

### Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate did not change from January 2016 to January 2017, staying at 5.5% for the Dayton metropolitan area. The Average unemployment rate for the US was reported at 4.9% down from 5.0% for the state of Ohio. The Dayton metropolitan statistical area job creation was up 0.6% totaling 2,100 jobs over the past year. Office using jobs (information, professional and business services and financial activities) added a net total of 2,000 jobs during the past year, with the Financial sector having the highest year over year growth of 5.1%.

### Market Overview

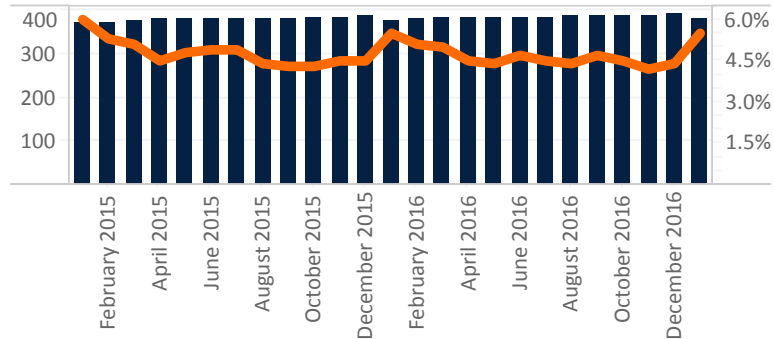
The Dayton retail market recorded 10,465 square feet of positive absorption during 1Q 2017. The total vacancy rate has decreased from 7.6% in 1Q 2016 to 7.5% at the close of 1Q 2017. Direct vacancy rates remained steady at 7.5% during the same time period. Weighted average rent growth continued to decline during 1Q 2017 with the exception of strip center properties in the East and Upper Valley. Weighted average asking rents in all classes changed less than 1% recording \$8.89 per square foot (psf) at the close of 1Q 2017 compared to 1Q 2016. Neighborhood/ Community center weighted average rents decreased 3.9% year-over-year, recording \$9.07 psf at the close of 1Q 2017. Strip Center rate improved 2.9% year-over-year, recording \$9.63 psf for 1Q17.

### Market Highlights

The Dayton retail vacancy rate has remained at 7.5% from 4Q 2016. As the vacancy rate has remained steady in the seventh percentile for the last year, the average asking rate has also remained steady dropping only slightly year-over-year posting \$8.90 psf in 1Q 2016 and \$8.89 psf in 1Q 2017. The Delivery of the new Dick's Sporting Goods in Springfield helped to offset the move outs of Party City and Golfsmith in the first quarter.

### Dayton Employment

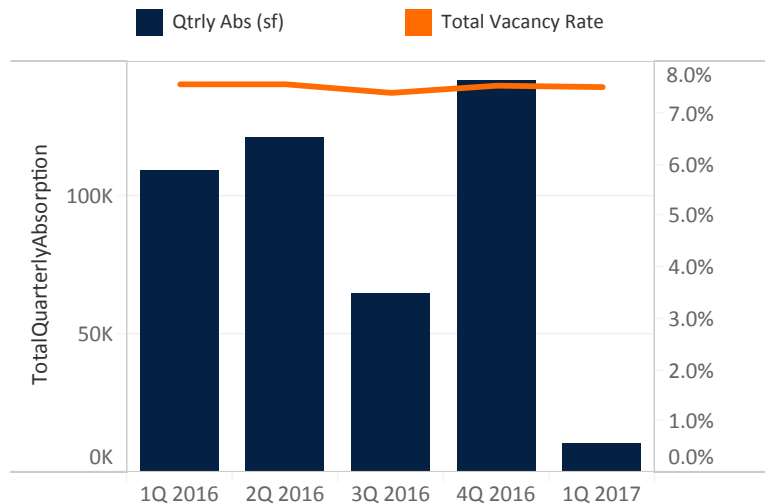
Source: BLS



### Market Recap

Inventory (sf)	32,492,213
# of Bldgs	587
Qtrly Abs (sf)	10,465
Total Avail Rate	8.6%
Total Vacancy Rate	7.5%
U/C Inventory (sf)	135,000
Delivered (sf)	42,000
Weighted Average Asking Rate (NNN)	\$8.89

