

Presenters

Ashley Curtis, Assistant Vice President, Investor Relations
Stephen Yalof, President and Chief Executive Officer
Michael Bilerman, Executive Vice President, Chief Financial Officer and Chief Investment Officer
Justin Stein, Executive Vice President, Chief Revenue Officer
Doug McDonald, SVP, Treasurer and Investments
Steven B. Tanger, Chair of the Board

Q&A Participants

Andrew Reale – Bank of America
Craig Mailman – Citi
Michael Griffin – Evercore
Juan Sanabria – BMO Capital Markets
Greg McGinniss – Scotiabank
Caitlin Burrows – Goldman Sachs
Todd Thomas – KeyBanc
Floris Van Dijkum – Ladenburg Thalmann
Michael Mueller – J. P. Morgan
Naishal Shah – Green Street

Ashley Curtis

Good morning. I'm Ashley Curtis, Assistant Vice President of Investor Relations, and I would like to welcome you to Tanger Inc.'s First Quarter 2026 Conference Call. Yesterday evening, we issued our earnings release as well as our supplemental information package and investor presentation. This information is available on our IR website, investors.tanger.com. Please note, this call may contain forward-looking statements that are subject to numerous risks and uncertainties, and actual results could differ materially from those projected. We direct you to our filings with the Securities and Exchange Commission for a detailed discussion of these risks and uncertainties.

During the call, we will also discuss non-GAAP financial measures as defined by SEC Regulation G. Reconciliations of these non-GAAP measures to the most directly comparable GAAP financial measures are included in our earnings release and in our supplemental information. This call is being recorded for rebroadcast for a period of time in the future. As such, it is important to note that management's comments include time-sensitive information that may only be accurate as of today's date, May 1, 2026.

At this time, all participants are in listen-only mode. Following management's prepared comments, the call will be open for your questions. We request that everyone ask only one question and one follow-up question. If time permits, we are happy for you to requeue for additional questions.

On the call today will be Stephen Yalof, President and Chief Executive Officer, and Michael Bilerman, Chief Financial Officer and Chief Investment Officer. In addition, other members of our leadership team will be available for Q&A.

I will now turn the call over to Stephen Yalof. Please go ahead.

Stephen Yalof

Thank you, Ashley, and good morning. I'm pleased to report another strong quarter for Tanger, reflecting continued momentum across our leasing, operating, and marketing platforms and successful execution of our growth strategy, all contributing to our increased full-year 2026 guidance.

Our first quarter financial and operating results clearly demonstrate the strength and consistency of our business. Core FFO was \$0.59 per share, up 11% from the prior year. Occupancy ended the quarter at 97%, up 120 basis points year-over-year. Sales productivity increased to \$482 per square feet on a trailing 12-month basis and OCR remained stable at 9.7%, providing additional room for rent growth. In April, we announced a 7% increase in our dividend, supported by our earnings growth and conservative payout ratios.

These results reinforce a core point, that our integrated leasing and marketing strategies underpinned by disciplined operating, asset management, and financial strategies, are working together to drive sales, traffic, NOI, and long-term value for our stakeholders. As we've shared over the past eight quarters, we continue to execute to our center merchandising strategy. The evolution of our tenant portfolio is reflected in the progress that we've made, replacing underperforming retailers in our centers with more productive and highly sought-after ones, creating a flywheel that drives traffic, sales increases, and ultimately rent revenue growth. Our belief in the strength of our portfolio is evident in our continued strategy to renew fewer tenants and replace them with new concepts, retailers, and uses across our platform.

This is demonstrated by our leasing results. Retailer interest across our portfolio remains strong. In the last 12 months, we executed 651 leases totaling 3.4 million square feet, representing record production for Tanger. Blended rent spreads of 10.5% reflect ongoing strength, with re-tenanting spreads exceeding 26%. With little new retail development coming online and a consolidating department store business, we see this favorable supply and demand dynamic continuing.

Our shoppers are demanding new brands, better food and beverage, and more entertainment options, and we are delivering through a steady pipeline of elevated retail, restaurants, and service uses, many of which are new to Tanger. This strategy is improving the utility of our centers and ultimately driving more shopper visits and longer dwell times, all contributing to increased sales productivity across our portfolio.

Occupancy was up meaningfully for Q1 year-over-year. As is typical, the sequential change was due primarily to seasonal patterns. We are handling closures strategically with permanent backfill deals

already in our pipeline and our strategic temp program bridging select spaces until the right long-term deals are successfully executed.

