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FQ1 2026 Earnings Call Transcripts

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Presentation

Operator

Thank you for standing by, and welcome to InvenTrust's First Quarter 2026 Earnings Conference Call. My name is Christine Lyn, and I will be your conference call operator today.

Before we begin, I would like to remind our listeners that today's presentation is being recorded, and a replay will be available on the Investors section of the company's website at inventrustproperties.com. [Operator Instructions]

I would like to turn the call over to Mr. Dan Lombardo, Vice President of Investor Relations. Please go ahead, sir.

Dan Lombardo
Vice President of Investor Relations

Thank you, operator. Good morning, everyone, and thank you for joining us today. On the call from the InvenTrust team is DJ Busch, President and Chief Executive Officer; Mike Phillips, Chief Financial Officer; Christy David, Chief Operating Officer; and Dave Heimberger, Chief Investment Officer. Following the team's prepared remarks, the lines will be open for questions.

As a reminder, some of today's comments may contain forward-looking statements about the company's views on the future of our business and financial performance, including forward-looking earnings guidance and future market conditions. These are based on management's current beliefs and expectations and are subject to various risks and uncertainties. Any forward-looking statements speak only as of today's date, and we assume no obligation to update any forward-looking statements made on today's call or that are in the quarterly financial supplemental or press release.

In addition, we will also reference certain non-GAAP financial measures. The comparable GAAP financial measures are included in this quarter's earnings materials, which are posted on our Investor Relations website.

With that, I'll turn the call over to DJ.

Daniel Joseph Busch
CEO, President & Board Director

Thanks, Dan. Good morning, everyone. Our first quarter results reflected steady operating performance across the portfolio. Same-property NOI grew 2.6%, while core FFO and NAREIT FFO per share increased 6.5% and 10.4%, respectively, from the first quarter of 2025.

We continue to enjoy meaningful embedded growth from annual escalators, healthy cash-on-cash leasing spreads and our sign not open pipeline provides further confidence regarding revenue conversion. Taken together, this supports our expectation for same-property NOI growth to build in the back half of the year. Christy will provide additional details on leasing demand and backfill opportunities for our available spaces in her remarks. Given this visibility, coupled with increased confidence around our acquisition pipeline, we were able to increase FFO per share guidance for 2026.

Our nearly 100% Sun Belt footprint is roughly 89% grocery-anchored and centered on essentials, goods and services in trade areas with strong long-term demographic tailwinds. The backdrop across the region remains highly favorable with many of the country's fastest-growing cities and suburban communities concentrated in the Sun Belt. Recent migration data also underscores the appeal of our markets with Florida, Texas, the Carolinas, Arizona and Tennessee among the leading beneficiaries of wealth inflows. These states continue to attract new residents due to job growth, lower taxes and lifestyle appeal.

We will continue to invest in our core markets while expanding our corridor strategy into complementary secondary Sun Belt cities. That approach broadens our acquisition sourcing efforts and expands the opportunity set for capital deployment. Within that framework, we remain disciplined, active and selective in a competitive transaction environment. During the quarter, we completed $123 million towards our $300 million net investment guidance for the year, and we have another $167 million of additional deals awarded or under contract with other opportunities still in the pipeline.

In February, we entered the Nashville market with the acquisition of Nashville West. It adds a high-quality property to our portfolio and follows the same playbook we've used successfully elsewhere, which is enter areas where demographics, retailer demand and long-term fundamentals align to support durable growth and then build from that initial foothold over time.

Selective small-scale redevelopment continues to provide another avenue for incremental NOI growth within the existing asset base. We are focused on projects that reposition anchors, remerchandise space and add small shop or outparcel space where demand is strong and additional GLA is warranted. In 2026, we expect this pipeline to contribute approximately 90 to 100 basis points of same-property NOI growth.

With visible internal growth and disciplined capital investment across redevelopment and acquisitions, we believe InvenTrust remains well positioned to create long-term shareholder value in an environment where necessity-based retail continues to outperform.

With that, I'll turn it over to Mike.

