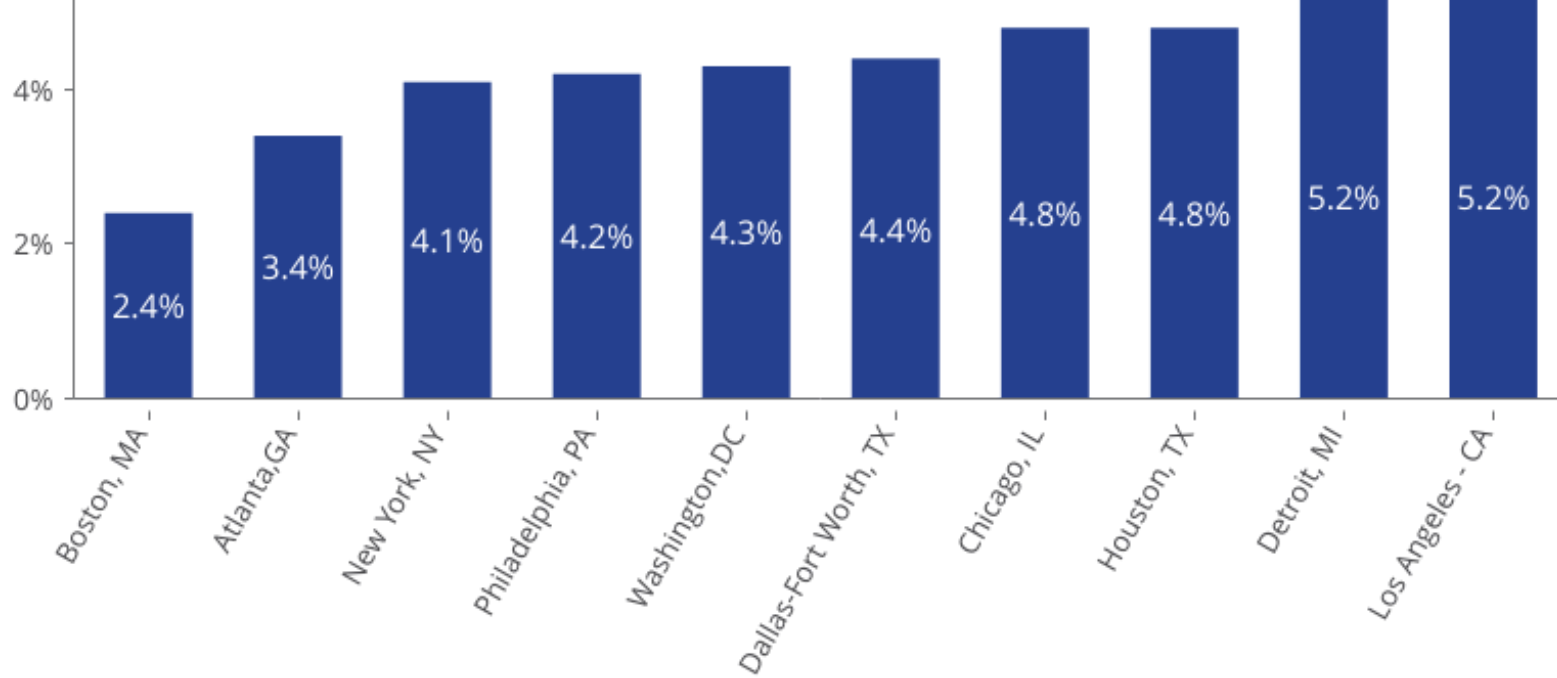
National Average

4.0%



Top 10 U.S. Metro Retail Markets

Vacancy Rates



Malls vs Shopping Centers



8.5%

Malls

Down 50bps from Q3 2023

4.9%

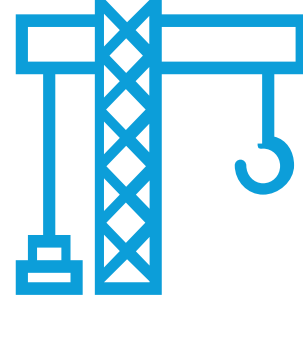
Shopping Centers

No change from Q3 2023

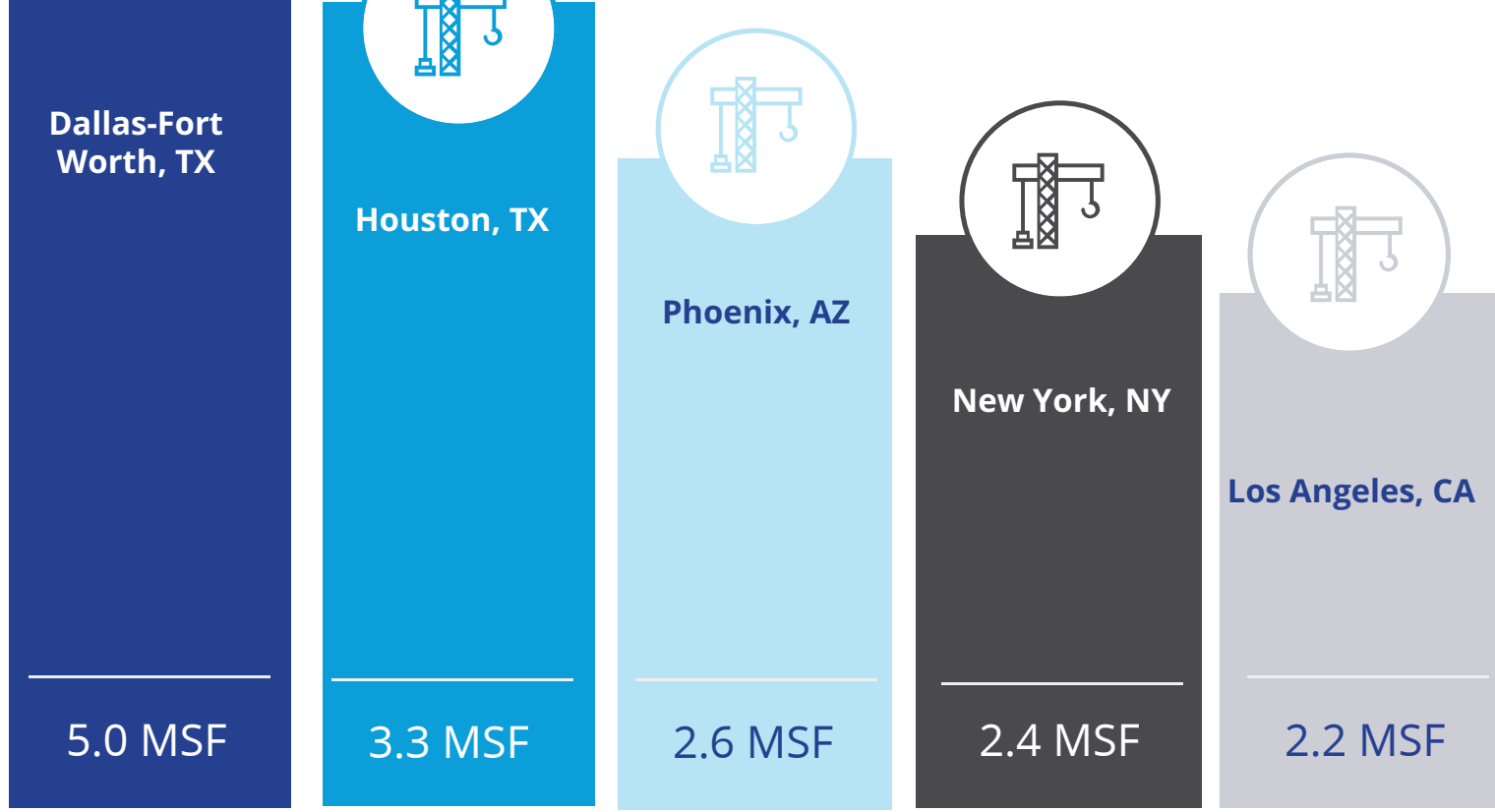
Under Construction

55.2 Million Square Feet

Retail space under construction stands at 55.2 million square feet, with 9.2 million square feet of new retail space delivered in the fourth quarter. Limited development over the last several years has driven the restoration of the fundamental balance within the retail industry.