Our marketing platform continues to serve as a key differentiator. We're delivering more value in new ways and to new shoppers, expanding our reach through broadened channels, and we are growing our Tanger proprietary loyalty program, while providing value and personalized offers that today's shoppers expect. With over 200 on-center events and activations in the first quarter alone, our community engagement events enhance the customer experience, customer visit frequency, and dwell time, and solidify our position as an important stakeholder in the communities we serve. These highly successful on-center initiatives contributed to the growth in traffic we enjoyed this quarter.

We are also thrilled with the success of our partnership with Unrivaled Sports, the nation's leader in youth sports experiences, and their rapidly expanding Ripken Experience platform. As their exclusive shopping center partner in our shared markets, Tanger centers are on the itineraries of thousands of young athletes and their families traveling to our markets. This is just one example of how we're capturing the momentum of sports tourism, and we're excited to continue growing these partnerships.

We continue to monetize our center traffic through our marketing partnership business. Strong demand from both retail and non-retail partners for on-center activations, digital media, and experiential campaigns are large contributors to this growing revenue-driving business, and we are further expanding these capabilities across our portfolio.

We are increasingly leveraging technology to support and enhance our platform, enabling AI across the organization to improve workflow and drive operational efficiency. As an example, our multilingual AI chatbot now handles more than 80% of customer inquiries, servicing our shoppers, suppliers and tenant retailers around the clock, thereby saving time, money and increasing productivity.

Our asset management initiatives continue to drive value through peripheral and land activations, merchandising optimization, and investments in our centers. Population shifts and residential densification in many of our core markets is creating demand for more restaurants, service, and entertainment uses. These projects enhance the customer experience, support leasing momentum, and drive continued sustainable NOI growth over time.

Our strong balance sheet and low debt-to-EBITDA ratio provides the ability and flexibility to invest in our portfolio and seek opportunities for external growth.

In an uncertain macroenvironment, Tanger's value proposition continues to resonate with shoppers and retailers alike. Our open-air centers, compelling brand mix, and focus on value positions us well across economic cycles. Favorable market conditions supported by growing local populations, limited new retail center development, and consolidation in department store business continue to contribute to broad and diversified leasing demand across our portfolio, creating an engine for sustained long-term growth.

I want to thank our Tanger team members for their hard work and dedication, as well as our retail partners, loyal shoppers, and shareholders for their continued support.

I'll now turn the call over to Michael to review our financial results and updated guidance in more detail.

Michael Bilerman

Thank you, Steve. For the first quarter, Core FFO was \$0.59 a share compared to \$0.53 a share in the prior year period, which represents an 11% increase, predominantly driven by solid internal growth, contributions from our recently acquired centers, and modestly higher lease termination income. Same Center NOI, which excludes lease termination income, increased 2.6% in the quarter with revenue growth coming from higher rents, higher tenant reimbursements, and higher other revenues. While we remain disciplined with cost management, the quarter's NOI growth was impacted by elevated snow removal costs, which had been contemplated in the full-year guidance range that we provided last quarter and as we discussed on our last call.

Our balance sheet remains in excellent shape, and we are well positioned with the flexibility to invest in our portfolio, pursue selective external opportunities, and address upcoming debt maturities. At quarter end, Net debt to Adjusted EBITDA was approximately 4.8 times and our interest coverage remains strong. All of our debt is at fixed rates, inclusive of our swaps, with a weighted average interest rate of about 4% and a weighted average term to maturity of approximately 4.5 years once our upcoming near-term maturities are addressed. Our leverage remains below peers as well as below our targets, benefiting from the strong continued EBITDA growth that our platform and company generates. In addition, with a below-average dividend payout ratio of only 53% of our funds available for distribution, we are retaining additional free cash flow after dividends supporting future growth.

In January, we completed a number of significant capital markets transactions, which we discussed on our year-end call, that increased our debt capacity, enhanced our liquidity, extended our debt duration, lowered our pricing, and expanded our bank group. We currently have over \$1 billion of immediate liquidity, and this includes our cash on hand, short-term investments, the delayed draw term loan proceeds, and the full availability of our lines of credit, which provide us significant flexibility to fund capital investments, pursue disciplined growth opportunities, and manage our upcoming maturities, which includes the \$350 million of unsecured bonds that come due this September, and the potential early redemption of our \$115 million mortgage in Kansas City, which matures late next year. Subsequent to the payoff of these loans, our only significant maturity will be our unsecured bonds, which total \$300 million in the summer of 2027, and no other significant maturities until 2030.

And now just turning to our guidance. Based on our strong first quarter performance, and the outlook for the remainder of the year, we have increased our full-year 2026 guidance and now expect Core FFO per share in a range of \$2.42 to \$2.50, which represents 6% growth at the midpoint. Same Center NOI growth guidance remains at 2.25% to 4.25% for the year, and our guidance does not assume any additional acquisitions, dispositions, or financing activity beyond what has already been completed to date.

