Northmarq

THE TOP 100

Tenant Expansion Trends

Q4 2024

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The Top 100: Tenant Expansion Trends

Sources: Northmarq Research, S&P, Moody's, various retailer websites, and public news articles; information deemed accurate but not guaranteed, with data gathered in December 2024

Methodology: cap rate and sale price ranges are included if there have been more than five priced single-tenant transactions reported in the last 12 months with 10+ years of lease term remaining, although some outliers may be excluded; expansion plans may be noted as 1+ if retailers are regularly opening locations without a specified number planned or scheduled, while n/a may be noted for tenants not regularly opening new stores and/or announcing closures

Tenants are selected for the Top 100 list based on a combination of factors including but not limited to expansion rate, frequency of investment sale transactions, and brand recognition, and tenants may be added to or removed from future reports; the Top 100 list does not suggest a better or less risky investment

Today's Retail Landscape

The Top 100: Tenant Expansion Trends

Recent headlines have been filled with bankruptcy announcements, failed mergers and acquisitions, and going out of business sales, but the future is expected to be brighter across the retail sector as brands across a variety of industries look to expand.

Closed Doors Lead to Opportunities

In the coming months, tenants like Big Lots, Party City, CVS Pharmacy and Walgreens, among others, will shutter locations across the country, leaving significant vacancies in both the net lease retail and shopping center markets.

While some of the storefronts are likely to remain vacant for the foreseeable future, opportunistic tenants in growth mode will be quick to identify the most attractive locations and backfill those spaces. Ollie's Bargain Outlet, Barnes and Noble, Burlington, Michaels and Haverty's are among the retail brands that have recently acquired leases as other big box stores go out of business. This strategy has allowed tenants to not only capitalize on high quality, high traffic sites, but also solves the challenge of expanding in a low vacancy market.

As shopping center anchors and big box retailers continue to explore these opportunities, it's not quite as easy in the single-tenant net lease market. Net lease retailers often have strict construction and branding guidelines, requiring build-to-suit solutions. For example, we wouldn't see Dutch Bros Coffee explore a former Walgreens property as they look to identify thousands of new potential locations over the coming years.

Today's Retail Landscape, cont.

The Top 100: Tenant Expansion Trends

Instead, it is more likely that shuttered freestanding and junior box locations will be targeted by tenants with more flexibility, such as independent businesses looking to serve their local consumer base from an upgraded location. Redevelopment or demolition also becomes an option, especially for sites with good ingress/egress in high traffic areas. While a vacant CVS Pharmacy won't solve the physical real estate requirements of a Chick-fil-A, for example, the site itself might justify a tear-down.

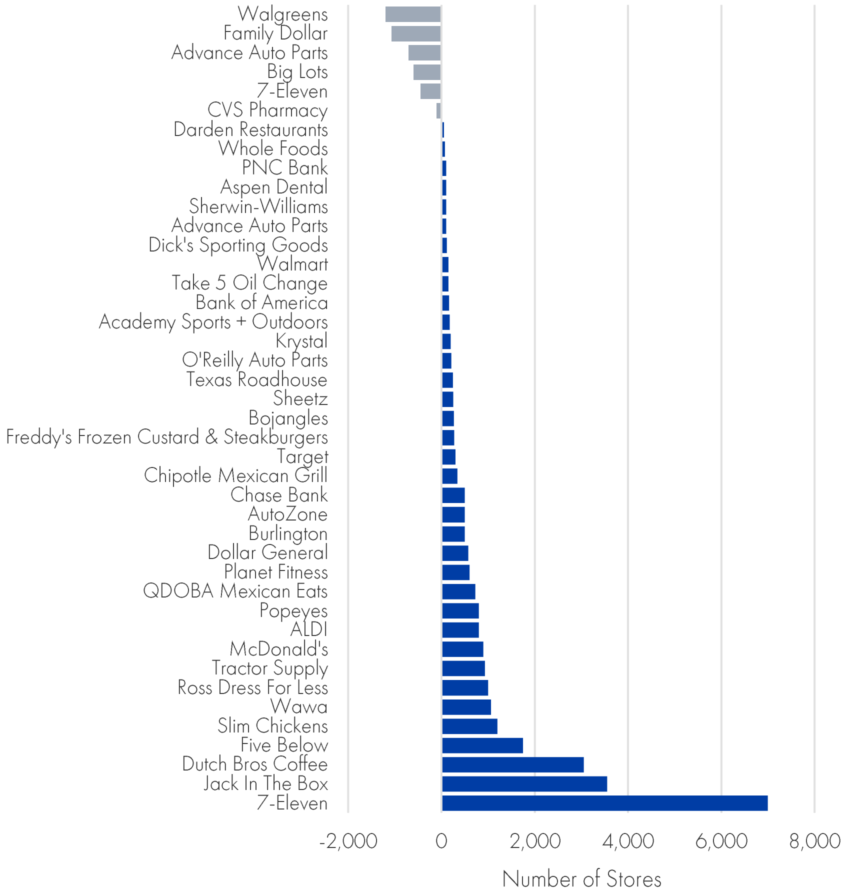
2025 and Beyond

Over the next several years, thousands of new stores and restaurants are expected to open as retailers look to expand their customer reach.

Quick service restaurants and convenience stores are among the sectors expanding most aggressively, with Jack In The Box, Slim Chickens, Wawa and Sheetz all targeting massive growth. Discount retailers, like Five Below and Ross Dress For Less, have also announced significant growth plans, as consumers remain cost-conscious. Additionally, retailers that have maintained their footprints in recent years, including Lowe's and Walmart, have identified now as the time to start growing again.

