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U.S. Retail Availability Index

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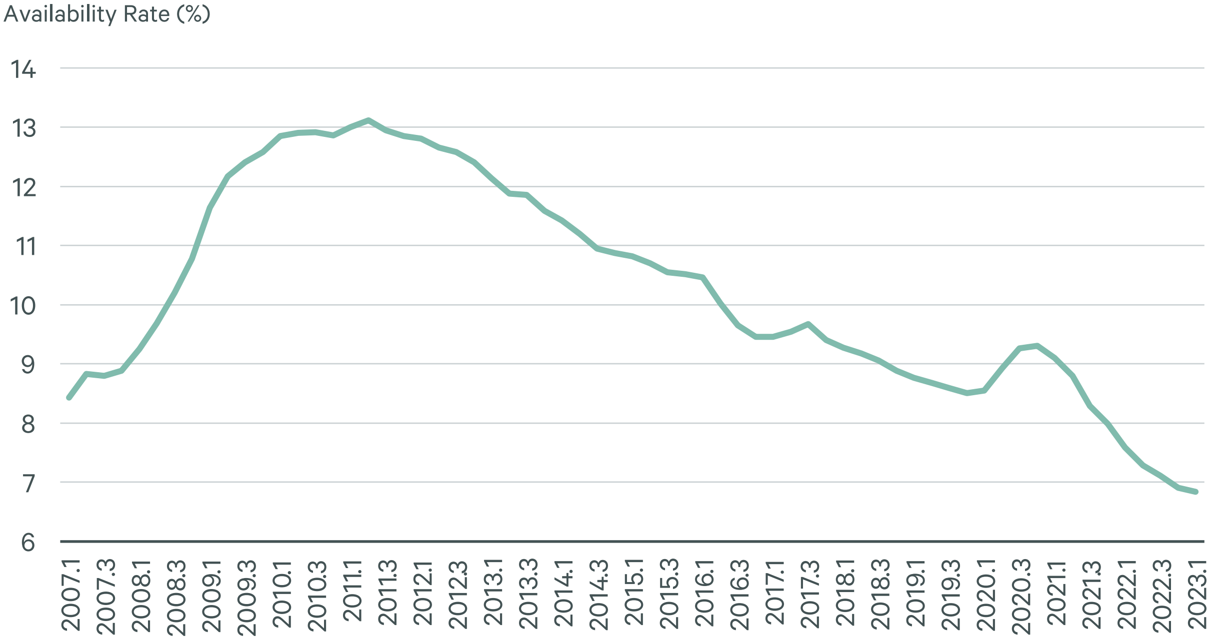
Availability Continues to Tighten – Demand Decelerates

The availability rate for neighborhood, community and strip centers (NC&S) across CBRE Econometric Advisors' (CBRE EA) retail Sum of Markets[1] dropped to 6.8% in Q1 2023, a drop of less than 10 basis points (bps) from 6.9% the previous quarter. The NC&S sector saw a deceleration of demand as markets have begun to settle into a new steady state equilibrium.

FIGURE 1: National Availability Rate for NC&S



CBRE Econometric Advisors, Q1 2023

[1]The National average is the "Sum of Markets" aggregate of all tracked markets (excluding Honolulu, San Antonio, and Wilmington).

The availability rate increased from the previous quarter in 27 of EA's 68 tracked markets. For comparison, 14 markets recorded availability rate increases between Q3 2022 and Q4 2022. Despite almost double the number of markets recording availability increases, occupier demand for NC&S centers remains strong. Of note, only two markets saw increase of more than 50 bps in their availability – Birmingham increased 70 bps and Las Vegas increased 60 bps.

Westchester, Fresno and Honolulu had the largest drops in availability at 240 bps, 120 bps and 110 bps, respectively. Albuquerque, Bakersfield, Charlotte, Northern New Jersey, Oakland, Philadelphia, Providence, Tucson and Wilmington, DE recorded drops in availability of more than 50 bps.

Year-over-year (Y-o-Y) availability rate declines were recorded in 61 markets. Albuquerque, Bakersfield and Philadelphia saw the largest Y-o-Y declines, each seeing availability fall by 190 bps or more.

Y-o-Y rate increases were recorded in just seven markets: Birmingham (80 bps), Columbus (50 bps), Jacksonville (0 bps), NY Boroughs (50 bps), San Francisco (30 bps), Stamford (20 bps) and Tulsa (50 bps).

