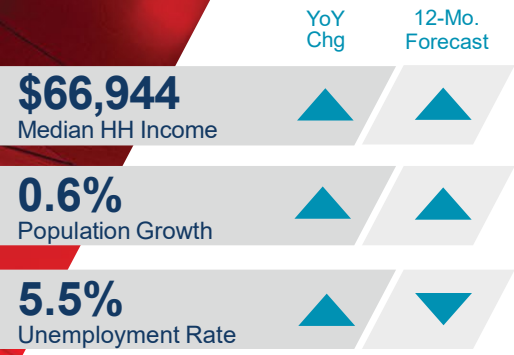


# CINCINNATI / DAYTON

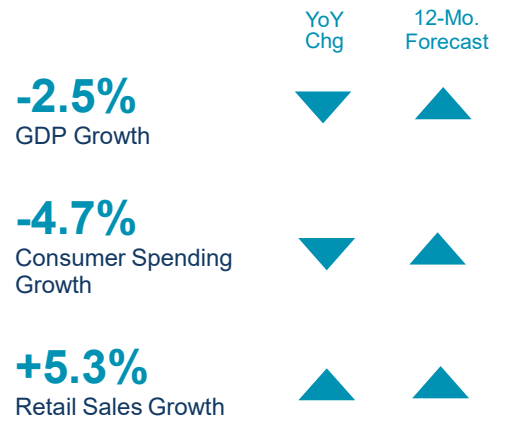
CUSHMAN & WAKEFIELD

Retail Q4 2020



Sources: BLS, BOC, Moody's Analytics  
Q4 2020 data are based on latest available data of combined MSAs. Growth rates are year-over-year.

## U.S. ECONOMIC INDICATORS Q4 2020



Sources: BLS, BOC, Moody's Analytics  
Q4 2020 data are based on latest available data. Growth rates are year-over-year.

## ECONOMIC OVERVIEW

After reaching 14.0% in mid-2020, the unemployment rate in the combined Cincinnati / Dayton market fell to 5.5% by the end of Q4 2020. Local unemployment also remained well below the national rate of 6.7%.

Between the worldwide effects of COVID-19, a resulting economic recession followed by an uneven recovery and considerable election controversy in the United States, 2020 was a year of great uncertainty. However, with promising COVID-19 vaccines in production and a resolution to the U.S. national election, the economy is better-positioned for continued recovery throughout the new year. Cushman & Wakefield updates its research on CRE and the evolving state of economy [here](#).

## SUPPLY AND DEMAND

In Q4 2019, the shopping center vacancy rate for the combined region hit a ten-year low of 6.9%. Immediately after, the economic downturn of 2020 helped push shopping center vacancy back above 7.0%, ending the year at 7.5%. While the Cincinnati retail market is almost twice as large as the Dayton market, 2020 had a far greater effect on Dayton than Cincinnati. On a year-over-year (YOY) basis, Cincinnati's vacancy rate was nearly identical (6.4% versus 6.5%). On the other hand, Dayton's YOY vacancy grew significantly from 7.6% to 9.1%. Among the four shopping center types in the combined region, Q4 2020 vacancy rates ranged between 3.4% (Lifestyle) and 8.4% (Neighborhood & Community). YOY vacancy decreased at Lifestyle centers by 100 basis points (bps) but increased in each of the other three shopping center categories.

For the first time since 2009, full-year net absorption in Cincinnati / Dayton was negative in 2020. Along with a YOY increase in vacancy, net absorption shifted from positive 309,000 square feet (sf) in 2019 to negative 397,000 sf in 2020. The vast majority of negative absorption in 2020 took place at Neighborhood & Community centers (266,000 sf). Between the two individual markets, Cincinnati had some positive absorption (6,000 sf) in 2020, while Dayton did not (-402,000 sf).

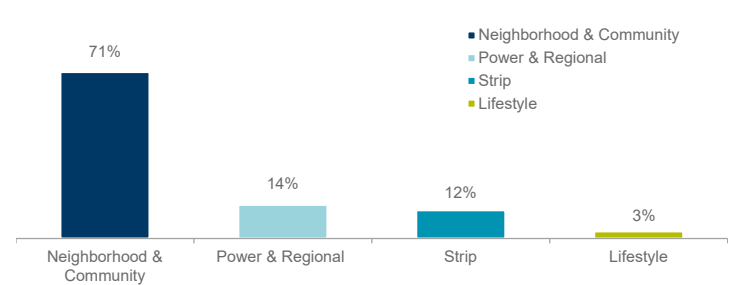
## PRICING

Asking rental rates averaged \$10.69 triple net per square foot (psf) per year across all categories. This rate was 1.0% higher on a YOY basis. It should be noted that these figures are used for benchmarking and include all classes and availability sizes.