We are encouraged by the consistency of our results. The strength of our balance sheet and the visibility into the continued growth that our leasing, marketing, and active asset management can produce. We remain focused on disciplined execution and prudent capital allocation to drive long-term value for our shareholders. We look forward to seeing many of you at upcoming conferences and property tours.

And with that, operator, we'd be happy and ready to open the call for questions.

Q&A

Operator

Thank you. We'll now be conducting a question-and-answer session. (Operator Instructions) And our first question comes from the line of Andrew Reale with Bank of America. Please proceed with your questions.

Andrew Reale

Hi, good morning. Thanks for taking my questions. First, just on the leasing side. I mean, demand seems to be continuing unabated. That's obviously supporting your remerchandising efforts. So, first, do you expect re-tenanting spreads can continue to sort of run in this mid-20% area through the balance of the year? And then just on retention, remind us what the retention rate is today and when might you start to manage retention back up to historical levels?

Stephen Yalof

Good morning and thanks for the question. With regard to spreads, we're very optimistic about our ability to drive rent in our shopping centers. As sales continue to perform the way sales are performing, I think that gives us the opportunity to continue to grow our rents.

With regard to, I guess, the second half of your question -- sorry, Andrew. Please unmute.

Andrew Reale

The second half, well, you've been running retention lower.

Stephen Yalof

Regards to retention. Yeah.

Andrew Reale

Yes, right.

Stephen Yalof

So our current retention, we're anticipating about 80% of up to -- renew about 80% of our roll this year, which is probably the lowest it's been in the past five or six years. Just because we see great upside and

great opportunity, there's a very deep pipeline of tenants that want to be in our shopping centers. And we're going to take advantage of that opportunity. Our re-tenanting spreads are far higher than our renewal spreads. So in this environment, with limited new development, and department stores in many of our geographies closing, we understand the retailers really want to put their brands in front of the customers, and we think our open-air shopping center platform is exactly the place that they want to do it.

Andrew Reale

Okay. Thank you. And then maybe just on the same-store growth, you noted that was burdened by snow removal in the quarter, which was no surprise. But I'd be curious if you could quantify where that same-store growth would have been ex the snow removal? And then your range still implies a somewhat broad range of outcomes. So I was wondering if you could maybe speak to some of the swing factors that could still drive you to the high- or low-end of your same-store range through the balance of the year? Thank you.

Michael Bilerman

Thanks, Andrew. So the snow relative to last year, you basically got about a penny that impacted it year-over-year. So probably about 100 basis points to that Same Center growth in the first quarter. As you saw, the expense growth was about 4% and we've been able to keep our expenses at pretty low levels. As you mentioned, that was contemplated in the full year guide, which is why the 2.25% and the 4.25% has maintained. At this point of the year, it's still early and we have a lot of confidence in our business, a lot of confidence in the range. We still run a very operationally intensive business. So as we move through the year, there's going to be some variability still on sales.

As you saw in the first quarter, our percentage rents were up, but there's still uncertainty as we move through the year. There's obviously still, as we are retenanting a lot of space, the downtime and the ability to bring those tenants in on time. We still have an uncertain macro environment. And so there's things that could take us at each part of the range. But as we sit here today, we're optimistic that we can continue to deliver solid growth. And with the amount of leasing that we've done, we'll be able to update you in 90 days.

Operator

Thank you. The next question is from the line of Craig Mailman with Citi. Please proceed with your questions.

Craig Mailman

Hey, guys. I know you touched on the higher lease termination fees really just being part of that intentional remerchandising effort. Could you just walk through how much of that is sort of F&B related as you guys progress that initiative versus just traditional retail and kind of what the -- as you guys are looking at that, the NPVs that you're looking at to take, I know your downtime is less than others in your

space, but even so the downtime, the TIs, can you just kind of walk through the economics of that thought process?

Michael Bilerman

Sure, Craig. I think you hit it at the beginning that these are deals that we have to agree to. These are negotiated transactions where a tenant has a lease. And if they want to get out, we have to come to an agreement of value that we want to get out of it. And if we have certain opportunities, we're going to take that advantage to get an NPV for a significant amount of the rent that's due to us under the lease. And so in this case, it's not a lot of space. But it had some term and credit, and we were able to bank that and then go ahead and re-lease the space. Our TAs are pretty low relative to other asset classes. And so that term fee allows us to fund that and then be able to create growth with a better tenant down the road.

Craig Mailman

And then just on the F&B side, I mean, part of that question was just how much of it is that initiative and I guess rolling it into like the Cal Ripken baseball partnership, things like that where these sports initiatives, I'm assuming part of that appeal is the F&B part. I mean, I know the retail is also interesting to them as they try to kill tie between games and things, but I kind of what's the-- as you guys craft those partnerships, like how much is the move towards F&B, a bigger piece of that as you guys try to get that type of customer in the door?