Will 2025 be a pivotal year for closures and consolidation, or will it instead be a year remembered for substantial growth among established and emerging brands?

Expected Store Openings Will Exceed Anticipated Number of Closings in Coming Years



Graph includes sampling of announced or planned openings and closings beginning in 2025 and may represent long-term plans or estimated counts. Retailers listed twice have announced both significant openings and closings. For more information, view each tenant's summary individually.

Retailers To Watch

The Top 100: Tenant Expansion Trends

While the following retailers didn't quite make our Top 100 list, recent announcements make these brands ones to watch in the future.

In November 2024, the popular and fast-growing sandwich chain was acquired by Blackstone for an estimated $8 billion. With more than 3,000 restaurants across the U.S., the agreement with Blackstone will allow the brand to expand more rapidly, and they may set their sights on international expansion as well. The deal is expected to close in early 2025.

With a completely revamped model that allows individual stores to curate their own inventory, the once dominant bookseller announced plans to open 60 new locations during 2024. A key component of the company's growth strategy has been acquiring leases from other retailers filing bankruptcy or going out of business. As Big Lots, Party City and others prepare to close locations, watch for Barnes & Noble to seek out additional opportunities in strategic markets.

Ranked one of Forbes' best loved brands in America, Wegmans grocery stores are a staple in the Northeast and surrounding areas, but they haven't been known for rapid growth. Recently, the company announced plans to open three new stores in 2025 with a fourth location planned for 2026. This will include growth in existing markets, as well as an expansion into Connecticut for the first time.

Once a popular Tex-Mex restaurant chain with more than 200 locations across the U.S., Chi-Chi's filed for bankruptcy and ultimately closed all locations in 2004. Now, the chain is set for a resurgence, with plans to open new restaurant locations beginning in 2025. There's no word on how many restaurants are planned, but the first two locations will open in Minnesota, and future growth will be concentrated across the East Coast and Midwest markets.

Credit Summary

The Top 100: Tenant Expansion Trends

Tenant Name	Parent Company Name	S&P	Moody's	Stock Symbol	Category
7-Eleven	Seven & i Holdings Co Ltd	A	A2	SVNDF	Automotive & Convenience Stores
Academy Sports + Outdoors	Academy Ltd	BB+	Ba2	ASO	Fitness & Sporting Goods
Advance Auto Parts	Advance Auto Parts Inc	BB+	Ba1	AAP	Automotive & Convenience Stores
ALDI	ALDI GmbH & Co KG Essen	NR	NR	Private	Grocery
Applebee's	Dine Brands Global Inc	NR	NR	DIN	Restaurants (Casual Dining)
Arby's	Inspire Brands | Roark Capital	B+	B2	Private	Restaurants (Quick Service)
Aspen Dental	Aspen Dental Management Inc	NR	NR	Private	Medical
At Home	Hellman & Friedman	CCC	Caa3	Private	Home Furnishings, Crafts & Electronics
AutoZone	AutoZone Inc	BBB	Baa1	AZO	Automotive & Convenience Stores
Bank of America	Bank of America Corp	A-	A1	BAC	Retail Banking
Best Buy	Best Buy Co Inc	BBB+	A3	BBY	Home Furnishings, Crafts & Electronics
Big Lots	Big Lots Inc	NR	NR	BIGGQ	Discount, Wholesale & Dollar Stores
Bob Evans	Golden Gate Capital	NR	NR	Private	Restaurants (Casual Dining)
Bojangles	Bojangles' Inc | Durational Capital Management LP | The Jordan Company LP	NR	NR	Private	Restaurants (Quick Service)
Burger King	Restaurant Brands International Inc	BB	NR	QSR	Restaurants (Quick Service)
Burlington	Burlington Stores Inc	BB+	Ba1	BURL	Apparel
Carl's Jr. | Hardee's	CKE Restaurants Holdings Inc | Roark Capital	NR	NR	Private	Restaurants (Quick Service)
Chase Bank	JPMorgan Chase & Co	A	A1	JPM	Retail Banking
Checkers Drive-In | Rally's	Oak Hill Capital Partners	NR	NR	Private	Restaurants (Quick Service)
Chick-fil-A	Chick-fil-A Inc	NR	NR	Private	Restaurants (Quick Service)

Credit Summary, cont.

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Tenant Name	Parent Company Name	S&P	Moody's	Stock Symbol	Category
Chili's	Brinker International Inc	BB-	Ba3	EAT	Restaurants (Casual Dining)
Chipotle Mexican Grill	Chipotle Mexican Grill Inc	NR	NR	CMG	Restaurants (Quick Service)
Cracker Barrel Old Country Store	Cracker Barrel Old Country Store Inc	NR	NR	CBRL	Restaurants (Casual Dining)
Culver's	Culver's	NR	NR	Private	Restaurants (Quick Service)
CVS Pharmacy	CVS Health Corp	BBB	Baa3	CVS	Drugstores & Personal Care
Dairy Queen	International Dairy Queen Inc	NR	NR	Private	Restaurants (Quick Service)
DaVita Kidney Care	DaVita Inc	BB	Ba2	DVA	Medical
Del Taco	Jack In The Box Inc	NR	NR	JACK	Restaurants (Quick Service)
Dick's Sporting Goods	Dick's Sporting Goods Inc	BBB	Baa2	DKS	Fitness & Sporting Goods
Dollar General	Dollar General Corp	BBB	Baa2	DG	Discount, Wholesale & Dollar Stores
Dollar Tree | Family Dollar	Dollar Tree Inc	BBB	Baa2	DLTR	Discount, Wholesale & Dollar Stores
Dunkin'	Inspire Brands | Roark Capital	B+	B2	Private	Restaurants (Quick Service)
Dutch Bros Coffee	Dutch Bros Inc	NR	NR	BROS	Restaurants (Quick Service)
Five Below	Five Below Inc	NR	NR	FIVE	Discount, Wholesale & Dollar Stores
Freddy's Frozen Custard & Steakburgers	Freddy's Frozen Custard & Steakburgers	NR	NR	Private	Restaurants (Quick Service)
Fresenius Medical Care	Fresenius Medical Care AG & Co	BBB-	Baa3	FMS	Medical
Hobby Lobby	Hobby Lobby Stores Inc	NR	NR	Private	Home Furnishings, Crafts & Electronics
Home Depot	The Home Depot Inc	A	A2	HD	Home Improvement & Pet Supplies
HomeGoods	The TJX Companies Inc	A	A2	TJX	Home Furnishings, Crafts & Electronics
Hooters	Nord Bay Capital | TriArtisan Capital Advisors	NR	NR	Private	Restaurants (Casual Dining)

