

Retail REITs

BofA's 4Q23 Retail Quarterly

Industry Overview

Strong 4Q23 results offset by conservative '24 guidance

Overall, 4Q Retail REIT results were solid with 7 meets and 7 beats. However, 2024 guidance implies flat FFO growth which disappointed given comments that this is the strongest leasing backdrop in years. That said, we view guidance as extra conservative. While we normally like to focus on earnings revisions for stock picking, we see less dispersion in Retail for 2024 as most REITs are positioned to beat and raise. We encourage investors to focus on the [AFFO PEGY as a key valuation measure \(see report\)](#).

+2.9% SS NOI growth expected in '25 vs +2.8% in '24

A key focus during 4Q earnings was SS NOI growth and the building blocks for 2024. The timing of signed rent commencements remains the biggest area of uncertainty. We estimate stronger growth in '25 as redevelopment and signed but not yet open leases come online. When polled at a investors' conference this week, 8 Retail REITs said they expect sector SS NOI growth in 2025 of +2.9% on average (vs. +2.8% implied from '24 guidance). SPG expects their SS NOI will be "at the high end of the range" in 2025.

'24 bad debt reserves are 'normal'; see updated watch list

Retail REITs assumed more normalized levels of bad debt within 2024 guidance. See Exhibit 10 for a layout of credit loss assumptions. At an investors' conference, all Strip REITs stated having minimal concerns over the potential impact from a JOANN bankruptcy filing. SPG said they expect minimal impact from Macy's store shrinkage plans. For 4Q23 our tenant watch list (Exhibit 8, Exhibit 9) remains largely intact, but we added The Container Store given its recent credit rating downgrade and weaker sales.

Retailer store opening plans continue to outpace closings

Store openings vs. store closings trended at a pace of 1.7 to 1 in 2023, compared with a ratio of 2.3 to 1 in 2022. As of 2/29, we have tracked 578 major store closings and 1,579 store openings projected for 2024 so far (Exhibit 5). We believe store openings will continue to outpace store closings at a healthy clip in 2024. Typically, the Holiday season is determinative of more store closing announcements in the 1Q. Positively, we saw a strong Holiday '23 spending season. We continue to monitor changes in consumer behavior and our tenant watch list for changes to our store closings estimates.

More external growth in 2024 with focus still on redev

Acquisitions activity was minimal in 2023 but several Strip REITs are seeing more opportunities from sellers who are either highly motivated or more accepting of pricing. Based on commentary, cap rates have tightened by 50 bps and are trending in the 6-6.5% range for grocery anchored centers with select assets in the 5% range. SITC (not covered) is in discussions to sell another \$750m of assets, most of which are power centers, at a blended 7% cap rate. Redevelopment is top of mind for many. SPG continues to see opportunities in department store redevelopments. SKT sees the highest return on capital from peripheral land opportunities.

See inside for our fully updated operating metrics and REIT portfolio stats.

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"AFFO" = adjusted funds from operations;
"FFO" = funds from operations; "BK" =
bankrupt; "NOI" = net operating income; "Vol"
= volume; "PEGY" = Price-to-earnings divided
by earnings growth + forward dividend yield;
"PO" = price objective.

For a full list of acronyms, key terms, and
tickers spelled out, see end of report.

Note: BofA does not cover tickers CBL, PRET
(not publicly listed), SITC, RPT, and UE. See
footnote at end of report.

See our [Retail earnings recap note](#) for more
detail on 4Q23 results.

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BofA's store closings report record lows

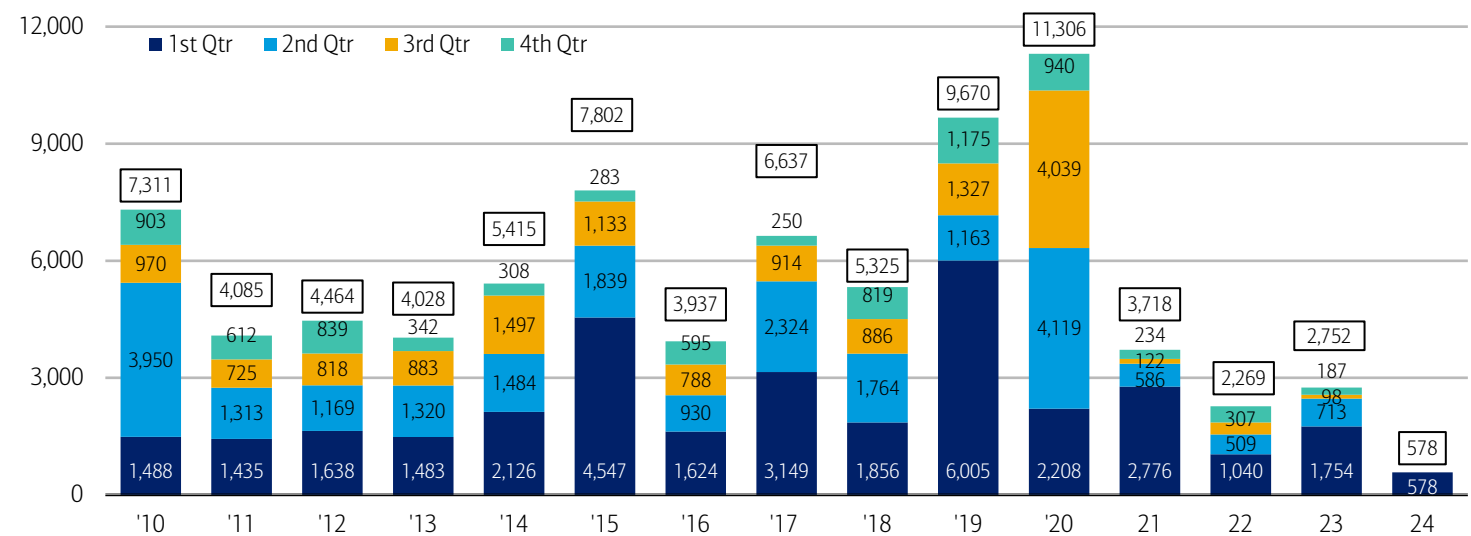
In 2023, there were more major announced store openings (4,600+) than store closings (2,721), which continues the trend from the prior year with 5,087 store openings versus 2,269 national announced store closings. Historically, store closings happen in 1Q and 2Q, with the exception of the start of COVID-19. 2022 saw the lowest number of store closings in over 20 years.

At the other extreme in 2020, national announced store closings recorded the highest store closings since 2001 with 11,306 under state mandates and COVID restrictions. This followed store closings in 2021 of 3,718.

Store closings have continued to trend below the long-term historical average. We believe stronger tenant health and delayed store opening plans continues to positively impacted retail REITs leasing momentum. In 2024 so far, there have been 578 store closings announced, compared with 1,579 store openings.

Exhibit 1: Store Closings by Qtr as of 2/29

Store closings announced for 2023 trended higher than 2022 but remained well below the historical average.



Source: BofA Global Research

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Dept. store closings continued to slow in '23

Department store closings (similar to overall store closings) slowed in 2022 and 2023. Macy's and Dillard's led public department store closings with 4 each in 2023 (287 and 31 since 2013, respectively). The department store industry has suffered long-standing market share losses, low traffic levels and often weak balance sheets. Added to these issues were COVID-19 mandated store and mall closures in mid-March '20. We continue to see the impacts from these pressures ease. Recently, Macy's announced they plan to close 150 additional locations through 2026 with 50 stores to close by the end of 2024.

Exhibit 2: Public Dept. Store Closings (2014-2023)

Department store closings have slowed through 2023. Macy's intends to close 50 stores in 2024.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sears	-82	-15	-36	-125	-334	-88	0	-10	-15	0
Bon Ton	-1	-3	-5	-5	-257	0	0	0	0	0
JC Penney	-32	-41	-8	-141	-12	-18	-204	-17	0	0
Macy's	-17	-42	-65	-13	-12	-4	-30	-37	-7	-4
Dillard's	-1	-3	-4	-2	0	0	-6	-2	-3	-4
Nordstrom	-1	-3	-1	-2	-1	0	-19	0	-3	-2
Total by Year	-134	-107	-119	-288	-616	-110	-259	-66	-28	-10

Source: BofA Global Research, PulseRatings

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Store closings picked up in '23; still below historical avg.

In 2023, store closings outpaced 2022 closings but remained below historical averages. We are still seeing the effect of retailers becoming more aggressive with store openings. Nearly all retail REITs are experiencing above average leasing volumes. Exhibit 3 shows store closings by regional mall tenants vs. open-air tenants (non-mall).