Michael Douglas Phillips
Executive VP, CFO & Treasurer

Thanks, DJ, and good morning, everyone. Turning to our financial results. Same-property NOI for the quarter totaled $48.7 million, an increase of 2.6% over the first quarter of 2025. Growth was driven primarily by embedded rent escalations, which contributed approximately 170 basis points. Positive leasing spreads added roughly 90 basis points, redevelopment activity provided an additional 70 basis points and percentage rents and specialty income added 50 basis points. These gains were partially offset by a 40 basis point headwind from bad debt and 60 basis points from an expected temporary impact in occupancy.

NAREIT FFO for the quarter totaled $41.3 million or $0.53 per diluted share, reflecting a 10.4% increase from the first quarter of 2025. Core FFO rose 6.5% to $0.49 per share year-over-year. FFO growth was driven primarily by higher same-property NOI and net acquisition activity, partially offset by interest expense. We also recognized approximately $800,000 of lease termination fee income during the quarter, which was anticipated and incorporated into our initial guidance.

Our balance sheet remains strong and gives us the flexibility and liquidity to continue executing on our long-term growth strategy. At quarter end, total liquidity stood at $346 million, including $27 million of cash and $319 million available on our revolving credit facility. Our weighted average interest rate was 4.1% with a weighted average term to maturity of 4 years. Net leverage finished the quarter at 29.7% and net debt to adjusted EBITDA was 5.2x on a trailing 12-month basis.

Subsequent to quarter end in April, we signed a definitive note purchase agreement for a $250 million private placement of senior unsecured notes. The financing is structured in 3 tranches: $50 million due in 2029, $100 million due in 2031 and $100 million due in 2033. On a combined basis, the notes provide us with a weighted average tenor of approximately 5.4 years and a weighted average fixed interest rate of 5.4% over the term. Funding is expected on June 29, 2026, subject to customary closing conditions. Finally, we declared a quarterly dividend of $0.25 per share, a 5% increase over last year.

Turning to guidance. We are reaffirming our full year same-property NOI growth guidance range of 3.25% to 4.25%. For NAREIT FFO, we are increasing our full year guidance range to $2 to $2.06 per share, which represents a 7.4% growth at the midpoint versus 2025. This increase is primarily driven by mark-to-market lease adjustments related to our recent acquisitions. Our core FFO guidance is increasing to $1.92 to $1.96 per share, up 6% at the midpoint from last year. Additional details on our guidance assumptions are available in our supplemental disclosure.

And with that, I'll turn the call over to Christy to discuss our portfolio activity.

Christy L. David
Executive VP, COO, General Counsel & Corporate Secretary

Thanks, Mike. From an operating standpoint, leasing activity remained healthy during the quarter. We executed 64 leases covering approximately 329,000 square feet and comparable blended spreads were 10.5%, with new leases at 19.8% and renewals at 9.9%. Annualized base rent per occupied square foot increased 2.1% year-over-year to $20.63. At quarter end, lease occupancy stood at 96.4% with anchor lease occupancy at 98.5% and small shop lease occupancy at 92.9%.

The anticipated short-term change in occupancy was driven primarily by 7 larger format small shop spaces, and we already have 6 of those 7 spaces either signed or under LOI. For the new opportunities and spaces coming back to us, prospective rents are running approximately 15% to 20% higher. With occupancy levels at or near all-time highs for the last several quarters, the aforementioned opportunities are a welcomed event, allowing us to maintain strong occupancy while proactively recapturing and retenanting space to improve the merchandise mix, retailer credit and rent growth profile.

We currently have 5 acre vacancies, including 3 tied to our redevelopment project at Gateway Market Center in Florida, 1 in our California asset that is in our disposition pipeline and 1 space in Texas, which has an LOI currently being negotiated. More recently, Painted Tree Marketplace closed stores across the U.S., including our one location in Glen Allen, Virginia, representing approximately 30,000 square feet or about 20 basis points of ABR. We are well positioned to backfill this space.

