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Report —— August 2026

The New Tenant Mix Playbook

Read the report to uncover how shopping center visit patterns are changing – and what strategies landlords can use to build a tenant mix that drives frequency, dwell time, and growth.

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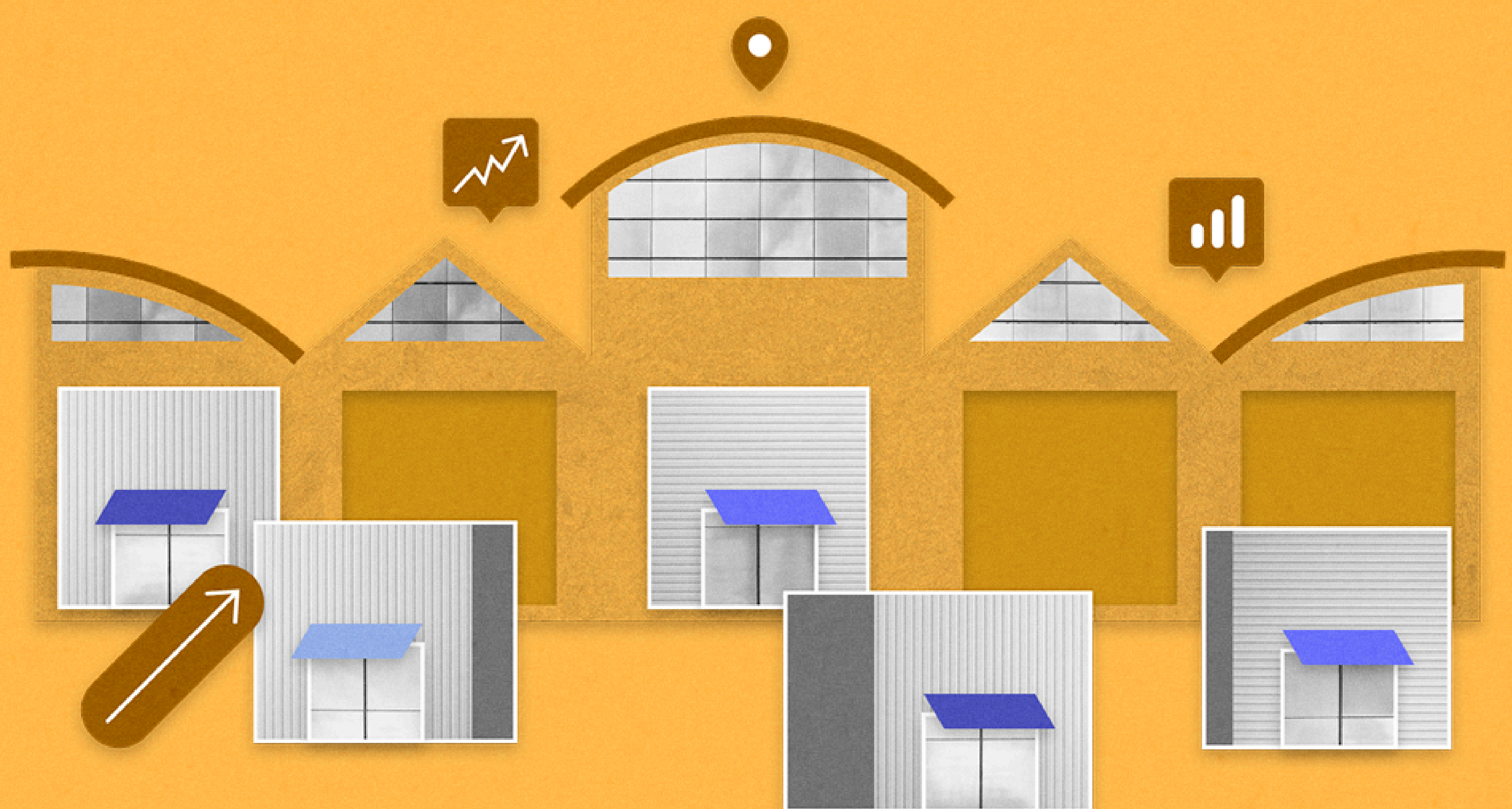

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1. Executive Summary

Five years ago, the neighborhood and lifestyle center playbook was built around apparel anchors, department stores, and soft goods. Today, that model is giving way to a service-first tenant mix centered on health and wellness, food and beverage, fitness, grocery, and off-price retail.

