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U.S. Retail Market Report — Q3 2025

Five major retail REITs reported a sector that's stable, healthy, and quietly outperforming — high occupancy, rising rents, and 3–5% organic NOI growth even with rates still elevated, with Houston and Texas among the standouts.

Based on the Q3 2025 earnings calls of Kimco Realty (KIM), Brixmor Property Group (BRX), Regency Centers (REG), Whitestone REIT (WSR), and SITE Centers (SITC).

The quarterly earnings calls of publicly traded retail REITs provide some of the clearest real-time data on where the market is headed.

The bad news: they're long, boring and might put you to sleep.

The good news: we analyzed them so you don't have to.

For this report, we went through the Q3 2025 results of five of the biggest names in retail — Kimco Realty, Brixmor Property Group, Regency Centers, Whitestone REIT, and SITE Centers — and pulled out what matters for the market overall, and for Houston and Texas in particular.

The Takeaway

Across all five reports, the message is consistent: retail real estate is in good shape. Occupancy is high, rents are still rising, and tenant demand is broad-based. Even with interest rates still elevated, most of these REITs posted organic same-store NOI growth between 3% and 5% — a notable result for a sector plenty of people wrote off a few years ago.

Part of what's driving it is what isn't getting built. New development across retail has slowed dramatically, and with less new supply coming online, landlords with existing, well-located centers have gained pricing power. Houston and Texas stood out again — limited new construction, healthy population growth, and steady tenant expansion.

At a Glance

Company	Same-Store NOI	Cash Leasing Spread	Occupancy
Kimco Realty	+3.6%	+12%	91% *
Brixmor	— **	+18%	91.4% *
Regency Centers	+5%	+13%	96%
Whitestone	+4%	Double digits	94%
SITE Centers	— ***	—	87.6%

** Kimco and Brixmor figures are small-shop occupancy; the others are total or leased occupancy. ** Brixmor did not break out same-store NOI; FFO rose 4%. *** SITE Centers is mid-transition — operating FFO fell to $0.11/share from $0.81 amid asset sales and the Curbline spin-off. Leasing spreads shown on a cash basis.*

Kimco Realty (KIM)

Kimco's quarter showed the advantages of scale. Same-property NOI grew 3.6%, the company raised its guidance again, and leasing spreads came in at 12% on a cash basis. Its Sun Belt portfolio — including Houston, Dallas, and Austin — continued to outperform, with traffic and rent growth running ahead of national averages. Kimco signed more than 2.6 million square feet of new leases, and small-shop occupancy rose to 91%.

On the balance sheet, Kimco kept deleveraging after last year's RPT Realty merger, selling more than $600 million of non-core assets and using the proceeds to pay down debt. It also has roughly $1 billion of redevelopment underway, including mixed-use projects in high-barrier markets. Management's tone stayed confident: tenant demand is broad-based, credit quality is strong, and bad debt is near record lows. For a large-cap REIT, continued organic NOI growth says a lot about the health of the sector.

Brixmor Property Group (BRX)

Brixmor delivered another consistent quarter. It signed 1.5 million square feet of new and renewal leases at 18% blended cash spreads, with small-shop occupancy reaching a record 91.4%. The real story was redevelopment: Brixmor stabilized eight projects at an average 11% yield — meaningful value creation in today's environment.

Capital recycling continued as well. The company sold lower-growth centers and used the proceeds to acquire LaCenterra at Cinco Ranch, a top-performing lifestyle center in suburban Houston, where seven new leases are already signed or in progress at economics above underwriting. Financially it's in strong shape — FFO up 4%, $1.6 billion in liquidity, and a 7% dividend increase. The strategy is straightforward: keep rent spreads high, keep redeveloping, and use capital recycling to upgrade portfolio quality. It's also another data point on the durable strength of grocery-anchored retail.

Regency Centers (REG)

Regency may have posted the best quarter of the group. Same-property NOI grew nearly 5%, and the company raised its full-year guidance to a range of 5.25% to 5.5%. Leasing spreads were strong at 13% cash and 23% GAAP, and occupancy climbed to 96%.