Stephen Yalof

So for us, I think one of the things we've been talking about with regard to the evolution of our portfolio over the past five or six years was that as demographics have shifted, our centers have become a little bit more of a go-to local shopping destination for the communities that we serve. And in light of that, we found that that consumer is looking for a lot more than just a shopping experience when they come and they visit us. So, using peripheral land in some instances, some of the in-line space to create food and beverage opportunities has served us extraordinarily well because we're seeing customers come and take on multiple visits. So the F&B piece of our business has been a really important strategy.

As we talk about the Cal Ripken partnership where we have a lot of overlap between where they have their setups and where we have shopping centers across the country, again, food and beverage part of our shopping center platform is critically important because we'll get those families in between games that want to come to our properties, they'll want to shop, but they'll also want a place to dine and be entertained. So that plays perfectly into the strategy that we've been executing to for the past number of years. We can now take advantage of it because we're able to provide that customer and the families the things that they're looking for as they have some downtime. So it's been -- turned out to be quite a fruitful partnership and one that we're looking to grow this year and in future years.

Craig Mailman

Great. Thank you.

Operator

Our next question is from the line of Michael Griffin with Evercore. Please proceed with your questions.

Michael Griffin

Great. Thanks. Steve, I'm curious if you can expand a bit onto any insights into shopping patterns or customer behavior you're seeing at your centers. Just given higher gas prices over the past couple of months, is there a worry that a sustained increase here could impact demand for shopping at your centers, or have you not seen that so far?

Stephen Yalof

Well, I'm really impressed with how resilient our customers have been. We went into 2026 thinking that we had a whole host of tailwinds that were going to serve as a great increase to both traffic and sales. And I guess with the crisis in the Middle East and gas prices being what they are, that that being a headwind, we still were able to drive an increase in sales and an increase in traffic in the first quarter. So the resiliency of the customer has been a wonderful thing.

I think it goes back to what I said to Craig in the previous question. We're no longer just reliant on that drive-to tourist customer coming to our centers where that gas price issue was a much bigger issue in years past. Now because we're part of that local shopping experience for a lot of our customers, I think that the gas issue as far as -- where they choose to travel has been somewhat mitigated. Obviously, everybody is still competing for share of wallet. So as gas prices go up and our customer becomes more constrained, thankfully our shopping centers offer value every day. And I think that value proposition where our customers, which are typically an aspirational customer, they're looking for the brands they love at the best possible price every day, and that's what we offer across our portfolio.

Michael Griffin

Thanks, Steve. That's very helpful. And maybe switching to external growth next. Michael, I'm curious. It looks like the balance sheet is primed to go on offense given the capital markets execution at the beginning of the year. Can you talk a little bit about the opportunity set in the transaction market today? Are you seeing more deals on outlets versus lifestyle centers? And can you talk about what returns you're underwriting to, maybe, relative to your cost of capital?

Michael Bilerman

Thanks, Griff. So our pipeline remains active and it remains active across the two unique verticals that we are active in, which are both complementary and synergistic to each other between the outlet business and the open-air lifestyle business. And where we're really leaning in is where our platform can

add value. Where can we see value from our leasing, operating, and marketing platforms, and what can we do to drive value of that asset from an asset management perspective.

We're optimistic that we can continue to find opportunities, but we're not programmatic. It's a big country and we'll announce deals when we do them. What we're really looking for, Griff, is the ability to go into an asset. It's not that initial yield, it's the growth that can be attained over time so that we're driving an attractive return on our invested capital. I would say there's more product coming to market as I think retail overall, there's a lot of positives that you're seeing from a demand perspective. Obviously, you know about the low supply and generating the returns relative to other asset classes, there's definitely more interest. We think we are pretty unique as an owner-operator to be able to come into certain assets and drive growth overall.

Stephen Yalof

To share a little bit on the leasing between the two platforms?

Justin Stein

Yeah. So from the standpoint of just -- yeah, look, we have a tremendous amount of demand in both platforms and being involved in the lifestyle platform has absolutely opened up the ability to bring some of those brands that historically have not been in the outlet channel into the outlet channel. And as you know, Michael, we are hybriding some of our assets on the outlet side, and we're seeing great sales increases. We're seeing, as Steve mentioned, an increase in traffic, and that has to do with us having that blend of both full-price and outlet.

Michael Griffin

Great. That's it from me. Thanks for the time.

Operator

Our next question is from the line of Juan Sanabria with BMO Capital Markets. Please proceed with your questions.