For retailers located in other formats, such as outlets or airports, we created a third "Other" category. 2024 store closings so far were 578 with 77% of closings in the open-air (non-mall) space and 23% in the mall space. This compares with 2023 in which about 71% of total closings were in the open-air (non-mall) space vs. about 26% in the mall space. Closings by square feet were 15.7 million sq. ft in 2024 so far, 38.9 million sq. ft in 2023, and 22.2 million sq. ft in 2022.

Exhibit 3: Mall versus non-mall store closings (store count)

Mall stores account for 23.0% of store closings in 2024 so far vs. 26.3% in 2023

	2024	%-tot	2023	%-tot	2022	%-tot
Mall stores	133	23.0%	723	26.3%	689	30.4%
Non-mall stores	445	77.0%	1,951	70.9%	1,474	65.0%
Neither (outlets, etc.,)	0	0.0%	78	2.8%	106	4.7%
Total	578	100.0%	2,752	100.0%	2,269	100.0%

Source: BofA Global Research

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Exhibit 4: Mall versus non-mall store closings (square feet)

Mall closings account for 65.5% of total closings by sq. ft led by expected closings by Macy's.

	2024	%-tot	2023	%-tot	2022	%-tot
Mall stores	10,268,400	65.5%	5,993,232	15.4%	3,294,080	14.8%
Non-mall stores	5,399,600	34.5%	30,337,065	78.0%	17,254,870	77.7%
Neither (outlets, etc.,)	0	0.0%	2,554,000	6.6%	1,668,900	7.5%
Total	15,668,000	100.0%	38,884,297	100.0%	22,217,850	100.0%

Source: BofA Global Research

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CVS leads way in expected store closings for 2024 so far

In 2023 the largest number of announced store closings came from Bed, Bath & Beyond, CVS, Tuesday Morning, Jenny Craig, and Rite Aid. Note, we are only accounting for Bed Bath and Beyond store closings that were announced during the year of 2023 (~421). CVS is in the midst of closing 900 stores in its portfolio over 3 years so we estimate ~300 store closings for 2024. Rite Aid is the most recent big box retailer to announce more store closings with 77 locations targeted in 2024 so far.

Exhibit 5: Retailers with the largest number of store closings announcements by year

CVS leads store closings plans for 2024 as of February 29th.

Retailer	2024 YTD	% of total	Retailer	2023	% of total
CVS Pharmacy	300	51.9%	Bed, Bath & Beyond	421	15.3%
Footlocker	85	14.7%	CVS	300	10.9%
Rite Aid	77	13.3%	Tuesday Morning	264	9.6%
Macy's	55	9.5%	Jenny Craig	248	9.0%
Sleep Number	40	6.9%	Rite Aid	185	6.7%
Urban Outfitters	21	3.6%	Walgreen's	150	6.5%
			Signet Jewelers	150	5.9%
			Footlocker	136	5.4%
			Champs	125	4.3%
			Journeys (Genesco)	100	4.3%
Total	578	100.0%	Total Top 10	2,079	75.5%

Source: BofA Global Research, company filings

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Major Store Opening Plans by Retailer in '23 and '24 so far

Store opening plans remained strong with over 4,600 new store openings announced in 2023. Fortunately for strip REITs over 93% of these store openings favor open-air formats. We also started to see store openings favor smaller store formats in 2023. Discount stores and dollar stores dominate new store openings followed by off-price retailers. Year to date in 2024, discount and dollar stores have continued to lead in number of announced store openings.



Exhibit 6: Store opening plans for 2024

Dollar General announced the most store openings YTD 2024 through 2/29

Retailer	2024 YTD	% of total
Dollar General	800	50.7%
Casey's	150	9.5%
TJ Maxx	141	8.9%
Burlington's	100	6.3%
Tractor	80	5.1%
Boot Barn	52	3.3%
Warby Parker	40	2.5%
Sprouts Farmers Market	35	2.2%
Urban Outfitters	28	1.8%
Toys R Us	24	1.5%
Macy's	24	1.5%
Costco	24	1.5%
Nordstrom	22	1.4%
Uniqlo	20	1.3%
Walmart	12	0.8%
Rothys	10	0.6%
REI	10	0.6%
Sportsman's Warehouse Holdings, Inc.	7	0.4%
Total	1,579	100.0%

Source: BofA Global Research, company filings

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Exhibit 7: Store opening plans for 2023

Dollar General had the most store openings in 2023

Retailer	2023	% of total
Dollar General	990	21.2%
Dollar Tree	650	13.9%
Chipotle	270	5.8%
Five Below	200	4.3%
Autozone	200	4.3%
O'Reilly Automotive	185	4.0%
TJX	130	2.8%
Aldi	120	2.6%
Skechers	110	2.4%
Ross	100	2.1%
Ace Hardware	100	2.1%
European Wax Center	99	2.1%
Burlington	95	2.0%
Bath and Body Works	90	1.9%
The Sherwin-Williams Company	90	1.9%
Tractor Supply Co.	83	1.8%
Casey's General Store	80	1.7%
Northface	70	1.5%
Advance Auto Parts, Inc.	70	1.5%
Crisp & Green	65	1.4%
Bank of America	55	1.2%
Boot Barn	52	1.1%
Ralph Lauren	50	1.1%
Carter's	50	1.1%
Lululemon	48	1.0%
Ollie's Bargain	44	0.9%
Warby Parker	40	0.9%
Shake Shack	40	0.9%
Torrid	35	0.7%
Floor and Décor	34	0.7%
The Gap	33	0.7%
Sam's Club (Wal-mart)	30	0.6%
Cato	30	0.6%
Barnes and Noble	30	0.6%
Ulta Beauty	27	0.6%
Kohl's	25	0.5%
Aerie	25	0.5%
Footlocker	25	0.5%
Vuori	23	0.5%
Target	20	0.4%
Big Lots	18	0.4%
Academy Sports + Outdoors	16	0.3%
Sportsman's Warehouse Holdings, Inc.	15	0.3%
Costco	14	0.3%
Sprouts	11	0.2%
Dry Goods	11	0.2%
Primark	10	0.2%
BJ's Wholesale Club	10	0.2%
Belk	10	0.2%
Dick's Sporting Goods	9	0.2%
CitiTrends	8	0.2%
Ikea	8	0.2%
Nordstrom Rack	6	0.1%
Market by Macy's	4	0.1%
REI	3	0.1%
Allbirds	3	0.1%
At Home	2	0.0%
Lidl	2	0.0%
Total	4,673	100.0%

Source: BofA Global Research, company filings

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BofA's top tenant watch list

Our top tenant watch list outlines retailers that in our view have a greater risk of incremental stores closings. We note our analysis is derived from top tenant disclosures and may not contain total exposure if that tenant is not among a REIT's top tenants. We added The Container Store to our latest watch list. We review our watch list each quarter based on a credit rating/outlook, sales performance, store activity, and indications for bankruptcy. Note, exposures listed below are pulled from the REITs' top tenants disclosed from company filings.

Exhibit 8: Mall % rental revenue exposure to BofA's tenant watch list

Exposures to tenants on our retail watch list reported by REIT (top tenant exposures only)

Tenant	(S&P/Moody's)	MAC*	SPG	SKT	CBL
Belk, Inc.	CCC-/Caa3	---	**	---	---
Barnes & Noble Inc.	NR/WR	---	---	---	0.8%
Children's Place	NR/WR	---	---	---	0.7%
The Container Store	B-/B3	---	---	---	---
The Gap Inc.	BB/Baa3	1.9%	2.9%	5.8%	1.2%
Express, Inc.	NR/WR	---	---	1.7%	0.9%
Hudson's Bay Co.	NR/NA	---	0.1%	---	---
Neiman Marcus	NR/Caa2	---	0.1%	---	---
Macy's Inc.	BB+/Ba1	---	0.3%	---	---
Sycamore Partners	NR/WR	---	---	---	---
Regis Corporation	NR/WR	---	---	---	---
Rue21	NR/WR	---	---	1.3%	---
Torrid	NA	---	---	---	---
Victoria's Secret	BB-/Ba3	2.0%	1.5%	---	2.7%
Total		3.9%	4.9%	8.8%	6.4%

Source: Company Reports, S&P CapIQ, BofA Global Research

* MAC data is from annual 10K as of 12/31/23

**Belk: SPG has 0.7% of gross leasable area (7 properties). Rental revenues not disclosed.

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Exhibit 9: Strip % rental revenue exposure to BofA's tenant watch list

Exposures to tenants on our retail watch list reported by REIT (top tenant exposures only)