The shift reflects a lasting change in how consumers use physical retail space. The pandemic accelerated demand for health, wellness, and dining; e-commerce continued to erode traditional apparel traffic; and value-oriented and service-based concepts proved more resilient. The result is a new ecosystem in which different tenants take on the roles once filled by the traditional anchor.

Fitness, grocery, and coffee drive frequent visits. Dining extends dwell time and encourages cross-shopping. Wellness captures fast-growing demand that is largely insulated from e-commerce. And off-price retail continues to generate resilient discretionary traffic.

Six years of foot-traffic and tenant-mix data across neighborhood and lifestyle centers point to seven key takeaways for landlords and advisors repositioning their portfolios:

1. **Apparel has lost its traditional anchor role.** Apparel visits fell nearly 25% between 2019 and 2025, while fitness, wellness, coffee, grocery, and off-price / value retail gained traffic.

2. **The next generation of anchors requires a new approach to tenant evaluation.** Landlords should look beyond square footage and traditional anchor status and evaluate tenants based on metrics like visit frequency, traffic growth growth, e-commerce risk, and dwell time – with the strongest mixes combining categories that bring different strengths to the center.

3. **Neighborhood and lifestyle centers require different ecosystems.** Neighborhood centers remain grocery-led and should layer in high-frequency and service-oriented uses. Lifestyle centers are increasingly dining- and

experience-led and should optimize for dwell time, destination appeal, and cross-shopping.

4. **Fitness, wellness, and food & beverage have emerged as new primary anchors that strengthen centers in different ways.** Fitness creates exceptionally frequent, long visits, while wellness brings fast-growing, e-commerce-resistant demand. Dining adds another dimension by extending dwell time and creating destination appeal, particularly at lifestyle centers.

5. **Off-price is the exception within apparel – and a meaningful opportunity.** Ross, Burlington, and the TJX banners continue to grow traffic and store counts even as much of traditional apparel contracts.

6. **Local trade area considerations should shape the tenant mix.** The category framework may hold across markets, but landlords should match specific concepts and banners to the income profile and customer base of the trade area.

2. What Drove the Shift: Three Accelerants

The transformation of the American retail center was driven by three compounding forces that permanently altered consumer behavior and retail economics.

The Pandemic Reset (2020–2021)

COVID-19 permanently altered consumer behavior. Fitness studios, med-spas, and the restaurants that survived captured demand as competitors closed and leaned into digital loyalty programs, while apparel chains lost customers to e-commerce.

The E-Commerce Reckoning (2021–2023)

Offline apparel sales slowed as consumers shifted to digital shopping for traditional fashion. Department stores ceded both sales and market share to off-price for more than a decade, and the pace accelerated after the pandemic. Crucially, many of the categories that held their ground share a common trait: They sell experiences and services that cannot be shipped to a doorstep.

The Wellness Economy Surge (2022–2026)

As the pandemic receded, health and wellness surged. The U.S. med-spa industry reached $17.5 billion by 2022, and was forecast to keep growing at roughly 10 percent a year through 2027. Wellness uses are also among the fastest-growing sources of retail leasing demand.

Strategic Takeaways

- Health, wellness, and food uses gained durable loyalty during the pandemic, while traditional apparel lost it to e-commerce.
- Off-price has been taking share from department stores for over a decade, and the pandemic only accelerated it.