Juan Sanabria

Hi, good morning. Just hoping you could talk a little bit about the bankruptcies or closures and how that may affect results or the trends of growth in same-store and otherwise for the balance of the year given what's been announced today and how we should incorporate that in our forecast.

Michael Bilerman

Thanks, Juan. As we discussed last quarter, our range contemplated a range -- our guidance range had a range of credit outcomes. And at that point, we obviously knew about Eddie Bauer, Francesca's, and Saks. I think you saw some of that impact in the first quarter where those bankruptcies happened. But the other part is, you look at our leasing activity, we've already executed more of our renewal activity

than we did last year. And as Steve talked about in the opening comments, we've already executed backfill deals either on a permanent basis or a short-term temp basis for a lot of that space.

And so our guidance range of 2.25% to 4.25% still contemplates and takes into account all of these risks. And I would just say from a cadence perspective, we would expect 2Q to have most of the brunt of that as those tenants that come out, we put temp or perm, as those come into the back half of the year. And so you may just see a little bit of a different seasonal impact as we move through the year, but coming out with pretty attractive growth at 3.25% at the midpoint.

Juan Sanabria

Okay. So that'll be the cadence that the second quarter hit would be both on occupancy and same-store NOI, or -- just to confirm?

Michael Bilerman

You see it more on Same Center than you will on occupancy, because occupancy is period-end and we may have temp in there. But just from the timing during the quarter you may see some of that from a revenue perspective as we build that perm and rent basis through the end of the year.

Juan Sanabria

Great. And then just as a follow-up, you mentioned the closures of department stores as a benefit to your centers. Just curious if you have any case studies on what a department store closure in your trade area where there's an overlapping Tanger center has meant for sales or foot traffic? Anything that you could highlight as an output of what we're seeing with the consistent kind of closures and whittling down of the department stores?

Stephen Yalof

Yeah. Look, when we saw, particularly in the Southeast where we have most of our shopping centers, we saw over the past couple of years closing of some of the majors. Those brands are looking for a place to replace that sales volume. In some of the markets, the only place to do so is in one of our shopping centers. Places like between Hilton Head and Myrtle Beach, Daytona, Florida, Charleston, Savannah, a lot of those centers were built 15 or 20 years ago where they didn't have, sort of, proximity to the large regional shopping centers, because the retailers wanted to -- were concerned about that wholesale sensitivity. Now what we're finding is people are moving closer and closer to those geographies and looking for the -- for those particular brands, and the stores that they were shopping have started to close. We see either retailers getting bigger in our centers or opening up new stores and taking their footprint, making their footprints larger and larger across our portfolio.

Juan Sanabria

Thank you.

Operator

Our next question is from the line of Greg McGinniss with Scotiabank. Please proceed with your questions.

Greg McGinniss

Hey, good morning. So it's no secret that the acquisition environment is particularly competitive right now, but we've also seen your weighted average cost of capital improve with the higher equity value, strong balance sheet. Could you give a little more color on transaction market? Are you seeing much worth acquiring? What makes an asset attractive to you today, and what sort of cap rates or IRRs are you targeting?

Michael Bilerman

Yeah. Thanks, Greg. The market is competitive. But at the same time, there's more product on the market. And so I think you have those two things going at the same point. And at our size, we don't have to do a lot. We're just over a \$6 billion company. And if we're able to find really interesting, unique assets that fit our platform, and when you look across our 41 assets, we're in a lot of places that other people aren't. We operate with boots on the ground at every single one of our assets. These are very operationally intensive assets that are supported by a national platform that has deep experience from a leasing, operating, and marketing perspective, and we think that's a big competitive advantage when we look at assets within the outlet side of our business as well as open-air lifestyle. And we're optimistic that we'll be able to continue to find product to grow this platform accretively.

And as you said, our cost of capital has improved. But at this point, we're sitting on significant both leverage capacity being down at 4.7, 4.8 from a debt-to-EBITDA perspective, but also from just a pure liquidity perspective with over \$1 billion of immediate liquidity, we have the ability to deploy capital without the need to raise additional at this juncture.

Greg McGinniss

Okay. And then where do you see the biggest opportunities kind of within the portfolio to improve tenant offering over the next few years? And given the level of demand that you're seeing, does this open up additional potential densification or redevelopment opportunities? And I guess following along with that, where do you see as the kind of minimum underwriting threshold for that type of investment?

Stephen Yalof

Well, I'll let Michael talk about the investment side, but just the opportunities, I think we still have a lot of opportunity in our organic portfolio. So as we're incredibly active out in the acquisitions market right now, as Michael just talked about, the ability to take whether it's a Saks box or repurpose some of these stores that have closed due to bankruptcy or as I talked about at the beginning of the call that we're at an all-time low in terms of our retention rate, we're creating these new opportunities across our

portfolio because we're at a point in time where retailer demand is high, and demand and supply of space is low.