### Absorption and Vacancy Rate



## Overview by Specific Use (Total)

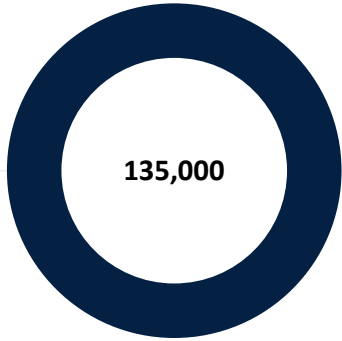
Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	4,847,732	589,350	481,360	9.9%	-26,778	-26,778
Free/Gen	11,989,233	540,033	472,349	3.9%	74,831	74,831
Nbrhd/Comm Ctr	14,072,800	1,640,462	1,486,195	10.6%	-37,588	-37,588
Reg/Power Ctr	1,582,448	39,455	3,469	0.2%	0	0
Overall	32,492,213	2,809,300	2,443,373	7.5%	10,465	10,465

## Overview by Market (Total)

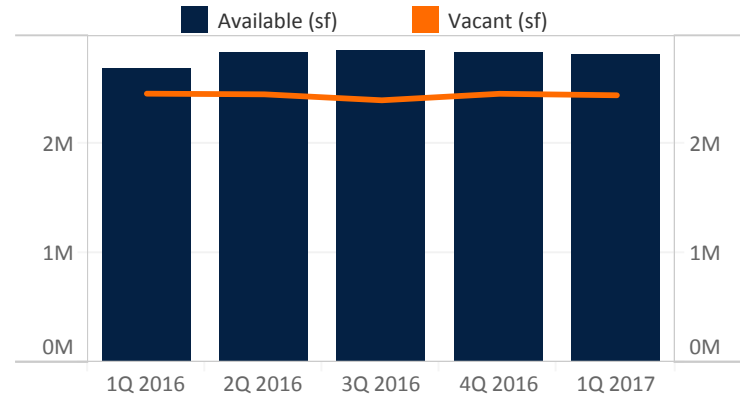
Market Name	Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
East	Conv/Strip Ctr	298,081	34,262	27,862	9.3%	0	0
	Free/Gen	256,272	6,208	6,208	2.4%	0	0
	Nbrhd/Comm Ctr	1,203,847	276,520	199,745	16.6%	-40,342	-40,342
North	Conv/Strip Ctr	982,609	148,090	133,155	13.6%	-10,541	-10,541
	Free/Gen	1,867,604	93,321	66,574	3.6%	0	0
	Nbrhd/Comm Ctr	1,881,797	42,050	42,050	2.2%	0	0
South	Conv/Strip Ctr	2,221,191	246,894	198,759	8.9%	-22,487	-22,487
	Free/Gen	4,683,694	61,487	20,550	0.4%	0	0
	Nbrhd/Comm Ctr	6,183,628	737,613	671,506	10.9%	-1,287	-1,287
	Reg/Power Ctr	1,582,448	39,455	3,469	0.2%	0	0
Sprngfld - Urbana	Conv/Strip Ctr	595,044	74,170	72,520	12.2%	6,330	6,330
	Free/Gen	1,693,118	105,456	105,456	6.2%	42,000	42,000
	Nbrhd/Comm Ctr	1,088,492	75,037	75,037	6.9%	-4,266	-4,266
Upper Valley	Conv/Strip Ctr	240,157	18,806	15,606	6.5%	-80	-80
	Free/Gen	1,370,962	0	0	0.0%	0	0
	Nbrhd/Comm Ctr	1,601,778	105,484	102,684	6.4%	0	0
West	Conv/Strip Ctr	497,390	67,128	33,458	6.7%	0	0
	Free/Gen	1,662,521	273,561	273,561	16.5%	32,831	32,831
	Nbrhd/Comm Ctr	1,953,097	390,458	381,873	19.6%	8,307	8,307
Xenia	Conv/Strip Ctr	13,260	0	0	0.0%	0	0
	Free/Gen	455,062	0	0	0.0%	0	0
	Nbrhd/Comm Ctr	160,161	13,300	13,300	8.3%	0	0
Overall		32,492,213	2,809,300	2,443,373	7.5%	10,465	10,465