As we look to the balance of the year, we continue to have good visibility into future growth. The lease to economic occupancy spread ended the quarter at 130 basis points, with 80% attributable to small shop space that is yet to commence, giving us a clear line of sight into revenue conversion and reinforcing the embedded growth in the portfolio. Our lease economic spread matched our fourth quarter level, reflecting our team's execution in getting tenants open and paying rent. The first quarter of 2026 was one of our highest quarters of new rent commencement since our listing.

The consumer environment also continues to support our platform. Shoppers remain value conscious with spending on convenience, necessity and everyday services holding up well. This is translating into tenant demand across categories such as food service, medical retail and other service-oriented uses. Off-price is a good example of that dynamic. It remains a dependable traffic-driving category in open-air retail and resonates in a consumer environment where value matters.

Together with grocery and other essential anchors, these tenants help create a merchandising mix that aligns well with consumer needs and positions our centers for long-term performance. Our exposure to higher-risk discretionary categories also remains limited. And while we always maintain a watch list, the overall risk profile remains manageable.

Turning to acquisitions. The opportunity set within our pipeline, while competitive, remains robust as we look to add properties in both current markets as well as adjacent or corridor markets that are complementary to the existing portfolio.

During the quarter, we added 2 properties: Marketplace at Hudson Station in Phoenix, Arizona, a neighborhood center anchored by EO Fitness and shadow-anchored by a Fries marketplace in a growing part of the Phoenix MSA. The acquisition deepens our presence in an existing growth market and reinforces our approach to building scale in regions where we already have conviction.

And as DJ mentioned, we also purchased Nashville West, a high-performing open-air power center located roughly 15 minutes from downtown Nashville, shadow anchored by Target, Costco and Publix. The asset benefits from strong traffic, attractive surrounding demographics and a location in one of the fastest-growing parts of the country. We believe Nashville West gives us a solid entry into an attractive new Sun Belt market.
Operator, that concludes our prepared remarks, and we are now ready to open the lines to take questions.

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Todd Thomas with KeyBanc Capital Markets.

Todd Michael Thomas
KeyBanc Capital Markets Inc., Research Division

First, I just wanted to ask about acquisitions, the $167 million of acquisitions that are under contract or that have been awarded, which gets you to the $300 million target for the year. Are those expected to close by roughly the end of the second quarter?

And then it sounds like there's appetite to be more active beyond that as you move further into the year. Can you just talk about the future pipeline and remind us on sort of the initial yields and IRRs that you're achieving and whether that's moving around a little bit as you work through some additional deals?

Daniel Joseph Busch
CEO, President & Board Director

Yes. Thanks, Todd. Obviously, we're very happy on how the year started as it relates to our acquisition pipeline. I think if you remember last year, we actually -- we sold in the beginning part of the year with our recycling out of California and then much of our acquisition activity end up being backloaded. This year, we got off to a good start, obviously, as Christy alluded to with Nashville West and Hudson Station.

The things that we have awarded or under contract, to answer your question directly, I think we're hoping that most of those will close at some point in the second quarter. It's hard to predict when they will close, but you can expect around that time frame, maybe leaking a little bit into the third quarter.

And to your point, we have, on a gross basis, $290 million of deals kind of either closed under contract or awarded. But we do have a really strong pipeline that we're going to continue to pursue behind that. I know we've discussed there will be a little bit of capital recycling or asset sales on a very select basis, but only if we feel like we have an acquisition pipeline that continues to be actionable. And that will be -- continue to be the strategy throughout the year.

I think one of the things that we were excited about coming into this year and then obviously, Mike alluded to the private placement that we just completed, we have a lot of dry powder. We have a lot of balance sheet capacity in a market that continues to be competitive, but we've continued to find deals at initial yields that continue to be in that low 6 range or even mid-6s that are giving us healthy IRRs in comfortably in the 7s. And that's been kind of the recipe for success for us.

Our guidance obviously indicates that our -- the cadence at which our acquisitions are coming in a little bit better than expected, which is why we were able to raise FFO per share for the year. And we'll continue to be active as long as we find deals that we like and that are going to continue to be accretive to the portfolio.