And where our re-tenanting spreads far exceed our renewal spreads, and we've got the opportunity to leverage our capital in order to make some of these changes across our portfolio, we're extraordinarily active, leasing at 3.4 million square feet over the past year as an all-time high. I think that's reflective of the tenant-side market. So we're very active. We're playing in that arena in a big way. And from an organic point of view, I think there's a lot of growth potential for us downstream.

Michael Bilerman

Yeah, Greg, I think, as the portfolio has continued to improve from merchandising standpoint, that begets more opportunity. And the other factor that's coming in is the markets that we operate in have seen significant population growth. When you look at our entire portfolio, we've grown 2x the national average, and within the local parts grown even faster than the MSA. So as we invest capital, we see a very positive double-digit returns as we invest that capital to either densify, whether it's on our peripheral land or redevelop within the center to create even more space for our tenants.

Greg McGinniss

Okay. Thank you, everyone.

Operator

Our next questions are from the line of Caitlin Burrows with Goldman Sachs. Please proceed with your questions.

Caitlin Burrows

Hi, good morning, everyone. I guess, you just went through how you don't need to raise equity at this point, which makes sense. I'm just wondering if you could go through maybe what situation or condition would make you issue again given where leverage is? Is it really dependent on acquisitions or, yeah, what could drive that in the future?

Michael Bilerman

Yeah, it's all about being prudent and disciplined and depending on the level of external growth, we would look to obviously maintain a conservative balance sheet. As we sit here today, as you know, we're generating between \$80 million and \$100 million of free cash flow after our dividends. We're growing our EBITDA. So there is natural built-in leverage capacity or capital capacity even if we don't raise equity. And if you think about, we've deployed \$800 million for the last three years, we've only -- we've raised a small amount of equity relative to that size as we've taken advantage of that free cash flow and EBITDA growth and actually over the last number of years, we've actually delevered a half a turn. So we feel good about where we are, and we would look at equity at that time depending on where the market is.

Caitlin Burrows

Okay, got it. And then maybe again on the leasing side, you guys talked about how you're kind of managing retention because the interest from the tenants is so high. Could you give some more color on which kind of tenants are driving that re-tenanting activity? And then as you think of all the properties you own, are you seeing that interest kind of trickle down further into maybe some of the properties that are not your top performers?

Justin Stein

Yeah, Caitlin, we talked about our -- we have about 67% of our renewals done, and that was a strategic and surgical approach this year because we have tremendous demand with new brands that want to be in our portfolio. And so we jumped out in front of it. We got a lot of it done. So the team can focus on the new business. And as you know, we've put a lot of effort and time and power behind our expansion with food, beverage, and entertainment.

And you go back to 2019 where our portfolio was very heavy, footwear and apparel was about 80% of our tenant mix. It's now down to 70%. It's because we're going after entertainment brands. We're going after health and beauty brands. We mentioned food. Home goods is a growing category in our portfolio. So, there's a lot of demand. We're going after the re-tenanting. The re-tenant spreads, as you know, are higher than our renewal spreads. So that's where our strategy is. And we're going to continue to go after that because that's where we see the greatest opportunity to grow NOI.

Caitlin Burrows

Thank you.

Operator

Our next question is from the line of Todd Thomas with KeyBanc Capital Markets. Please proceed with your questions.

Todd Thomas

Yeah, hi, thanks. Good morning. I guess, sticking with that last line of questioning or the discussion there, Justin, can you talk a little bit more about that mix today between some of the traditional outlet retailers and mixing in some of the full-price or non-outlet retailers? What that mix looks like today, how it's sort of evolved over the last, say, two years or so? And then how much does that equation tilt over time across the portfolio toward non-outlet or full-price tenants?

Justin Stein

Yeah. So we look at every one of our properties on a market-by-market and case-by-case basis. You take an asset like Deer Park, Long Island, where it's a very densely populated community that we serve, that property has the opportunity to be more hybrid in nature versus you take a center like Sevierville, Tennessee, where that is a power shopping outlet experience. So we look throughout our portfolio,

Todd, and we're going to determine which centers have the opportunity to be more hybrid and bring in some more of that full price mix.

But we also have to keep in mind, it's very important, our consumers come to our centers and they are looking for the world's best brands at the best possible value. So that's on us to determine the right mix, Todd, of full price in the outlet channel. And we're going to do that on a case-by-case basis throughout the portfolio.