Credit Summary, cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Parent Company Name	S&P	Moody's	Stock Symbol	Category
IHOP	Dine Brands Global Inc	NR	NR	DIN	Restaurants (Casual Dining)
Jack In The Box	Jack In The Box Inc	NR	NR	JACK	Restaurants (Quick Service)
Jiffy Lube	Royal Dutch Shell	A+	Aa2	RDS.A	Automotive & Convenience Stores
KFC	Yum! Brands Inc	BB+	Ba2	YUM	Restaurants (Quick Service)
Kohl's	Kohl's Corp	BB-	Ba2	KSS	Apparel
Kroger	The Kroger Co	BBB	Baa1	KR	Grocery
Krystal	Fortress Investment Group | Golden Child Holdings	NR	NR	Private	Restaurants (Quick Service)
LA Fitness	Fitness International LLC	B	B2	Private	Fitness & Sporting Goods
Lidl	Lidl Dienstleistung GmbH & Co KG	NR	NR	Private	Grocery
Life Time	Life Time Group Holdings Inc	B+	B2	LTH	Fitness & Sporting Goods
Longhorn Steakhouse	Darden Restaurants Inc	BBB	Baa2	DRI	Restaurants (Casual Dining)
Lowe's	Lowe's Companies Inc	BBB+	Baa1	LOW	Home Improvement & Pet Supplies
Marshalls | T.J. Maxx	The TJX Companies Inc	A	A2	TJX	Apparel
Mattress Firm	Ibex Topco BV	B+	B1	Private	Home Furnishings, Crafts & Electronics
McDonald's	McDonald's Corp	BBB+	Baa1	MCD	Restaurants (Quick Service)
Menards	Menards Inc	NR	NR	Private	Home Improvement & Pet Supplies
Michaels	Apollo Global Management	A	A2	APO	Home Furnishings, Crafts & Electronics
O'Reilly Auto Parts	O'Reilly Automotive Inc	BBB	Baa1	ORLY	Automotive & Convenience Stores
Olive Garden	Darden Restaurants Inc	BBB	Baa2	DRI	Restaurants (Casual Dining)
Outback Steakhouse	Bloomin' Brands Inc	BB-	Ba3	BLMN	Restaurants (Casual Dining)

Credit Summary, cont.

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Tenant Name	Parent Company Name	S&P	Moody's	Stock Symbol	Category
Panda Express	Panda Restaurant Group Inc	NR	NR	Private	Restaurants (Quick Service)
Panera Bread	JAB Holding Company	BBB+	Baa1	Private	Restaurants (Casual Dining)
Petco	Petco Health and Wellness Company Inc	B	B3	WOOF	Home Improvement & Pet Supplies
PetSmart	PetSmart LLC	B+	B1	Private	Home Improvement & Pet Supplies
Planet Fitness	Planet Fitness Holdings LLC	NR	NR	PLNT	Fitness & Sporting Goods
PNC Bank	The PNC Financial Services Group	A-	A3	PNC	Retail Banking
Popeyes	Restaurant Brands International Inc	BB	NR	QSR	Restaurants (Quick Service)
Publix	Publix Supermarkets Inc	NR	NR	Private	Grocery
QDOBA Mexican Eats	Modern Restaurant Concepts | Butterfly Equity	NR	NR	Private	Restaurants (Quick Service)
QuikTrip	QuikTrip Corp	NR	NR	Private	Automotive & Convenience Stores
Raising Cane's	Raising Cane's Restaurants LLC	BB-	B1	Private	Restaurants (Quick Service)
Red Lobster	RL Investor Holdings LLC | Fortress Investment Group	NR	NR	Private	Restaurants (Casual Dining)
Rite Aid	Rite Aid Corporation	NR	NR	RAD	Drugstores & Personal Care
Ross Dress For Less	Ross Stores Inc	BBB+	A2	ROST	Apparel
Sheetz	Sheetz Inc	NR	NR	Private	Automotive & Convenience Stores
Sherwin-Williams	Sherwin-Williams Co	BBB	Baa2	SHW	Home Improvement & Pet Supplies
Slim Chickens	Slim Chickens Holdings LLC	NR	NR	Private	Restaurants (Quick Service)
Sonic Drive-In	Inspire Brands | Roark Capital	B+	B2	Private	Restaurants (Quick Service)
Sprouts Farmers Market	Sprouts Farmers Market Inc	NR	NR	SFM	Grocery
Starbucks	Starbucks Corp	BBB+	Baa1	SBUX	Restaurants (Quick Service)