### Construction by Market

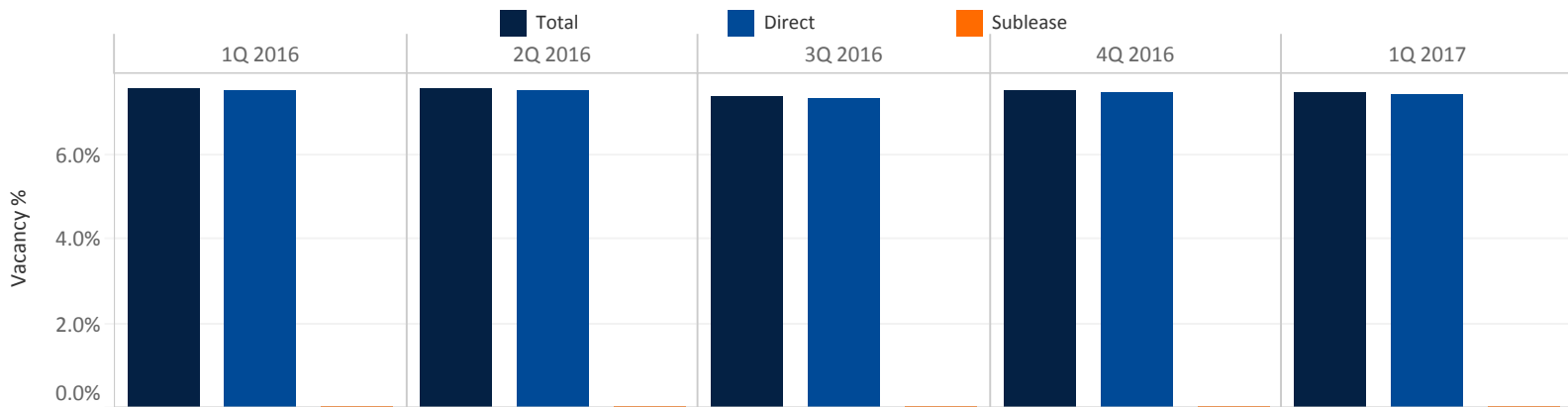
Rank  
■ East



### Total Available and Vacant



### Vacancy Rate



### Overview by Specific Use (Direct)

Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	4,847,732	552,907	478,587	9.9%	-24,005	-24,005
Free/Gen	11,989,233	540,033	472,349	3.9%	74,831	74,831
Nbrhd/Comm Ctr	14,072,800	1,613,845	1,472,135	10.5%	-37,588	-37,588
Reg/Power Ctr	1,582,448	39,455	3,469	0.2%	0	0
Overall	32,492,213	2,746,240	2,426,540	7.5%	13,238	13,238

