U.S. Retail Real Estate Investment Trust (REITs) Portfolio

How Credit Stories Have Evolved

Primary Analyst
Ana Lai, CFA
Samantha Stevens

Research Contributor
Sumedha Chavan

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S&P Global Ratings

This report does not constitute a rating action

Content

Editor's note: S&P Global Ratings believes there is a high degree of unpredictability around policy implementation by the U.S. administration and responses--specifically with regard to tariffs--and the potential effect on economies, supply chains, and credit conditions around the world. As a result, our baseline forecasts carry a significant amount of uncertainty. As situations evolve, we will gauge the macro and credit materiality of potential shifts and reassess our guidance accordingly [see our research here: spglobal.com/ratings].

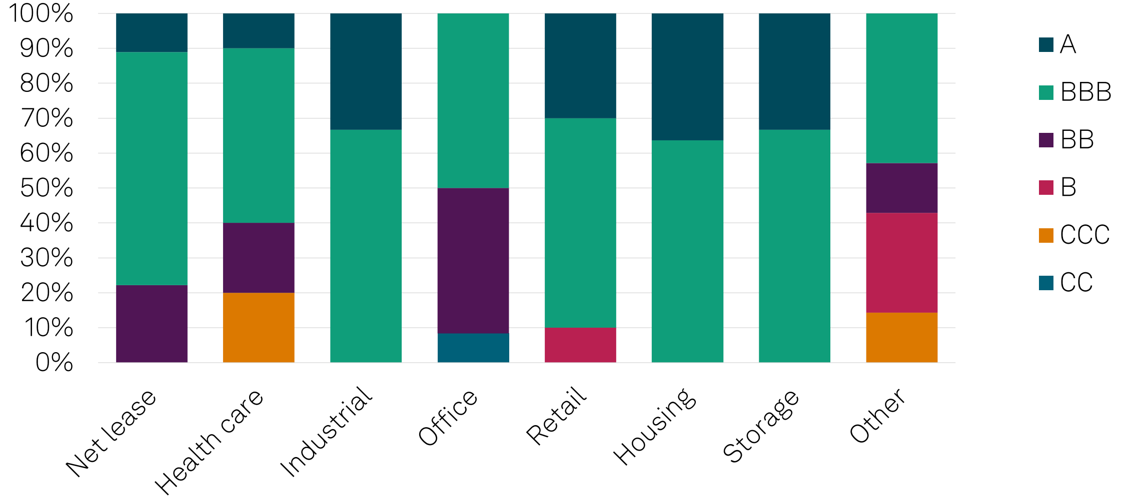
Key Takeaways

- With 37% of retail REITs on positive outlook, we expect the positive ratings momentum to continue in 2025.
- Still, upward ratings momentum could be tempered by expectations for slower economic growth and weaker consumer spending given potential effects from recently announced tariffs. Our economist lowered the U.S. GDP growth forecast to 1.9% in 2025 and raised the risk of recession to 30%-35%.
- While retailer bankruptcies increased in recent quarters, effects on high-quality, grocery-anchored portfolios were limited so far, supporting stable credit metrics.
- We expect retail REITs will continue to fund external growth in a leverage-neutral manner while maintaining S&P Global Ratings-adjusted debt to EBITDA in the current rating range.

U.S. Real Estate | Sector Outlook

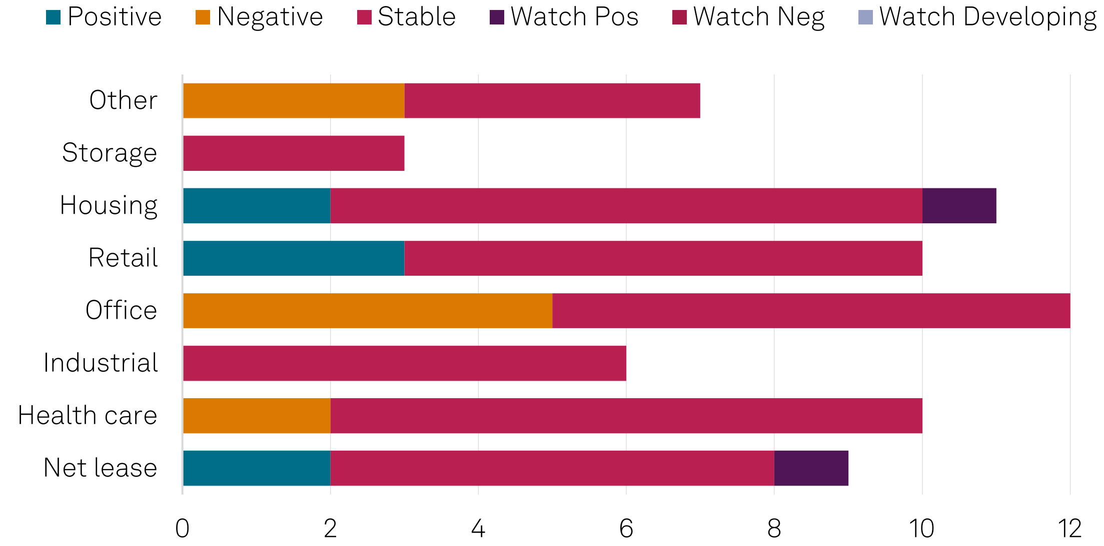
REIT ratings by subsector

% of total ratings per sector



As of April 14, 2025. Source: S&P Global Ratings.

REIT outlook distribution

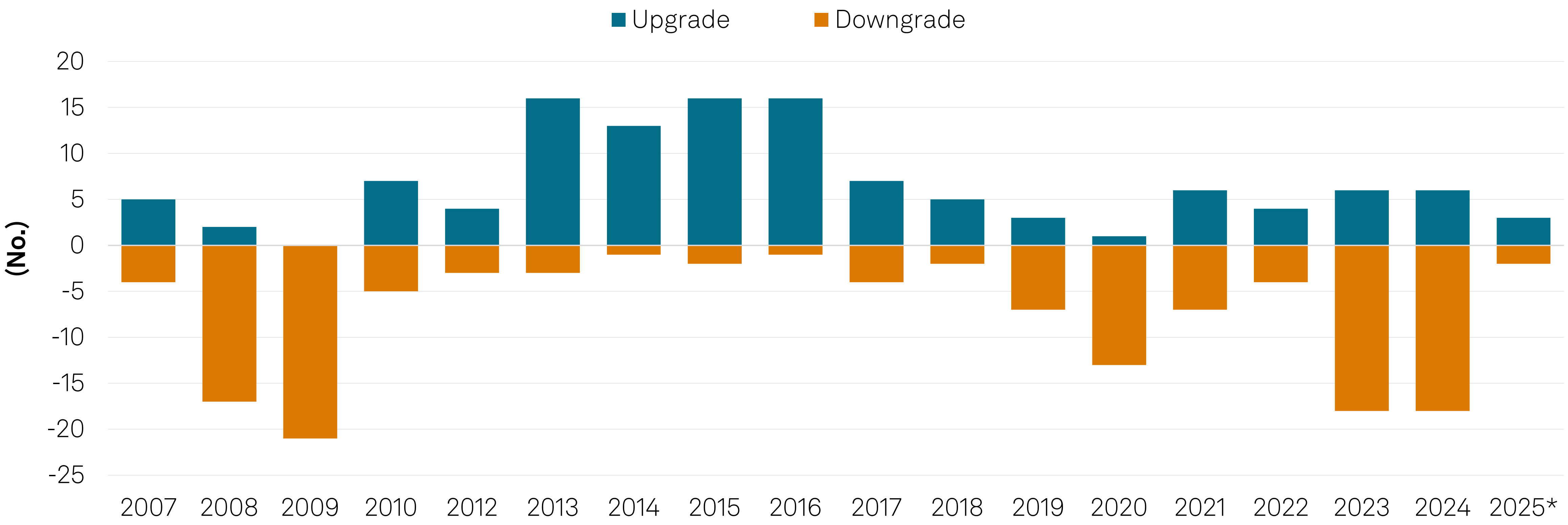


As of April 14, 2025. Source: S&P Global Ratings

- Stabilizing sector conditions are leading to more transaction activity and improving operating results, though recent market volatility could dampen transaction volume.
- Demand for retail, housing, and health care assets remains resilient, with signs of stabilization emerging in the office sector.
- Debt to EBITDA will gradually improve across most property types, although leverage will likely remain elevated for office REITs.
- Refinancing risk remains manageable for most due to rate cuts last year, improving access to capital, and other capital initiatives.

U.S. Real Estate | Ratings Trends

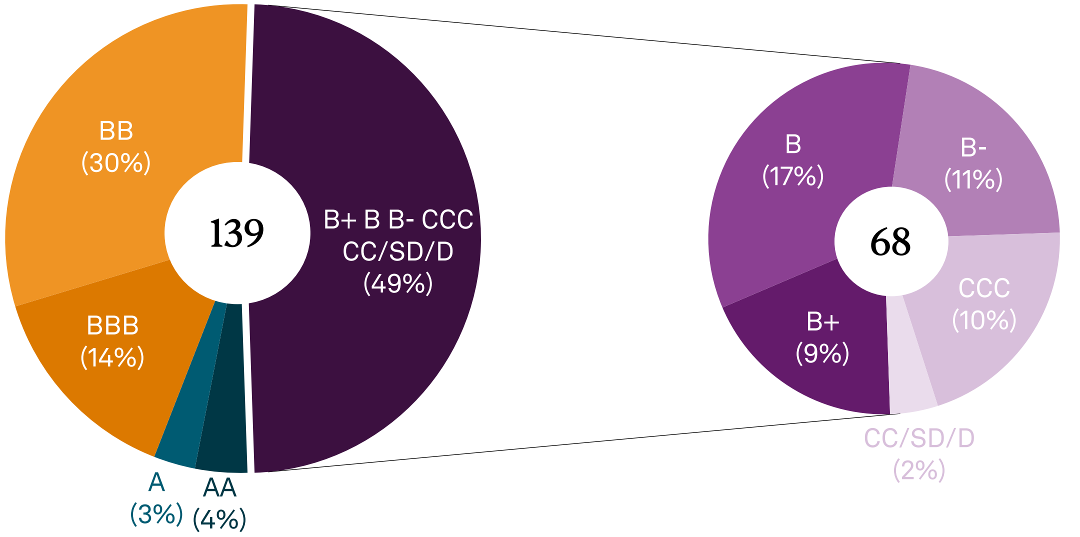
REIT ratings trends
2007-present



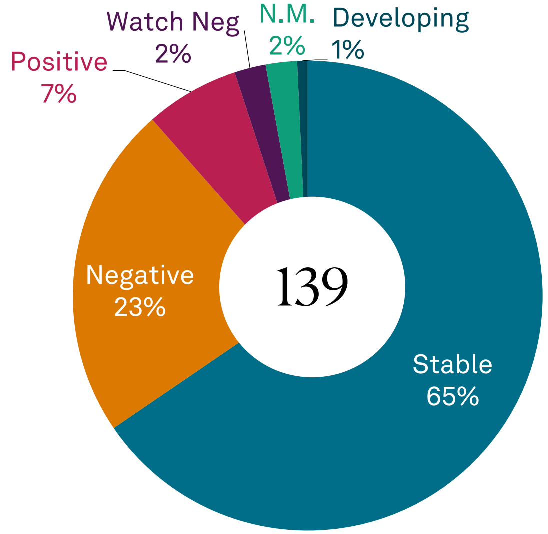
*As of April 23, 2025. Source: S&P Global Ratings.