Regency is firing on all cylinders — signing new grocers, redeveloping top centers, and leading the industry in ground-up development. It started $170 million of new projects this quarter, including Ellis Village, a Sprouts-anchored project in the Bay Area, and The Village at Seven Pines, a Publix-anchored center in Jacksonville. It also bought out JV partners in three centers, two of them in Houston. The balance sheet is pristine: A-rated, leverage around 5x, $1.5 billion in liquidity, and a 7% dividend increase. Management expects mid-3% NOI growth in 2026 — impressive on top of record 2024 and 2025 results. Simply put, Regency builds and owns exactly what the market wants: grocery-anchored, necessity-based centers in strong suburban trade areas.

Whitestone REIT (WSR)

Whitestone — a Houston-based REIT — showed how much its core markets benefit from being supply-constrained. Occupancy came in just above 94%, with same-store NOI up more than 4% year over year on solid rent growth and almost no bad debt. Leasing spreads were up double digits, and management pointed to steady demand from service and daily-needs tenants — the kind that drive traffic to neighborhood centers.

The company is also simplifying its balance sheet, paying down debt and concentrating the portfolio in high-income suburban submarkets like The Woodlands, Scottsdale, and Austin. Whitestone's edge is focus — local centers in affluent, low-supply trade areas, run well. Steady rent growth, high occupancy, and almost no bad debt, all while leaving national expansion and flashy redevelopments to others. It's working.

SITE Centers (SITC)

SITE Centers had a quiet, transitional quarter, with the focus squarely on transforming the portfolio. The company reported a net loss of $6 million, down from a large gain a year ago, driven mainly by asset sales and the Curbline Properties spin-off. Operating FFO fell to $0.11 per share from $0.81 a year earlier, as expected given the dispositions.

SITE has been selling assets and returning capital to shareholders through a series of special distributions — $1.50, $3.25, and $1.00 per share. Lease occupancy dropped to 87.6% this quarter, reflecting those sales, and the company continues to sell properties in markets like New Jersey, Colorado, Pennsylvania, and Ohio. The story is cleanup: finishing a multi-year transition, shrinking the portfolio, paying down debt, and handing a large share of the capital back to investors. It’s a reset quarter, and SITE is emerging from it leaner, less levered, and better positioned for the next cycle.

The Texas & Houston Angle

Houston and Texas ran through nearly every report. Kimco named Houston, Dallas, and Austin as Sun Belt outperformers, with traffic and rent growth above national averages. Brixmor leaned further into suburban Houston, acquiring LaCenterra at Cinco Ranch and quickly leasing it above underwriting. Regency bought out JV partners in two Houston centers that are performing well. And Whitestone — headquartered in Houston — continues to build its portfolio around high-income, supply-constrained Texas submarkets like The Woodlands and Austin. The common thread is limited new construction, population growth, and steady tenant demand — a strong setup for Houston retail.

Themes Shaping the Market

- **Fundamentals are healthy.** Occupancy is high, rents are rising, and most REITs posted 3–5% organic same-store NOI growth despite elevated interest rates.

- **The development slowdown is a tailwind.** With far less new retail being built, landlords with existing, well-located centers have gained pricing power.
- **Grocery- and necessity-anchored retail leads.** Grocery-anchored and daily-needs centers continue to show the most durable demand and foot traffic.
- **Strategies are splitting by scale.** Kimco, Brixmor, and Regency are leaning on scale, redevelopment, and balance-sheet discipline; Whitestone dominates a high-income local niche; SITE Centers is finishing a reset.

Outlook

The picture across all five names is one of quiet strength heading into 2026. Occupancy is high, rent growth is steady, supply is constrained, and the better-capitalized REITs are guiding to continued NOI growth. Retail — a sector many had written off — looks stable, healthy, and ahead of expectations, with Houston and Texas positioned among the leaders.