### Overview by Specific Use (Sublease)

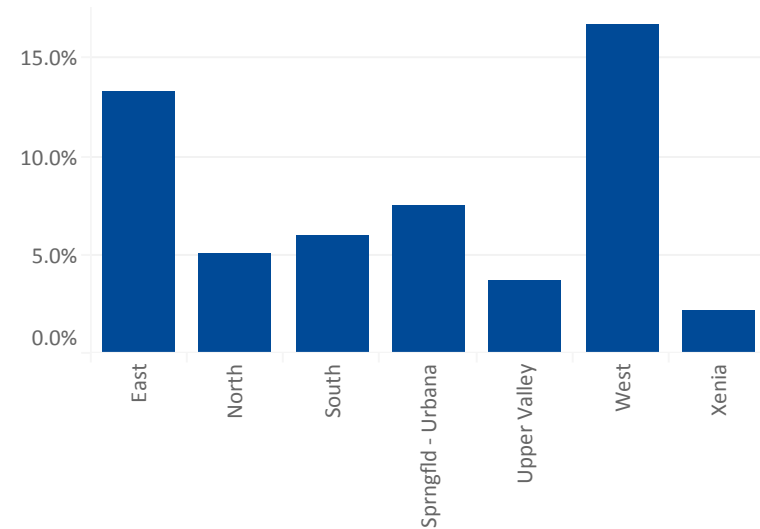
Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	4,847,732	36,443	2,773	0.1%	-2,773	-2,773
Free/Gen	11,989,233	0	0	0.0%	0	0
Nbrhd/Comm Ctr	14,072,800	26,617	14,060	0.1%	0	0
Reg/Power Ctr	1,582,448	0	0	0.0%	0	0
Overall	32,492,213	63,060	16,833	0.1%	-2,773	-2,773

## Direct Vacancy Rate

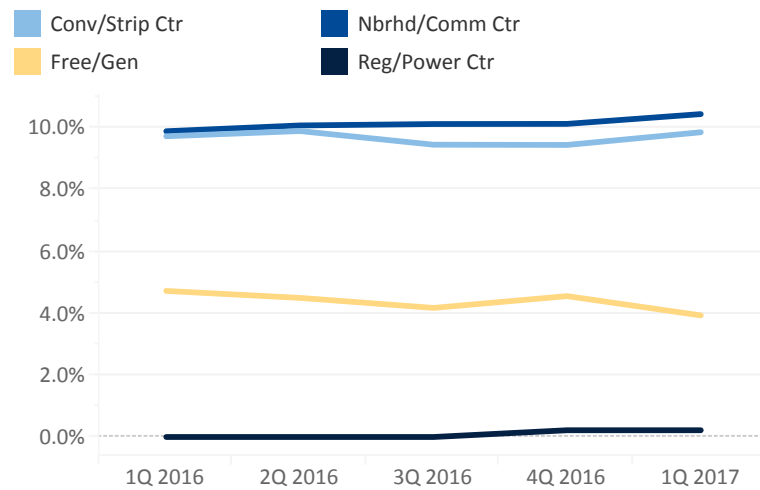
### By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
East	Conv/Strip Ctr	9.9%	9.3%	9.3%	9.3%	9.3%
	Free/Gen	2.4%	2.4%	2.4%	2.4%	2.4%
	Nbrhd/Comm Ctr	14.9%	12.5%	12.5%	13.2%	16.6%
North	Conv/Strip Ctr	11.5%	12.5%	12.7%	12.5%	13.6%
	Free/Gen	4.8%	4.8%	4.1%	3.6%	3.6%
	Nbrhd/Comm Ctr	1.7%	2.3%	1.9%	2.2%	2.2%
South	Conv/Strip Ctr	9.5%	9.1%	8.3%	8.1%	8.8%
	Free/Gen	0.3%	0.0%	0.0%	0.4%	0.4%
	Nbrhd/Comm Ctr	10.8%	10.8%	10.6%	10.6%	10.6%
	Reg/Power Ctr	0.0%	0.0%	0.0%	0.2%	0.2%
Sprngfld - Urbana	Conv/Strip Ctr	10.4%	11.1%	12.3%	13.3%	12.2%
	Free/Gen	7.1%	6.4%	6.4%	8.7%	6.2%
	Nbrhd/Comm Ctr	6.8%	7.4%	11.1%	6.5%	6.9%
Upper Valley	Conv/Strip Ctr	6.9%	6.9%	6.3%	6.5%	6.5%
	Free/Gen	1.8%	1.8%	0.0%	0.0%	0.0%
	Nbrhd/Comm Ctr	6.6%	6.6%	6.6%	6.4%	6.4%
West	Conv/Strip Ctr	7.8%	9.0%	6.7%	6.7%	6.7%
	Free/Gen	18.4%	18.4%	18.4%	18.4%	16.5%
	Nbrhd/Comm Ctr	17.2%	18.9%	18.3%	19.4%	19.6%
Xenia	Conv/Strip Ctr	0.0%	0.0%	0.0%	0.0%	0.0%
	Free/Gen	0.0%	0.0%	0.0%	0.0%	0.0%
	Nbrhd/Comm Ctr	0.0%	0.0%	0.0%	8.3%	8.3%
Overall		7.5%	7.5%	7.4%	7.5%	7.5%