U.S. Retail | Ratings Overview

Retail rating distribution by category



Retail outlook distribution



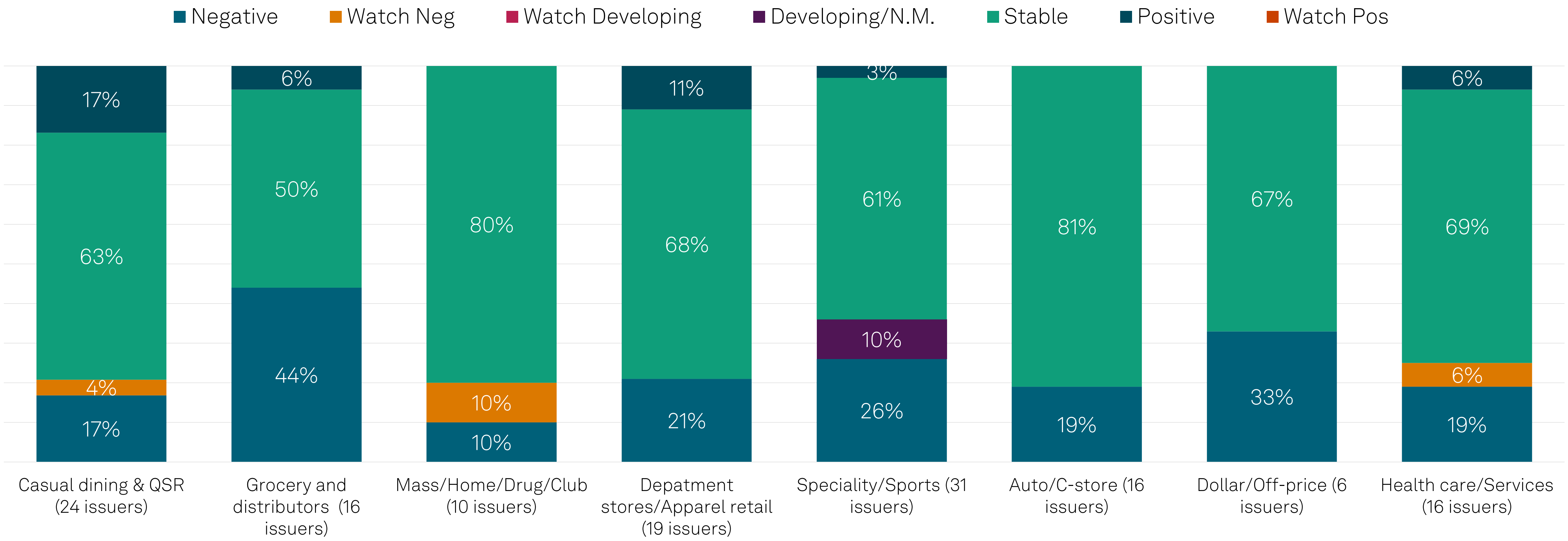
AAA	0	0%	B+	13	9%
AA	5	4%	B	23	17%
A	4	3%	B-	15	11%
BBB	20	14%	CCC	14	11%
BB	42	30%	CC/SD/D	3	2%

Positive	9	6%
Stable	91	65%
Negative	32	23%
N.M.	3	2%
Developing	1	1%
Watch Neg	3	1%

As of March 14, 2025. SD--Selective default. N.M.--Not meaningful.

U.S. Retail | Subsector Outlooks

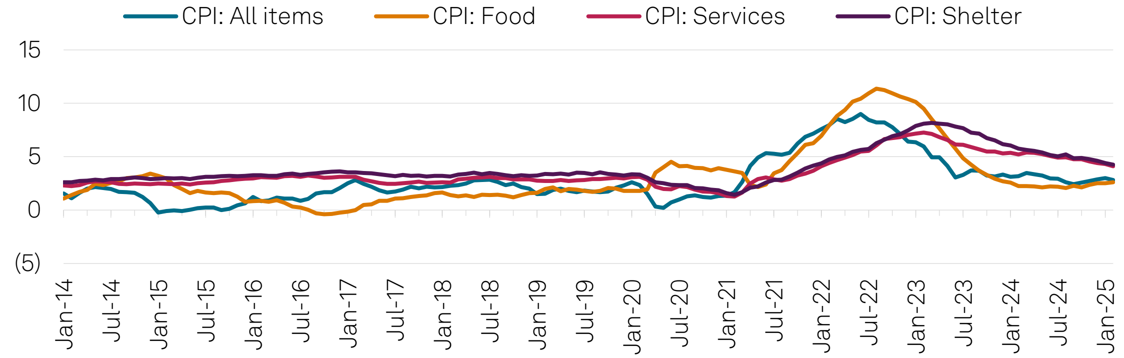
U.S. retail subsector outlooks



QSR--Quick-service restaurant. C-store--Convenience store. Positive rating actions: upgrades, outlooks revised to stable from negative or positive from stable, ratings put on CreditWatch positive, and removing ratings from CreditWatch negative. Negative rating actions: downgrades, outlooks revised to negative, and ratings put on CreditWatch negative. Source: S&P Global Ratings as of March 14, 2025.

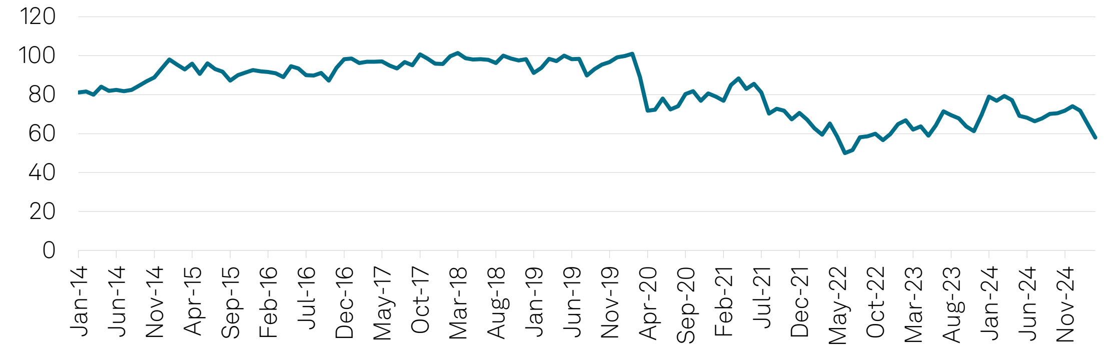
Macro Factors| Persistent Inflation Weighs On Consumer Mood, Balance Sheets

Inflation remains above Federal Reserve target

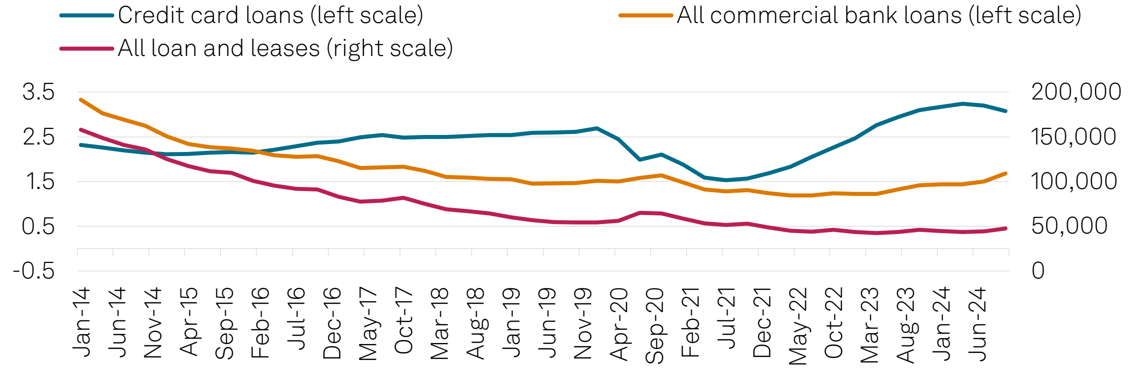


U.S. consumer sentiment trending downward

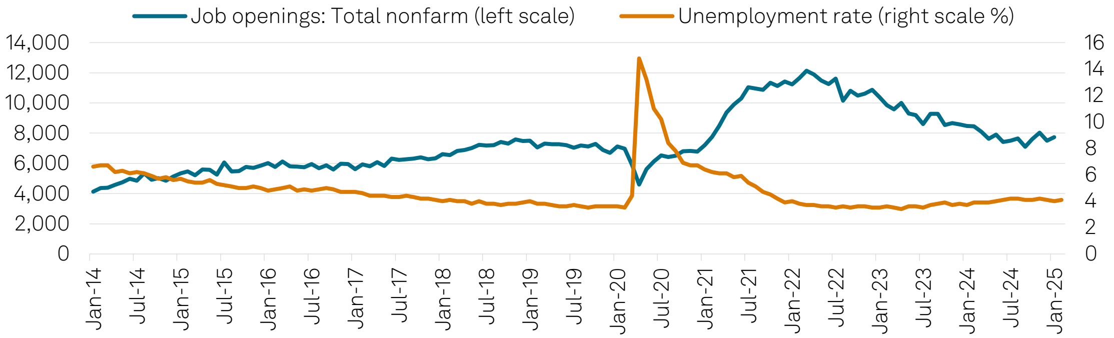
March 2025 data is preliminary with a reading of 57.9



Household debt delinquencies remains elevated



Job openings (monthly, seasonally adjusted) and unemployment rate



CPI--Consumer Price Index. Source: U.S. Bureau of Economic Analysis, S&P Global Ratings Economics, New York Fed Consumer Credit Panel/Equifax, University of Michigan, Federal Reserve.