Todd Michael Thomas
KeyBanc Capital Markets Inc., Research Division

Okay. That's helpful. And then yes, in terms of funding, I guess, so yes, you have some dry powder, leverage is below your longer-term leverage target of 5 to 5.5x. You mentioned some dispositions. But how should we think about equity capital sort of fitting into the equation a little bit as you kind of look at where your equity cost of capital is today as well?

Daniel Joseph Busch
CEO, President & Board Director

Yes. No, it's a very good question. I think if you look back when we issued equity in 2024, it was kind of a similar situation really. The stock was trading kind of at an all-time high at that point. But more importantly, based on that equity cost of capital or weighted average cost of capital across the different pockets of capital that we had at the time, we had an attractive pipeline that was actionable, and we knew we could grow cash flow accretively.

As we sit here today, I think we're a couple of days off of another all-time high. I know there's a little more pressure today. But we feel pretty good about our multiple. We feel good about where the stock is at. But having said that, it all is predicated on the opportunity set. And if the opportunity set is one where we can continue to grow cash flow accretively, we'll look at all different avenues.

Todd Michael Thomas
KeyBanc Capital Markets Inc., Research Division

Okay. Have you seen changes in seller expectations at all, I guess, either with more capital coming into the space, but on the other side, have you -- are you hearing any sort of pockets of capital that are pulling back or having a difficult time accessing capital just given some of the turbulence in the credit markets?

Daniel Joseph Busch
CEO, President & Board Director

Not really, to be frank. It continues -- like we're continuing to find really good opportunities, but there hasn't been a whole lot of distress on the seller side. It's really -- every situation seems to be a little bit unique. We've -- most of our -- almost the entirety of our acquisitions that we've done is in some sort of -- in the private market, usually smaller operators that are selling for one reason or another. We've done a couple of large ones where they're rotating out of funds. So it kind of runs the gamut, but I wouldn't say that we're seeing any distress related to some of the credit tightening.

Operator

Our next question comes from the line of Andrew Reale with Bank of America.

Andrew Reale
BofA Securities, Research Division

First on the acquisitions, Nashville West, that's a single asset entry into a new market. I guess maybe talk a bit more about what made this the right time to enter. Do you have any additional Nashville assets in the pipeline currently? And how much scale would you aim to achieve there? And then the 2 acquisitions in the quarter are basically fully occupied. So can you just talk about any upside you see at those assets just in terms of rent mark-to-markets or other value add?

Christy L. David
Executive VP, COO, General Counsel & Corporate Secretary

Thanks, Andrew, for the question. I'll take that. This is Christy. Specifically with Nashville West, we found that to be a really unique opportunity to go into the market and exciting because it is a dominant power center with really healthy and competitive shadow anchors with, as we previously mentioned, Costco, Publix and Target.

And I think the one thing that was unique to us is as we see with this property is that there is ability to raise rents here. So we do see this as -- and I know you said it's pretty much occupied at this point. That's true, but we see the long-term value in being able to raise rents at this property. And there's a little bit of remerchandising that we think we can get done as well.

Holistically, the national market is an exciting opportunity. We do have a few other assets in the pipeline. Nothing currently under LOI or near execution, but the things that we have our eye on that we've been working with various parties and things that we kind of have long-term conversations about. So I do hope that over time, we're able to get a presence, one that would allow us to have 3 or 4 assets in the market and operate there efficiently, but we are able to utilize our other boots on the ground in surrounding markets to help us service that asset and operate effectively.

And then as for your question about Hudson Station, I think the thing that we see on both of these assets is while they are fully occupied, they're both in markets where we see that over time, we're able to put on the InvenTrust model. We're able to grow rents. We're able to put in the annual escalators to get them on fixed CAM, all of which will help us produce our cash flow growth.

Andrew Reale
BofA Securities, Research Division

Okay. And I think it was last quarter, there was a comment that acquisitions from 2024 and '25 were generating blended spreads in the low 20% range. I guess how much below market rent is left in that acquired pool? And over what time frame does it get mark-to-market?