Credit Summary, cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Parent Company Name	S&P	Moody's	Stock Symbol	Category
Subway	Roark Capital	NR	NR	Private	Restaurants (Quick Service)
Sunbelt Rentals	Ashtead Group PLC	BBB-	Baa3	ASHTF	Home Improvement & Pet Supplies
Taco Bell	Yum! Brands Inc	BB+	Ba2	YUM	Restaurants (Quick Service)
Take 5 Oil Change	Driven Brands Inc	B+	B3	DRVN	Automotive & Convenience Stores
Target	Target Corp	A	A2	TGT	Discount, Wholesale & Dollar Stores
Texas Roadhouse	Texas Roadhouse Inc	NR	NR	TXRH	Restaurants (Casual Dining)
TGI Friday's	TriArtisan Capital Advisors	NR	NR	Private	Restaurants (Casual Dining)
Tim Hortons	Restaurant Brands International Inc	BB	NR	QSR	Restaurants (Quick Service)
Tractor Supply Company	Tractor Supply Company	BBB	Baa1	TSCO	Home Improvement & Pet Supplies
ULTA	Ulta Beauty Inc	NR	NR	ULTA	Drugstores & Personal Care
Walgreens	Walgreens Boots Alliance Inc	BB-	Ba3	WBA	Drugstores & Personal Care
Walmart | Walmart Supercenter	Walmart Inc	AA	Aa2	WMT	Discount, Wholesale & Dollar Stores
Walmart Neighborhood Market	Walmart Inc	AA	Aa2	WMT	Grocery
Wawa	Wawa Inc	NR	NR	Private	Automotive & Convenience Stores
Wells Fargo	Wells Fargo & Co	BBB+	A1	WFC	Retail Banking
Wendy's	The Wendy's Company	B+	B3	WEN	Restaurants (Quick Service)
Whataburger	BDT Capital Partners LLC	NR	NR	Private	Restaurants (Quick Service)
White Castle	White Castle System Inc	NR	NR	Private	Restaurants (Quick Service)
Whole Foods Market	Amazon.com Inc	AA	A1	AMZN	Grocery
Zaxby's	Zaxby's Operating Company LP	NR	NR	Private	Restaurants (Quick Service)

Apparel

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Burlington	25,000 - 40,000	n/a	n/a	46 states, Wash DC & Puerto Rico	1,103	500+	Expects to end FY 2024 with 101 net new stores, and is planning on opening 100 new locations in 2025; long-term plans to open 500+ new locations by YE 2028, with a focus on building smaller format stores and relocating or downsizing older locations
Kohl's	38,000 - 90,000	n/a	n/a	49 states	1,178	n/a	In Dec 2024, announced plans to close 2 stores in MA & VA
Marshalls | T.J. Maxx	30,000	n/a	n/a	Nationwide, Canada, Australia & Europe	2,550 (U.S.)	1+	Reported net store growth of 5 T.J. Maxx locations and 15 Marshalls during fiscal Q3 2025
Ross Dress For Less	22,000 - 30,000	n/a	n/a	43 states, Wash DC & Guam	1,836	1,000+	Added 89 new stores during FY 2024; long-term goal to reach 2,900 total locations

Automotive & Convenience Stores

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
7-Eleven	2,400 - 3,000	4.0% | 6.2% | 5.3%	$1.3m | $9.7m | $6.4m	29 states, Wash DC & Global	13,000+ (North America)	7,000+	Announced plans to build 500 stores by YE 2027 and close 444 underperforming locations across North America; long-term plans to expand to 20,000 stores in the U.S. and 100,000 stores globally by 2030; remains in merger talks with parent company of Circle K
Advance Auto Parts	7,600	5.4% | 9.8% | 6.6%	$0.8m | $4.6m | $2.6m	Nationwide, Canada, Puerto Rico & the U.S. Virgin Islands	4,781	80 - 100	Will close more than 700 locations, while accelerating new store openings; plans to open 30 stores during FY 2025 and 50 to 70 locations in FY 2027
AutoZone	6,500 - 8,000	4.3% | 6.3% | 5.2%	$0.8m | $3.0m | $1.8m	Nationwide, Mexico, Puerto Rico, Virgin Islands & Brazil	6,466	500	Opened 23 U.S. stores in the last fiscal quarter; announced plans to open 500 new stores globally by 2028
Jiffy Lube	1,900 - 2,400	5.2% | 9.0% | 6.3%	$0.9m | $2.9m | $1.8m	Nationwide	2,000+	3+	New locations opening in CO & NV
O'Reilly Auto Parts	7,300	5.0% | 8.0% | 6.2%	$1.4m | $6.2m | $2.4m	48 states, Puerto Rico, Canada & Mexico	6,187 (U.S.)	200 - 210	Opened 47 net new domestic stores during Q3 2024; plans to open 200 to 210 stores total in 2025
QuikTrip	4,800	n/a	n/a	19 states	1,126	8+	Expanding to new states, with plans for locations in FL, IN, KY & NV; new stores under construction and planned in OH to open in late 2025 and 2026
Sheetz	2,000 - 6,500	5.0% | 5.6% | 5.4%	$2.6m | $7.1m | $3.6m	MD, MI, NC, OH, PA, VA & WV	750+	250+	Plans to open 20 stores in OH by 2027 and 75 stores in MI over the next two decades; long-term plans to operate more than 1,000 locations

Automotive & Convenience Stores, cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Take 5 Oil Change	1,000 - 3,500	5.4% | 8.8% | 6.3%	\$0.4m | \$2.9m | \$1.7m	42 states (U.S.)	1,007+	150+	Long-term plans to open 150 stores annually
Wawa	4,000 - 5,600	4.4% | 5.7% | 5.1%	\$3.3m | \$11.2m | \$5.8m	9 states & Wash DC	1,060+	1,060+	In 2025, plans to open 40 locations across new and existing markets including IN, KY, NC & OH; long-term plans to double overall store count in the next decade