U.S. Retail REIT | Portfolio

Our analysis of real estate companies, among other factors, considers:

- Asset profile
- Location quality
- Geographic footprint, property type mix, and tenant mix
- Development risk
- Growth strategy
- Debt leverage and balance sheet strength
- Refinancing risk
- Liquidity and capital structure

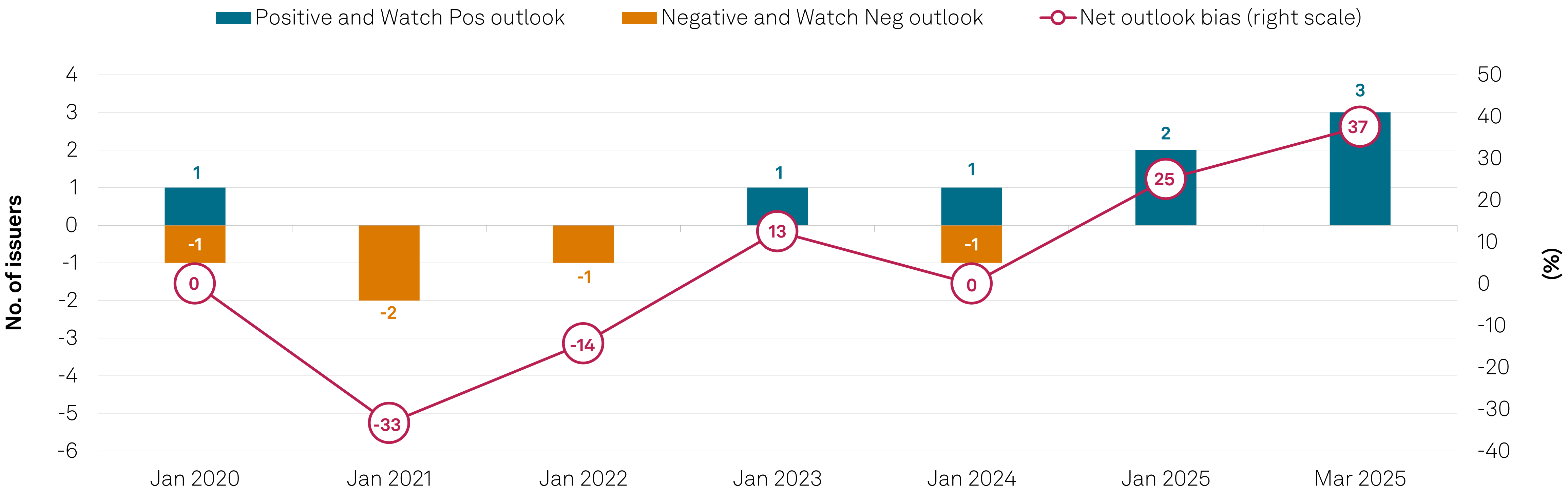
Financial risk profile

Business risk profile	Minimal (1)	Modest (2)	Intermediate (3)	Significant (4)	Aggressive (5)	Highly leveraged (6)
Excellent (1)			**Simon Property Group Inc.** (A-/Positive/--)			
Strong (2)			**Regency Centers Corp.** (A-/Stable/--) **Kimco Realty Corp.** (BBB+/Positive/--) **Federal Realty Investment Trust** (BBB+/Stable/--)			
Satisfactory (3)			**Brixmor Property Group Inc.** (BBB/Stable/--) **Kite Realty Group Trust** (BBB/Stable/--) **Phillips Edison & Co. Inc.** (BBB/Stable/--) **Tanger Inc.** (BBB-/Positive/--)			
Fair (4)						
Weak (5)					**CBL & Associates Properties Inc.** (B-/Stable/--)	

As of March 24, 2025. Source: S&P Global Ratings.

U.S. Retail REIT Ratings | Over 37% Of Outlooks Positive

- Operating performance for retail REITs remains stable with growing net operating income (NOI) and improving occupancy levels.
- Balance sheets are positioned well.



As of March 31, 2025. Source: S&P Global Ratings.

U.S. Retail REIT Ratings | Issuer Credit Rating Movement Since 2020

Rating movements (2020-2025)

-2 notches

-1 notch

Federal Realty Investment Trust
('A-' to 'BBB+')

Simon Property Group Inc.
('A' to 'A-')

Tanger Inc.
('BBB' to 'BBB-')

CBL & Associates Properties Inc.
('B' to 'B-')

0 notches

Kimco Realty Corp.
('BBB+' to 'BBB+')

+1 notch

Regency Centers Corp.
('BBB+' to 'A-')

Brixmor Property Group
Inc. ('BBB-' to 'BBB')

Kite Realty Group Trust
('BBB-' to 'BBB')

Phillips Edison & Co. Inc.
('BBB-' to 'BBB')

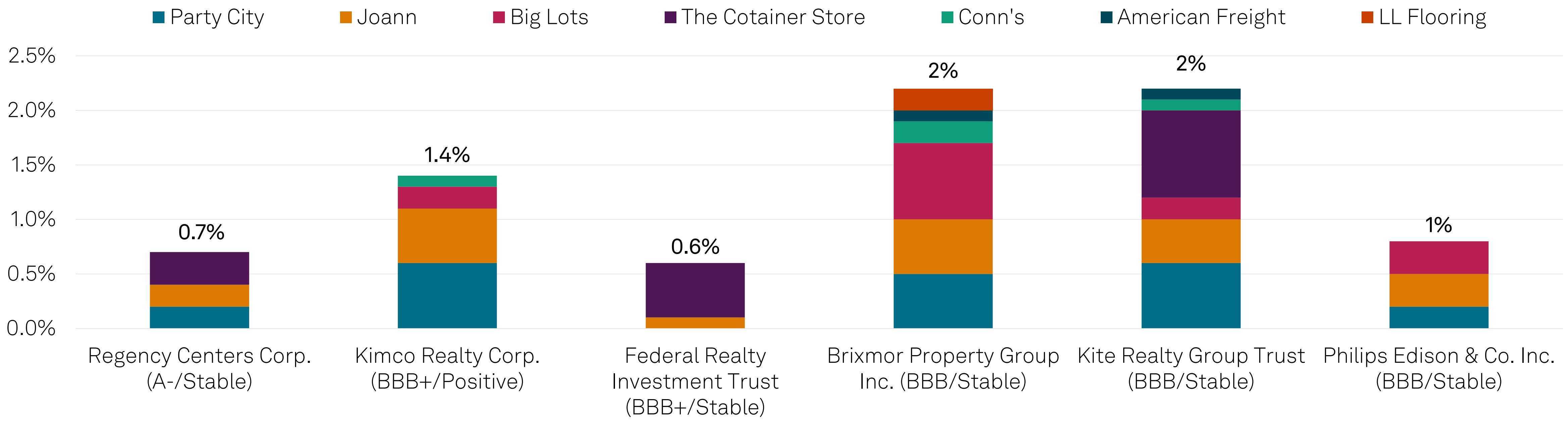
+2 notch

Source: S&P Global Ratings.

Risks | Estimated Exposure To Bankrupt Retailers Manageable

- Mall-based retailer bankruptcies have been negligible thus far in 2025. This compares to the strip center sector, which has faced numerous notable tenant bankruptcy filings in recent months.
- Weaker consumer spending and inflationary pressure could push more tenants into distress given increased risk of recession.

Estimate REIT exposure to bankrupt retailers
As of third-quarter 2024

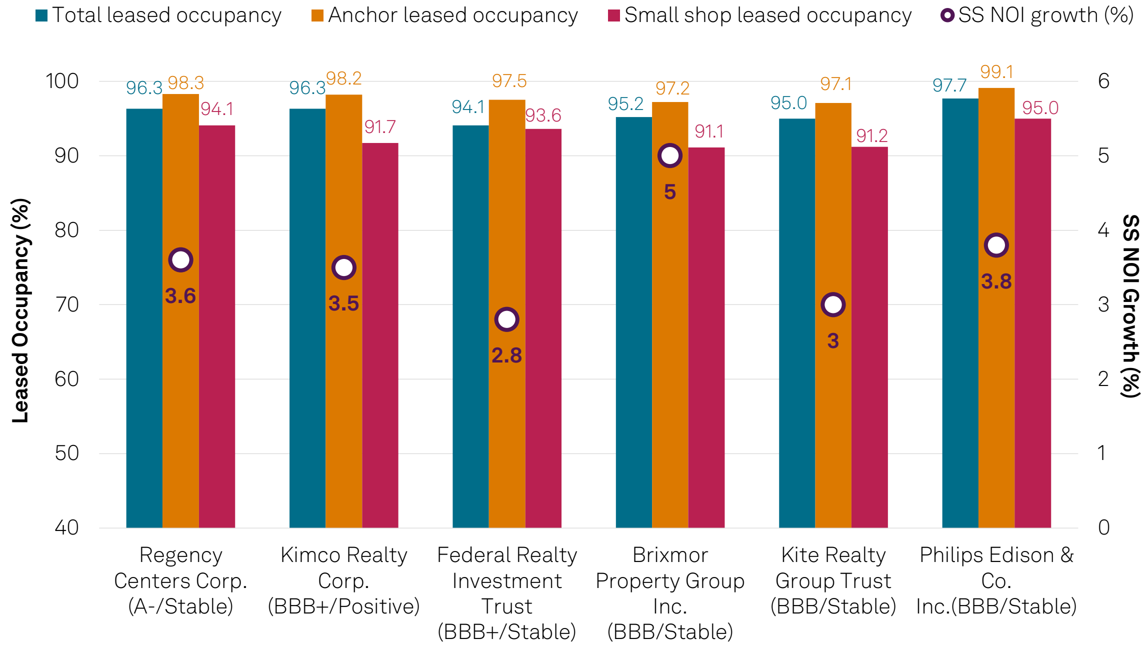


As of Sept. 30, 2024. Source: Green Street Sector Report. S&P Global Ratings.

Operating Performance | Strip Centers

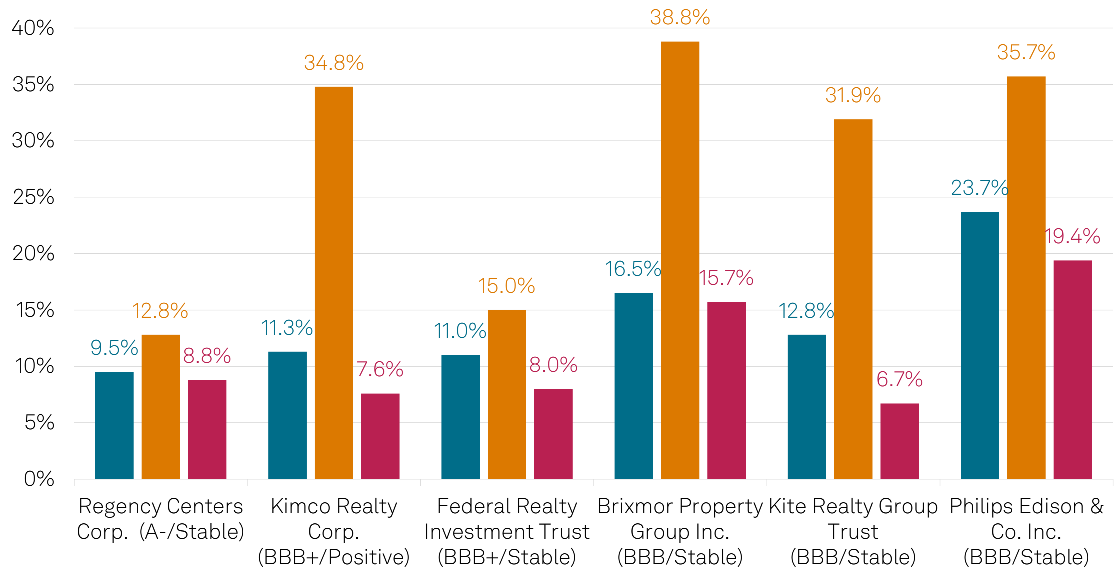
- Healthy retail fundamentals support sound operating performance, but retailers more exposed to tariffs could face more challenges.
- Operating performance during 2024 was healthy across strip centers, with retailer demand remaining robust.
- Occupancy rose in 2024 to about 95%--reaching historically high levels--and will likely remain elevated.