Tenant	(S&P/Moody's)	AKR	BRX	FRT	IVT	KIM	KRG	PECO	REG	ROIC	SITC	UE	Total
Container Store	B-/B3	---	---	---	---	---	---	---	---	---	---	---	---
Dollar Tree	BBB/Baa2	---	1.7%	---	---	1.0%	---	0.7%	---	---	0.7%	---	4.1%
Hudson's Bay Co.	NR/NA	---	---	0.6%	---	---	---	---	---	---	---	---	---
At Home	CCC/NR	---	0.4%	---	---	---	---	---	---	---	---	---	1.4%
Francesca's*	NR/WR	---	---	---	---	---	---	---	---	---	---	---	---
Barnes & Noble Inc.	NR/WR	---	0.4%	---	---	---	0.7%	---	---	---	0.9%	---	2.7%
The Gap Inc.	BB/Baa3	0.9%	0.5%	1.3%	---	0.9%	1.4%	---	0.8%	---	1.6%	1.7%	11.0%
Staples Inc.	B-/B3	---	0.5%	---	---	0.5%	---	---	0.5%	---	0.6%	0.9%	3.0%
Party City Holdco Inc.	NR/WR	---	0.5%	---	---	0.6%	---	---	---	---	0.9%	---	2.0%
Office Depot (ODP)	NR/WR	---	0.4%	---	---	---	0.8%	0.5%	---	---	0.8%	---	3.4%
Jo-Ann Stores	CCC/Caa3	---	0.5%	---	---	0.5%	---	---	---	---	0.8%	---	2.9%
Bed, Bath & Beyond	NR/WR	---	---	---	---	---	---	---	---	---	---	---	0.0%
Regal Entertainment Group	NR/WR	---	0.4%	0.8%	---	0.4%	---	---	---	---	0.8%	---	4.5%
AMC	CCC+/ Caa2	---	0.4%	0.8%	---	---	---	---	---	---	---	1.1%	2.3%
Michaels Stores	NR/WR	---	0.6%	0.7%	---	0.9%	1.4%	---	---	---	1.6%	---	7.2%
Kirkland's Inc	NR/WR	---	---	---	---	---	---	---	---	---	0.4%	---	0.4%
GameStop	NR/B3	---	---	---	---	---	---	---	---	---	---	---	0.0%
Fitness International	B/B2	---	1.1%	1.3%	---	0.9%	---	---	1.0%	---	0.7%	1.7%	8.7%
Express, Inc.	NR/WR	---	---	---	---	---	---	---	---	---	---	---	0.0%
Big Lots	NR/WR	---	0.7%	---	---	---	---	---	---	---	---	---	0.7%
Kohl's	BB/Baa2	---	0.9%	---	---	0.7%	0.8%	0.5%	0.6%	---	1.0%	3.2%	9.6%
Rite Aid	NR/NA	---	---	---	---	---	---	---	---	1.4%	---	---	1.4%
CVS	NR/WR	---	0.5%	1.3%	---	0.7%	---	---	1.8%	---	---	---	4.3%
J. Jill	NR/WR	---	---	---	---	---	---	---	---	---	---	---	0.0%
Total		0.9%	9.5%	6.8%	0.0%	7.1%	5.1%	1.7%	4.7%	1.4%	10.8%	8.6%	

Source: Company Reports, S&P CapIQ, BofA, Global Research

* Francesca's is owned by TerraMar Capital (private)

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2024 credit loss assumptions

Exhibit 10: Credit loss impact as reported by Retail REIT

REITs' expectations for impact from revenues deemed uncollectible or "bad debt" as a percentage of revenues in 2024

Company	2024 impact	Additional notes according to the company on 2024 assumptions
AKR	150 bps	A vast majority of the 150bps reserves is related to unknown events.
BRX	75-100 bps (+ 100 bps)	In addition to 75-100bps of revenues deemed uncollectible, BRX also estimates a 100bps drag primarily from large tenant disruption (including Big Lots) in 2024. This compares to 45bps of revenues deemed uncollectible + 120bps of drag from bankruptcies in 2023.
FRT	70 - 90 bps	70-90 bps reserved for bad debt expense and unexpected vacancy rent relief is in line with their historical range. This compares to their 2023 initial guidance range of 75-100bps of revenues deemed uncollectible plus 25-60 bps from Bed Bath and Beyond.
IVT	50-100 bps	40bps reserved for impact from JOANN and Rite Aid. The remainder of reserves is to unknown events.
KIM	75-125 bps	Similar level of credit loss experience in 2023
KRG	100 bps	The 100bps headwind from bad debt: 40bps is from lower prior period collections and the rest they are assuming for normal bad debt reserves (which includes known and unknown tenant disruption). This compares with their 2023 outlook of 125bps bad debt and an additional 75bps to tenants in bankruptcies.
REG	75-100 bps	Roughly half of the credit loss provision is bankruptcy related and the balance is roughly to traditional bad debt expense.
ROIC	\$3-5 million	\$3-5m of bad debt budgeted in 2024 compares to \$3.6m recognized in 2023.
PECO	60-80 bps	The portfolio typically runs between 60 and 80 basis points over a long period of time, and that is what assumed for 2024.
SITC	did not quantify	Not disclosed.
UE	75-100 bps	Guidance assumes that credit loss reverts to a more normalized level of 75 basis points to 100 basis points of gross revenues or approximately \$4 mn. This compares to ~\$3 million received in 2023.
MAC	150 bps	Bad debt is contributing to some headwind in same center of roughly 150 basis points. Expects bad debt to normalize a little bit more relative to 2023. "There is about a \$0.02 headwind in 2024 against our same center. I don't expect those to be significant in the fullness of time, but I do expect them to be a little bit larger than they were in '23, which frankly was a net reversal, and that was just a continuation of recovering some of those latent fully reserved receivables in '23.
SKT	"less than 50bps"	Management expects uncollectible rent as similar to the amount recognized in 2023 ("less than 50 bps to SS NOI")
SPG	did not quantify	Not disclosed.

Source: Company filings

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Mall REITs

In 3Q20, all Mall REITs stopped reporting sales per square foot, given the mandated closure and restrictions for many of the mall locations. But by 3Q22 all the mall REITs have reinstated the reporting of sales per square foot again. Across various real estate sectors, Mall REITs has the highest public ownership percentage. About 26% of the 1,004 malls in the nation are owned by REITs, and over 70% of the stronger malls (top 25%) are held within REIT portfolios per our [last Mall REIT rankings analysis](#). This high level of ownership is a double-edged sword, as it provides the existing landlords with strong pricing power but limited external growth prospects via acquisitions.

Exhibit 11: Mall productivity metrics

Retailer sales per square foot continued to decline y/y

Ticker	# of Malls	4Q23 Sales PSF	% Change Y/Y	4Q22
CBL	56	\$416	-4.4%	\$435
MAC	43	\$836	-3.8%	\$869
SKT	38	\$433	-2.5%	\$444
SPG	230	\$743	-1.3%	\$753

Source: Company reports, BofA Global Research

Note: When available, we use Mall metrics rather than total portfolio metrics.

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4Q23 same store NOI growth for Mall / Outlet REITs

The Mall/Outlet sector's weighted average SS NOI growth was +6.9% (cash basis). One key issue with reported same store NOI for retail REITs is the lack of consistency between companies. Currently, each REIT determines the components that go into its own calculation, and "apples to apples" comparisons are few and far between. For example, some companies include redevelopments, while others do not.

Exhibit 12: Same store NOI growth (Mall REITs)

SS NOI growth on cash basis increased on a Y/Y basis compared to previous quarter

Ticker	SS NOI	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
MAC	Cash	35.9%	24.7%	5.4%	2.1%	2.0%	4.8%	5.6%	4.8%	3.0%
SKT	Cash	5.6%	9.9%	5.1%	2.4%	5.1%	7.4%	4.3%	7.6%	5.4%
SPG	Cash	22.4%	7.5%	3.6%	2.3%	5.8%	4.0%	3.6%	4.2%	7.3%
Wt. Average	GAAP	43.7%	9.9%	-1.7%	0.0%	-1.2%	-2.0%	-0.6%	3.4%	8.3%
	Cash	22.3%	8.5%	3.7%	2.2%	5.4%	4.1%	3.7%	4.4%	6.9%

Company Filings, BofA Global Research. SPG shows total portfolio NOI growth

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Occupancy

Exhibit 13 lists occupancy rates from 4Q20 to 4Q23. Average occupancy increased by +50bps in 4Q23 Y/Y. Mall REITs exhibit traditional retail seasonality, with occupancy peaking in the fourth quarter, as retailers often stay open to take advantage of concentrated holiday sales. Occupancy typically troughs in 1Q following bankruptcies and store closings from struggling retailers.

