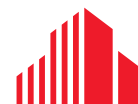


MARKETBEAT

Retail Snapshot Q2 2019

Cincinnati/Dayton



CUSHMAN & WAKEFIELD

ECONOMIC INDICATORS

National

	Q2 18	Q2 19	12 Month Forecast
GDP Growth	2.9%	2.6%	▼
CPI Growth	2.7%	1.8%	▲
Consumer Spending Growth	4.7%	4.5%	▼
Retail Sales Growth	5.6%	3.3%	▼

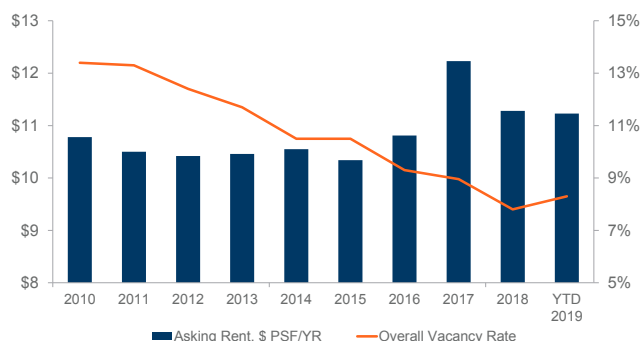
2019 Q2 data are based on latest available data. Growth rates are year-over-year.
Source: BLS, BOC, Moody's Analytics.

Regional

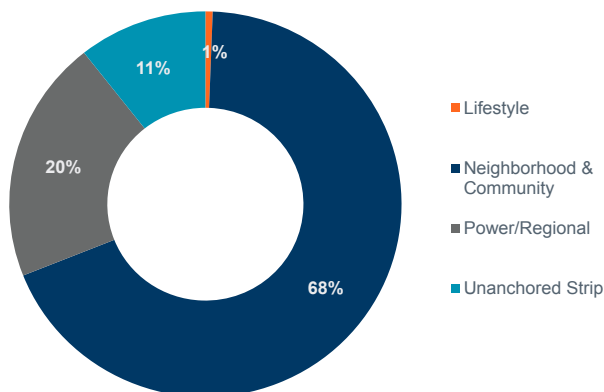
	Q2 18	Q2 19	12-Month Forecast
Household Income	\$61,389	\$61,789	▲
Population Growth (yr-over-yr)	0.5%	0.4%	▼
Unemployment	4.0%	3.7%	▼

2019 Q2 data are based on latest available data. Growth rates are year-over-year.
Source: BLS, BOC, Moody's Analytics.

Rental Rate vs. Overall Vacancy



Availability by Type



Economy

A recent Bureau of Labor Statistics (BLS) analysis revealed that Greater Cincinnati has the lowest cost of living among all major metro areas in the U.S. The BLS regional price parity (RPP) index compares average costs of goods, housing and other items to set a national barometer for cost of living. San Francisco and New York have RPP indices of more than 120, while Cincinnati's RPP is just 90. Along with low cost of living, the combined Cincinnati/Dayton unemployment rate of 3.7% was nearly identical to the national unemployment rate of 3.6% as of second quarter 2019.

Market Overview

After reaching a decade-low vacancy rate of 7.8% in fourth quarter of 2018, shopping center vacancy for the combined Cincinnati/Dayton market increased to 8.3% in the second quarter of 2019. However, on a year-over-year (YOY) basis, vacancy fell by 25 basis points (bps).

As in prior quarters, vacancy in Cincinnati/Dayton (8.3%) remained significantly higher than most Midwest metro markets. In the second quarter of 2019, vacancy was 4.5% in Columbus, 5.0% in Louisville, and 5.3% in Pittsburgh. Both Indianapolis and Cleveland had 6.3% vacancy, while vacancy in Kansas City was 7.5%.

The vacancy rate for the combined region was 8.3% in the second quarter, which was consistent for the vacancy rates in both the Cincinnati (8.3%) and Dayton (8.6%) metro areas. Among 24 individual submarkets, vacancy rates varied significantly. Nine submarkets had double-digit vacancy rates in the second quarter, but the majority of these submarkets experienced a YOY decrease in vacancy. Submarkets with low vacancy included Clifton/Midtown (1.2%) and Covington/Newport (4.0%). Vacancy rates remained high in submarkets like Tri-County (17.5%) and West Dayton/Trotwood (17.2%), despite noticeable yearly decreases in available space.

Among the four types of shopping centers in the Cincinnati/Dayton market, vacancy rates ranged between 0.9% (Lifestyle) and 9.0% (Neighborhood & Community). Asking rental rates averaged \$11.50 triple net per square foot (psf) per year across all categories. It should be noted that these figures are for benchmarking purposes. These rates include all classes and availability sizes, reflect what is currently available in the market, most of which is Class B or C space.