3. The New Anchor Decision Framework

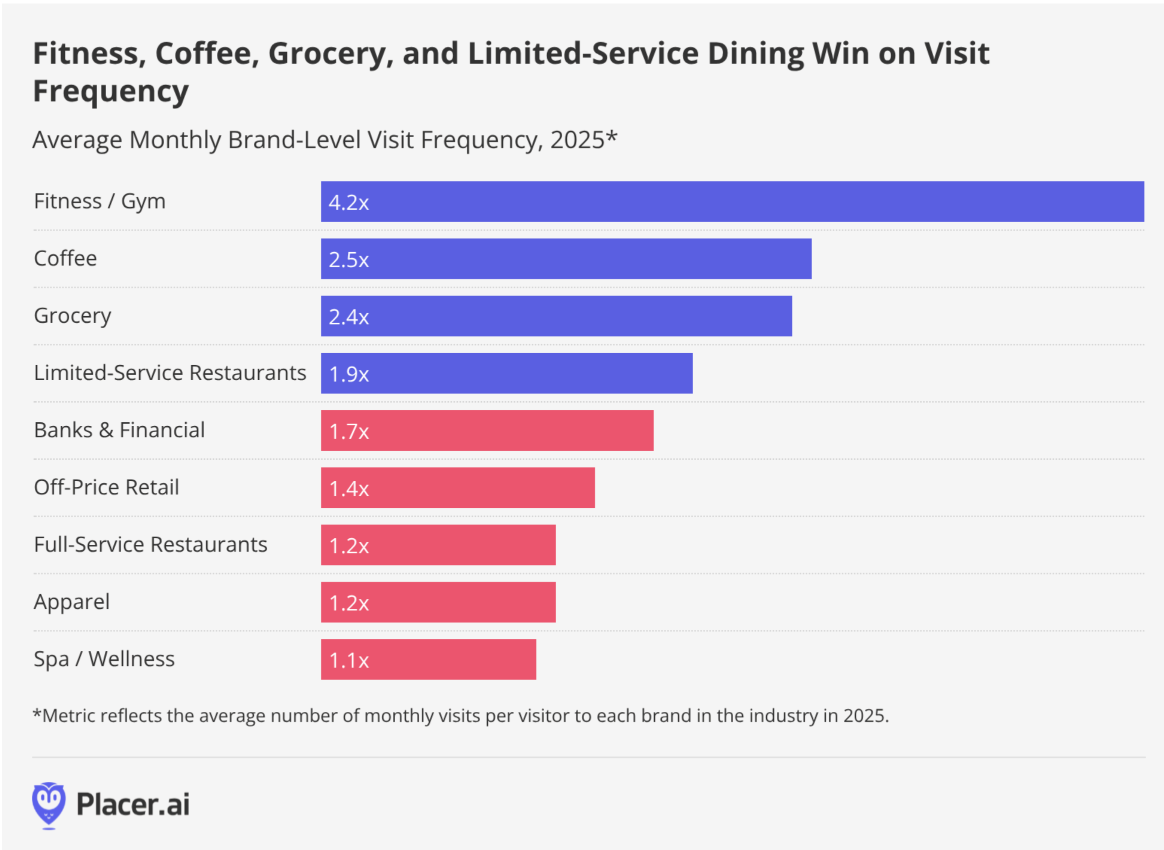
To meet this challenge, centers need to assemble tenant mixes in which different categories perform distinct but complementary roles. Rather than relying on a single dominant anchor, the strongest centers combine tenants that collectively drive frequency, dwell time, growth, and durable physical-world demand. Some generate frequent repeat visits; others contribute fast-growing, e-commerce-resistant demand or resilient discretionary retail traffic.

A. Visit Frequency

Visit frequency is one of the clearest measures of an anchor's value to its neighbors. A tenant that brings the same customer back every week creates far more exposure for the rest of the center than one that generates occasional destination trips.

And the data reveals a clear hierarchy. Fitness leads by a wide margin, with the average gym visitor returning 4.2 times per month. Coffee follows at 2.5 visits per month and grocery at 2.4, reflecting the routine nature of those categories. Limited-service dining, at 1.9 visits per month, also functions as a meaningful frequency engine.

At the other end of the spectrum are apparel and full-service restaurants, at 1.2 monthly visits per visitor, and spa and wellness, at 1.1. These categories tend to be more purpose-driven than routine-driven.



B. Growth Trends and E-Commerce Risk

But low frequency is not disqualifying. Just as important are a category's growth trajectory and the durability of its demand in an increasingly e-commerce-driven retail environment.

Spa and wellness chains, for example, rank last in visit frequency at 1.1 average visits per visitor per month. But the category leads all segments in post-pandemic visit growth, up 31.8% since 2019, with effectively no e-commerce exposure.

Off-price follows at 28.6% visit growth, followed by coffee (+26.7%) and fitness (+22.6%) – both of which pair strong growth with high visit frequency and limited digital risk.