Exhibit 13: Mall occupancy

Mall occupancy increased compared to the previous quarter

Ticker	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
CBL	87.5%	85.4%	87.0%	88.4%	89.3%	88.3%	89.5%	90.5%	91.0%	89.8%	89.7%	90.8%	90.9%
MAC	89.7%	88.5%	89.4%	90.3%	91.5%	91.3%	91.8%	92.1%	92.6%	92.2%	92.6%	93.4%	93.5%
PEI	87.5%	84.2%	84.3%	86.6%	87.7%	86.8%	88.8%	89.6%	NA	NA	NA	NA	NA
SKT	91.9%	91.7%	93.0%	94.3%	95.1%	94.1%	94.8%	96.4%	96.9%	96.4%	97.1%	97.9%	97.3%
SPG	91.3%	90.8%	91.8%	92.8%	93.4%	93.3%	93.9%	94.5%	94.9%	94.4%	94.7%	95.2%	95.7%
Average	89.6%	88.1%	89.1%	90.5%	91.4%	90.8%	91.8%	92.6%	93.9%	93.2%	93.5%	94.3%	94.4%

Source: Company Documents, BofA Global Research

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Leasing spreads

Generally, we expect the difference in leasing spreads between high and low quality malls to continue. Leasing spreads are difficult to compare among the peer group given inconsistent reporting methods. We believe the best numbers are reported on a cash basis, which tend to be lower than when reported on a GAAP-basis. Most companies were reporting on a GAAP basis, but many have made the effort to report on a cash basis as well.

We note SPG pulled its leasing spread disclosures with 4Q21 results. We hope SPG can provide new disclosures which may help investors understand future FCF growth to support new investments and distribution growth.

Exhibit 14: Mall leasing spreads

Overall leasing spreads remained positive for the sixth consecutive quarter excluding CBL, and PEI and SPG who do not report.

Ticker	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
CBL	-18.0%	-20.9%	-14.4%	-11.8%	-2.6%	-12.6%	-10.4%	5.2%	-5.2%	2.5%	9.1%	-4.0%	-2.6%
MAC	-3.6%	-2.1%	-0.2%	-2.5%	4.9%	1.3%	0.6%	6.6%	4.0%	6.6%	11.3%	10.6%	17.2%
PEI	-8.4%	-7.4%	-0.2%	-2.6%	-4.2%	-1.0%	-2.4%	4.9%	NA	NA	NA	NA	NA
SKT	-11.5%	-8.5%	-8.1%	-5.7%	-0.6%	1.3%	4.1%	5.7%	10.1%	13.8%	13.2%	14.5%	13.3%
SPG	-6.8%	-13.6%	-21.8%	-22.3%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Average	-9.7%	-10.5%	-8.9%	-9.0%	-0.6%	-2.8%	-2.0%	5.6%	3.0%	7.0%	11.2%	7.0%	9.3%

Source: Company Documents, BofA Global Research

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Occupancy cost to sales ratio

The occupancy cost to sales ratio is helpful when evaluating a REITs ability to push rents. As tenant sales slow, occupancy costs trend higher. Higher quality malls generally aim to sign new leases in the 13%-16% occupancy cost range. MAC and SKT provided occupancy cost to sales data for 4Q23.

Exhibit 15: Mall occupancy cost to sales

Average occupancy cost to sales for 4Q23 was 10.5%

Ticker	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
CBL	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	NA	NA	NA
MAC	N/A	N/A	N/A	N/A	N/A	11.3%	11.1%	10.8%	10.9%	11.0%	11.2%	11.4%	11.6%
PEI	N/A	N/A	N/A	N/A	10.5%	10.8%	10.7%	11.1%	NA	NA	NA	NA	NA
SKT	N/A	N/A	8.8%	8.4%	8.1%	8.3%	8.5%	8.5%	8.6%	8.8%	9.0%	9.1%	9.3%
SPG	N/A	N/A	N/A	N/A	N/A	12.3%	12.1%	12.0%	N/A	12.0%	12.0%	NA	NA
Average	NA	NA	8.8%	8.4%	9.3%	10.7%	10.6%	10.6%	9.8%	10.6%	10.6%	10.3%	10.5%

Source: Company Documents, BofA Global Research

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Mall anchor tenant exposure

An important measure for mall quality is the anchor lineup, as shown in Exhibit 16 for CBL, MAC and SPG. Companies average 2.4 traditional dept store anchors per mall. We include only regional malls in this analysis with the exception of SPG, for which we include a combination of regional malls and Premium Outlets.

Exhibit 16: Anchor exposure by Mall REIT as of 4Q23

Macy's and JC Penney are the largest traditional department stores by store count.

	CBL	MAC	SPG	Total
Traditional Dept. Stores				
Macy's	25	29	81	135
JC Penney	39	23	66	128
Dillard's	23	10	27	60
Sears	0	0	0	0
Belk	15	1	8	24
Nordstrom	2	11	36	49
Saks	0	1	11	12
Neiman Marcus	0	2	15	17
Von Maur	2	2	7	11
Bloomingdale's	0	2	12	14
Total Trad. Dept. Stores	106	81	263	450
Junior Dept. Stores				
Kohl's	8	2	11	21
Boscov's	1	1	3	5
Beall's	2	0	2	4
Primark	0	6	10	16
Total Junior Dept Stores	11	9	26	46
Non-trad. Anchors/Major Tenants				
Sycamore Partners (incl. Ascena)	48	37	161	246
GAP*	4	5	40	49
Victoria's Secret	38	33	130	201
Bath & Body Works	50	36	155	241
Dick's Sporting Goods	22	16	44	82
H&M	34	24	88	146
Forever 21	17	22	114	153
Target	8	6	9	23
Walmart	0	1	5	6
Home Depot	0	3	3	6
Costco	1	1	3	5
Lowe's	0	1	0	1
BJ's Wholesale Club	0	2	1	3
Primark	0	6	11	17
UNIQLO	0	4	16	20
Total Non-trad. Anchors/Major Ten.	222	197	780	1199

Source: Directory of Major Malls

Note: GAP only includes Gap stores, not any other retailer brands under The Gap, Inc.

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Debt maturities

As of 4Q23, SPG shows the highest percentage debt maturing in 2024 at 11.9% but subsequent to year-end, has pre-funded a large majority of this resulting in ~5% of debt coming due in 2024. No steps have been made to address 2025 debt maturities yet.

Exhibit 17: Debt maturities/payments (in \$mn) as of 4Q23

Adjusting for SPG prefunding, MAC has the highest percentage of debt maturing in 2024 and '25

	2024	2025	2026	2027	2028	Thereafter	Total
CBL	119	276	710	800	178	751	2656
MAC	601	1106	1371	401	1491	3,441	6920
SKT	7	3	399	354	372	850	1,613
SPG	3900	3820	5993	3568	1966	15,380	32,662
	2024	2025	2026	2027	2028	Thereafter	
CBL	4.5%	10.4%	26.7%	30.1%	6.7%	28.3%	
MAC	8.7%	16.0%	19.8%	5.8%	21.5%	49.7%	
SKT	0.4%	0.2%	24.8%	21.9%	23.1%	52.7%	
SPG*	11.9%	11.7%	18.3%	10.9%	6.0%	47.1%	

Source: Company reports, BofA Global Research

* Adjusting for 2024 maturities already prefunded, SPG has ~5% of its total debt left to address in 2024

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Strip center REITs

In the previous five years, many of the strip companies were very active in recycling their portfolios. Strip REITs such as SITC (not covered), REG, KIM and KRG, had been the most active. Transaction volumes are much lower since the Fed has continually hiked rates and the market faces recessionary pressures as buyers' and sellers' view of future earnings streams differently now.

4Q23 Same Store NOI growth for Strip REITs

Exhibit 18 adjusts SS NOI to be more comparable and may differ from reported numbers from the company. A persistent problem with strip centers is the lack of consistency in SS NOI reporting. Companies determine the components that go into their calculation, so there are few direct "apples to apples" comparisons. In the table below, we list each reported SS NOI growth rates and the methodology we used to calculate the adjusted growth rate. The weighted-average cash SS NOI for 4Q23 was +3.1%.

Exhibit 18: Same store NOI growth by company 4Q21-4Q23

SS NOI growth rate moderated compared to previous quarter

Ticker	SS NOI	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
AKR	Cash	3.2%	9.7%	4.8%	5.4%	5.7%	7.0%	5.0%	5.8%	4.2%
BRX	Cash	9.7%	8.4%	6.7%	3.6%	7.3%	4.9%	2.7%	4.8%	3.1%
FRT	GAAP	11.2%	14.5%	8.2%	3.7%	5.4%	3.6%	4.6%	3.7%	4.4%
IVT	Cash	3.1%	12.2%	7.7%	-2.8%	0.4%	3.2%	3.7%	5.3%	6.4%
KIM	Cash	12.4%	8.4%	3.1%	3.0%	1.8%	1.5%	2.6%	2.7%	3.5%
KRG	Cash	7.2%	5.9%	3.8%	4.4%	6.2%	6.5%	5.7%	4.7%	2.8%
PECO	Cash	15.2%	6.8%	4.3%	4.3%	2.8%	4.9%	5.3%	3.2%	3.6%
REG	Cash	15.4%	7.8%	0.6%	-0.4%	4.3%	2.5%	1.5%	2.1%	1.4%
ROIC	Cash	5.6%	7.5%	3.7%	2.1%	5.0%	-0.7%	3.2%	8.2%	3.3%
SITC	GAAP	13.2%	2.8%	-2.6%	1.0%	1.9%	3.8%	1.7%	2.9%	0.3%
Average	GAAP	10.9%	11.1%	5.2%	2.3%	4.5%	1.0%	3.1%	5.7%	2.9%
	Cash	12.1%	7.6%	3.0%	2.3%	3.8%	3.3%	3.1%	3.5%	3.1%

Source: Company Filings, BofA Global Research

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Percent leased/occupancy

Strip REIT Occupancy (or, "leased rate") increased +269 bps between 4Q20 and 4Q23.