Operating performance as of Dec. 31, 2024



Source: S&P Global Ratings.

Cash releasing spreads - Trailing four quarters as of Dec.



Source: S&P Global Ratings.

Operating Performance | Malls And Outlets

- We rate three Mall REITs: Simon Property Group Inc. (A-/Positive/A-2), Tanger Inc. (BBB-/Positive/--), and CBL & Associates Properties Inc. (B-/Stable/--).
- Simon maintains a large and high-quality portfolio with 'A'-grade malls. It is a dominant player in the most desirable segment for both consumers and retailers.
- We believe NOI growth at 'A'-grade malls will remain strong compared to 'B'- or 'C'-grade mainly driven by high occupancy, a large signed-but-not-yet-open lease pipeline, healthy releasing spreads, and temporary tenants being replaced with full-time tenants paying higher rents.

Simon's top 10 in-line tenants	Percentage of total revenue
The Gap Inc.	2.8%
KnitWell Group	1.8%
Tapestry Inc.	1.7%
Signet Jewelers Ltd.	1.5%
Victoria's Secret & Co.	1.5%
American Eagle Outfitters Inc.	1.4%
LVMH Moet Hennessy Louis Vuitton S.E.	1.4%
Capri Holdings Ltd.	1.4%
VF Corp.	1.3%
Kering S.A.	1.3%

Tanger's top 10 tenants	Percentage of total revenue
The Gap Inc.	5.4%
KnitWell Group LLC; Lane Bryant Brands Opco LLC	4.9%
Tapestry Inc.	3.3%
Under Armour Inc.	3.1%
American Eagle Outfitters Inc.	3.0%
SPARC Group LLC (Catalyst Brands)	3.0%
PVH Corp.	2.8%
Nike Inc.	2.5%
Columbia Sportswear Co.	2.2%
Signet Jewelers Ltd.	2.1%

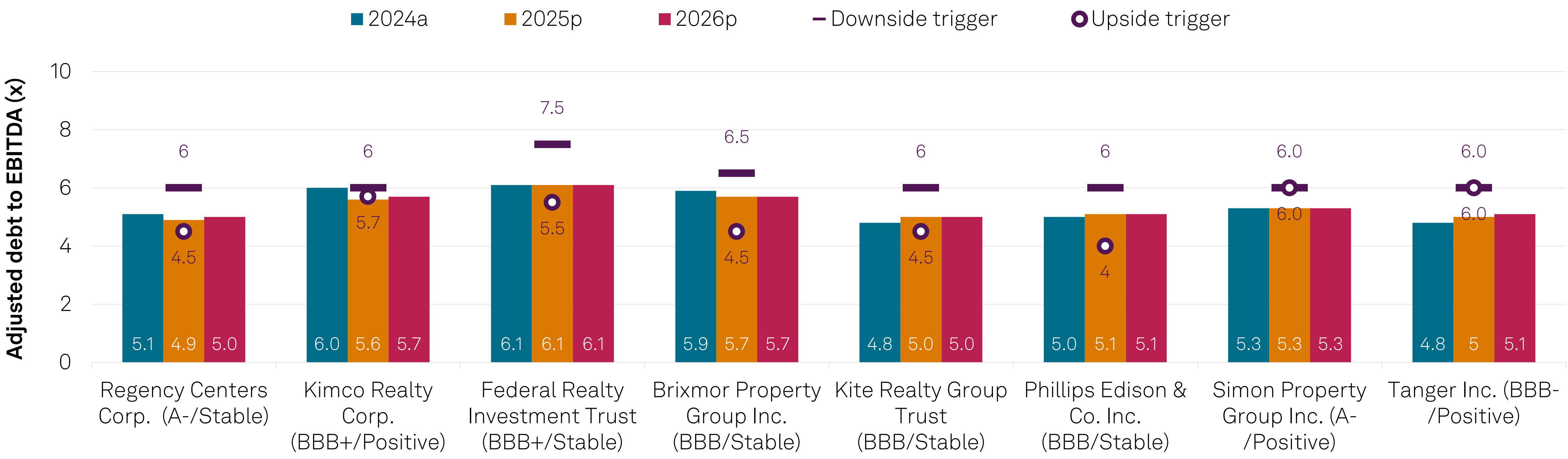
CBL's top 10 tenants	Percentage of total revenue
Signet Group Ltd.	2.7%
Victoria's Secret & Co.	2.6%
Dick's Sporting Goods Inc.	2.4%
Pentland Group	2.2%
American Eagle Outfitters Inc.	2.2%
Foot Locker Inc.	2.1%
Bath & Body Works Inc.	1.8%
Genesco Inc.	1.5%
KnitWell Group	1.4%
The Gap Inc.	1.2%

Source: S&P Global Ratings.

Rating Headroom | Issuers Sustaining Levels

- We expect debt leverage for investment-grade issuers to stay near current levels and for issuers to maintain adequate headroom relative to downgrade triggers.

S&P Global Rating-adjusted debt/EBITDA vs thresholds

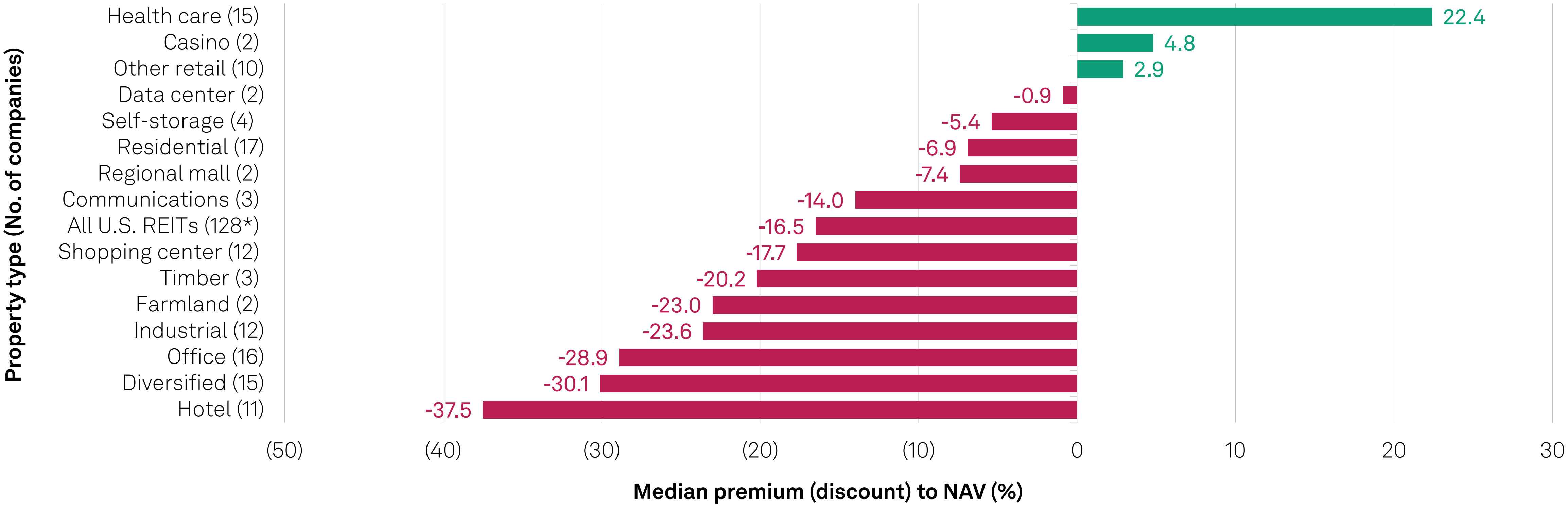


Source: S&P Global Ratings.

Net Asset Value

Retail REIT equity prices have improved providing better access to capital

Median premium (discount) to NAV as of March 31, 2025 (%)



Data complied April 2, 2025. Includes equity real estate investment trusts that trade on the Nasdaq, NYSE or NYSE American with market capitalizations of at least $200 million. Other retail includes outlet centers while single-tenant residential includes multifamily, single family, and manufactured homes. *Includes two additional specialty REITs that are not reflected in a property type category. NAV--Net asset value. Source: S&P Global Market Intelligence.

Issuers

Publications as of March 31, 2025

Brixmor Property Group Inc.

See issuer's credit evolution story on the following page

Issuer credit rating
BBB/Stable/--

Business risk
Satisfactory

Financial risk
Intermediate

Anchor
bbb

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Adequate

Management and governance
Neutral

Comparable rating analysis
Neutral

Key credit highlights

- Operates one of the largest strip center retail portfolios, well diversified by tenant and market with EBITDA upside potential from asset repositioning.
- Nondiscretionary-focused asset base and high percentage of below-market leases compared to peers provides some downside protection should consumer spending soften, or retailer tenant demand pull back.
- Growth strategy focuses on improving occupancy and increasing rents, aided by value-enhancing reinvestments which we believe is manageable given its size and liquidity position.
- Debt to EBITDA could increase modestly but remain well within the threshold for the rating as acquisitions pick up over the next two years.

Upside Scenario

We could raise our ratings if Brixmor:

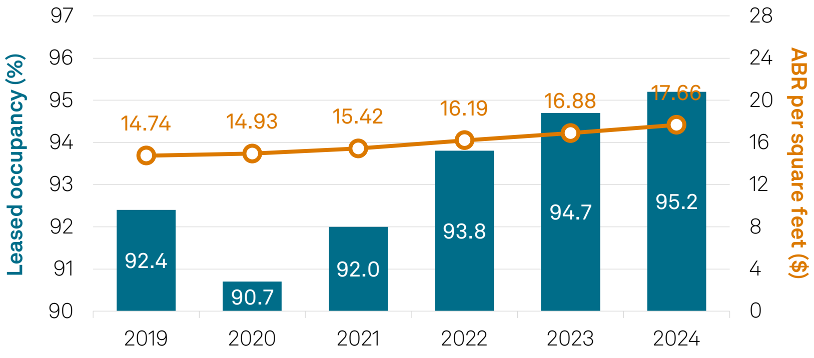
- Maintains portfolio scale, quality, and operating performance (including ABR per square foot and occupancy) in line with higher-rated peers, with demographics around centers strengthening; or
- Operates with a more conservative financial policy with debt to EBITDA below 4.5x.