Visit Growth, E-Commerce Risk, and Lease Term by Tenant Category

Tenant Category	Visit Change 2019–2025	E-Commerce Risk	Lease Term*
Spa / Wellness	▲ 31.8%	None	5–10 yrs
Off Price / Value	▲ 28.6%	Low–Medium	~10 yrs
Coffee	▲ 26.7%	Low	5–10 yrs
Fitness / Gym	▲ 22.6%	None	10–12 yrs
Grocery	▲ 13.8%	Low	15–20 yrs
Limited-Service Restaurants	▲ 5.6%	Low	5–10 yrs
Full-Service Restaurants	▼ -10.2%	Low	10–15 yrs
Banks & Financial	▼ -16.1%	High (digital)	10–20 yrs
Apparel	▼ -24.7%	High	5–10 yrs

*Lease-term ranges reflect standard retail leasing conventions and are corroborated by public retailer 10-K lease disclosures – The TJX Companies (off-price, roughly 10-year initial terms) and Planet Fitness (fitness, 10–12 years), via SEC filings – and by commercial-real-estate net-lease research for grocery anchors (typically 15–25-year NNN terms) and restaurants (QSR and fast-casual in-line leases about 5–10 years; standalone pads run longer, 15–20 years). Coffee, full-service, banks, and apparel follow typical in-line shop-lease conventions.

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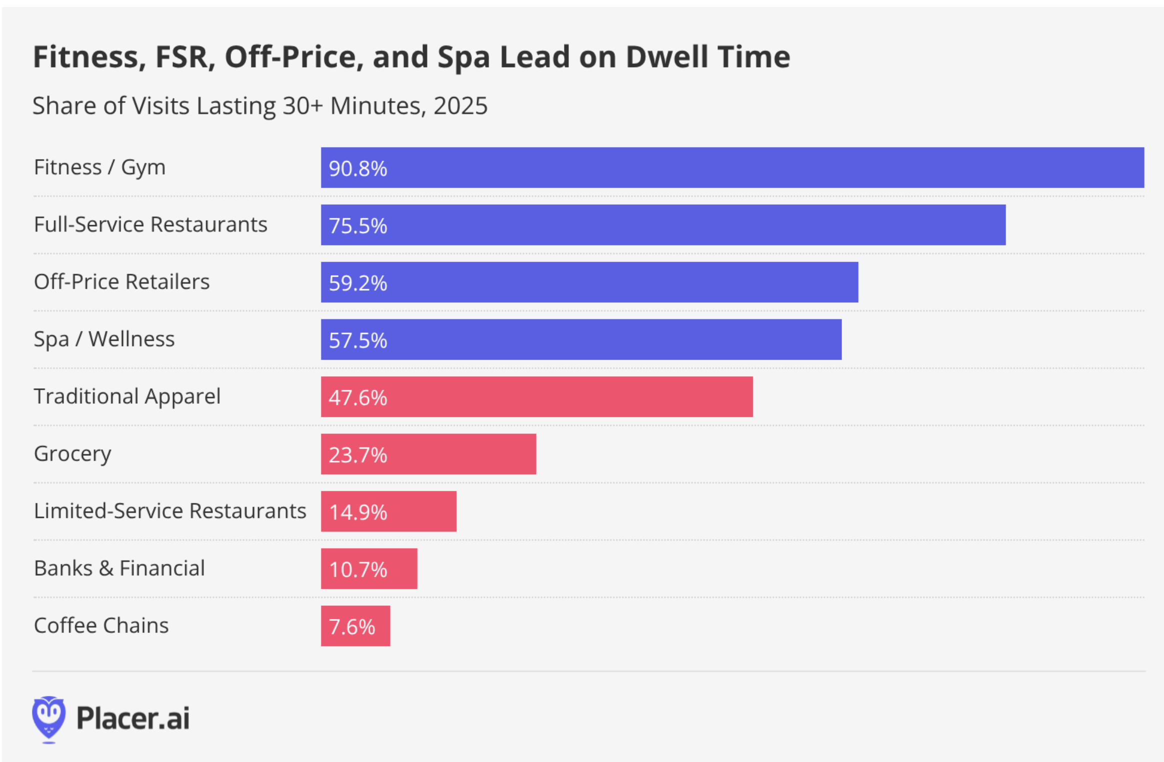
C. Dwell Time

Dwell time adds a third dimension: how long customers remain on site. Longer visits, of course, do not automatically translate into cross-shopping, but they increase the opportunity for customers to interact with other tenants and amenities within a center.