Daniel Joseph Busch
CEO, President & Board Director

So the great news about that, Andrew, is there's a ton of opportunity because we only get access to a certain amount of leases every year. And more importantly, if you look at all the acquisitions that we've made since 2021 or even 2024, the average annual escalator within those tenants or at those properties is, call it, half of what we can get from -- or what we have been getting in the remainder of the portfolio. So over 3% annual escalators on every new deal that we're doing now. The in-place escalators is, call it, 1.5%.

So a tremendous amount of opportunity, not only at the initial cash spread, which to your point, has been, call it, 20-plus percent on those. So finding real good below-market rent opportunities, but being able to put in annual escalators, as Christy mentioned, to really service the continual NOI and cash flow growth that we're trying to achieve here and year out.

Operator

Our next question comes from the line of Cooper Clark with Wells Fargo.

Cooper R. Clark
Wells Fargo Securities, LLC, Research Division

I wanted to ask about the same-property NOI acceleration in the back half of the year. In the press release, you noted the acceleration is driven by contractual rent and also a strong pipeline of lease commencements over the balance of the year. I was hoping you could provide a little bit more color here on the contribution coming from the lease commencements, just within the context of the SNO pipeline declining quarter-over-quarter in terms of the $4.6 million ABR contribution and how lease commencements compares to some of the other core items driving the acceleration in the back half?

Michael Douglas Phillips
Executive VP, CFO & Treasurer

Yes, Cooper, this is Mike. I can start with that. So yes, you mentioned the SNO pipeline. Most of that is small shop, 80% of that is small shop. We do expect 90% of that to be coming online by the end of the year. And it is weighted very much in the back half of the year in Q3 and Q4 is when you'll see most of that come online.

Daniel Joseph Busch
CEO, President & Board Director

Yes. The only thing I would add is when you think about the NOI cadence, I think not to -- we don't guide to quarterly cadence, but I think it's important in this case just because of the acceleration. The second quarter, we're expecting it to be kind of very similar to the first quarter that you'll really see the acceleration in the third, but mostly in the fourth quarter.

And you could expect the same thing from an occupancy standpoint. I think it's always hard to gauge lease versus economic occupancy, but we can expect is us comfortably accelerating the back in that SNO pipeline actually increasing as we get to the back half of the year, which is going to serve us extremely well going into '27.

Cooper R. Clark
Wells Fargo Securities, LLC, Research Division

Great. And then moving towards the acquisition market. Just curious if you could talk about the buyer profile you're finding yourself competing against for assets in the market today. And then just curious, as we see the transaction market remain highly competitive, where do you think competitors are reflecting a higher risk tolerance for the asset classes, whether it's lower exit cap rates or higher rent growth?

Daniel Joseph Busch
CEO, President & Board Director

That's a great question. It's hard for me to opine on how other people are looking at deals, but it has been and will continue to be competitive. I think where we found our sweet spot with InvenTrust is we don't do a whole lot of the deals, call it, under $10 million or $15 million. That tends to be very competitive from a -- in the private market, certainly.

And then we -- obviously, because of our size and not wanting any undue risk at any one asset, no matter how good that asset may be, we don't have anything, call it, over $200 million, where many of the larger funds or even some of the public REITs have been acquiring over the past couple of years. So -- and then along with our cluster to corridor strategy as it relates to some of these secondary markets that are very complementary to our core markets, we've kind of found a niche where we've been able to get phenomenal properties with really strong embedded growth at a good initial return, but most importantly, a good growth profile and unlevered return over time. And that's something that we'll continue to do.

I think there has been a lot more competition in some of the gateway markets where there's probably a liquidity premium, especially because of the amount of activity from some of the private funds. But that's not something that where we've been focusing. And I think you'll see once we're able to announce -- or hopefully, you'll get these deals that have been awarded or under contract, get those closed, you'll see much of the same introduction to new markets that are very complementary to the core markets that we're already in.