Downside scenario

We could lower our ratings if Brixmor:

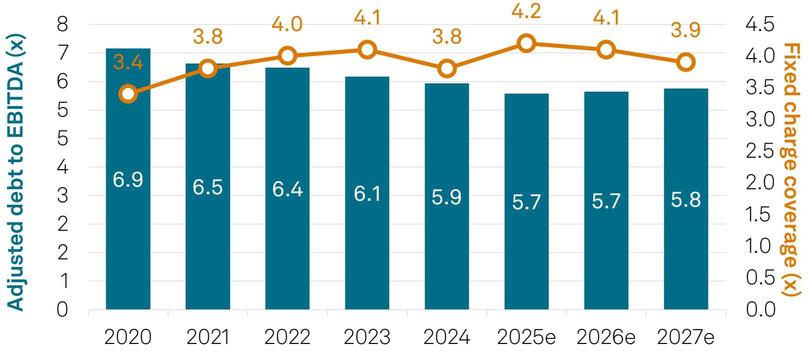
- Increases vacancies or cannot raise rents, weakening our view of its competitive position relative to strip center peers; or
- Adopts a more aggressive acquisition strategy with debt to EBITDA above 6.5x on a sustained basis.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

Brixmor Property Group Inc.

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2021	2022	2023		2024
December	December	March	March	November	September
BBB-/Stable/--	BBB-/Stable/--	BBB-/Positive/--	BBB-/Positive/--	BBB/Stable/--	BBB/Stable/--
Full Analysis	Full Analysis	Research Update	Full Analysis	Research Update	Research Update
We expect Regency's portfolio, heavily focused on essential retail, to improve over the next few years, with stable credit metrics despite potential COVID-19 challenges. Grocery-anchored centers in particular have benefited from strong sales during the pandemic.	Open-air retail landlords like Brixmor have recovered faster than other retail formats since the COVID-19 pandemic, despite disruptions that led to rent deferrals and a nearly 7x debt to EBITDA. Credit-protection metrics are expected to improve, with debt to EBITDA approaching 6x and fixed charge coverage nearing 4x in the coming quarters.	Revised the outlook to positive as Brixmor's strategic focus on improving the quality of its portfolio through value-enhancing investments in recent years will yield solid operating performance over the next two years.	Well-positioned for 2023 with ongoing investments to improve tenant quality, despite potential recession and inflation risks. The company is expected to outperform peers in same-property NOI, with improving credit metrics driven by growing EBITDA and prudent debt use, provided the pace and magnitude of retail disruption remains manageable.	Upgraded to 'BBB' as its portfolio quality and credit metrics have improved through redevelopment and leasing, leading to stronger occupancy, rents, and EBITDA. The stable outlook reflects expectations for continued solid performance and stable credit metrics, supported by healthy retail fundamentals despite potential bad debt normalization.	Operates a large retail portfolio with improving rent, occupancy, and demographics, and is expected to see further growth from its signed-not-open pipeline and below-market leases. We expect solid performance driven by improving portfolio quality and healthy retail fundamentals, as long as acquisitions remain within expectations.

Click on the article type to read the full article.

CBL & Associates Properties Inc.

See issuer's credit evolution story on the following page

Issuer credit rating
B-/Stable/--

Business risk
Weak

Financial risk
Aggressive

Anchor
b+

MODIFIERS

Diversification
Neutral

Capital structure
Negative

Financial policy
Neutral

Liquidity
Adequate

Management and governance
Neutral

Comparable rating analysis
Negative

Key credit highlights

- We expect the B-quality mall assets held by CBL to demonstrate weaker operating metrics than those of their higher-quality mall peers.
- Shorter weighted-average debt profile, including a material amount of variable-rate and secured debt, leads us to view its capital structure negatively.
- Credit-protection measures will remain relatively stable.

Upside Scenario:

While highly unlikely, we could upgrade CBL if:

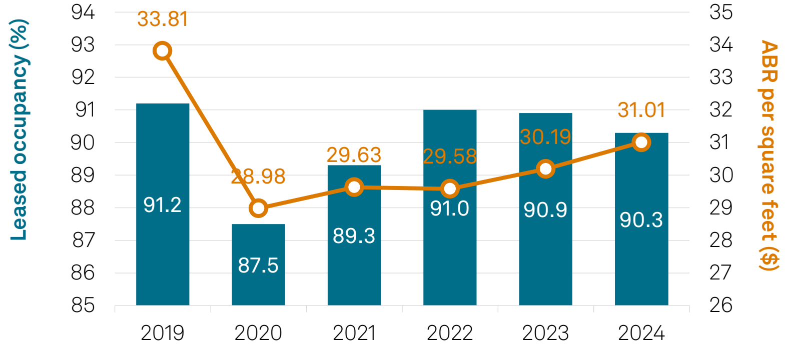
- It successfully extends its debt maturity profile and we see a clear path for it to meet the stipulations to extend the term loan to 2026 and 2027 such that its weighted-average maturity extends beyond three years;
- Its liquidity remains adequate, with sufficient cash and cash equivalents (including treasuries) to compensate for its lack of a revolving credit facility;
- We expect fixed charge coverage will be about 1.3x or better; and
- Its operating performance improves such that we expect same-property NOI will be flat to slightly positive, with manageable tenant distress.

Downside scenario:

We could lower our rating on CBL if it is unable to:

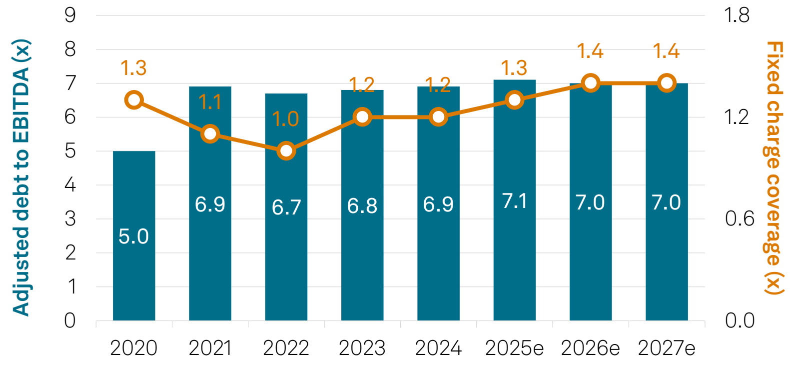
- Maintain sufficient liquidity, including its balance of cash and cash equivalents (including Treasuries), and operating performance comfortably meets term loan extension requirements, including paying down portions of its term loan to extend to facility's maturity date; or
- Refinance the term loan balance or develop a credible plan to pay it, increasing the risk of a default and leading us to view its capital structure as unsustainable.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

S&P Global Ratings

CBL & Associates Properties Inc.

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2022	2023	2024
March	May	May	March
CCC+/Negative/--	B/Stable/--	B/Negative/--	B-/Stable/--
Research Update	Research Update	Research Update	Research Update
The downgrade reflects our view that CBL's capital structure is unsustainable as we believe refinancing prospects for the company will remain difficult as it becomes more likely that mall traffic and tenant bankruptcies because of the COVID-19 pandemic will place additional pressure on the company's business prospects and financial metrics. The ratings were subsequently withdrawn at the issuer's request.	We assigned a 'B' issuer credit rating to CBL and its subsidiary CBL & Associates HoldCo I LLC. We expect mall operating performance to gradually stabilize over the next one to two years as the retail industry continues to recover from the lingering impacts of COVID-19.	Revised outlook to negative due to our view that CBL may face additional pressures to its liquidity and experience difficulty refinancing its debt maturities as our forecast anticipates fixed charge coverage to decrease from higher interest expense and significant debt principal amortization over the next year.	Downgraded to 'B-' due to CBL's capital structure containing a material amount of secured and variable-rate debt with a weighted average maturity of less than three years, which we believe could prove challenging for the company to refinance and extend if its operating performance deteriorates or its access to the capital market becomes constrained.

Note: On March 17, 2020, S&P withdrew our rating on CBL at the issuer's request. In 2022, we assigned a new rating to the company. Click on the article type to read the full article.

Federal Realty Investment Trust

See issuer's credit evolution story on the following page

Issuer credit rating
BBB+/Stable/--

Business risk
Strong

Financial risk
Intermediate

Anchor
bbb+

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Adequate

Management and governance
Neutral

Comparable rating analysis
Neutral

Key credit highlights

- High quality retail and mixed-use, open-air properties, well-positioned within high-density and affluent metropolitan areas in Northeast and mid-Atlantic regions, as well as California and South Florida, despite some geographic concentration.
- Credit protection measures improved over the past few years from solid same-property performance and the stabilization of some mixed-use redevelopment and expansion projects.
- We expect Federal will target similar properties, financed in a leverage-neutral manner, including the sale of noncore properties.

Upside Scenario

Over the next couple of years, we could raise our rating on Federal if:

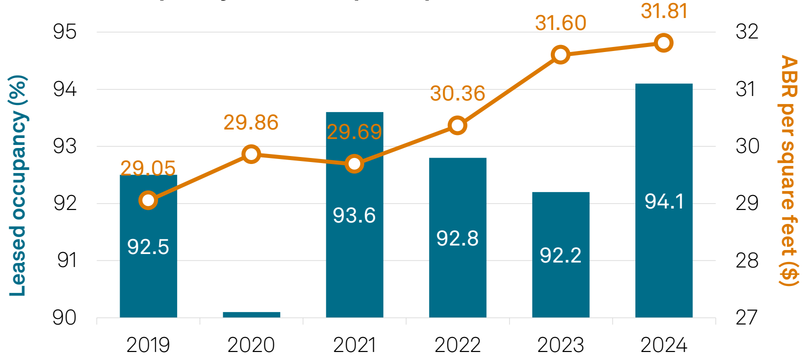
- The company's S&P Global Ratings-adjusted debt to EBITDA improves to and remains below 5.5x; or
- Its asset base grows materially, with sound operating performance, above-average occupancy rates, and in-place annualized base rent.

Downside scenario

Although unlikely over the next couple of years, we could lower the rating if it:

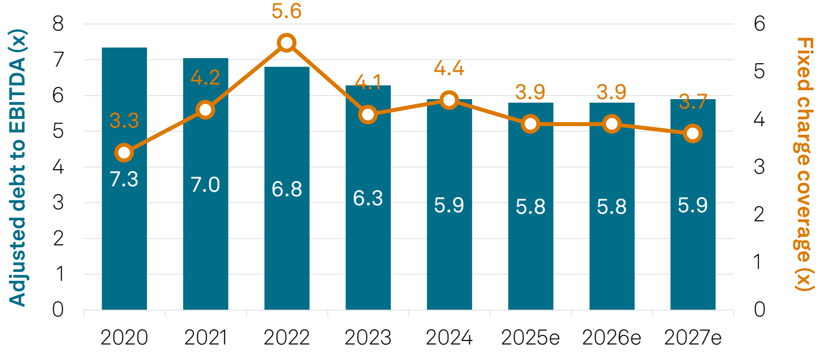
- Adopts a more aggressive growth strategy, with debt to EBITDA increasing to, and remaining above, 7.5x; or
- Experiences operational disruptions that contract net operating income or hurt occupancy levels.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

Federal Realty Investment Trust

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2021	2022	2023	2024
June	March	March	September	July
A-/Stable/--	A-/Negative/--	BBB+/Stable/--	BBB+/Stable/--	BBB+/Stable/--
Full Analysis	Research Update	Research Update	Tear Sheet	Tear Sheet
The pandemic significantly disrupted retailers, and Federal is expected to face continued challenges with rent collections, operating volatility, and increased tenant bankruptcies, though its strong portfolio should support recovery. While credit metrics may temporarily breach downgrade triggers, they are expected to normalize in the next two years, and Federal's enhanced liquidity is seen as a short-term positive for managing cash flow disruptions.	The negative outlook stems from prolonged pressure on leverage metrics, with debt to EBITDA expected to remain around 7x through 2022. A downgrade is possible if debt to EBITDA stays above 6x after 2022 or if operating performance improvements are delayed, with a one-in-three chance of a potential downgrade.	Downgraded as Federal's leverage metrics are expected to improve over the next 12 to 24 months but remain above previous tolerance levels, with debt to EBITDA around 6x. The stable outlook reflects solid operating performance and leverage-neutral funding for acquisitions and developments.	Owns a high-quality retail portfolio with strong demographics and above-average rents, though it faces slightly elevated leverage. Leasing velocity is expected to remain strong, with Bed, Bath, and Beyond spaces re-leased at favorable rates, but fixed charge coverage may slightly decline as the company refinances 2024 notes at higher rates.	Company expected to focus more on acquisitions than new development projects in 2024. Debt to EBITDA is anticipated to gradually improve as new developments come online, assuming acquisitions are financed in a leverage-neutral manner.