## RENT / VACANCY RATE



## AVAILABILITY BY PRODUCT TYPE



## CINCINNATI / DAYTON

Retail Q4 2020

CUSHMAN &amp; WAKEFIELD

## 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                         | 4,590,673         | 60,000             | 93,935             | 3.4%                 | -6,794                                 | 48,728                          | 0                | \$19.66                         |
| Neighborhood & Community          | 42,856,514        | 96,189             | 3,503,885          | 8.4%                 | -40,632                                | -265,806                        | 0                | \$10.18                         |
| Power / Regional                  | 11,929,882        | 6,640              | 718,424            | 6.1%                 | -26,438                                | -84,249                         | 0                | \$9.11                          |
| Unanchored Strip                  | 8,430,794         | 12,225             | 593,907            | 7.2%                 | 5,336                                  | -95,276                         | 0                | \$13.10                         |
| <b>CINCINNATI / DAYTON TOTALS</b> | <b>67,807,863</b> | <b>175,054</b>     | <b>4,910,151</b>   | <b>7.5%</b>          | <b>-68,528</b>                         | <b>-306,603</b>                 | <b>0</b>         | <b>\$10.69</b>                  |

\*Shopping Center Types do not include malls &amp; outlets

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

## KEY LEASE TRANSACTIONS Q3 / Q4 2020

| PROPERTY                 | SUBMARKET             | TENANT                     | SF     | TYPE      |
|--------------------------|-----------------------|----------------------------|--------|-----------|
| Twinbrook Plaza          | Butler County         | Cowboy Jim's Flea Market   | 27,000 | New Lease |
| New Lebanon Plaza        | West Dayton           | Groceryland Foods          | 26,000 | Renewal   |
| Wilmington Plaza         | South Central Dayton  | Discount Fashion Warehouse | 23,000 | Renewal   |
| Harrison Center          | Forest Park / West    | Planet Fitness             | 21,000 | New Lease |
| Alexandria Village Green | Outlying No. Kentucky | Harbor Freight Tools       | 20,000 | New Lease |
| Crossing of Colerain     | Forest Park / West    | Caliber Collision          | 18,000 | New Lease |

## KEY SALES TRANSACTIONS Q3 / Q4 2020

| PROPERTY                   | SUBMARKET                | SELLER / BUYER  | SF      | PRICE / \$ PSF  |
|----------------------------|--------------------------|---|---------|-----------------|
| Governor's Pointe / Lowe's | Mason/Montgomery         | Encore Enterprises, Inc. / Agree Realty Corp.             | 128,747 | \$17.9M / \$139 |
| 4825 Marburg Avenue        | Fairfax/Mt. Lookout      | At Home / STORE Capital Corp.                             | 113,734 | \$7.5M / \$66   |
| Imperial Shopping Center   | North Dayton             | The Khoshbin Co. / ISC20 LLCISC20 LLC                     | 59,122  | \$2.6M / \$44   |
| Shops at Northgate         | Forest Park/West         | Tabani Group / ZC Capital LLC                             | 32,146  | \$1.3M / \$41   |
| Former Danbarry Cinemas    | Northeast Central Dayton | Danbarry Cinemas Mgmt. / Larkspur Heights LLC             | 31,448  | \$1.4M / \$43   |
| Walgreens (Fairborn)       | East Dayton              | Lease Fund II LLC / Regency Drive LLC                     | 14,490  | \$4.1M / \$283  |
| Walgreens (Middletown)     | Butler County            | Walgreens Boots Alliance / Oak Street Real Estate Capital | 14,165  | \$4.8M / \$341  |
| Walgreens (Mason)          | Mason/Montgomery         | Matthew Kite / Gator Investments                          | 13,821  | \$1.3M / \$94   |
| Troy Place I               | North Dayton             | B & X Properties LLC / Troy Place Plaza LLC               | 12,898  | \$1.3M / \$99   |
| The SODA Center            | South Central Dayton     | Jim Ikerd / Nedal Abushanab                               | 12,284  | \$1.7M / \$138  |

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## A CUSHMAN &amp; WAKEFIELD RESEARCH PUBLICATION

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