Discount, Wholesale & Dollar Stores

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Big Lots	33,477	n/a	n/a	47 states	901	n/a	Filed for bankruptcy in Sep 2024 and has closed hundreds of stores; announced sale agreement with Variety Wholesalers, which will continue to operate 200 to 400 stores under the Big Lots brand
Dollar General	7,000 - 8,500	5.4% | 8.7% | 6.8%	$0.8m | $3.1m | $1.7m	49 states & Wash DC	20,523	575	Announced plans to open approximately 575 new locations across the U.S. during FY 2025; will remodel 2,000 stores and relocate 45
Dollar Tree | Family Dollar	8,200	7.0% | 7.6% | 7.3%	$1.5m | $2.5m | $1.9m	48 states & Canada	16,590	1+	Reported opening 249 Dollar Tree stores and 6 Family Dollar stores during fiscal Q3 2024; as of Nov 2024, 670 Family Dollar locations closed, with an additional 25 stores to shutter by end of FY 2024; another 370 locations will close in the coming years as leases expire
Five Below	9,000	n/a	n/a	44 states & Wash DC	1,749	1,751	Opened 82 new stores during fiscal Q3 2024; planning to open a total of 227 new stores during FY 2024 and reach 3,500 overall locations by 2030
Target	15,000 - 130,000	n/a	n/a	Nationwide & Canada	1,963 (U.S.)	300+	Plans to open 32 new stores across 15 states including AZ, CA, FL, TX & more; long-term plans include opening 300 mostly full-sized stores over the next decade
Walmart | Walmart Supercenter	50,000 - 210,000	n/a	n/a	Global	3,934 (U.S.)	150	No stores opened or closed during fiscal Q3 2025; plans to open 150 stores over the next 5 years across multiple formats

Drugstores & Personal Care

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
CVS Pharmacy	8,220	5.1% | 7.7% | 5.9%	$1.6m | $15.5m | $5.6m	Nationwide	9,000+	n/a	Completed its 3-year, 900-store closing plan announced in late 2021; plans to close hundreds of additional locations in the next several years
Rite Aid	9,000	n/a	n/a	15 states	1,259	n/a	Filed for bankruptcy in Oct 2023; closed more than 500 stores since 2023
ULTA	10,000	n/a	n/a	Nationwide	1,445 (U.S.)	1+	Opened 63 net new stores in the past 12 months; plans to expand into Mexico during 2025
Walgreens	13,500	4.5% | 8.3% | 6.5%	$1.2m | $12.3m | $5.1m	Nationwide, Puerto Rico, Europe & Latin America	8,487 (U.S.)	n/a	Announced plans to close approximately 1,200 locations over the next 3 years, with 500 stores closing during FY 2025; in discussions with private equity firm, Sycamore Partners, to sell and be taken private

Fitness & Sporting Goods

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Academy Sports + Outdoors	50,000 - 75,000	n/a	n/a	19 states	299	160 - 180	Will open 20 to 25 locations in 2025; long-term plans to open 160 to 180 new stores over the next 3 years
Dick's Sporting Goods	50,000	n/a	n/a	47 states & Wash DC	727	90 - 115	Will continue growing its experiential House of Sport concept, with 15 stores planned for 2025 and another 75 to 100 locations by 2027
LA Fitness	35,000 - 45,000	n/a	n/a	27 states & Canada	750+	3	In Jul 2024, announced acquisition of XSport Fitness, including all their 35 locations in IL, NY & VA
Life Time	130,000	n/a	n/a	31 states & Canada	177 (U.S.)	18	Recently opened 3 new centers in MN, NY & TX; plans to open 18 new locations by YE 2026 in CA, CO, FL, GA & more, and will enter ID with a new location in early 2025
Planet Fitness	20,000	n/a	n/a	Global	2,637	600+	Opened 20 clubs during Q3 2024; long-term plans include adding 600 locations globally in the next 3 years and operating a total of 5,000 gyms in the U.S.

Grocery

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
ALDI	16,000 - 19,000	4.2% | 5.3% | 4.8%	$2.5m | $4.1m | $3.2m	38 states & Wash DC	2,458	800	Total of 800 locations to be added nationwide by YE 2028 through new development and rebranding
Kroger	62,000	n/a	n/a	16 states	1,243	2+	Merger agreement with Albertsons terminated in Dec 2024; will break ground on two new stores in TX in 2025, with additional growth planned
Lidl	29,000 - 33,000	n/a	n/a	9 states, Wash DC & Europe	170+ (U.S.)	1+	Opened 4 new stores in NJ, NY & VA during Q4 2024
Publix	46,000	n/a	n/a	AL, FL, GA, KY, NC, SC, TN & VA	1,391	9+	Opened 15 stores during Q4 2024
Sprouts Farmers Market	25,000 - 40,000	n/a	n/a	24 states	442	1+	New location in FL set to open in Jan 2025
Walmart Neighborhood Market	48,000	n/a	n/a	29 states	672	1+	No stores opened or closed during fiscal Q3 2025; plans to open or convert 150 stores across both the neighborhood market and superstore brands in the next 5 years
Whole Foods Market	25,000 - 50,000	n/a	n/a	45 states, Canada & U.K.	530+	75+	Announced in May 2024 plans to open 30 new stores per year, with more than 75 stores in the pipeline; launched new smaller format concept, Whole Foods Market Daily Shop, opening 1 location in New York City