Click on the article type to read the full article.

Kimco Realty Corp.

See issuer's credit evolution story on the following page

Issuer credit rating
BBB+/Positive/--

Business risk
Strong

Financial risk
Intermediate

Anchor
bbb+

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Strong

Management and governance
Neutral

Comparable rating analysis
Neutral

Key credit highlights

- Grown substantially while improving portfolio quality, solidifying its position as the largest rated strip center REIT.
- Solid operating performance supported by good embedded rent growth, and healthy retail fundamentals despite of softening consumer spending.
- We expect debt to EBITDA to improve to mid- to high-5x as we include a full year of EBITDA from the RPT acquisition with solid operating performance.

Upside Scenario

We could raise our rating on Kimco if:

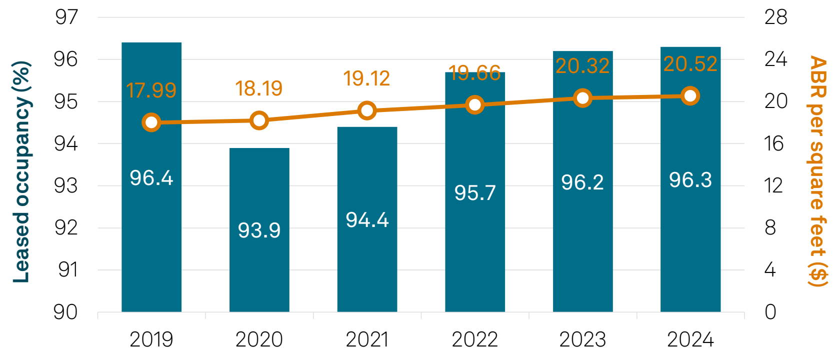
- It adheres to its stated financial policy and improves its credit-protection measures such that it compares favorably with higher-rated peers. This could occur if we expect the company's debt to EBITDA (which includes our treatment of its preferred stock as 100% debt) approaches and remains near the mid- to high-5x area; and
- The company's operating performance remains sound, with stable occupancy and positive leasing and re-leasing spreads.

Downside scenario

We could revise the outlook to stable if:

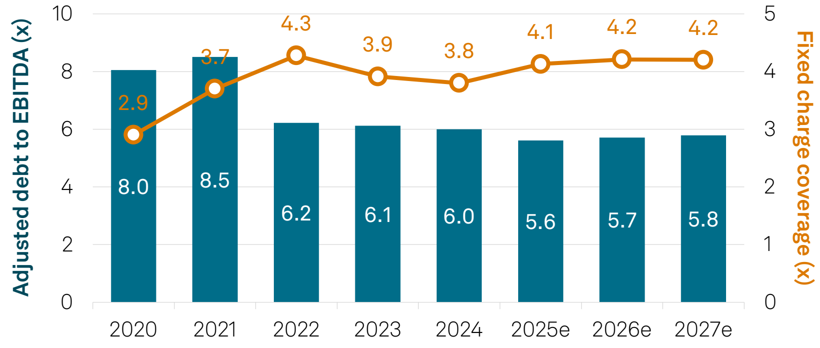
- Kimco adopts a more-aggressive growth strategy than currently anticipated, such as funding its acquisitions with a large proportion of debt, causing the company's S&P Global Ratings-adjusted debt to EBITDA to remain above 6.0x; or
- Retail fundamentals deteriorate, with an uptick in distressed tenants that results in weaker occupancy and same-store operating performance.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

S&P Global Ratings

Kimco Realty Corp.

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2021	2022	2023		2024	
August	September	April	January	September	May	September
BBB+/Stable/--	BBB+/Stable/--	BBB+/Stable/--	BBB+/Stable/--	BBB+/Stable/--	BBB+/Stable/--	BBB+/Positive/--
Research Update	Full Analysis	Research Update	Research Update	Full Analysis	Tear Sheet	Research Update
Affirmed ratings, reflecting expectations that Kimco will manage its financial metrics within required ranges amid anticipated cash flow volatility and tenant bankruptcies. Also, the company is expected to maintain credit protection measures despite short-term rent collection pressures	Following Kimco Realty Corp.'s combination with Weingarten, the company became the largest rated strip center REIT, broadening its scope of operations and deepening its reach in key markets. Credit protection measures will continue improving gradually over the next couple of years as the company's net operating income (NOI) fully recovers and the company monetizes its Albertson's holdings to reduce debt .	Affirmed rating reflects Kimco's strong operating performance that is driven by its high-quality portfolio and significant presence in the first-ring suburbs of major metropolitan markets, which will drive improvement in leverage metrics.	Kimco underwent a reorganization to convert to an UPREIT, with the predecessor, Kimco Realty Corp., becoming Kimco Realty OP LLC, a subsidiary of the newly formed Kimco Realty Corp. The 'BBB+' issuer credit rating was assigned to the new Kimco based on its role as the parent, and the stable outlook reflects the expectation that its high-quality portfolio will maintain strong operating performance.	A modest same-store NOI increase, driven by robust leasing activities and good embedded rent growth, despite a projected dip in occupancy from store closures. We expect the RPT transaction to be leverage-neutral and expect to finance future acquisitions with a mix of free cash flow, equity, asset sales, and debt such that its credit protection metrics remain in mid- to high-5x area.	Kimco's acquisition of RPT Realty in January 2024 further solidifies its position as the largest strip-center focused REIT. We expect Kimco will be a net acquirer in 2024 as it uses the proceeds from non-core asset sales and the monetization of its Albertsons shares to fund its investment activity.	Revised outlook to positive reflects expectations for continued strong performance, supported by favorable retail conditions, high occupancy, positive leasing spreads, and improved debt leverage. Its high-quality portfolio has grown substantially over the past few years to become the largest rated strip center REIT.

Click on the article type to read the full article.

Kite Realty Group Trust

See issuer's credit evolution story on the following page

Issuer credit rating
BBB/Stable/--

Business risk
Satisfactory

Financial risk
Intermediate

Anchor
bbb-

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Strong

Management and governance
Neutral

Comparable rating analysis
Positive

Key credit highlights

- Large portfolio of open-air properties with improved trade area statistics supports stable operating performance and cash flows.
- Well-diversified tenant base, which should moderate most operating disruptions from a slowing economy and tenant bankruptcies.
- Well-positioned balance sheet with healthy liquidity.

Upside Scenario

We could raise our rating on Kite if:

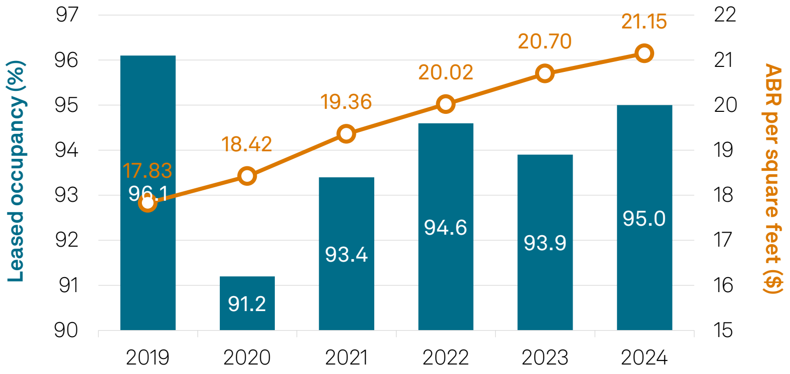
- The company's portfolio quality and operating performance improve such that its same-store NOI, average base rent, and occupancy are above average relative to those of its peers and in line with those of its higher-rated peers; and
- It increases its scale to bring it more in line with that of its higher-rated peers, while keeping its development at a manageable level, such that we view its business prospects more favorably; or
- It operates with a more-conservative financial policy that enables it to maintain debt to EBITDA of less than 4.5x.

Downside scenario

We would consider lowering our rating on Kite if:

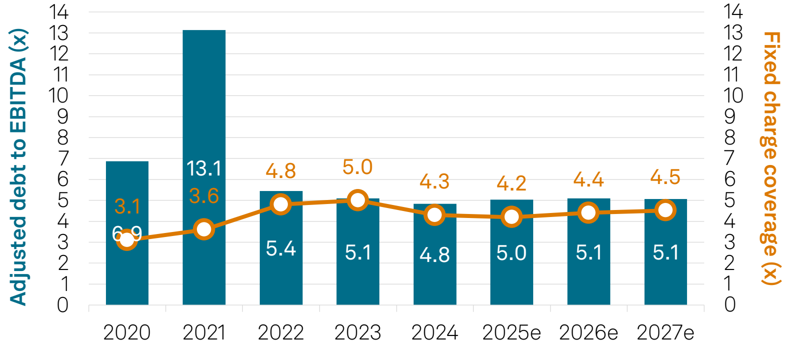
- The company experiences increased vacancies or is unable to increase its rents, which would weaken our view of its competitive position relative to those of its strip-center peers; or
- It adopts a more-aggressive financial policy, including aggressive external growth through heavily debt-financed acquisitions or commences large scale development projects, such that its debt to EBITDA rises to--and remains above--6x.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

Kite Realty Group Trust

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2021	2022	2023	2024	
September	September	September	September	June	November
BBB-/Stable/--	BBB-/Stable/--	BBB-/Stable/--	BBB-/Positive/--	BBB/Stable/--	BBB/Stable/--
Full Analysis	Research Update	Full Analysis	Research Update	Research Update	Tear Sheet
Operating performance is pressured from the COVID-19 pandemic and recession impact in 2020, improving in 2021 as cases abate and the economy stabilizes. We expect the company to operate with credit protection measures in line with the rating despite pressured operating performance.	Affirmed ratings reflect our view that Kite Realty's acquisition of RPAI is expected to improve portfolio quality, increase scale, and slightly reduce leverage, assuming synergies are realized. The stable outlook reflects anticipated modest improvements in operating metrics and a decline in debt to EBITDA, as retail assets stabilize and occupancy increases.	Despite weakening economic conditions, we expect operating performance will be stable, supported by a stronger tenant base and healthy demand, leading to strong leasing activities. The successful execution of the RPAI merger demonstrates Kite's ability to deliver its strategic initiatives and commitment to a strong balance sheet.	Revised outlook to positive as the company has successfully deleveraged its balance sheet following its merger with RPAI, driven by strong operating and financial performance. We continue to expect stable occupancy, healthy rent growth, and manageable debt levels over the next two years supported by tenant demand for well-located, high-quality, open-air properties .	Upgraded to 'BBB' as Kite has further deleveraged its balance sheet post-merger with RPAI, with debt to EBITDA expected to remain in the low-5x range. The stable outlook reflects solid performance, growth funded without increasing leverage, and strong rental rates supported by resilient retail fundamentals.	We expect retail fundamentals will remain relatively healthy over the next couple of years, given the constrained supply in some markets and the value of brick-and-mortar locations to most retailers, which will likely support healthy demand for Kite's properties. Kite continues to operate with leverage at the stronger end of its target range.