Exhibit 19: Historical percent leased or occupancy rates for US strip center REITs

On average, Strip REIT occupancy increased +35bps Q/Q and remained steady Y/Y.

Ticker	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
AKR	89.9%	89.5%	89.8%	90.3%	90.0%	90.5%	90.5%	91.2%	92.7%	92.8%	92.2%	92.4%	93.1%
BRX	90.7%	90.8%	91.1%	91.5%	92.0%	92.1%	92.5%	93.3%	93.8%	94.0%	94.1%	93.9%	94.7%
FRT	92.2%	91.8%	92.7%	92.8%	93.6%	93.7%	94.1%	94.3%	94.5%	94.2%	94.3%	94.0%	94.2%
IVT	92.8%	92.9%	92.9%	93.5%	93.9%	94.4%	95.4%	95.6%	96.1%	96.1%	96.2%	95.1%	96.2%
KIM	93.9%	93.5%	93.9%	94.1%	94.4%	94.7%	95.1%	95.3%	95.7%	95.8%	95.8%	95.5%	96.2%
KRG	91.2%	90.5%	91.5%	92.8%	93.4%	93.6%	93.8%	94.0%	94.6%	94.8%	94.1%	93.4%	93.9%
PECO	94.7%	94.8%	94.7%	95.6%	96.3%	96.2%	96.8%	97.1%	97.4%	97.5%	97.8%	97.8%	97.4%
REG	92.3%	92.2%	92.5%	93.5%	94.1%	93.9%	94.2%	94.6%	94.8%	94.9%	94.6%	94.6%	95.1%
ROIC	96.8%	96.9%	96.9%	97.4%	97.5%	97.2%	97.6%	97.8%	98.1%	98.3%	98.3%	98.2%	97.7%
SITC	91.6%	91.4%	91.8%	92.3%	92.7%	93.2%	94.4%	95.0%	95.4%	95.9%	95.5%	94.6%	94.5%
Average	92.6%	92.4%	92.8%	93.4%	93.8%	94.0%	94.4%	94.8%	95.3%	95.4%	95.3%	95.0%	95.3%

Source: Company Documents, BofA Global Research

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Small shop occupancy

Small shop occupancy, which most REITs define as space <10,000 SF, has increased +120bps Y/Y. Small shop occupancy increased by +45bps sequentially.

Exhibit 20: Historical small shop occupancy rates for US strip center REITs

Small shop occupancy gains continued in 4Q23.

Ticker	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
AKR	79.1%	80.2%	80.8%	81.7%	81.2%	82.8%	84.0%	84.7%	86.4%	86.2%	86.1%	86.4%	88.8%
BRX	83.8%	84.2%	84.8%	85.7%	86.7%	87.0%	87.7%	88.8%	89.2%	89.3%	89.4%	89.8%	90.3%
FRT	84.6%	83.8%	85.7%	86.1%	87.4%	88.7%	89.3%	89.9%	90.0%	90.0%	90.2%	90.7%	90.7%
IVT	N/A	N/A	87.0%	87.6%	89.0%	90.5%	90.5%	91.0%	91.3%	91.4%	92.0%	92.4%	92.5%
KIM	86.1%	85.8%	85.5%	87.3%	87.7%	88.4%	89.2%	89.2%	90.0%	90.7%	91.0%	91.1%	91.7%
KRG	87.6%	87.5%	87.8%	88.7%	88.3%	88.5%	89.3%	89.3%	90.0%	89.8%	89.4%	90.2%	90.8%
PECO	88.9%	89.8%	90.6%	91.9%	92.7%	92.6%	93.2%	93.6%	93.8%	94.3%	94.8%	94.9%	94.7%
REG	88.5%	88.3%	88.8%	89.3%	89.9%	90.3%	91.0%	91.4%	92.0%	92.1%	92.7%	93.2%	93.4%
SITC	82.8%	82.8%	82.9%	83.9%	85.0%	86.0%	87.3%	89.1%	90.3%	90.8%	90.7%	91.0%	90.9%
Average	85.2%	85.3%	86.0%	86.9%	87.5%	88.3%	89.1%	89.7%	90.3%	90.5%	90.7%	91.1%	91.5%

Source: Company Documents, BofA Global Research

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Rental spreads

Leasing spreads are difficult to compare among the peer group given inconsistent reporting methods. We believe the best numbers are reported on a cash basis, which also tend to be lower than when reported on a GAAP-basis. Of the 10 companies reporting on a cash or hybrid basis, 8 reported double-digit gains in 4Q23 leasing spreads.

Exhibit 21: Historical combined rent spreads

Average rent spreads moderated in 4Q23 compared to 3Q23.

Ticker		4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
AKR	Cash	5.8%	1.1%	1.8%	10.8%	49.5%	7.8%	4.3%	21.2%	4.7%	9.9%	13.1%	29.5%	13.0%
BRX	Cash	8.0%	7.0%	10.7%	12.3%	14.5%	18.1%	14.6%	14.2%	18.3%	19.2%	15.4%	22.3%	19.6%
FRT	Cash	1.0%	9.0%	8.0%	7.0%	6.0%	7.0%	5.0%	3.0%	10.0%	11.0%	7.0%	11.0%	12.0%
IVT	Cash	-8.1%	-0.9%	3.7%	4.8%	4.1%	5.0%	15.1%	8.2%	6.1%	7.0%	5.8%	9.3%	13.9%
KIM	Cash	6.0%	6.8%	5.9%	4.9%	8.1%	7.2%	7.1%	7.5%	8.7%	10.3%	9.9%	13.4%	11.2%
KRG	Cash	-0.7%	6.4%	9.2%	13.4%	12.9%	16.1%	13.2%	10.8%	11.4%	13.0%	14.8%	14.2%	14.5%
PECO	Cash	5.5%	9.3%	10.4%	NA	10.4%	18.7%	20.1%	16.9%	17.0%	17.9%	18.9%	19.6%	15.4%
ROIC	Cash	5.2%	3.6%	7.5%	6.2%	8.8%	8.9%	11.5%	13.6%	7.9%	6.6%	7.8%	10.6%	9.8%
REG	Cash	0.6%	0.2%	2.7%	5.1%	12.9%	6.5%	8.8%	7.0%	7.2%	5.5%	11.7%	9.3%	11.7%
SITC	Hybrid	-2.3%	-1.3%	5.2%	4.3%	5.8%	7.2%	8.2%	7.4%	11.7%	9.9%	8.1%	12.2%	3.8%
Average		2.1%	4.1%	6.5%	7.6%	13.3%	10.3%	10.8%	11.0%	10.3%	11.0%	11.3%	15.1%	12.5%

Source: BofA Global Research, Company Documents

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Debt maturities

Exhibit 22: Debt maturities/payments (in \$m) as of 4Q23

ROIC has the most near-term maturities on a %-to-total basis

	2024	2025	2026	2027	2028	Thereafter	Total
AKR	138	418	471	226	95	96	1,444
BRX	300	700	626	900	358	2,053	4,937
FRT	604	48	1,056	893	353	1,662	4,616
IVT	88	23	200	226	0	278	815
KIM	694	821	984	646	528	4,482	8,155
KRG	279	446	555	264	364	978	2,885
PECO	28	278	266	705	179	537	1,993
REG	411	514	449	770	436	2,110	4,689
ROIC	277	233	200	325	350	0	1,385
SITC	1	493	402	681	95	75	1,747

	2024	2025	2026	2027	2028	Thereafter
AKR	9.6%	28.9%	32.6%	15.7%	6.6%	6.7%
BRX	6.1%	14.2%	12.7%	18.2%	7.2%	41.6%
FRT	13.1%	1.0%	22.9%	19.4%	7.6%	36.0%
IVT	10.8%	2.8%	24.6%	27.7%	0.0%	34.1%
KIM	8.5%	10.1%	12.1%	7.9%	6.5%	55.0%
KRG	9.7%	15.5%	19.2%	9.1%	12.6%	33.9%
PECO	1.4%	13.9%	13.4%	35.4%	9.0%	27.0%
REG	8.8%	11.0%	9.6%	16.4%	9.3%	45.0%
ROIC	20.0%	16.8%	14.4%	23.5%	25.3%	0.0%
SITC	0.1%	28.2%	23.0%	39.0%	5.4%	4.3%