Todd Thomas

Okay. And does this change the way we should think about the portfolio's occupancy cost, ratio target over time? I think we used to talk about the portfolio sort of being in the, maybe, 12% or 13% range. It's 9.7% today. As we think about that long-term target, bringing in more non-outlet retailers, does that sort of change the formula for the way we should think about the portfolio potential for rent upside over time?

Stephen Yalof

Yeah. It does. I think it's -- I think at 9.7%, I think there's still a lot of headroom for us to continue to grow rents. But you got to remember, our 9.7% has stayed flat, but our sales performance has gone up. So that still means that our rent -- that our NOI continues to grow. But we're going to continue to push rents. We see that opportunity by replacing a lot of the underperforming retailers with better performing retailers. We talked, I guess, a year ago about Sephora coming into our portfolio and they are delivering on the sales line. And if you take a look at who they replaced, we're seeing great sales upside opportunity. That sales per square foot is the number upon which the OCR is based. And as we continue to grow our sales performance on a per square foot basis and drive rents, it has a multiple effect on our ability to grow NOI.

Todd Thomas

Right. What have OCRs looked like on like new lease deals, say, over the last 12 months on a trailing 12-month basis? Is there a way to quantify that and help us just kind of understand where new lease deals are getting executed?

Doug McDonald

Yeah. Todd, it's going to be a range of different OCRs there depending on the type of industry or use of these tenants, depending on the center, depending on how we view the tenant at the center. There's a lot of different factors that are going to go into that. And so it's hard to give an average on those, but we definitely see upside opportunity relative to the in-place OCR across the portfolio.

Todd Thomas

Okay. Thank you.

Operator

Our next questions are from the line of Floris van Dijkum with Ladenburg. Please proceed with your question.

Floris van Dijkum

Hey, thanks, guys. Pretty fulsome answers so far. Maybe a question on two of your assets, I think, that are going to see some significant -- as a landlord, you always want other people to invest right next to you. If you think about your Kansas City and your National Harbor assets, maybe you can talk a little bit about what you're seeing there and what the potential is and what you might -- what that might do to those centers and what kind of investments you could contemplate as the Kansas City Chiefs build their stadium next to the Legends and as the Sphere gets built right next to the National Harbor outlet?

Stephen Yalof

Floris, thanks a lot for that question. I talked earlier about organic growth. Organic growth means taking advantage of opportunities on the existing portfolio. And in the case of Legends, we just closed on a pad right at the entry that has an existing restaurant. We see great long-term upside opportunity on that pad. Similarly, in National Harbor, we're working with our partners who we co-own that shopping center with on some future development there as well, in light of the fact that the Sphere is building on the adjacent property at the MGM in that marketplace. But that's just two of 41 centers in our portfolio. And we spend a tremendous amount of time looking at the future opportunities.

If you look at Foley, Alabama, we're in the process of doing a remodel and redevelopment of that center, because it enjoyed over the last four or five years great permanent population growth. And where that center typically served a tourist market, we're seeing huge upside in the Ripken partnership, in the sports tourism business, but also as the local population continues to grow and that customer relies on that shopping center to be the place where they do most of their shopping, we're finding adding additional uses, restaurants, entertainment uses, will give the customer the opportunity to come and shop with us far more frequently.

That narrative is playing out across our entire portfolio. It's been a strategy of ours for the past five or six years. We've been executing to it. Justin talked about the new uses that we're putting in the shopping centers. And I think we're going to continue to see that help us continue to drive NOI long-term and sustained in that existing portfolio.

Floris van Dijkum

Thanks, Steve. That's it from me.

Operator

The next questions are from the line of Mike Mueller with J.P. Morgan. Please proceed with your questions.

Mike Mueller

Yeah, hi. I guess, first, are there any outlet development opportunities on the horizon, or is just nothing making sense for you today? And I guess, similarly, you bought some chunkier lifestyles. Are there any meaningful expansion or outparcel opportunities with those?

Stephen Yalof

First of all, I think, there's a number of great markets where -- as outlet centers are coming closer and closer to the main markets, it's opened the door for a number of great markets to build outlet shopping centers, evidenced by our center that we built a few years ago in Nashville. Yeah, the economics right now of building new versus acquiring just are at an imbalance. So we think it's a better use of our capital to acquire in this current market. But that doesn't mean we won't maintain our pipeline of future locations. So when that dynamic changes, we'll have an opportunity to perhaps get back into some development.

With regard to the outparcel business, yeah, we are proactively seeking outparcels in adjacencies across our entire portfolio. Most notably is the one that we did in Arizona just a couple of years ago where ADOT put a large chunk of land that's immediately adjacent to our Glendale asset, and we took that down. We've now fully brought that space online with a number of different uses of a multi-tenant building that helps us take advantage of new food and beverage and entertainment opportunities that are not only adjacent to our property, but literally sit on the same campus as State Farm Arena and Glendale Entertainment District, the synergy of which has created a great flywheel for us to maintain growth and continue to grow that as one of our most productive assets in our portfolio.