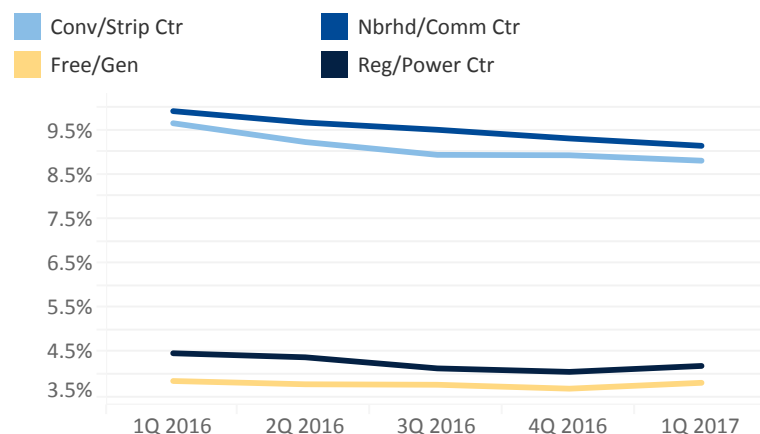
### By Market



### Dayton by Specific Use



### National by Specific Use

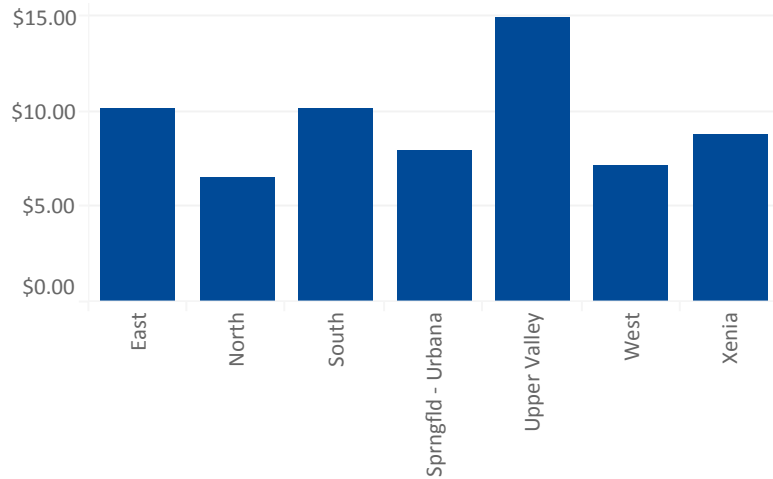


## Direct Weighted Average Asking Rates (NNN)

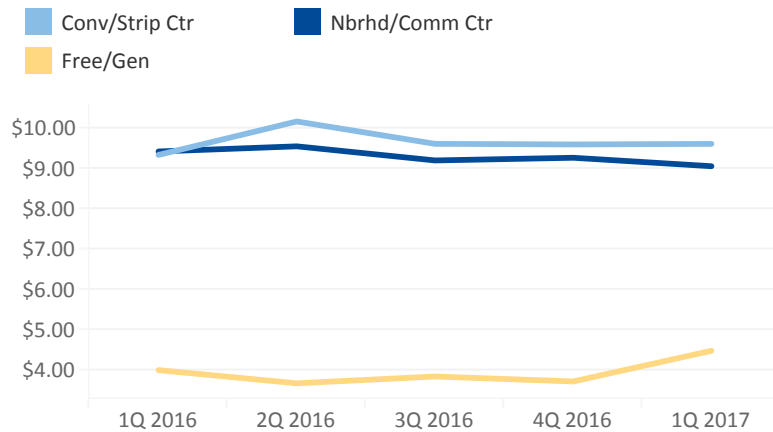
### By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		1Q 2016	2Q 2016	3Q 2016	4Q 2016	1Q 2017
East	Conv/Strip Ctr	\$10.80	\$10.80	\$10.97	\$12.80	\$12.80
	Free/Gen	-	-	\$5.50	-	-
	Nbrhd/Comm Ctr	\$7.09	\$8.79	\$8.80	\$9.03	\$9.13
North	Conv/Strip Ctr	\$7.08	\$7.34	\$7.36	\$7.29	\$7.45
	Free/Gen	\$3.72	\$3.72	\$3.79	\$3.79	\$3.79
	Nbrhd/Comm Ctr	\$6.11	\$6.12	\$8.39	\$8.39	\$8.35
South	Conv/Strip Ctr	\$10.95	\$12.33	\$10.53	\$10.92	\$11.01
	Free/Gen	-	-	-	-	\$12.50