Source: Company filings

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Leverage

Exhibit 23: Net Debt / EBITDA

Leverage ticked up throughout the pandemic, but has improved since the reopening

Sector	Ticker	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Malls	MAC	9.9x	14.4x	13.3x	12.8x	12.1x	8.9x	10.0x	9.4x	9.7x	9.8x	10.0x	8.5x	10.2x	9.9x	9.6x	8.1x
Malls	SKT	5.8x	7.1x	7.2x	7.1x	6.7x	5.4x	5.3x	5.3x	5.2x	5.0x	5.0x	4.9x	5.0x	5.2x	5.2x	5.8x
Malls	SPG	6.5x	8.1x	8.2x	8.2x	7.3x	6.4x	6.0x	6.5x	6.4x	5.8x	5.7x	5.7x	5.6x	6.0x	5.1x	5.7x
Shopping Centers	AKR	7.1x	7.1x	7.7x	8.1x	8.1x	7.6x	7.9x	7.8x	7.0x	7.1x	8.1x	7.9x	7.3x	7.0x	7.1x	7.1x
Shopping Centers	BRX	6.6x	7.9x	7.4x	6.9x	6.5x	6.3x	6.2x	6.5x	6.4x	6.4x	6.4x	6.4x	6.1x	6.1x	6.1x	6.0x
Shopping Centers	FRT	5.9x	6.7x	7.0x	8.0x	8.4x	8.4x	8.2x	6.9x	6.6x	6.3x	6.0x	6.0x	5.9x	5.9x	5.9x	5.9x
Shopping Centers	IVT	N/A	N/A	N/A	3.8x	N/A	3.9x	3.6x	4.6x	5.7x	5.1x	5.0x	4.8x	5.5x	5.4x	5.2x	4.9x
Shopping Centers	KIM	6.4x	8.6x	7.6x	7.1x	6.7x	6.3x	6.6x	6.1x	6.0x	6.0x	5.9x	6.1x	5.8x	5.5x	5.5x	5.6x
Shopping Centers	KRG	6.4x	7.1x	6.9x	7.0x	6.5x	6.4x	6.1x	6.0x	5.7x	5.3x	5.4x	5.2x	5.3x	5.0x	5.1x	5.1x
Shopping Centers	REG	5.3x	5.6x	5.9x	6.0x	5.9x	5.3x	5.0x	5.1x	4.9x	5.0x	5.0x	5.0x	4.9x	4.9x	5.0x	5.1x
Shopping Centers	ROIC	7.0x	7.9x	7.3x	7.5x	7.3x	6.9x	6.6x	7.0x	6.4x	6.7x	6.6x	6.6x	6.7x	6.5x	6.4x	6.2x
Shopping Centers	PECO	8.9x	7.1x	7.0x	7.3x	7.4x	7.1x	5.4x	5.6x	5.7x	5.5x	5.4x	5.3x	5.3x	5.2x	4.9x	5.1x
Malls	Average	7.4x	9.9x	9.6x	9.4x	8.7x	6.9x	7.1x	7.1x	7.1x	6.9x	6.9x	6.4x	6.9x	7.0x	6.7x	6.5x
Shopping Centers	Average	6.6x	7.2x	7.0x	6.8x	6.9x	6.3x	6.2x	6.2x	6.0x	5.9x	6.0x	5.9x	5.9x	5.7x	5.7x	5.7x

Source: BofA Global Research, Company Filings, Bloomberg

*MAC's net debt to EBITDA calculated using BofA's assumptions.

BofA GLOBAL RESEARCH

Top tenants in the strip center sector

Supermarkets have been the most important anchor to strip center REITs historically, though this has moderated recently as value tenants gain prominence.

The following section reviews the major retail tenants within the strip space. Company disclosures vary by the number of tenants reported, but all Strip REITs report at least the top 10 retailers. We highlight the top 50 tenants by aggregating each of the 10 Strip REITs' top tenant reports into a single overall ranking.

Exhibit 24: Top Tenants 4Q23

Largest top tenants sorted by exposure

Tenant	AKR	BRX	FRT	IVT	KIM	KRG	PECO	REG	ROIC	SITC
TJX Companies	2.0%	3.4%	2.7%	2.6%	3.7%	2.7%	1.3%	2.6%		5.2%
Kroger		2.3%	0.8%	5.2%	1.4%	1.0%	6.0%	2.7%	3.3%	1.5%
Albertsons Companies		1.0%	1.0%	2.3%	1.9%	0.9%	4.1%	3.0%	5.6%	
Publix Supermarkets		1.5%		3.3%	0.6%	1.2%	5.6%	3.0%		0.8%
Ahold Delhaize USA	2.3%	1.0%	1.7%		1.5%		3.8%	2.0%		
Ross Stores		1.4%	0.9%	0.8%	1.9%	1.9%		0.8%	1.1%	2.2%
Petsmart	1.8%	1.1%		1.3%	1.6%	1.8%				2.1%
Target	5.4%		0.7%		0.8%			0.6%		0.5%
Dick's Sporting Goods	1.0%	0.5%	0.8%	1.0%	0.8%	1.4%				2.5%
Ulta Beauty	1.0%	0.9%	0.7%	1.1%	0.8%	0.9%		0.5%		1.5%
The Gap	0.9%	0.5%	1.3%		0.9%	1.4%		0.8%		1.6%
Burlington Stores		2.0%	0.6%		1.6%	0.9%				2.1%
Trader Joe's	1.6%	0.4%		0.9%	0.4%	0.7%	0.5%	1.0%	1.4%	
Best Buy		0.5%		1.2%	0.9%	1.9%		0.5%		1.5%
Whole Foods Market Inc.				1.4%				2.6%		1.3%
Five Below		1.1%		0.9%	0.9%	0.9%				1.4%
JPMorgan Chase & Co.		0.5%	0.6%	0.6%	0.7%			0.9%	1.3%	0.6%
Michaels Stores		0.6%	0.7%		0.9%	1.4%				1.6%
Fitness International		1.1%	1.3%		0.9%			1.0%		0.7%
Petco		0.9%		0.7%	0.8%	0.9%		0.7%		0.8%
Sprouts Farmers Market		0.5%		0.7%	0.6%		1.4%		1.4%	
Kohl's		0.9%			0.7%	0.8%	0.5%	0.6%		1.0%
CVS Pharmacy		0.5%	1.3%		0.7%			1.8%		
Nordstrom					0.8%	1.0%		0.8%		1.6%
Home Depot	0.8%	0.4%	0.9%		2.1%					
Dollar Tree		1.7%			1.0%		0.7%			0.7%
Starbucks		0.4%	0.6%		0.5%		0.5%	0.8%		0.7%
Wal-Mart					1.0%		1.9%	0.5%		
Bank of America Corp.		0.4%	0.8%	0.8%	0.5%			0.8%		
Walgreens	1.9%				0.7%			0.6%		
DSW Inc.			0.6%	0.7%		0.8%				1.0%
H.E. Butt Grocery Co.				2.3%				0.7%		
Amazon.com		1.1%			1.8%					
Lowe's Companies					0.5%	1.0%	0.5%			0.6%
Barnes & Noble		0.4%			0.5%	0.7%				0.9%
Office Depot LLC		0.4%				0.8%	0.5%			0.8%
AMC Entertainment		0.4%	0.8%		0.4%					0.8%
Verizon	1.9%									0.5%
Staples		0.5%			0.5%			0.5%		0.6%
Wells Fargo & Co.			0.6%	0.8%				0.7%		
Party City		0.5%			0.6%					0.9%
SUPERVALU INC.	1.3%						0.7%			
The Save Mart Companies Inc.							0.5%		1.5%	
Hobby Lobby		0.4%			0.8%					0.6%
Jo-Ann Stores		0.5%			0.5%					0.8%
Total Wine & More						1.1%				0.7%
NetApp Inc.			1.7%							
Lululemon Athletica Inc.	1.7%									
Costco				0.9%	0.7%					
Fast Retailing Co.	1.6%									
Total	25.2%	29.7%	20.9%	29.5%	37.9%	26.1%	28.5%	30.5%	15.6%	40.1%

Source: S&P Global Market Intelligence, Company Documents, BofA Global Research

BofA GLOBAL RESEARCH



Market concentrations

Exhibit 25: Mall REIT MSA exposure based on owned GLA (MSA ranked 1-50) - 12/31/2023