Home Furnishings, Crafts & Electronics

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
At Home	100,000	n/a	n/a	40 states	266	n/a	No expansion plans announced
Best Buy	39,000	n/a	n/a	Nationwide, Canada & Mexico	889 (U.S.)	n/a	Plans to close 10 to 15 stores in FY 2025
Hobby Lobby	45,000 - 70,000	n/a	n/a	48 states	1,043	1+	Opened 9 stores and relocated 1 during Q4 2024, with at least 1 location set to open in MS during H1 2025
HomeGoods	25,000	n/a	n/a	Nationwide, Canada & Puerto Rico	941	1+	Reported net store growth of 11 locations during fiscal Q3 2025
Mattress Firm	4,300	n/a	n/a	Nationwide	2,300+	n/a	In May 2023, Tempur Sealy announced intent to acquire for $4.0 billion, with deal to close in early 2025 pending FTC approval; announced intent to sell 73 stores to Mattress Warehouse following acquisition
Michaels	18,000	n/a	n/a	49 states & Canada	1,300+	n/a	Plans to close 1 store in CT during Jan 2025

Home Improvement & Pet Supplies

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Home Depot	105,000	n/a	n/a	Nationwide, Puerto Rico, Guam, U.S. Virgin Islands, Canada & Mexico	2,024 (U.S.)	12	Opened 5 new stores during fiscal Q3 2024, with plans to open a total of 12 stores in FY 2024
Lowe's	112,000	n/a	n/a	Nationwide & Canada	1,747	10 - 15+	Announced plans to open 10 to 15 locations annually over the next several years
Menards	50,000	n/a	n/a	15 states (Midwest)	340+	n/a	No expansion plans announced
Petco	20,000	n/a	n/a	Nationwide, Puerto Rico & Mexico	1,413 (U.S.)	n/a	In the last 12 months, overall store count has decreased by 16 net stores; no expansion plans announced
PetSmart	18,000 - 27,500	n/a	n/a	Nationwide, Puerto Rico & Canada	1,670+	n/a	No expansion plans announced
Sherwin-Williams	8,000	n/a	n/a	Global	4,739	80 - 100	Opened 19 net new stores during Q3 2024; planned to open 80 to 100 new locations across the U.S. and Canada during 2024
Sunbelt Rentals	n/a	n/a	n/a	Nationwide, Canada & U.K.	1,220 (U.S.)	1+	Opened 47 new locations across North America during H1 2024
Tractor Supply Company	15,500	5.5% | 7.2% | 6.4%	\$3.2m | \$8.7m | \$5.8m	49 states	2,270	930+	Opened 16 new locations during Q3 2024; plans to open 90 stores per year starting in 2025 to reach a revised long-term goal of 3,200 total stores

Medical

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Aspen Dental	3,500	n/a	n/a	46 states	1,012	75 - 100+	Long-term plans to open 75 to 100 locations annually
DaVita Kidney Care	7,500	5.5% | 6.5% | 6.1%	$2.3m | $5.7m | $3.9m	Global	2,660 (U.S.)	1+	Opened 3 new centers and closed or sold 15 during Q3 2024
Fresenius Medical Care	5,000 - 10,000	n/a	n/a	Global	2,629 (U.S.)	1+	During Q3 2024, opened 9 locations and closed or sold 34 clinics across the U.S.

Restaurants (Casual Dining)

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Applebee's	5,200	5.9% | 8.4% | 7.0%	$1.9m | $3.0m | $2.5m	Global	1,511 (U.S.)	25	Closed 9 U.S. locations during Q3 2024; franchise operator, Flynn Group, set to open 25 new restaurants over the next 7 years
Bob Evans	3,600 - 6,500	6.0% | 7.3% | 6.9%	$1.1m | $3.6m | $2.4m	18 states	435+	n/a	In Dec 2024, 1 restaurant closed in FL
Chili's	6,000	n/a	n/a	Global	1,215	9 - 11	Opened 3 net new U.S. locations during Q3 2024, with 9 to 11 locations planned for FY 2025
Cracker Barrel Old Country Store	10,000	n/a	n/a	44 states	658	2	No change to net store count in fiscal Q1 2025; outlook for FY 2025 includes 2 new locations
Hooters	5,500	n/a	n/a	35 states & Global	251 (U.S.)	n/a	Net closings of 2 locations during Q4 2024
IHOP	1,000 - 4,500	5.2% | 6.7% | 5.9%	$2.4m | $3.4m | $2.8m	Global	1,684 (U.S.)	1+	Opened 4 U.S. restaurants and closed 7 U.S. locations in Q3 2024
Longhorn Steakhouse	5,700	n/a	n/a	42 States	580	1+	Net growth of 14 restaurants in the last 12 months; increased projected openings across all Darden concepts for FY 2025, with 50 to 55 new locations planned
Olive Garden	7,700	n/a	n/a	Nationwide	925	1+	Net growth of 13 restaurants in the last 12 months; increased projected openings across all Darden concepts for FY 2025, with 50 to 55 new locations planned
Outback Steakhouse	6,000	5.0% | 6.8% | 6.1%	$2.9m | $4.3m | $3.6m	Global	673 (U.S.)	40 - 45	Expects to remodel 60 to 65 restaurants and open 40 to 45 new locations in the coming year