Here too fitness stands out, with the largest share of visits lasting 30 minutes or more. Full-service restaurants, off-price retailers, and spa and wellness tenants also perform strongly on this measure, with more than half of visits lasting at least half an hour.



Strategic Takeaways

- Rather than square footage or traditional anchor status, landlords should prioritize a mix of factors that reflect how customers actually interact with tenants.
- Make visit frequency a major input into anchor and tenant-mix decisions.
- Prioritize categories that combine multiple strengths. Fitness, for example, pairs high frequency with strong growth and durable physical demand; grocery combines frequency, stability, and long-term lease commitments.
- Placemaking can help maximize frequency. Shared amenities, walkability, and events give customers a reason to linger and return, compounding the frequency advantage of service and food & beverage (F&B) tenants.

4. Center-Level Trends

Shopping centers have been reshaping their tenant mixes around the categories gaining traffic and leasing demand – but not uniformly. The role each category plays, and the priorities for landlords, differ by format.

A. Lifestyle Centers

Lifestyle centers compete primarily on experience and time-on-site rather than on convenience. And a tenant mix that gives shoppers multiple reasons to come – and to stay – can create a virtuous cycle: Longer visits encourage more cross-shopping, which in turn supports the higher rents commanded by specialty and premium tenants.

Traditionally, the lifestyle-center experience was anchored by dining and apparel, including the department stores that defined the format for decades. As recently as 2019, apparel was the second-largest draw, accounting for 16.2% of visits across the eight categories analyzed below.

But apparel's pull has weakened. The category's share of visits fell 3.2 percentage points between 2019 and 2025, dropping behind both limited-service restaurants and grocery. Dining, meanwhile, has become even more central – despite the national headwinds facing full-service restaurants, FSRs' share of lifestyle-center visits declined by just 1.4 percentage points, leaving them firmly in place as the format's largest traffic driver. That resilience suggests that the destination dining spots found in lifestyle centers are still doing much of the heavy lifting. Coffee, limited-service restaurants, and grocery all gained visit share over the same period.

Lifestyle Center Tenant Mix Is Shifting Away From Apparel

Share of Lifestyle Center Visits by Tenant Category, 2019 vs. 2025*

Tenant Category	2019 Share	2025 Share	Change (pp)
Full-Service Restaurants	32.9%	31.5%	▼ -1.4 pp
Apparel	16.2%	13.0%	▼ -3.2 pp
Grocery	14.0%	15.6%	▲ 1.5 pp
Limited-Service Restaurants	13.8%	14.1%	▲ 0.3 pp
Coffee	10.4%	10.5%	▲ 0.1 pp
Spa / Wellness	5.3%	6.7%	▲ 1.5 pp
Off Price / Value	4.5%	5.2%	▲ 0.7 pp
Fitness	2.9%	3.4%	▲ 0.5 pp

*Share of category visits among the categories shown, full-year 2019 vs. 2025.

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Wellness and fitness also posted meaningful gains, as did off-price and value-oriented retailers. Banners such as Nordstrom Rack and Saks OFF 5TH now function as credible affluent-traffic anchors, pairing the appeal of the treasure hunt with access to desirable brands at more approachable prices.

Strategic Takeaways

- Treat the restaurant cluster as the primary anchor, not a secondary amenity.
- Backfill department-store and apparel boxes with wellness, experiential, and premium off-price tenants.
- Match tenant investment with placemaking investment – dwell time only pays off if the center converts it into cross-shopping.
- Investments in placemaking, from plazas and walkable layouts to outdoor dining and programmed community events, can further turn a collection of tenants into a destination, increasing both visit frequency and dwell time across the center.

B. Neighborhood Centers

Neighborhood centers, by contrast, compete on convenience and routine. The winning mix therefore centers on categories that bring the same customer back frequently and reliably.

Traditionally, that routine has been built around the grocery anchor. While grocery's share of visits has declined modestly since 2019, it still accounted for a majority of visits across the analyzed categories in 2025. With shoppers visiting an average of 2.4 times per month, grocery remains one of the format's most dependable sources of recurring traffic – and is relatively insulated from e-commerce disruption compared with categories such as apparel.