Top Mall REIT markets sorted by market size

Rk	MSA	CBL	MAC	SKT	SPG
1	New York-Newark-Jersey City, NY-NJ		14.8%	14.3%	7.5%
2	Los Angeles-Long Beach-Anaheim, CA		8.0%		2.9%
3	Chicago-Naperville-Elgin, IL-IN		2.9%		3.3%
4	Dallas-Fort Worth-Arlington, TX			3.4%	3.2%
5	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD		4.3%		3.5%
6	Houston-Pasadena-The Woodlands, TX	1.6%		1.7%	1.7%
7	Miami-Fort Lauderdale-West Palm Beach, FL				5.9%
8	Washington-Arlington-Alexandria, DC-VA-MD-WV		2.9%	1.7%	2.7%
9	Atlanta-Sandy Springs-Roswell, GA	3.3%		3.1%	3.2%
10	Boston-Cambridge-Newton, MA-NH				4.8%
11	Detroit-Warren-Dearborn, MI	1.1%		3.1%	1.5%
12	Phoenix-Mesa-Chandler, AZ		17.0%	4.0%	1.0%
13	San Francisco-Oakland-Fremont, CA		1.9%		1.2%
14	Riverside-San Bernardino-Ontario, CA		2.6%		1.0%
15	Seattle-Tacoma-Bellevue, WA				1.5%
16	Minneapolis-St. Paul-Bloomington, MN-WI				1.0%
17	San Diego-Chula Vista-Carlsbad, CA				1.1%
18	St. Louis, MO-IL	8.5%			0.1%
19	Tampa-St. Petersburg-Clearwater, FL				1.2%
20	Baltimore-Columbia-Towson, MD	1.1%			0.9%
21	Denver-Aurora-Centennial, CO		3.8%		0.8%
22	Pittsburgh, PA	5.5%		3.7%	1.5%
23	Portland-Vancouver-Hillsboro, OR-WA		1.9%		
24	Cincinnati, OH-KY-IN				0.2%
25	Sacramento-Roseville-Folsom, CA				0.2%
26	Cleveland-Elyria, OH				
27	Orlando-Kissimmee-Sanford, FL				1.8%
28	San Antonio-New Braunfels, TX				
29	Kansas City, MO-KS	1.7%	2.6%		0.3%
30	Las Vegas-Henderson-North Las Vegas, NV				1.3%
31	San Jose-Sunnyvale-Santa Clara, CA				2.0%
32	Columbus, OH			1.7%	0.5%
33	Charlotte-Concord-Gastonia, NC-SC			1.9%	1.7%
34	Indianapolis-Carmel-Greenwood, IN				2.3%
35	Austin-Round Rock-San Marcos, TX			4.6%	3.1%
36	Virginia Beach-Chesapeake-Norfolk, VA-NC				0.5%
37	Providence-Warwick, RI-MA				
38	Nashville-Davidson--Murfreesboro--Franklin, TN	1.6%		2.8%	1.3%
39	Milwaukee-Waukesha, WI	2.0%			0.8%
40	Jacksonville, FL				0.8%
41	Memphis, TN-MS-AR	1.4%		3.2%	0.7%
42	Louisville/Jefferson County, KY-IN	2.2%			
43	Richmond, VA	1.5%			
44	Oklahoma City, OK				0.6%
45	Hartford-West Hartford-East Hartford, CT				0.7%
46	New Orleans-Metairie, LA	0.7%			
47	Birmingham-Hoover, AL				
48	Salt Lake City-Murray, UT				0.3%
49	Raleigh-Cary, NC				0.3%
50	Buffalo-Cheektowaga, NY		3.6%		
% of owned GLA in 1-50		32.2%	66.4%	49.3%	70.7%

Source: BofA Global Research, S&P Global Market Intelligence

BofA GLOBAL RESEARCH



Exhibit 26: Community shopping center REIT MSA exposure based on owned GLA (MSA ranked 1-50) – 12/31/2023

Top Strip REIT markets sorted by market size

Rk	MSA	AKR	BRX	FRT	IVT	KIM	KRG	PECO	REG	ROIC	SITC
1	New York-Newark-Jersey City, NY-NJ	18.9%	5.0%	10.7%		7.7%	4.9%	0.5%	10.4%		2.5%
2	Los Angeles-Long Beach-Anaheim, CA	0.3%	2.9%	9.1%	5.7%	4.9%	1.3%	0.3%	5.4%	27.9%	2.1%
3	Chicago-Naperville-Elgin, IL-IN	13.9%	6.5%	3.7%		0.7%	3.9%	4.8%	3.4%		5.2%
4	Dallas-Fort Worth-Arlington, TX	1.6%	4.2%		9.2%	1.5%	15.8%	4.3%	1.9%		
5	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	14.7%	6.2%	9.2%		3.2%			1.7%		0.5%
6	Houston-Pasadena-The Woodlands, TX	0.5%	6.2%		13.8%	6.7%	4.8%	2.3%	3.6%		0.4%
7	Miami-Fort Lauderdale-West Palm Beach, FL		2.3%	5.7%	8.4%	7.7%	2.3%	0.9%	11.2%		8.3%
8	Washington-Arlington-Alexandria, DC-VA-MD-WV	3.3%	0.6%	25.1%	1.8%	4.6%	4.0%	1.9%	3.8%		2.5%
9	Atlanta-Sandy Springs-Roswell, GA	1.9%	5.2%		9.7%	3.7%	5.1%	7.8%	4.5%		10.9%
10	Boston-Cambridge-Newton, MA-NH	5.4%	1.1%	4.5%		2.3%		1.2%	1.7%		
11	Detroit-Warren-Dearborn, MI	4.3%	2.3%	1.0%		1.8%		1.1%			
12	Phoenix-Mesa-Chandler, AZ			4.3%	0.6%	5.0%	2.3%	2.0%			5.7%
13	San Francisco-Oakland-Fremont, CA	4.6%	0.8%	3.1%		2.1%		0.2%	7.0%	8.5%	1.0%
14	Riverside-San Bernardino-Ontario, CA		0.8%		0.8%	1.5%	1.0%	0.9%	0.2%	5.3%	1.5%
15	Seattle-Tacoma-Bellevue, WA					1.9%	5.2%	0.3%	2.4%	19.6%	
16	Minneapolis-St. Paul-Bloomington, MN-WI		1.7%			1.3%		3.6%	0.8%		
17	San Diego-Chula Vista-Carlsbad, CA		1.0%	3.8%	2.2%	1.7%			2.8%	5.8%	
18	St. Louis, MO-IL		0.3%			0.9%	1.5%	0.7%	0.9%		1.8%
19	Tampa-St. Petersburg-Clearwater, FL	0.6%	2.8%		2.3%	2.9%	1.7%	3.1%	2.7%		2.3%
20	Baltimore-Columbia-Towson, MD			5.2%		4.4%	2.9%	0.3%	0.6%		0.2%
21	Denver-Aurora-Centennial, CO		2.0%			1.8%		3.1%	2.0%		5.0%
22	Pittsburgh, PA					0.4%	0.5%	1.1%			
23	Portland-Vancouver-Hillsboro, OR-WA					1.0%		0.3%	0.9%	17.5%	2.0%
24	Cincinnati, OH-KY-IN		2.9%			1.3%	0.8%	0.9%	1.9%		2.3%
25	Sacramento-Roseville-Folsom, CA	0.6%	0.1%			0.7%		2.8%	0.7%		1.5%
26	Cleveland-Elyria, OH										
27	Orlando-Kissimmee-Sanford, FL		1.2%		3.7%	1.9%	1.2%	1.4%	1.8%		6.2%
28	San Antonio-New Braunfels, TX				2.6%	0.4%	2.4%				4.9%
29	Kansas City, MO-KS		0.7%					1.2%			0.4%
30	Las Vegas-Henderson-North Las Vegas, NV					0.8%	2.9%	1.9%			
31	San Jose-Sunnyvale-Santa Clara, CA			4.3%		0.6%			1.4%	3.0%	
32	Columbus, OH		0.4%			0.4%		0.3%	0.7%		5.1%
33	Charlotte-Concord-Gastonia, NC-SC		2.0%		5.0%	1.0%	2.2%	0.6%	1.3%		6.0%
34	Indianapolis-Carmel-Greenwood, IN		1.1%			0.5%	6.1%	1.5%	0.1%		
35	Austin-Round Rock-San Marcos, TX	1.3%	0.3%		20.1%	1.0%	1.3%	0.2%	1.8%		0.4%
36	Virginia Beach-Chesapeake-Norfolk, VA-NC	1.0%	0.2%				1.0%	0.5%			
37	Providence-Warwick, RI-MA	1.6%		0.2%				1.4%			
38	Nashville-Davidson--Murfreesboro--Franklin, TN		1.2%			1.0%	0.8%	0.8%	0.7%		1.1%
39	Milwaukee-Waukesha, WI		0.8%			0.6%		1.5%			
40	Jacksonville, FL		1.1%			1.6%	0.1%	1.0%	4.0%		
41	Memphis, TN-MS-AR		1.0%			0.4%	0.3%				
42	Louisville/Jefferson County, KY-IN		1.1%			0.2%		1.2%			
43	Richmond, VA		0.2%	2.1%	1.7%			0.5%	0.3%		3.2%
44	Oklahoma City, OK						1.7%				
45	Hartford-West Hartford-East Hartford, CT	3.4%	0.9%	1.2%		0.2%		0.4%	0.6%		0.6%
46	New Orleans-Metairie, LA										
47	Birmingham-Hoover, AL										
48	Salt Lake City-Murray, UT						1.3%	0.0%			
49	Raleigh-Cary, NC		0.4%		2.3%	2.9%	2.4%	0.1%	1.5%		0.3%
50	Buffalo-Cheektowaga, NY							0.5%			
% of Total GLA		77.8%	67.8%	93.2%	89.8%	85.0%	81.7%	59.7%	84.6%	87.7%	83.6%