Out of the 68 markets, 63 have a similar or lower availability rate compared with their pre-pandemic (Q1 2020) levels. Only Honolulu, Oakland, San Francisco, San Jose, and the NY Boroughs remain above their pre-pandemic availability levels, with San Francisco remaining a staggering 280 bps above its pre-pandemic level.

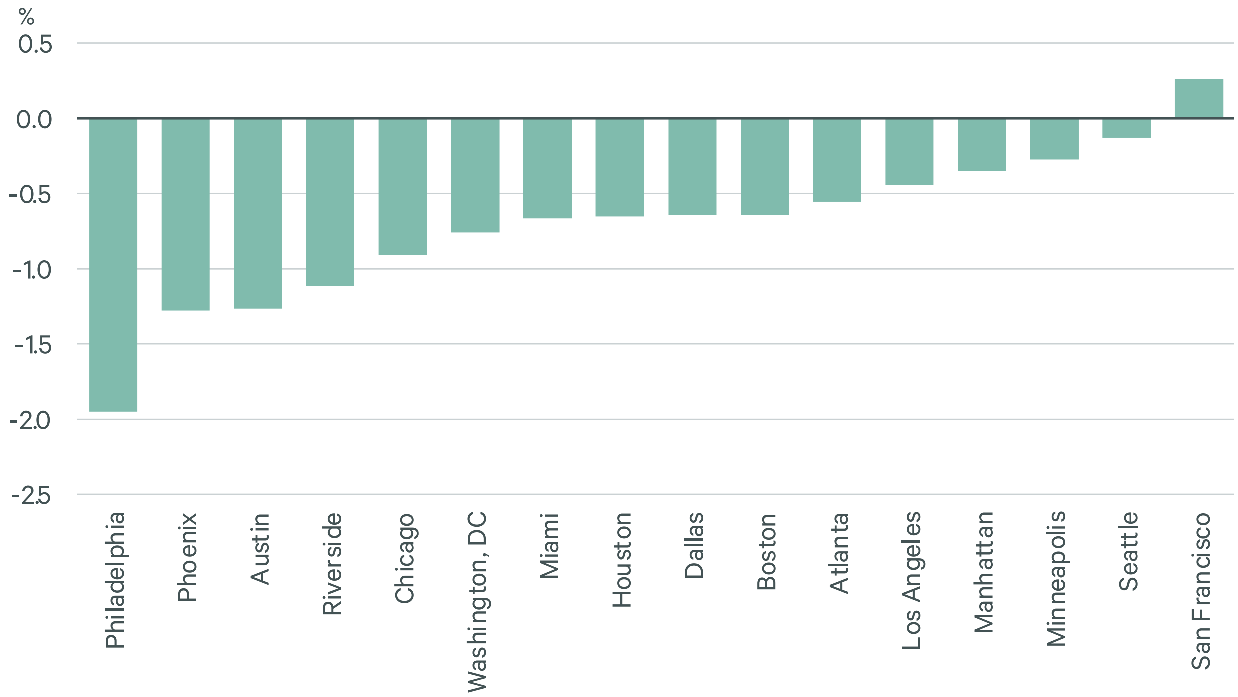
FIGURE 2: Availability Rates – Metropolitan Markets

	Q1 2023 (%)	Q4 2022 (%)	Q1 2022 (%)	Quarterly difference	Year-ago difference
METROPOLITAN MARKETS					
SUM OF MARKETS	6.8	6.9	7.6	-0.1	-0.8
Albuquerque	4.8	5.4	7.4	-0.5	-2.6
Atlanta	5.0	4.9	5.5	0.1	-0.6
Austin	4.6	4.9	5.8	-0.3	-1.3
Bakersfield	6.1	6.8	8.5	-0.6	-2.3
Baltimore	7.1	7.3	8.0	-0.2	-0.9
Birmingham	8.2	7.5	7.4	0.7	0.8
Boston	5.9	5.6	6.5	0.3	-0.6
Bronx/Brooklyn/Queens/Staten Island	8.1	8.5	7.6	-0.4	0.5
Central New Jersey	8.3	8.3	9.1	-0.1	-0.8
Charlotte	4.7	5.5	5.2	-0.8	-0.5
Chicago	9.5	9.9	10.4	-0.4	-0.9
Cincinnati	6.3	6.7	7.9	-0.5	-1.6
Cleveland	6.9	7.0	8.4	-0.2	-1.5
Columbus	6.1	5.7	5.6	0.4	0.5
Dallas	7.6	7.8	8.2	-0.2	-0.6
Denver	6.9	6.7	7.5	0.1	-0.6
Detroit	10.5	10.4	11.5	0.2	-1.0
Fort Lauderdale	4.9	4.6	5.6	0.2	-0.8
Fort Worth	8.0	8.2	8.8	-0.2	-0.8
Fresno	7.3	8.5	9.1	-1.2	-1.8
Greensboro	5.7	6.1	6.9	-0.4	-1.3
Hartford	8.0	8.1	8.5	-0.1	-0.4
Honolulu	9.2	10.2	9.7	-1.1	-0.5
Houston	7.6	7.7	8.3	-0.1	-0.7

