



2023 FORT WAYNE, INDIANA RETAIL MARKET REPORT

2023 RETAIL MARKET REVIEW AND FORECAST FOR FORT WAYNE, INDIANA

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.

The retail market statistics for the 2023 report, which is a review of retail activities from May 2022 to April 2023, reflects a positive absorption of 109,000 square feet. The vacancy rate during the period

remained basically unchanged from 2022 and is 10.8%. Currently 12.8 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 ten vacant big box stores, each larger than 20,000 square feet, totaling 516,000 square feet, of which Carson's at Glenbrook Square is the biggest. Other large vacancies include the AMC Theater on East DuPont Road, the entertainment center on Maplecrest Road, Art Van Furniture on Coliseum Boulevard and Stein Mart on West Jefferson Boulevard. At Home newly occupied 97,000 square feet in the former Burlington Coat Factory on Illinois Road, but Bed Bath & Beyond will be closing at Jefferson Point. Boot Barn and Bob's Discount Furniture both opened stores in the Shoppes at Glenbrook.

STAR Financial Bank and Farmers & Merchants State Bank will both open new downtown branches in 2023.

Several downtown mixed-use developments have been completed, are under

construction or are proposed. Electric Works opened in the fourth quarter of 2022, including the Union Street Market Food Hall and Public Market. The opening of Chapman's Brewing Company is anticipated in the next year. Construction of Phase II of Electric Works, The ELEX, located on the north side of the railroad and wrapping around the parking structure, will include both residential and retail.

Construction is nearing completion at The Riverfront at Promenade Park, including street retail, at the northeast corner of Superior and Harrison Streets. Construction is progressing on The Pearl, a seven story mix-used development, located on Main Street and Maiden Lane, including ground floor retail,

with completion anticipated in the summer of 2024. The Columbia Street West Building on The Landing is being renovated for restaurant, retail and residential use. Construction has started on The Lofts at Headwaters Park, a mixed-use residential and commercial development, at the northeast corner of North Clinton Street and Superior Avenue.

Mixed-use developments that have been announced for the north side of the Saint Mary's River include The Wedge, located west of Promenade Park, The Schaab Riverfront Plaza on North Harrison, and More Brewing Company at North Calhoun and Fourth Streets on the north bank of the river.

Looking at retail in the next 12 months, we have a few predictions:

- Vacancy will remain stable or increase and absorption will be slightly negative due to the potential for a mild recession
- New construction activity will decrease due to increasing interest rates and construction costs
- Continued labor shortages will limit retail growth
- Downtown mixed-use developments will continue; however, retail demand may not match the supply of newly constructed retail spaces
- The strong market fundamentals of Fort Wayne create a favorable investment environment for retail properties
- Discount retailers such as Dollar General, Dollar Tree and Five Below will continue to open new stores at an accelerated pace
- Overall the factors that have led to three positive years of retail market growth are unlikely to continue

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