

CINCINNATI / DAYTON

Retail Q4 2019

CUSHMAN & WAKEFIELD

\$61,416

Median HH Income

YoY
Chg12-Mo.
Forecast

0.5%

Population Growth



3.8%

Unemployment Rate



Source: BLS (Economic Indicators are representative of specific county or MSA.)

U.S. ECONOMIC INDICATORS
Q4 2019YoY
Chg12-Mo.
Forecast

2.4%

GDP Growth

4.3%

Consumer Spending
Growth

4.1%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMIC OVERVIEW

JobsOhio is the major non-governmental economic development entity in the State of Ohio, with locally-based “network” offices in both Greater Cincinnati (REDI) and Greater Dayton (DDC). According to quarterly metrics compiled by JobsOhio, new job creation commitments in the fourth quarter of 2019 kept pace with the fourth quarter of 2018. In the final quarter of 2019, companies receiving grants or loan assistance from JobsOhio committed to create 1,479 new jobs between the Cincinnati and Dayton regions. During the same period in 2018, 1,566 new jobs were committed to the area. The combined unemployment rate for Cincinnati and Dayton has been at or below 4.0% for most of the year, and was 3.8% at the end of 2019.

SUPPLY AND DEMAND

The vacancy rate for the combined region was 7.1% in the fourth quarter of 2019, which was down from 7.8% at the same time one year ago. There was a definite difference in the vacancy rates for Cincinnati (6.8%) versus the Dayton (7.6%) metro areas. The Greater Cincinnati retail market is almost twice as large as the Dayton market and vacancy fell in Cincinnati by over 100 basis points (bps) between fourth quarter of 2018 and 2019. At the same time, vacancy in the Greater Dayton market fluctuated between 8.0% and 9.0% for most of 2019.

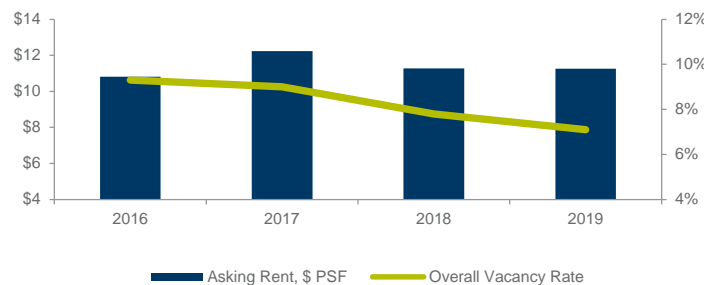
Among the four types of shopping centers in the Cincinnati/Dayton market, vacancy rates ranged between 2.4% (Lifestyle) and 8.1% (Neighborhood & Community). On a year-over-year (YOY) basis, vacancy changes have been minimal in most shopping center categories, with the exception of Power/Regional centers, where vacancy was nearly cut in half (9.4% to 5.4%).

Despite negative absorption in the first and second quarters of 2019, six of the previous eight quarters recorded positive net absorption. In the fourth quarter of 2019 alone, the region saw more than 550,000 square feet (sf) of positive absorption, mostly from leasing at Power/Regional centers. Full-year 2019 net absorption totaled 460,000 sf, which was less than 2018 (933,000 sf), but far ahead of 2017 (-351,000 sf).

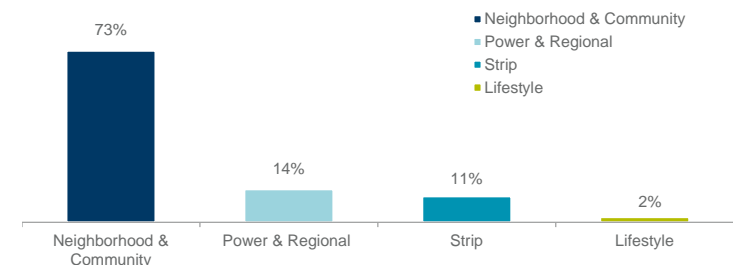
PRICING

Asking rental rates averaged \$11.25 triple net per square foot (psf) per year across all categories. This rate was essentially unchanged on a YOY basis. 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.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



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MARKET STATISTICS

SHOPPING CENTER TYPE*	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION(SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)**
Lifestyle	3,692,814	0	89,591	2.4%	-58,167	-63,105	0	\$15.38
Neighborhood & Community	42,498,392	110,589	3,343,648	8.1%	172,098	73,211	44,400	\$10.51
Power / Regional	12,427,204	64,181	612,039	5.4%	401,549	415,349	45,052	\$11.57
Unanchored Strip	8,324,828	10,225	505,769	6.2%	40,061	34,164	0	\$13.70
CINCINNATI TOTALS	66,943,238	184,995	4,551,047	7.1%	555,541	459,619	86,452	\$11.25

*Shopping Center Types do not include malls & outlets

**Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q3 / Q4 2019

PROPERTY	SUBMARKET	TENANT	SF	TYPE
Ridgewater Plaza	Kenwood	HomeBuys	64,700	New Lease
Hyde Park Plaza	Hyde Park / Mt. Lookout	Marshalls	20,000	New Lease
Crystal View Plaza	Tri-County	Dollar Tree	15,000	New Lease
Governor's Plaza	Mason / Montgomery	Boot Barn	14,747	New Lease
Rookwood Commons	Hyde Park / Oakley	West Elm	12,000	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 / Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
Governors Pointe	Mason / Montgomery	Encore Enterprises / Select Strategies Realty	360,000	\$30.1M / \$84
Springboro Plaza	South Dayton	Slate Retail REIT / Kroger	154,034	\$7.2M / \$47
Southland 75	South Dayton	RCG Ventures LLC / United Properties Corp.	120,522	\$8.8M / \$73
Center Point Plaza	Southeast Dayton	RG Properties / Sprint Realty Capital	95,811	\$9.4M / \$98
Eastgate Square	Eastgate	Midland Properties / Sigo Partners LLC	68,100	\$6.1M / \$90

KEY CONSTRUCTION COMPLETIONS YTD 2019

PROPERTY	SUBMARKET	MAJOR TENANTS	SF	OWNER / DEVELOPER
Florence Heights	Northern Kentucky	Menards	170,000	Anchor Associates
Crossings of Beckett	Butler County	Kroger	146,620	Silverman & Co.

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