After five consecutive quarters of positive net absorption in 2017 and 2018, both the first and second quarters of 2019 had negative net absorption. Year-to-date 2019 net absorption totaled negative 218,000 square feet (sf), which was the largest amount of negative absorption registered in the first half of any year for more than a decade. Much of this negative absorption was centered in three submarkets: Forest Park/West, Northeast Dayton and Kenwood.

The largest leases signed in the first half of 2019 took place were in the furniture, fitness and discount retail categories. Furniture Fair and Big Sandy Superstore leased spaces in excess of 50,000 sf in suburban Dayton. Next Level Fitness leased 19,000 sf in Sharonville, while Planet Fitness leased 15,000 sf in downtown Cincinnati at The Banks entertainment district. In Colerain Township, Big Lots will open a new location in 38,000 sf at Prospect Square on Colerain Avenue.

Outlook

- Shopping center vacancy in the region hovered around 8.0% for the past four quarters, and that is unlikely to change before the end of 2019.
- Barring new major national bankruptcies, the amount of negative absorption for the region should decrease for the remainder of the year.

MARKETBEAT

Retail Snapshot Q2 2019

Cincinnati/Dayton



Q2 2019 Statistic Summary

SHOPPING CENTER TYPE	INVENTORY (SF)	DIRECT VACANT SF	SUBLET VACANT SF	TOTAL VACANT SF	OVERALL VACANCY RATE	Q2 2019 DIRECT NET ABSORPTION	YTD DIRECT NET ABSORPTION	AVERAGE ASKING RENT PSF (NNN)*
Lifestyle	3,729,905	32,358	0	32,358	0.9%	8,028	-5,872	\$15.38
Neighborhood & Community	42,437,609	3,686,537	112,029	3,798,566	9.0%	8,958	-236,001	\$11.15
Power/Regional	13,004,446	1,100,603	60,981	1,161,584	8.9%	-13,708	54,985	\$9.45
Unanchored Strip	8,297,980	572,629	4,400	577,029	7.0%	-24,363	-31,271	\$14.30
Shopping Center Total	67,469,940	5,392,127	177,410	5,569,537	8.3%	-21,085	-218,159	\$11.50
(All Types, Excluding Malls & Outlet)								

* Rental rates reflect psf per year

Sources: Cushman & Wakefield Research, CoStar

Key Lease Transactions 2019

PROPERTY	SQUARE FEET	TENANT	CENTER TYPE	CITY
Beavercreek Center	55,200	Furniture Fair	Power Center	Beavercreek
2400 Miamisburg Centerville Road	54,000	Big Sandy Superstore	Unanchored Strip	Miami Twp.
Prospect Square	37,941	Big Lots	Neighborhood & Community	Cincinnati
Sharonville Plaza	19,467	Next Level Fitness	Neighborhood & Community	Sharonville
Newport Shopping Center	16,730	Northern Kentucky Open Box Outlet	Power Center	Newport
Governor's Plaza	15,000	Salon Lofts	Power Center	Symmes Twp.
The Banks	14,531	Planet Fitness	Unanchored Strip	Cincinnati
South Towne Centre	14,060	Office Max	Power Center	Miamisburg
Streets of West Chester	8,000	Panera Bread	Lifestyle	West Chester
The Shoppes at Fairfield Commons	7,860	El Toro	Power Center	Beavercreek

Sources: Cushman & Wakefield Research, CoStar

Key Sales Transactions 2019

PROPERTY	SF	SELLER	BUYER	PURCHASE PRICE	PRICE PSF	CITY
Northwest Plaza	223,127	Eidi Properties	Neiderman Bernard	\$5,500,000	\$24.65	Dayton
Fountain Place	206,315	Towne Properties	3CDC	\$7,500,000	\$36.35	Cincinnati
Western Hills Marketplace	127,645	Casto	United Properties Corp.	\$15,250,000	\$119.47	Cincinnati
Silverlake Plaza	88,911	Inven Trust Properties Corp.	Copperwood Realty Group	\$6,650,000	\$74.79	Erlanger
Harrison Greene Retail	17,120	Neyer Properties	Crow Holdings Capital	\$5,900,000	\$344.63	Cincinnati
Walgreens	13,905	Spirit Realty Capital	JRW Investments	\$4,725,000	\$339.81	Cincinnati
Red Lobster	8,548	VEREIT	Four Corners Property Trust	\$4,838,968	\$566.09	Miamisburg
Red Lobster	8,447	VEREIT	Isseibert Companies	\$4,383,114	\$518.90	Cincinnati

Sources: Cushman & Wakefield Research, CoStar, Real Capital Analytics

Cushman & Wakefield
201 E. Fourth Street
Suite 1800
Cincinnati, OH 45202
cushmanwakefield.com

For more information, contact:
Jarrett Hicks
Assoc. Market Director - Research
Tel: +1 513 421 4884
jarrett.hicks@cushwake.com

About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2019 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.