Mike Mueller

Got it. Okay. And I guess, second, how big is the pool of temp tenants that you look to backfill with? And is there a rule of thumb for what we should be thinking of in terms of a split between your tenants that you'll line up that are using it for incubator test space versus others that just may make kind of a recurring business out of these shorter-term stores?

Stephen Yalof

Yeah. There's a number of different uses. When we talked about the strategy of temp for years, obviously, the cheapest rent in our portfolio is a temp tenant that goes in on a 30-day lease and will move from space to space and keep spaces occupied while we have some frictional vacancy and we're waiting for new tenants to come in. The most expensive leases in our portfolio are the ones where the retailer wants to come in for the Halloween season or the holiday season and we take advantage of those opportunities if we have vacant space to bring tenants in for that, too.

But I think what you're referring to is the pop-up strategy. Look, there's a lot of barriers to entry in the outlet business for retailers, because many of those retailers aren't ready to sign a 10-year lease day one, not knowing how much excess inventory they have or if they'll be able to continue to flow goods

into a store to create a sustainable business. In that connection, we've done a really good job working with retailer partners to give them the opportunity to sort of try before they buy using that pop-up strategy to see if they'll be successful. And we've had some great results doing that. We've also tried some retailers where it simply didn't work out. But some of the great results are, our partnership with Tory Burch, our partnership with Vineyard Vines, with UGG, and some of these stores that start out as short-term pop-up leases that ultimately convert into higher-paying rent tenants over time that proliferate across our portfolio.

Mike Mueller

Okay. Thank you.

Operator

Our next question is from the line of Naishal Shah with Green Street. Please proceed with your questions.

Naishal Shah

Great. Thank you. Hi. This is Naishal on for Vince today. Thanks for taking the question. I was just curious if you could shed a little bit more light on what is expected for property operating expenses for '26 versus last year? I appreciate this is probably a very lumpy line item and once maybe elevated given the snow removal costs. But any color you could provide would be helpful? Thank you.

Michael Bilerman

Yeah, Naishal, we guide Same Center NOI. We don't break out sort of expense relative to revenue, in part because there's different strategies. And as you said, the op ex is more variable. And we will be able to provide as we drive overall NOI growth, you'll see continued growth overall in the top line. And we try to mitigate as much of that expense pressure through just cost containment measures, ultimately to drive as much long-term NOI growth within our business.

And I think you look over the last four or five years, we've been able to drive pretty attractive Same Center NOI growth. And we continue to see opportunities to grow our revenues, as Steve talked about, still being at 9.7% OCR. The leasing demand that we're seeing, the growth in our other revenues, and then from a sales perspective, you've seen our sales now go over \$484 a foot, yet our OCR is still very low. And so we feel like that provides us continued opportunity to drive revenue. And then we look at every one of our operating expenses to try to mitigate as much of that expense growth as possible, some that's in our control and obviously some that we're beholden to the macroenvironment.

Naishal Shah

Great. Thank you. And then maybe just a quick follow up. On the occupancy composition today, could you shed maybe a little bit more light on temp tenancy in the portfolio today as a percent or as a proportion of total occupancy and how this compares with previous years?

Michael Bilerman

Sure. We're about 10% today. We came down a little bit coming out of the fourth quarter, which is always a seasonal high. And as we move, we'll probably have a little bit higher temp as we move through some of the bankruptcies in the near term and then exit the year into '27 with a higher permanent base.

Operator

Thank you. I'll now turn the call back over to Stephen Yalof.

Stephen Yalof

Thank you very much. As many of you are aware, Mr. Tanger will be retiring from our Board next week. And I'd like to take a moment to say thank you. Thank you for building the foundation of this great company, and thank you for years of leadership and mentorship to me and our management team. I look forward to our continued relationship as you remain an advisor to Tanger.

And now I'd like to turn it over to Mr. Tanger.

Steven B. Tanger

Good morning. Next week, as previously announced, I will retire from Tanger's Board and step into the role of Chair Emeritus, an opportunity I am honored to accept. Since taking Tanger public 33 years ago, this journey has been defined by the support, trust, and friendship of the investor community, and I am deeply grateful to each of you who has been part of that history with us. I have great confidence in the strength of our Board, our leadership, and the entire Tanger team. I know the future of this company is in very capable hands and I could not be more excited about the path ahead.

Thank you again for your continued support of Tanger.

Operator

Ladies and gentlemen, thank you for your participation. This does conclude today's teleconference. You may now disconnect your lines at this time and have a wonderful day.