Click on the article type to read the full article.

Phillips Edison & Co. Inc.

See issuer's credit evolution story on the following page

Issuer credit rating
BBB/Stable/--

Business risk
Satisfactory

Financial risk
Intermediate

Anchor
bbb-

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Adequate

Management and governance
Neutral

Comparable rating analysis
Positive

Key credit highlights

- Owns and operates a portfolio of omnichannel grocery-anchored neighborhood and community shopping centers with a focus on necessity-based retailers. Its focus on top or second-ranked grocers within target markets helps drive foot traffic and tenant interest.
- High exposure to grocery-anchored centers and necessity-based retailers enhances cash flow stability.
- The company maintains a relatively conservative balance sheet with a well-laddered debt maturity schedule.

Upside Scenario

While highly unlikely over the next two years, we could raise our rating if:

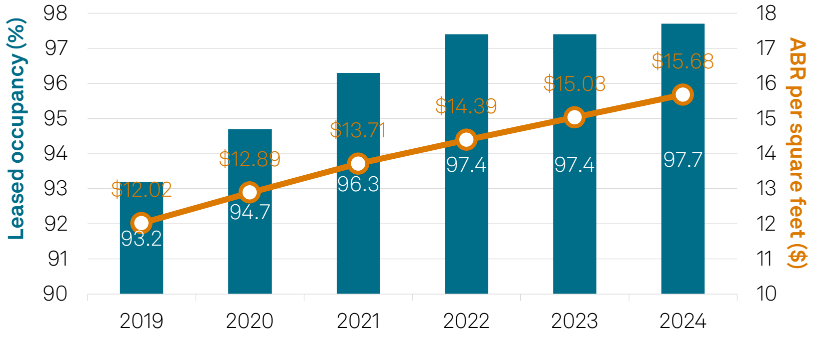
- It materially increases its scale to a level more in line with that of its higher-rated peers; and
- It continues to improve operating metrics, such as ABR per square foot, while maintaining high occupancy levels and solid same-center NOI growth; or
- It operates with a more conservative financial policy such that it sustains S&P Global Ratings-adjusted debt to EBITDA of below 4.0x.

Downside scenario

We could lower our rating on Phillips Edison if:

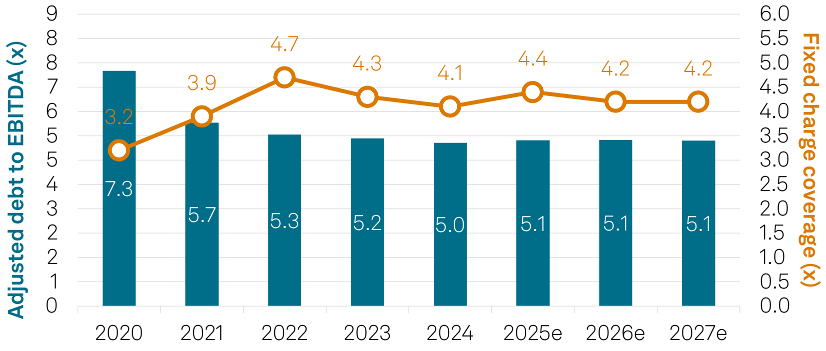
- Its operating performance deteriorates well beyond our expectations and compares unfavorably to those of its peers, with tenant bankruptcies leading to falling occupancy and same-store cash NOI declines; or
- Its S&P Global Ratings-adjusted debt to EBITDA increases and approaches 6x, perhaps due to large debt-financed acquisitions.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

S&P Global Ratings

Phillips Edison & Co. Inc.

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2021*	2022	2023	2024		2025
July	July	July	January	August	February
BBB-/Stable/--	BBB-/Stable/--	BBB-/Stable/--	BBB-/Positive/--	BBB/Stable/--	BBB/Stable/--
Research Update	Full Analysis	Full Analysis	Research Update	Research Update	Tear Sheet
Assigned 'BBB-' issuer credit rating with a stable outlook. We view PECO as a midsize REIT with modest tenant concentration and strong credit quality among its top tenants. We expect steady improvement in operating metrics over the next two years, despite continued retail headwinds.	We expect that the company's operating performance will remain solid over the next 12 to 24 months. Moreover, we expect leverage measures to increase modestly as the company funds growth through free cash flow, proceeds from dispositions, and its revolving credit facility.	Continued solid and steady operating performance supported by the company's focus on grocery-anchored centers and necessity-based retailers. We expect S&P Global Ratings-adjusted debt to EBITDA to remain in the mid-5x area over the next two years.	Outlook revised to positive, reflecting the company's revised financial policy leverage target of 5.5x, displaying its commitment to a conservative balance sheet and low leverage. It also reflects expectations for the company's operating performance to remain solid over the next two years.	Upgraded to 'BBB', reflecting the company's sustained low leverage and solid operating performance. The stable outlook reflects our expectation that the company will maintain a conservative balance sheet and operate in the low- to mid-5x range over the next two years.	Grocery-anchored portfolio is expected to perform well, driven by strong sector fundamentals. The company is anticipated to grow modestly while maintaining its current leverage over the next year.

*The company was a new issuer in 2021. Click on the article type to read the full article.

Regency Centers Corp.

See issuer’s credit evolution story on the following page

Issuer credit rating
A-/Stable/--

Business risk
Strong

Financial risk
Intermediate

Anchor
bbb+

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Strong

Management and governance
Neutral

Comparable rating analysis
Positive

Key credit highlights

- High quality, grocery-anchored portfolio will continue to perform well amid solid retail fundamentals with strong tenant demand.
- Limited exposure to recent retail bankruptcies; well-positioned to take advantage of the potential upside from re-leasing vacated spaces at higher rental rates.
- Credit metrics are stronger than its peers with similar anchor scores, leading to a positive one-notch adjustment to our 'bbb+' anchor rating.

Upside Scenario

While highly unlikely over the next two years, we could raise our rating on Regency if:

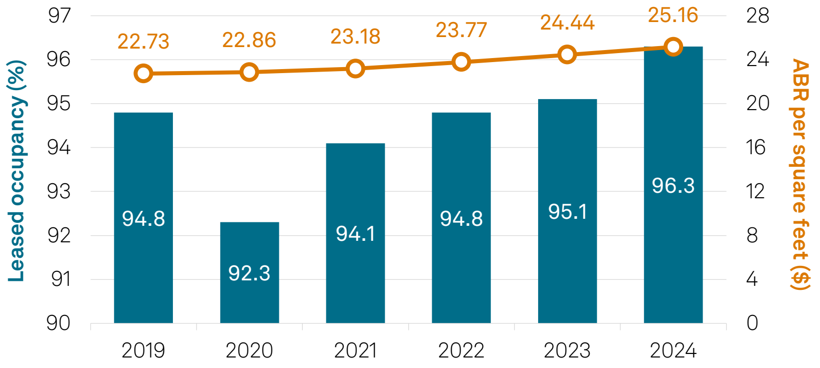
- It materially increases its scale to a level more in line with 'A'-rated companies;
- Its operating performance outperforms peers, with outsized same-property NOI growth, improving physical occupancy levels, and stable margins; and
- It operates with a more conservative financial policy such that it sustains S&P Global Ratings-adjusted debt to EBITDA well below 4.5x.

Downside scenario

We could lower our rating on Regency if:

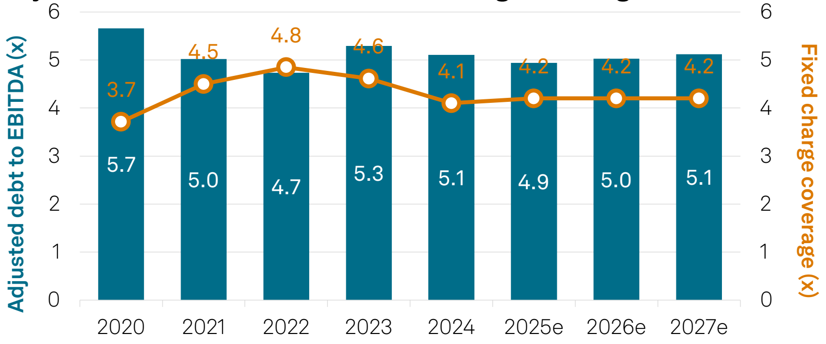
- The company adopts a less conservative financial policy, financing investment activity with a greater proportion of debt, such that S&P Global Ratings-adjusted debt to EBITDA sustains around 6x or fixed charge coverage declines below 3.1x; or
- Operating performance deteriorates well beyond our expectations and compares unfavorably with peers, with tenant bankruptcies leading to falling occupancy and same-property cash NOI declines.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

Regency Centers Corp.

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2021	2022	2023	2024	2025
April	May	March	October	May	February
BBB+/Stable/--	BBB+/Stable/--	BBB+/Stable/--	BBB+/Stable/--	BBB+/Positive/--	A-/Stable/--
Rating Action News	Full Analysis	Research Update	Tear Sheet	Research Update	Research Update
Revising the outlook to stable from positive as we believe COVID-19 pandemic will pressure its operating and credit protection metrics over the next year, as we expect it will need to give rent deferrals to some tenants. While the company's portfolio is high quality and well located, we believe it will be unable to deleverage to the low-5x area.	Government-mandated store closures and capacity restrictions in markets like California impacted Regency's rent collections. While operating metrics are expected to improve in 2021, occupancy at small shops may still face pressure, along with some rent abatements and tenant bankruptcies.	High-quality portfolio will continue to exhibit solid operating performance over the next two years while the company maintains discipline in its funding growth strategy. Credit protection metrics improved beyond pre-pandemic levels, which provides cushion for the company accretive investment opportunities.	Urstadt Biddle (UBP) acquisition complements its's existing portfolio as it is largely aligned with Regency's high-quality, open-air shopping center portfolio. The transaction to be largely leverage neutral.	Revised outlook to positive from stable as we expect the company to continue to operate with debt leverage in the low-5x area, driven by solid operating performance and leverage-neutral external growth.	Upgraded to 'A-' as it has maintained strong operating performance and financial metrics, driven by its high-quality, grocery-anchored portfolio and robust retail fundamentals. The stable outlook anticipates continued solid performance, supported by healthy sector trends and a conservative balance sheet with debt-to-EBITDA in the low-5x range.