The more meaningful shift has been in neighborhood centers' supporting tenant mix. Historically, soft goods, apparel, and bank branches occupied much of the inline space. Today, landlords are increasingly replacing those uses with categories – like fitness – that generate more frequent and durable visitation. Large-format gyms such as Planet Fitness and LA Fitness are increasingly serving as secondary anchors, while spa, wellness, and boutique-fitness concepts fit well into the 2,000–4,000-square-foot inline bays vacated by apparel stores and bank branches.

Restaurants and cafés also remain central. Although their combined share declined slightly, they still represent the second-largest visit driver, accounting for about a third of neighborhood-center visits, with coffee continuing to gain ground. Off-price and value retail, meanwhile, has strengthened its position as a dependable, high-traffic draw.

Grocery Still Anchors Neighborhood Centers, but the Tenant Mix Is Rebalancing

Share of Neighborhood Center Visits by Tenant Category, 2019 vs. 2025*

Tenant Category	2019 Share	2025 Share	Change (pp)
Grocery	53.1%	52.8%	▼ -0.3 pp
Limited-Service Restaurants	17.0%	16.4%	▼ -0.6 pp
Full-Service Restaurants	10.0%	8.9%	▼ -1.1 pp
Coffee	7.2%	7.6%	▲ 0.4 pp
Fitness	4.1%	5.3%	▲ 1.2 pp
Off Price / Value	3.2%	3.9%	▲ 0.7 pp
Spa / Wellness	2.9%	2.8%	▼ -0.1 pp
Apparel	2.5%	2.4%	▼ -0.2 pp

*Share of category visits among the categories shown, full-year 2019 vs. 2025.

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Strategic Takeaways

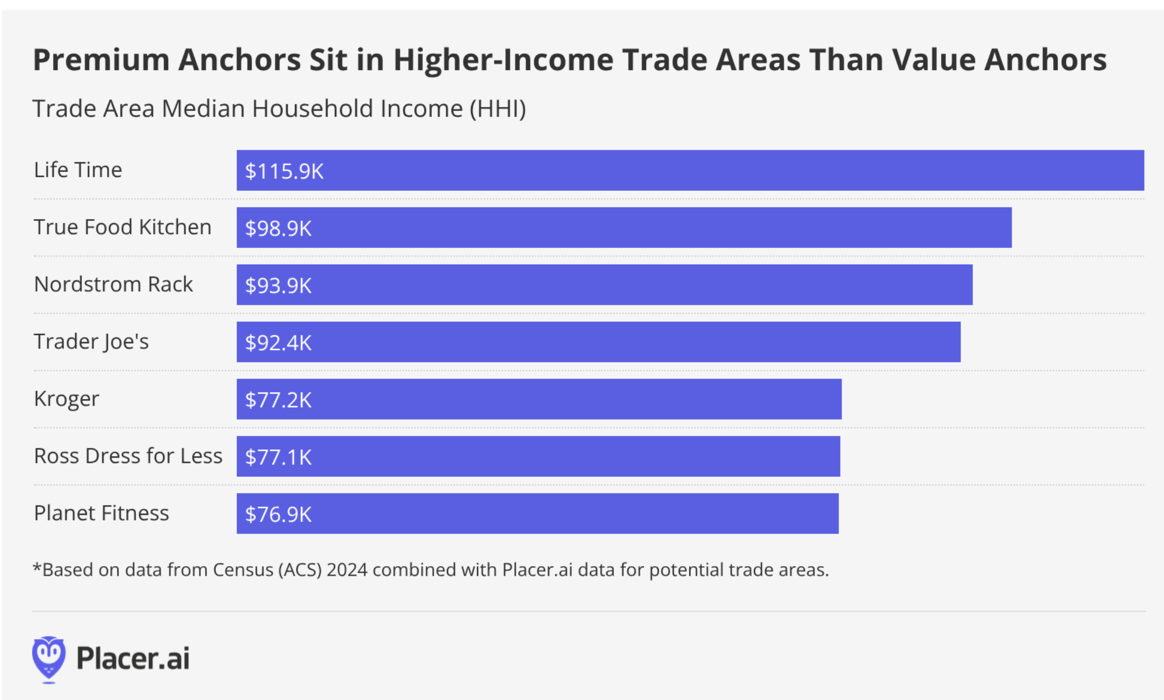
- Keep the grocery anchor; surround it with high-frequency, e-commerce-resistant uses that add weekday reasons to visit.