Operator

Our next question comes from the line of Michael Gorman with BTIG.

Michael Patrick Gorman
BTIG, LLC, Research Division

Christy, I'm sorry if I missed it, but for those 7 larger format small shop tenants, was there anything thematic in there? Were they all the same operator? Or it just happened to come in a cluster in the first quarter?

Christy L. David
Executive VP, COO, General Counsel & Corporate Secretary

Thanks for the question. Yes, there's nothing systematic or thematic about what departed in that area. As you mentioned, there are 7. They're holistically around 5,000 square feet, if you were to take on a blended basis. And they're just spaces that we've had our eye on for, frankly, a long time with operators that may have been looking a long time to make it. So there's no single use related to these. They're kind of all over the board, and they're all over our markets. So again, not even market specific.

And as I mentioned, we have 6 of them already identified with either LOIs or executed leases with 15% to 20% spread. So we're actually excited to get our hands on some of these finally to be able to get the lift. It's been a long time since we've been able to take some of these opportunities.

Daniel Joseph Busch
CEO, President & Board Director

Yes. The only thing I would add there, and it's a great question is, look, our small shop occupancy and retention rate has continued to climb higher and higher and higher, which is always a great problem to have, right? But at an all-time high occupancy in the fourth quarter, small shop occupancy, I should say, in the fourth quarter, we found this to be the perfect time to transition -- have some planned tenant transitions in otherwise fully or highly occupied portfolio still drive solid growth, but this is going to set us up exceptionally well once we get these things re-leased and open in the back half of this year and going into 2027.

Michael Patrick Gorman
BTIG, LLC, Research Division

Yes, that definitely makes sense. And then maybe one more on the acquisition side. The outparcel in Atlanta, was that just an opportunistic purchase? Or is there a potential redevelopment of the center that outparcel was critical for? And maybe just bigger picture, can you just remind us of your view on outparcel and outparcel strategy for the properties that you own, whether it's controlling or potential sort of how you think about that longer term?

Christy L. David
Executive VP, COO, General Counsel & Corporate Secretary

Sure. I'll be happy to take that. That particular outparcel, we've actually had our eye on for some time. It does kind of fit at the entryway to that asset. So the way InvenTrust thinks about our properties is that the more actually that we can control, especially the front door of the property, the better off we are. And so we have got an opportunity. It's not a redevelopment play in and of itself of this particular asset in that it is -- currently has a new lease on it with an urgent care, which very much complements our current uses at the center. But it does provide us opportunities to work with that tenant and give us an ability to add an additional outparcel there in the future if the demand is warranted. So there were a couple of reasons as to why that was exciting and worked well for that particular space.

I will say that across our portfolio, we do consistently look at where we may have outparcel opportunities to purchase or whether they be relevant for redevelopment or give us an ability for better control of our assets. Again, most of these are tied to additional OEAs and REA. So owning everything helps us have better control of our property.

Operator

Our next question comes from the line of Hong Zhang with JPMorgan.

Hongliang Zhang
JPMorgan Chase & Co, Research Division

I was wondering if you could talk about how we should think about the size of your active redevelopment pipeline for the remainder of the year, given the fact that you completed a number of projects in the first quarter.

Daniel Joseph Busch
CEO, President & Board Director

Yes. So did you say-- so I think the first part is back to how we think about the acquisition and the redevelopment pipeline?

Hongliang Zhang
JPMorgan Chase & Co, Research Division

Or the redevelopment pipeline specifically. I think it's only 3 projects currently.

Daniel Joseph Busch
CEO, President & Board Director

Yes. Yes. So we -- obviously, we completed a couple of projects early, which is obviously, as I mentioned, driving a nice little piece of building block of our NOI growth for this year. As you see in the supplemental package, we have a ton of things that we're working on at any given time, a ton relative to InventTrust, of course. But those projects are at different stages, whether it be waiting for entitlements, actually putting shovels in the ground. But the cadence is going to be consistent.