Click on the article type to read the full article.

Simon Property Group Inc.

See issuer's credit evolution story on the following page

Issuer credit rating
A-/Positive/A-2

Business risk
Excellent

Financial risk
Intermediate

Anchor
a

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Strong

Management and governance
Positive

Comparable rating analysis
Negative

Key credit highlights

- Large scale, high quality, geographically diverse portfolio of premium mall and outlet assets with demonstrated stable cash flows throughout economic cycles.
- Significant brand name recognition with a long track record of above-average profitability and a strong leadership team.
- Well-positioned balance sheet with ample liquidity, conservative financial policy, and a long-weighted average debt maturity profile.

Upside Scenario

We could raise our rating on Simon if:

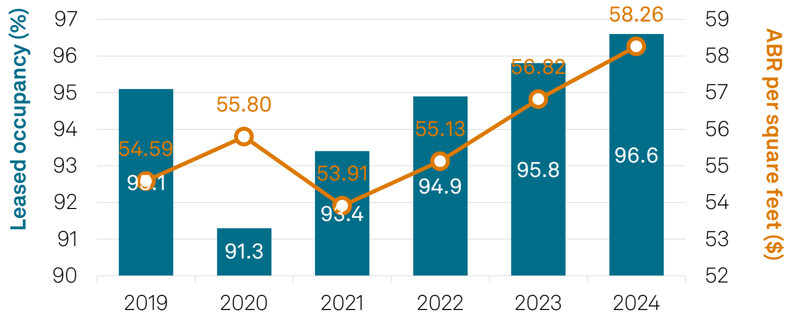
Simon's strategic initiatives are commensurate with its current conservative financial policies and remain in line with our forecast, including maintaining debt to EBITDA below 6x and fixed charge coverage above 3.1x.

Downside scenario

We could revise the outlook back to stable if:

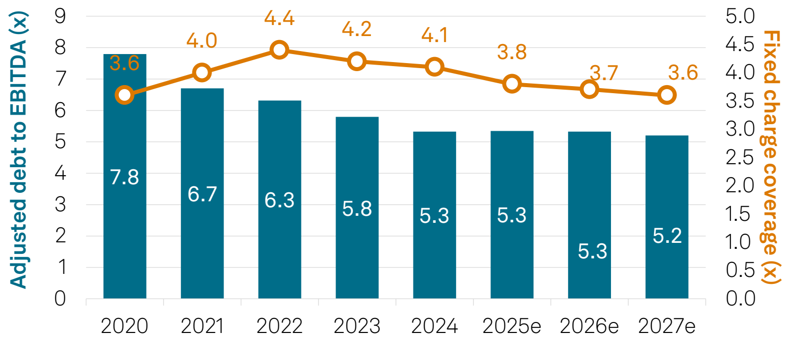
Simon demonstrates more aggressive financial policies such that credit protection measures would significantly deviate from current levels. This could occur if credit protection measures deteriorate from forecast levels, perhaps because of more aggressive financial policies, such as debt-financed acquisitions. At that point, we would expect Simon to sustain debt to EBITDA well above 6x or fixed charge coverage to decrease below 3x area.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

S&P Global Ratings

Simon Property Group Inc.

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2021	2022	2023	2024	2025
April	May	September	September	September	February
A/Negative/A-1	A-/Stable/A-2	A-/Stable/A-2	A-/Stable/A-2	A-/Stable/A-2	A-/Positive/A-2
Research Update	Research Update	Full Analysis	Full Analysis	Full Analysis	Research Update
Revised outlook to negative due to COVID-19's adverse effects on retail tenants. The negative outlook reflects our view that the company's business prospects could materially deteriorate over the next 12-18 months as the longer-term implications of the pandemic and the related near-term recession evolve.	Downgraded due to the difficult operating environment and our view that secular changes, including those related to the pandemic, will be an enduring drag on the retail property segment; however, we believe Simon is best positioned among peers to manage these headwinds. We expect metrics to improve over the next two years, declining to the high-6x area by 2022, supported by EBITDA growth.	Strong operating performance despite weakening macroeconomic conditions, supported by its high-quality portfolio that drives consistent earnings growth and above-average operating metrics compared to its mall peers.	We expect company's high-quality portfolio to produce solid operating results over the next two years despite ongoing macroeconomic headwinds.	The company maintained strong operating performance, can generate robust tenant demand, and exhibited good embedded rent growth and healthy retail fundamentals.	Revised the outlook to positive as the company has demonstrated operating and financial metric strength over the past year; we expect that retail fundamentals for high quality properties should benefit from higher rents, growing occupancy, and financial performance of its tenants, leading to performance stability despite ongoing macroeconomic uncertainty.

Click on the article type to read the full article.

Tanger Inc.

See issuer's credit evolution story on the following page

Issuer credit rating
BBB-/Positive/--

Business risk
Satisfactory

Financial risk
Intermediate

Anchor
bbb-

MODIFIERS

Diversification
Neutral

Capital structure
Neutral

Financial policy
Neutral

Liquidity
Strong

Management and governance
Neutral

Comparable rating analysis
Neutral

Key credit highlights

- Niche small-scale portfolio of open-air retail outlet centers is well-diversified across markets and tenants and supports stability in cash flow streams.
- Maintains a conservative balance sheet and healthy liquidity position.
- Pursues a modest level of external growth--funded in a leverage neutral manner--which should enhance the quality of its portfolio and the stability of its cash flows.

Upside Scenario

We could consider raising our rating on Tanger if:

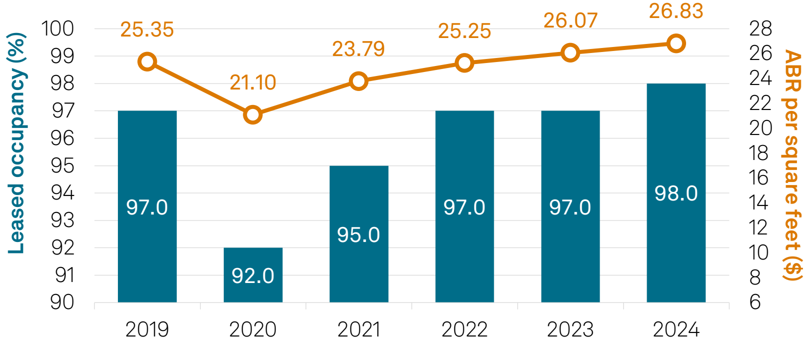
- It reports a continued solid operating performance with above-average metrics relative to those of its peers, including a highly occupied portfolio, positive cash leasing spreads, and manageable bad debt expense;
- The company lengthens its weighted-average debt maturity (excluding extension options) through the issuance of longer-term debt to address upcoming maturities; and
- It maintains S&P Global Ratings-adjusted debt to EBITDA of below 6x.

Downside scenario

We could revise our outlook on Tanger to stable if:

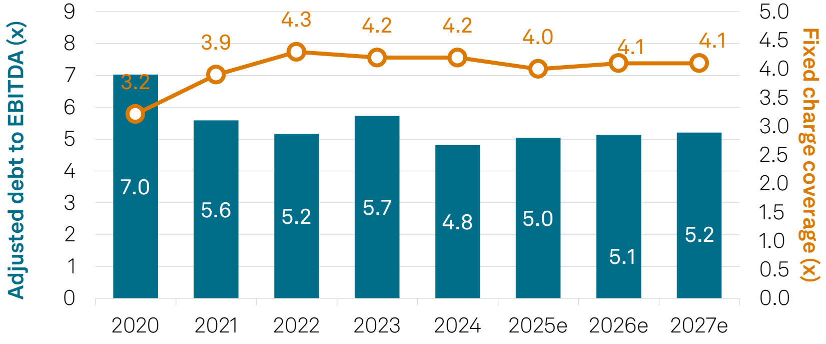
- Its operating performance deteriorates because of negative leasing spreads, declining occupancy, and tenant bankruptcies such that its operating metrics show signs of significant weakness; or
- Its credit metrics weaken such that its debt to EBITDA rises and remains above 6.0x for a prolonged period.

Leased occupancy and ABR per square feet



ABR--Annualized base rent. Source: S&P Global Ratings.

Adjusted debt to EBITDA and fixed charge coverage



e--Estimated. Source: S&P Global Ratings.

S&P Global Ratings

Tanger Inc.

No rating or outlook change | Positive rating or outlook change | Negative rating or outlook change

2020	2021	2022	2023	2024	2025
March	February	February	March	November	March
BBB/Negative/--	BBB-/Stable/--	BBB-/Stable/--	BBB-/Stable/--	BBB-/Stable/--	BBB-/Positive/--
Research Update	Research Update	Full Analysis	Full Analysis	Tear Sheet	Research Update
Revised outlook to negative as the company faces significant challenges due to the pandemic, including tenant distress and potential rent deferrals, which could impact its top-line performance and credit metrics. The negative outlook reflects concerns over weakened cash flow and the potential for further tenant payment issues, amid rising retail bankruptcies and store closures	Downgraded to 'BBB-' as Tanger's outlet properties continue to face stress from the pandemic, and a recovery within two years to support the 'BBB' rating seems unlikely. The stable outlook reflects tolerance for some deterioration in operating and credit metrics, with ongoing pressure and cash flow volatility expected due to its small portfolio and largely nondiscretionary tenants.	We expect Tanger's occupancy and leasing spreads will remain pressured due to ongoing secular shifts that are negatively affecting its tenants. Tanger was proactive in repositioning its balance sheet, which enabled it to reduce its leverage and bolster its liquidity.	Tanger's diversified tenant base should support stable performance over the next two years, despite recession pressures. While elevated lease expirations may impact rent growth and occupancy, its credit protection measures are expected to remain stable.	We project Tanger will likely be able to navigate most of these pressures while maintaining occupancy and generating steady EBITDA generation given its tenant base is well diversified. The company will use proceeds from its recent equity issuance to improve and expand the portfolio rather than repay debt.	Revised outlook to positive as we expect Tanger's operating performance will remain stable despite some inflationary pressure to slow discretionary spending supported by healthy retail fundamentals.

Click on the article type to read the full article.

Analytical Contacts

Primary Contact
Ana Lai, CFA

Sector Lead

New York

ana.lai@spglobal.com

Alan Zigman

Associate Director

Toronto

alan.zigman@spglobal.com

Secondary Contacts
Samantha L. Stevens

Associate Director

New York

samantha.stevens@spglobal.com

Hannah Gray

Associate Director

San Francisco

hannah.gray@spglobal.com

Kristina Koltunicki

Director

Princeton

Kristina.Koltunicki@spglobal.com

Diandra J Prutton

Associate Director

San Francisco

diandra.prutton@spglobal.com

Research Contributor
Sumedha Chavan

Lead Analyst, CRISIL Global Analytical Center, an S&P affiliate

Mumbai

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