- Right-size vacated apparel and bank bays (2,000–4,000 SF) for spa, boutique fitness, and fast casual.

5. Tailoring the Mix to the Trade Area

The ideal tenant-mix framework is a starting point, but the right execution depends on the characteristics of the local trade area. And one of the clearest differentiators is household income: Brands within the same category often draw from meaningfully different income profiles, making the question not simply whether to add fitness, grocery, dining, or off-price, but which banner best fits the households a center serves.

The data shows a substantial spread. Life Time's $115.9K trade-area median household income is roughly 51% higher than Planet Fitness's $76.9K. In off-price, Nordstrom Rack's $93.9K is about 22% higher than Ross's $77.1K. And in grocery, Trader Joe's $92.4K is roughly 20% higher than Kroger's $77.2K. The category may be right for a center while the wrong banner can still overshoot – or undershoot – the local customer base.



For landlords, that makes trade-area income a useful guide to how premium the mix can go. In higher-income trade areas, the wellness, grocery, F&B, and off-price allocation can skew premium, with concepts such as Life Time, Trader Joe's, chef-driven and experiential dining (for example, True Food Kitchen), and premium off-price (Nordstrom Rack, Saks OFF 5TH). In middle-income and value trade areas, the same categories are better served by large-format value fitness (Planet Fitness, Crunch), mainstream grocery (Kroger), fast-casual and QSR dining, and value off-price (Ross, Burlington). The category framework holds across markets; the specific tenant should be chosen to fit the income profile of the trade area.

Strategic Takeaways

- Trade-area income segments sharply within categories: Premium banners sit in markedly higher-income areas than their value peers.
- Use the ideal-mix framework as a baseline, then tune the specific tenants to the trade area's median income.

6. Strategic Recommendations for Landlords

The neighborhood and lifestyle center model has been fundamentally reinvented. The winning centers of 2026 are built around a service-first ecosystem of health and wellness, food and beverage, grocery, fitness, and off-price retail. Centers that have not begun repositioning face structural risk, and the window for action is the next 36 months.

Immediate Actions (0–12 Months)

- **Audit the tenant mix against current visit-mix benchmarks** and identify where the center has opportunities to strengthen frequency, dwell time, and cross-shopping.
- **Map upcoming lease events and vacancies to the strongest-fit categories and banners.** Evaluate fitness, wellness, F&B, grocery, off-price, apparel, and other retail based on the center’s format, trade area, and existing mix.

- **Build a fitness and wellness pipeline.** Target large-format gyms for suitable anchor or junior-anchor opportunities and boutique fitness, med-spa, and wellness concepts for smaller inline spaces.
- **Match F&B opportunities to the center type.** Prioritize coffee and limited-service concepts for neighborhood centers and destination dining and upscale fast casual where lifestyle-center positioning supports them.
- **Evaluate off-price separately from traditional apparel.** Consider value-oriented banners for neighborhood centers and more affluent-oriented off-price concepts for lifestyle centers.

Medium-Term Strategy (1–3 Years)

- **Build a wellness ecosystem.** Cluster fitness, boutique fitness, and spa and wellness services so they function collectively as a destination rather than as isolated tenants.
- **Develop an F&B cluster appropriate to the center.** Build restaurant rows or dining districts at lifestyle centers, while strengthening everyday food and beverage at neighborhood centers.
- **Layer placemaking onto the strongest clusters.** Add outdoor seating, public-realm improvements, gathering spaces, and programming to amplify dwell time and repeat visitation.
- **Use grocery as the platform for a broader neighborhood-center ecosystem.** Curate adjacent uses that turn recurring grocery trips into longer, multi-purpose visits.
- **Establish off-price as a deliberate component of the merchandise mix.** Use the right banner for the center's customer profile and positioning rather than treating all off-price concepts interchangeably.
- **Curate categories around complementary trip missions.** Over time, create a mix in which grocery drives routine trips, fitness and wellness add frequency and dwell, F&B expands dayparts, and apparel, off-price, and other retail create additional reasons to browse and shop.