Source: BofA Global Research, S&P Global Market Intelligence

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Industry exposure

Exhibit 27: AKR (only as of 4Q21)

Industry exposure by % of total portfolio ABR

AKR	% of Total
Apparel	18.0%
Grocer / Mass Merchandiser	15.0%
Discount / Fast Fashion	9.0%
Restaurant / Food	9.0%
Hard Goods	9.0%
Personal / Professional Service	7.0%
Drug / Dollar Store	5.0%
Home	5.0%
Banks	4.0%
Other	4.0%
Home Improvement / Auto	3.0%
Communications / Electronics	3.0%
Other Essential	3.0%
Gym / Fitness	3.0%
Pets	2.0%
Theater / Entertainment	1.0%
Total	100%

Source: Company filings

BofA GLOBAL RESEARCH

Exhibit 28: IVT

Industry exposure by % of total portfolio ABR

IVT	% of Total
Grocery / Drug	19.8%
Quick Service Restaurants	12.4%
Personal Health and Beauty Services	11.1%
Medical	9.3%
Full Service Restaurants	8.5%
Off Price	5.2%
Apparel / Accessories	4.7%
Banks	4.6%
Fitness	3.8%
Pets	3.3%
Office / Communications	3.2%
Hobby / Sports	3.0%
Home	2.8%
Other	2.6%
Other Essential Retail / Services	2.5%
Office (Non-Financial, Non-Medical)	1.3%
Entertainment	1.0%
Hardware / Auto	0.9%
Total	100%

Source: Company filings

BofA GLOBAL RESEARCH

Exhibit 29: BRX

Industry exposure by % of total portfolio ABR

BRX	% of Total
Grocery / Pharmacy	15.0%
General Merchandise (Discount / Dollar)	3.0%
Pet	3.0%
Medical (Essential)	3.0%
Financial services	3.0%
Home improvement	2.0%
Mail / Shipping and Other services	2.0%
Auto	1.0%
Other Essential	1.0%
Restaurants	16.0%
Other Personal Services	8.0%
Off-Price Apparel	6.0%
Fitness / Sports	6.0%
Value Apparel, Shoes, Accessories	5.0%
General Merchandise (Department, Gift, etc.)	4.0%
Other Retail	4.0%
Home Décor	4.0%
Other Medical	3.0%
Electronics & Appliance	3.0%
Entertainment	2.0%
Health & Beauty	2.0%
Hobby & Crafts	2.0%
Other Professional Services	1.0%
Liquor	1.0%
Total	100%

Source: Company filings

BofA GLOBAL RESEARCH

Exhibit 30: FRT (2Q23)

Industry exposure by % of total portfolio ABR

FRT	% of Total
Restaurants	15.0%
Office Tenants	13.0%
Residential Tenants	12.0%
Other	10.0%
Grocery & Drug	10.0%
Apparel/Accessories	7.0%
Off-Price	7.0%
Fitness	4.0%
Banks & Financial Services	4.0%
Hobby/Sports	4.0%
Home	4.0%
Home Improvement/Auto	3.0%
Communications & Home Office	3.0%
Health & Beauty	2.0%
Entertainment	2.0%
Total	100%

Source: Company filings

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Exhibit 31: KIM

Industry exposure by % of total portfolio ABR

KIM	% of Total
Grocery / Pharmacy	16.4%
Restaurants	16.0%
Other - Small shop	12.2%
Medical / Fitness	9.8%
Other - Anchor	9.5%
Off-price	9.0%
Hobby / Pet	6.4%
Apparel	5.5%
Home	5.3%
Personal Services	5.2%
Banks / Business Services	4.7%
Total	100%

Source: Company filings

BofA GLOBAL RESEARCH

Exhibit 32: KRG

Industry exposure by % of total portfolio ABR

KRG	% of Total
Discount Retailers	14.0%
Grocery / Drug	13.0%
Quick Service Restaurants	10.0%
Soft Goods	9.0%
Full Service Restaurants	9.0%
Personal Service	8.0%
Office Supply/ Electronics	6.0%
Home Furnishings	5.0%
Fitness	4.0%
Medical	4.0%
Sporting Goods	3.0%
Pet Stores	3.0%
Hardware / Auto	3.0%
Arts & Crafts	3.0%
Theaters	2.0%
Professional Service	2.0%
Banks	2.0%
Total	100%

Source: Company filings

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Exhibit 33: PECO

Industry exposure by % of total portfolio ABR

PECO	% of Total
Grocery	31.6%
Soft goods	12.9%
Quick service	11.1%
Full service - restaurant	7.2%
Medical/pharmacy	6.3%
Fitness and lifestyle services	6.0%
Beauty and hair care	5.2%
Other essential	3.8%
Banks, insurance, and government services	3.5%
Other retail	3.5%
Pet supply	2.4%
Other necessity	1.9%
Dollar stores	1.8%
Hardware/auto	1.4%
Alcohol	1.4%
Total	100%

Source: Company filings

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Exhibit 34: REG

Industry exposure by % of total portfolio ABR

REG	% of Total
Grocery	20.0%
Restaurant - Fast Food	13.0%
Personal Services	7.0%
Medical	7.0%
Restaurant - Full Service	6.0%
Apparel	5.0%
Off -Price	5.0%
Banks	5.0%
Fitness	5.0%
Hobby/Sports	4.0%
Business Services	4.0%
Home	3.0%
Office/Communications	3.0%
Pet	3.0%
Pharmacy	3.0%
Other	2.0%
Home Improvement/Auto	2.0%
Liquor / Wine / Beer	2.0%
Beauty/Cosmetics	1.0%
Entertainment	1.0%
Total	100%

Source: Company filings

BofA GLOBAL RESEARCH

Exhibit 35: ROIC

Industry exposure by % of total portfolio ABR

ROIC	% of Total
Grocery	23.0%
Restaurants - Fast Food	8.0%
Restaurants - Fast Casual	8.0%
Fitness	6.0%
Salons	6.0%
Restaurants - Full Service	6.0%
Medical/Dental	5.0%
Financial	5.0%
Local Services	5.0%
Apparel	4.0%
Drug Stores	3.0%
Home Décor	3.0%
General Retail	3.0%
Home Improvement	2.0%
Pet Supply	2.0%
Sporting Goods	2.0%
Off-Price	2.0%
Education	2.0%
Automotive Supply	1.0%
Non-Retail	1.0%
Wireless	1.0%
Postal Services	1.0%
Entertainment	1.0%
Total	100%

Source: Company filings

BofA GLOBAL RESEARCH

Key Terms

B&M: Bricks and Mortar, YTD: Year to date, FFO: funds from operations, Strips: Strip center shopping centers, SS NOI: Same Store Net Operating Income, MTM: mark to market; BBBY: Bed Bath and Beyond; BK: bankruptcy; AFFO: adjusted funds from operations; PEGY: price-to-earnings divided by earnings growth + forward dividend yield

Full Company names and tickers

Acadia (AKR)

Brixmor (BRX)



Federal Realty (FRT)

InvenTrust (IVT)

Kimco (KIM)

Kite Realty (KRG)

Phillips Edison (PECO)

Regency (REG)

Retail Opportunity Investments Corp. (ROIC)

Saul Centers (BFS)

SITE Centers Corp (SITC)

Urban Edge (UE)

CBL & Associates (CBL)

Macerich (MAC)

Pennsylvania REIT (PEI, or PRET) (turned private in Dec-2022)

Simon Property Group (SPG)

Tanger Factory Outlets (SKT)

***Note:** BofA does not cover CBL Properties (CBL), Pennsylvania Real Estate Investment Trust (PEI or PRET, unlisted), Site Centers, Inc. (SITC), and UrbanEdge (UE)

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