

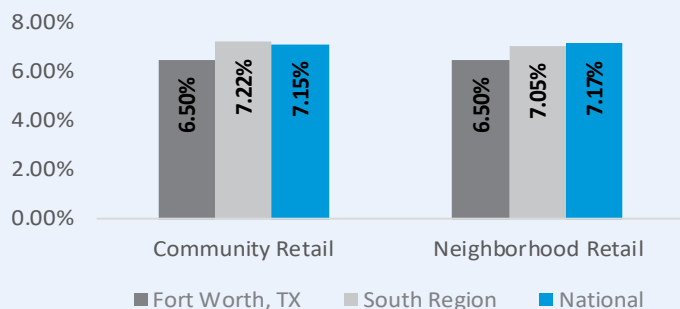
2024 FORT WORTH, TX RETAIL ANNUAL REPORT

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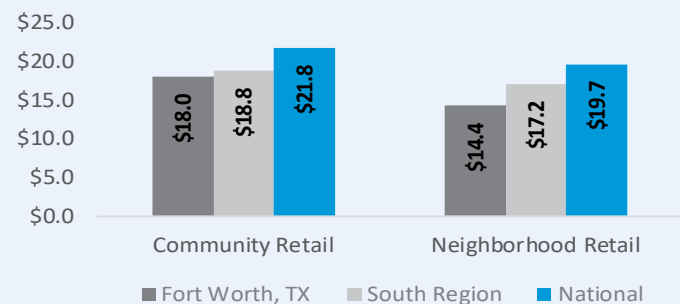
Market Rate Indicators (Y/Y)

Categories	Community Retail	Neighborhood Retail
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/SF)	▼	▼
Vacancy Rate (%)	▼	▼

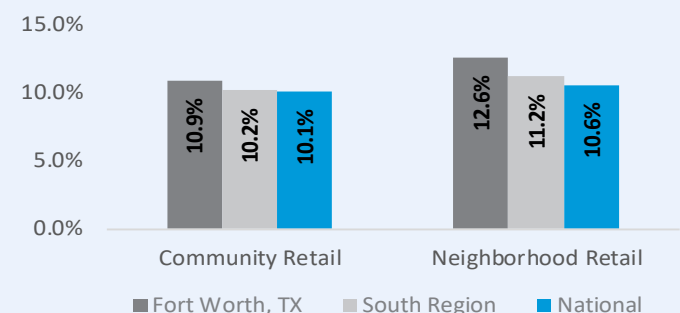
Going In Cap Rate Comparisons (%)



Asking Rents (\$/SF)



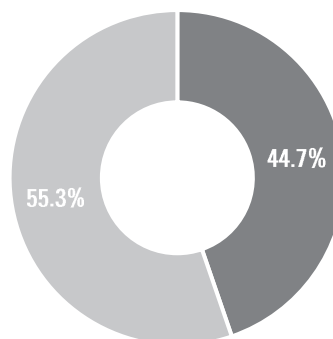
Vacancy Rates (%)



Fort Worth, TX Retail Market Overview

The Fort Worth retail market is comprised of about 29.6 million square feet in five geographic concentrations ranging in size from the 8.3 million square foot Northeast submarket to the Northwest submarket, which amounts to 2.4 million square feet. The Fort Worth metro area had the tenth fastest growth rate in the nation with a population growth of 1.5%, job growth of 1.6%, and income growth up 4.6%. According to the latest from DRC, as of May 2022, consumer spending in Fort Worth was up 28.3% from its pre-pandemic level, which is higher than the national average (+22.2%) with indications revealing some subtle changes in consumers' purchasing from goods towards services such as dining and traveling. The fastest growing area has been the Northeast submarket which has added nearly 600,000 square feet of space since Q4 of 2013. Approximately 765,000 square feet of retail space is projected to be delivered to the metro area in 2024 and 2025. The predominant leasing activities have occurred where old retail anchors were replaced by new fitness centers, restaurants, grocery stores, discount retailers, etc. Neighborhood shopping centers recorded stronger performance gain than the community centers as the former is more agile in adapting to consumer preference changes over the course of the pandemic. Fort Worth's retail market has experienced resurgent demand over the past year, and foot traffic and in-person shopping have rebounded, returning to pre-pandemic norms. Retailers are committing to more space, driving net absorption. Fast-growing suburban areas are driving leasing volume in the metroplex. Despite high interest rates, transaction velocity has been picking up for multitenant retail centers. Overall, the cap rate range for retail centers has widened. Supply of deliverable inventory has remained tight keeping cap rates generally more aggressive than the current interest rate environment particularly for smaller neighborhood centers due to continued prevalence of 1031-exchange, all-cash and low-leveraged buyers. The cap rates for larger community/regional retail centers where debt is a highly probable component has been more reflective of the financing environment. There remains an abundance of cash in the market with the Dallas-Fort Worth Metro as a top destination for investor capital. On the whole, the retail market in the Fort Worth area is doing well and has proven durable in economic downturns with the metroplex typically among the first to show signs of recovery and the long-term structural advantages, in economic terms and demographics, remain intact.

Distribution of Total Inventory



29,639,000 SF
Retail Inventory

1.08% - 12 Mo. Proj.
Construction/Inventory

- Community Retail
- Neighborhood Retail

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Change In Value Next 12 Months



▲1%-1.9%

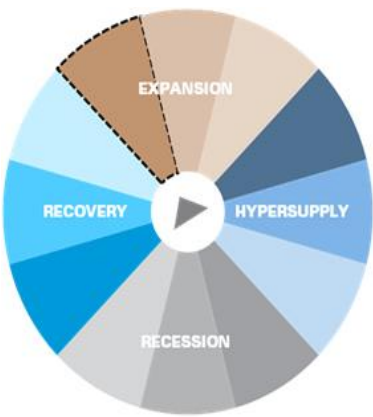
Community Retail



▲1%-1.9%

Neighborhood Retail

Market Cycle: Expansion Stage 1



- Moderate/High New Construction
- Moderate/High Employment Growth
- High Absorption
- Decreasing Vacancy Rates
- Med/High Rental Rate Growth

Forecasts

Fort Worth, TX 12-Month Retail Forecasts

Categories	Community Retail	Neighborhood Retail
Going-In Cap Rates	Increase 1-24 bps	Increase 1-24 bps
Discount Rate	Increase 1-24 bps	Increase 1-24 bps
Reversion Rate	Increase 1-24 bps	Increase 1-24 bps
Construction (SF)	319,000	
Market Rent Change	+1.00%	+1.00%
Expense Rate Change	+1.00%	+1.00%
Years to Balance	1	

Fort Worth, TX 36-Month Retail Forecasts

Categories	Community Retail	Neighborhood Retail
Market Rent Change	+3.94%	
Change in Value	Increase 2%-2.9%	Increase 2%-2.9%

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 165 MAI-designated members of the Appraisal Institute among 600+ professionals based in our 50+ offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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