Restaurants (Casual Dining), cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Panera Bread	4,500	4.7% | 5.4% | 5.0%	$2.6m | $4.3m | $3.7m	48 states, Wash DC & Canada	2,202 (U.S.)	1+	During Q4 2024, reported net closures of 2 restaurant locations; new location in FL scheduled to open in early 2025
Red Lobster	6,000 - 7,500	6.2% | 13.2% | 7.4%	$1.8m | $3.8m | $2.6m	44 states & Canada	487 (U.S.)	n/a	Emerged from bankruptcy under new ownership in Sep 2024 after closing multiple locations
Texas Roadhouse	7,500 - 7,900	4.5% | 6.3% | 5.3%	$2.2m | $3.7m | $2.9m	Global	657 (U.S.)	243+	Opened 10 restaurants in Q3 2024; long-term plans to grow to a total of 900 locations, with a focus on smaller markets
TGI Friday's	6,500	n/a	n/a	26 states & Global	142 (U.S.)	n/a	Filed for bankruptcy and closed approximately 50 locations across 12 or more states

Restaurants (Quick Service)

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Arby's	2,100 - 3,000	5.2% | 6.9% | 5.8%	$0.8m | $3.5m | $1.9m	Global	3,388 (U.S.)	1+	New store opening soon in PA
Bojangles	3,000 - 4,000	5.3% | 6.8% | 5.9%	$2.0m | $3.5m | $3.0m	18 states & Honduras	836	270	Net growth of 7 locations during Q4 2024; has 270 new restaurants in the development pipeline, including new franchise agreements in AZ and CA that will add 40 locations; plans to enter NJ with at least 1 restaurant
Burger King	3,000	5.0% | 8.4% | 6.4%	$0.9m | $3.3m | $1.9m	Global	7,119	n/a	Net store count declined by 14 during Q3 2024; plans to invest in remodeling over 600 restaurants by YE 2028
Carl's Jr. | Hardee's	2,400 - 3,000	5.1% | 8.2% | 6.3%	$1.3m | $3.7m | $2.1m	16 states & Global (Carl's Jr.) | 31 states & Global (Hardee's)	1,032 (Carl's Jr.) | 1,577 (Hardee's)	n/a	Net reduction of 12 Carl's Jr and 10 Hardee's restaurants during Q4 2024
Checkers Drive-In | Rally's	1,000 - 3,500	5.3% | 6.9% | 6.0%	$0.9m | $1.9m | $1.3m	28 states & Wash DC	792	13+	New Checkers location opened in FL during Dec 2024, with plans for a new Checkers restaurant in TX by early 2025; additional growth planned for AZ, CA, NC, NJ, NV, NY, OH, PA, SC, TN, VA & WI; net store closures during Q4 2024 totaled 25
Chick-fil-A	4,200 - 5,000	3.9% | 5.0% | 4.4%	$2.2m | $6.2m | $3.7m	48 states, Wash DC, Puerto Rico & Canada	3,000+	1+	During Q4 2024, 48 new locations opened across various markets; announced U.K. and Singapore expansion plans, with first restaurants opening in 2025; also exploring new concepts, including elevated kitchens and mobile pick-up only
Chipotle Mexican Grill	2,530	4.3% | 6.0% | 5.0%	$1.8m | $5.7m | $3.0m	Global	3,633 (U.S.)	315 – 345+	Opened 86 restaurants during Q3 2024; plans call for 315 to 345 new locations to open in 2025, with 80% or more including a Chipotlane; long-term goal to reach 7,000 total restaurants in North America

Restaurants (Quick Service), cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Culver's	4,500	n/a	n/a	26 states	1,000+	1+	Surpassed 1,000 total locations during Q4 2024, with additional growth planned
Dairy Queen	3,000	5.0% | 8.9% | 6.2%	\$0.5m | \$2.8m | \$1.8m	Global	4,231 (U.S.)	2+	Announced aggressive growth plans for U.S. and Canada over the next 5 years, with new locations announced in IL, IN & more; during Q4 2024, net store count decreased by 15
Del Taco	2,000 - 2,600	3.8% | 8.2% | 5.5%	\$1.1m | \$3.8m | \$2.8m	17 states	595	1+	Opened 14 new restaurants and closed 12 during Q4 2024
Dunkin'	1,200 - 2,500	4.8% | 6.7% | 5.6%	\$1.1m | \$2.9m | \$2.0m	Global	9,731 (U.S.)	1+	New location opened in TX during Oct 2024; plans announced for a new restaurant in FL by Mar 2025
Dutch Bros Coffee	500 - 1,000	4.7% | 6.9% | 5.3%	\$1.1m | \$3.1m | \$2.1m	18 states	950	3,050	Opened 38 stores across 11 states during Q3 2024, remaining on-track to reach 1,000 locations by 2025; long-term goal is to operate 4,000 total shops, with FL as a target market for expansion
Freddy's Frozen Custard & Steakburgers	2,500 - 3,800	5.0% | 7.2% | 5.9%	\$1.7m | \$3.6m | \$2.7m	36 states	526	274+	Plans for 2 new restaurants in IA & LA during 2025; plans to expand into Canada, with long-term goal to operate a total of 800 locations by 2026; 10 new restaurants will open in SC by 2031, and 21 new locations will open in IA, IL, NY, TX & WA, a new state for the brand
Jack In The Box	2,200	n/a	n/a	22 states & Guam	2,191	3,555	Announced new franchise deal to add 5 new restaurants in Detroit, MI; plans to increase unit growth by 2.5% per year by 2027; long-term plans to reach 5,750 U.S. locations, with target expansion markets in AR, FL, MT & WY