	Q1 2023 (%)	Q4 2022 (%)	Q1 2022 (%)	Quarterly difference	Year-ago difference
Indianapolis	7.3	7.4	8.6	-0.1	-1.3
Jacksonville	6.2	5.8	6.1	0.4	0.0
Kansas City	8.1	8.0	9.0	0.1	-0.8
Las Vegas	7.4	6.9	7.7	0.6	-0.2
Long Island	6.9	7.1	7.7	-0.3	-0.8
Los Angeles	6.8	6.8	7.2	0.0	-0.4
Louisville	4.7	4.7	4.9	0.0	-0.2
Manhattan	3.5	3.5	3.9	0.0	-0.4
Memphis	6.3	5.9	6.4	0.3	-0.2
Miami	3.9	3.9	4.6	0.1	-0.7
Milwaukee	6.7	6.6	8.4	0.1	-1.7
Minneapolis	7.2	7.2	7.5	0.0	-0.3
Nashville	4.0	4.1	4.8	-0.2	-0.8
Northern New Jersey	7.8	8.4	8.5	-0.5	-0.7
Oakland	7.3	7.9	7.5	-0.6	-0.2
Oklahoma City	9.2	9.0	9.4	0.3	-0.2
Orange County	5.3	5.4	5.9	-0.2	-0.7
Orlando	5.7	5.9	6.2	-0.2	-0.6
Philadelphia	8.5	9.0	10.4	-0.5	-2.0
Phoenix	6.5	6.8	7.8	-0.3	-1.3
Pittsburgh	7.2	7.3	8.1	-0.1	-0.9
Portland	5.3	5.4	6.2	-0.1	-0.9
Providence	8.0	8.8	9.6	-0.7	-1.5
Raleigh	3.8	4.1	5.1	-0.3	-1.4
Richmond	6.6	6.6	8.1	0.0	-1.6
Riverside	7.9	7.8	9.0	0.1	-1.1

	Q1 2023 (%)	Q4 2022 (%)	Q1 2022 (%)	Quarterly difference	Year-ago difference
Sacramento	8.5	8.4	8.6	0.1	-0.1
Salt Lake City	4.9	4.7	6.0	0.2	-1.1
San Antonio	7.3	7.5	9.0	-0.2	-1.7
San Diego	6.0	5.8	6.9	0.2	-0.8
San Francisco	7.0	6.7	6.8	0.3	0.3
San Jose	6.0	5.7	6.3	0.3	-0.3
Seattle	3.7	3.6	3.9	0.1	-0.1
St. Louis	10.5	10.6	11.6	-0.1	-1.1
Stamford	6.1	6.0	6.0	0.1	0.2
Tampa	4.3	4.2	5.0	0.0	-0.7
Toledo	6.4	5.9	6.4	0.5	0.0
Tucson	7.6	8.1	8.6	-0.5	-1.0
Tulsa	6.2	5.9	5.7	0.4	0.5
Ventura	7.8	8.2	8.1	-0.4	-0.3
Washington, DC	6.6	6.5	7.4	0.1	-0.8
West Palm Beach	5.9	5.5	6.0	0.4	-0.1
Westchester	8.9	11.3	9.9	-2.4	-0.9
Wilmington, DE	9.9	10.8	10.5	-1.0	-0.6

FIGURE 3: Difference in Availability Rates Y-o-Y – Selected Metropolitan



CBRE Econometric Advisors, Q1 2023.

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