I think one of the things that's exciting over the next couple of years is we do have some larger redevelopment properties, again, relative to InvenTrust size, mostly related around grocery rebuilds or relocations within the same center. Those are the best bang for our buck. It's the best thing for the center for -- on a long-term basis, and we'll continue to do some of those.

But the one you're alluding to was an exciting opportunity to do some remerchandising down in Florida to get those open and operate really strong and upgraded merchandise mix, and we'll continue to look for those select opportunities as well as, as Christy mentioned, one of the most important things about our -- I don't know if I'll call it outparcel acquisition strategy, but it's really just controlling as much of the properties we can. So if and when we do get an opportunity to get an outparcel back, we have full control of what we want to do and the future of that path.

Operator

Our last question comes from the line of Paulina Rojas from Green Street.

Paulina Alejandra Rojas-Schmidt
Green Street Advisors, LLC, Research Division

I tried to remove myself from the queue. My question was asked. But given that I have -- you mentioned the market has remained competitive, have you seen any shift in terms of cap rates? Or you see it truly as a continuation of the trends that have been in place for a while now?

Daniel Joseph Busch
CEO, President & Board Director

Yes, Paulina, it's a good question. It's always hard to pinpoint because every asset has its own unique story. So it's really hard to find a trend. I will tell you this, and I think we've shared this with you in the past, is it has remained competitive. Obviously, there's been a lot of activity and interest in the open-air multi-tenant retail space, which obviously would allude to stronger private market pricing. And we've seen that in certain markets, obviously, that was an opportunity for us in California.

We've seen strong pricing in the larger markets in Texas. That's why we found unique opportunities on a one-off basis to go to. And I hate to call them secondary markets, but they're complementary markets to our core markets where we're seeing just as good of growth or probably a less liquid market, which can be reflected in the cap rate and the unlevered return.

One of the things I know we've shared with you is everything that we bought, we feel a little bit better about 6 months later and whether that's -- and that's both from a pricing perspective and a performance perspective. So not only we feel good about our initial yield on things we've bought, but we like the activity and the demand that we were hopeful for when we were underwriting the property initially. So I think it's much of the same as opposed to any material difference from maybe last quarter or even a couple of quarters ago.

Paulina Alejandra Rojas-Schmidt
Green Street Advisors, LLC, Research Division

And perhaps going back to the occupancy loss, but again, it is not very -- it's similar to what some of your peers experience. But I'm thinking how do you think about distinguishing what's normal seasonality from something that perhaps underneath is more worth monitoring?

Daniel Joseph Busch
CEO, President & Board Director

Well, it's a great point. The reason we can tell is because we -- our portfolio is the size of which where we have really good intel and conversation with every one of our tenants. So I know Christy alluded to the 7 tenants that really were the predominant needle movers at the top this quarter. I think almost all 7 of them we've had our eyes on and have had discussions with for some time, and they've kind of went along for a long period of time, longer than probably they would have otherwise done had it not been for such a strong underlying fundamental market or in the space.

Frankly, 2 or 3 of those spaces, we very proactively went after because we needed the space back either for expansion of existing concepts or we had someone that we had to get into the property, so they wouldn't go elsewhere in the market or the submarket. And then the other ones we kind of had just been waiting on, and that's why we already have kind of 6 of the 7 already earmarked either with a deal underway or in some form of LOI or legal.

So I think for us, it's kind of easy. If we didn't have the demand right behind those, perhaps I would tell you that there would be some softness, but that's absolutely not the case. It's much more transitory in nature. And for us to take an opportunity to move some larger small shop spaces while increasing guidance is and then setting up for success for the next couple of years is a really good position for us to be in.

Operator

There are no further questions at this time. I will now turn the call back to DJ Busch for closing remarks.

Daniel Joseph Busch
CEO, President & Board Director

Thank you, everyone, who joined us. We appreciate you taking time and your interest in InvenTrust, and we look forward to seeing many of you in the coming months, either at ICSC or several conferences that will be over the summer and then early fall. Thank you.

Operator
This concludes today's call. Thank you for attending. You may now disconnect.