Top 5 Metros by Square Feet Under Construction

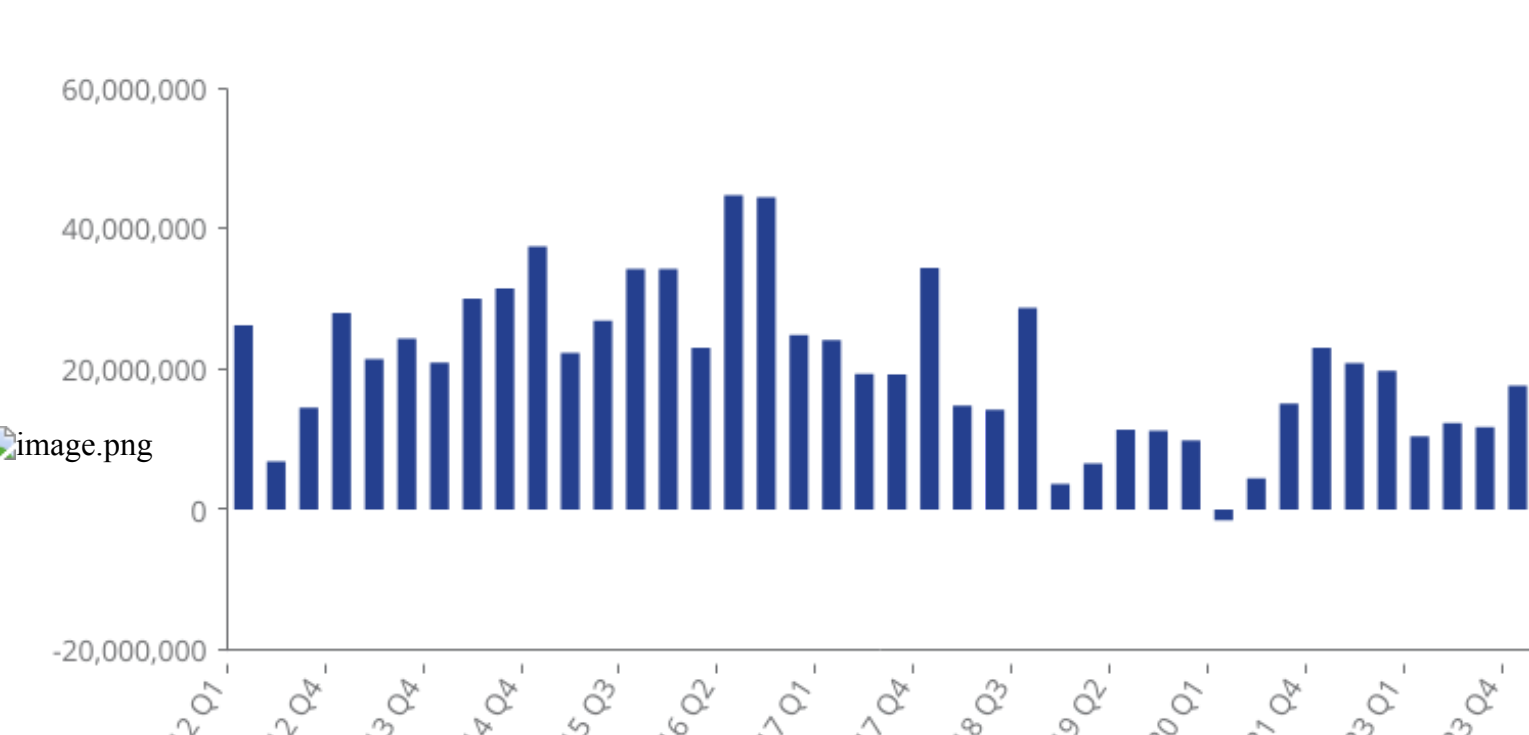


Net Absorption

17.6 Million

The retail market experienced 17.6 million square feet of net absorption in the fourth quarter. Phoenix, San Antonio, Austin, Fort Lauderdale, and Kansas City led demand growth over the past year as retail continues to follow rooftop growth.

U.S. Retail Market Historical Net Absorption



U.S. Retail Market Net Absorption by Property Subtype

3.5 MSF

Malls

5.6 MSF

Shopping Centers

17.6 MSF

All Retail

Asking Rents

Average retail asking rents rose to \$24.69 per square foot in the fourth quarter, an increase of 0.9%. Landlords are reporting more substantial pricing power as the supply of available space has dwindled and are holding firm on rents.

Overall NNN Rates



\$24.69/SF

Malls

\$33.44/SF

Up 1.7% from Q3 2023

Shopping Centers

\$24.29/SF

Up 1.0% from Q3 2023

Average NNN Asking Rates

\$50.40

Honolulu, HI

\$47.46

New York, NY

\$45.58

Miami, FL

\$43.03

San Francisco, CA

\$40.41

San Jose, CA

\$36.34

Los Angeles, CA

\$35.76

Orange County, CA

\$34.39

Palm Beach, FL

\$34.55

Long Island, NY

Sources: Colliers Research, CoStar Analytics
Statistics include the comparison of 390 retail markets across the United States.

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