Restaurants (Quick Service), cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
KFC	1,800	4.9% | 7.0% | 6.0%	$0.9m | $4.2m | $1.9m	Global	4,165 (U.S.)	1+	Opened 685 gross new restaurants across 65 counties during Q3 2024, with additional international growth planned; U.S. store count declined by 32 during Q4 2024
Krystal	1,000	5.8% | 6.9% | 6.2%	$1.2m | $2.0m | $1.5m	10 states (Southeast)	276	200+	Announced in 2023 long-term plans to open 200 locations over the following 3 to 4 years, with a focus on national expansion
McDonald's	4,000	2.9% | 5.3% | 3.9%	$1.6m | $4.7m | $2.8m	Global	13,500+ (U.S.)	900+	Plans to reach 50,000 locations globally by YE 2027, with 900 new U.S. restaurants
Panda Express	2,700	n/a	n/a	Global	2,458 (U.S.)	1+	Net openings of 20 new locations during Q4 2024, including 1 restaurant in TN; additional growth planned
Popeyes	2,695	4.8% | 7.6% | 5.9%	$1.3m | $4.3m | $2.5m	Global	3,465 (U.S.)	800	At the end of Q3 2024, net growth of 136 restaurants reported for the previous 12 months; plans to open approximately 800 locations across the U.S. & Canada by 2028
QDOBA Mexican Eats	2,500	n/a	n/a	45 states, Wash DC, Puerto Rico, Canada & Japan	795 (U.S.)	729+	Will add 30 new locations in NC & SC by 2028, and announced plans for 39 new restaurants across IL, OR & VA, among others; long-term plan to reach 1,500 total locations by 2031
Raising Cane's	3,400	4.2% | 5.1% | 4.8%	$2.1m | $7.5m | $3.4m	42 states, Wash DC, Guam & the Middle East	845+	6+	In early Jan 2025, 6 new restaurants are scheduled to open in CA, FL, NJ, TN & WI
Slim Chickens	3,000	6.0% | 7.1% | 6.6%	$2.8m | $3.4m | $3.1m	35 states & Europe	280+ (U.S.)	1,200+	Opening 50 to 60 locations globally each year, recently entering Turkey and Germany; rapid growth planned, with more than 1,200 units in the development pipeline; 4 new locations set to open in early 2025 across IA, MI, NV & TX

Restaurants (Quick Service), cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Sonic Drive-In	1,100 - 1,700	5.3% | 7.5% | 6.3%	$1.2m | $2.6m | $1.8m	47 states	3,503	5+	New locations planned or opening soon in CA, HI, SC, VA, WA & more
Starbucks	1,500 - 1,800	3.6% | 8.2% | 5.7%	$1.8m | $4.3m | $2.9m	Global	40,199 (16,941 U.S.)	1+	Has opened 589 net new U.S. stores since Oct 2023, with additional growth planned
Subway	800 - 1,300	n/a	n/a	Global	20,526 (U.S.)	1+	Acquisition by Roark Capital completed in Apr 2024; net store closures of 127 in the U.S. during Q4 2024; continued focus on international expansion, with 20+ master franchise agreements signed that could add 10,000 future global restaurants
Taco Bell	2,000	4.5% | 8.0% | 5.7%	$0.8m | $3.6m | $2.2m	Global	8,081 (U.S.)	1+	Opened 49 gross new restaurants across 15 countries in Q3 2024, with long-term plans to focus on international expansion; U.S. restaurant count increased by 90 during Q4 2024
Tim Hortons	1,000 - 2,300	n/a	n/a	15 states, Canada, China & the Middle East	649+ (U.S.)	55+	Announced plans to open 40 locations in TX and 15 locations in GA within the coming years, including 10 restaurants in the next 3 years; goal of operating 1,000 total restaurants by 2028
Wendy's	2,500 - 4,000	4.5% | 7.9% | 5.7%	$1.1m | $3.8m | $2.3m	Global	6,011 (U.S.)	1+	Opened 22 restaurants and closed 2 across the U.S. during Q3 2024; planned to close 140 underperforming locations by YE 2024
Whataburger	2,000 - 4,000	4.5% | 7.5% | 5.7%	$1.4m | $4.9m | $3.0m	16 states (Southeast & Southwest)	1,102 (U.S.)	2+	Net growth of 47 restaurants during Q4 2024; planning new locations in several markets including CO during 2025 and FL in 2026

Restaurants (Quick Service), cont.

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
White Castle	2,000 - 4,500	n/a	n/a	13 states	340+	n/a	No expansion plans announced
Zaxby's	2,800 - 3,800	4.9% | 8.5% | 6.4%	$2.2m | $2.9m | $2.5m	17 states	950+	9+	Opened 9 restaurants across FL, MS, SC & more during Q4 2024; will enter MD, with first of 3 locations to open in late 2025; will also enter NJ, with 6 stores planned

Retail Banking

The Top 100: Tenant Expansion Trends

Tenant Name	Average SF	Cap Rate Range (min | max | avg)	Sale Price Range (min | max | avg)	Region of Operation	# of Stores Operated	Expansion Plans	Notes
Bank of America	4,000 - 10,000	4.5% | 5.1% | 4.9%	$2.3m | $4.0m | $3.0m	Global	3,741	165+	Announced long-term plans to open more than 165 retail branches across 63 markets by YE 2026, including approximately 40 locations this year; reported a net decrease of 121 branches since beginning of Q4 2023
Chase Bank	4,000 - 4,500	3.8% | 6.9% | 5.1%	$1.7m | $11.0m | $3.6m	48 states & Wash DC	4,906	500	Plans to open 16 branches across NC & SC by 2025, and long-term plans call for more than 500 new branches over the next 3 years
PNC Bank	3,500 - 4,800	n/a	n/a	27 states & Wash DC	2,242	100	Long-term plans to renovate 1,200 locations and open 100 locations across CO, FL & TX by 2028
Wells Fargo	1,000 - 4,000	n/a	n/a	36 states & Wash DC	4,196	23	As of Q3 2024, 159 net closures were reported over the previous 12 months; opening approximately 23 locations in the Chicago, IL area over the next several years

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