	Nbrhd/Comm Ctr	\$10.36	\$11.01	\$10.20	\$9.70	\$9.56
	Reg/Power Ctr	-	-	-	-	-
Sprngfld - Urbana	Conv/Strip Ctr	\$7.29	\$9.87	\$10.23	\$8.09	\$7.50
	Free/Gen	\$7.00	-	-	-	-
	Nbrhd/Comm Ctr	\$10.41	\$9.66	\$8.31	\$9.66	\$10.15
Upper Valley	Conv/Strip Ctr	\$10.86	\$15.97	\$16.06	\$15.35	\$17.00
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
West	Conv/Strip Ctr	\$10.00	\$10.00	\$7.43	\$7.43	\$6.50
	Free/Gen	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
	Nbrhd/Comm Ctr	\$8.43	\$8.40	\$7.91	\$7.69	\$7.88
Xenia	Conv/Strip Ctr	-	-	-	-	-
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	-	-	-	\$8.75	\$8.75
Overall		\$8.90	\$9.27	\$8.96	\$8.94	\$8.89

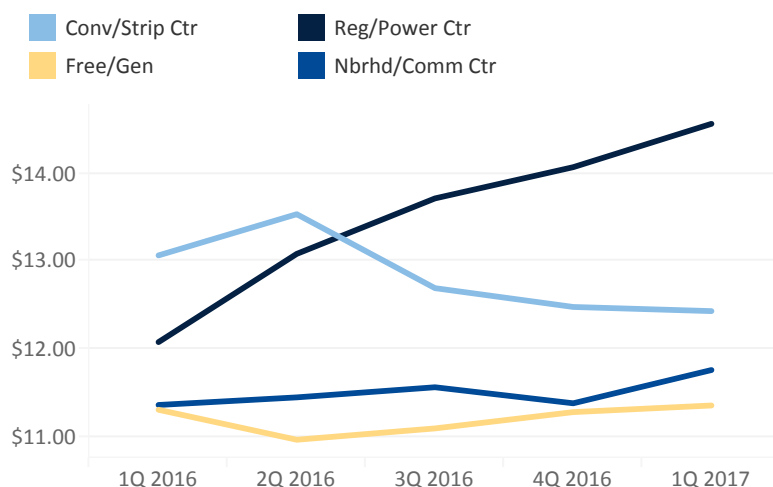
### By Market



### Dayton by Specific Use

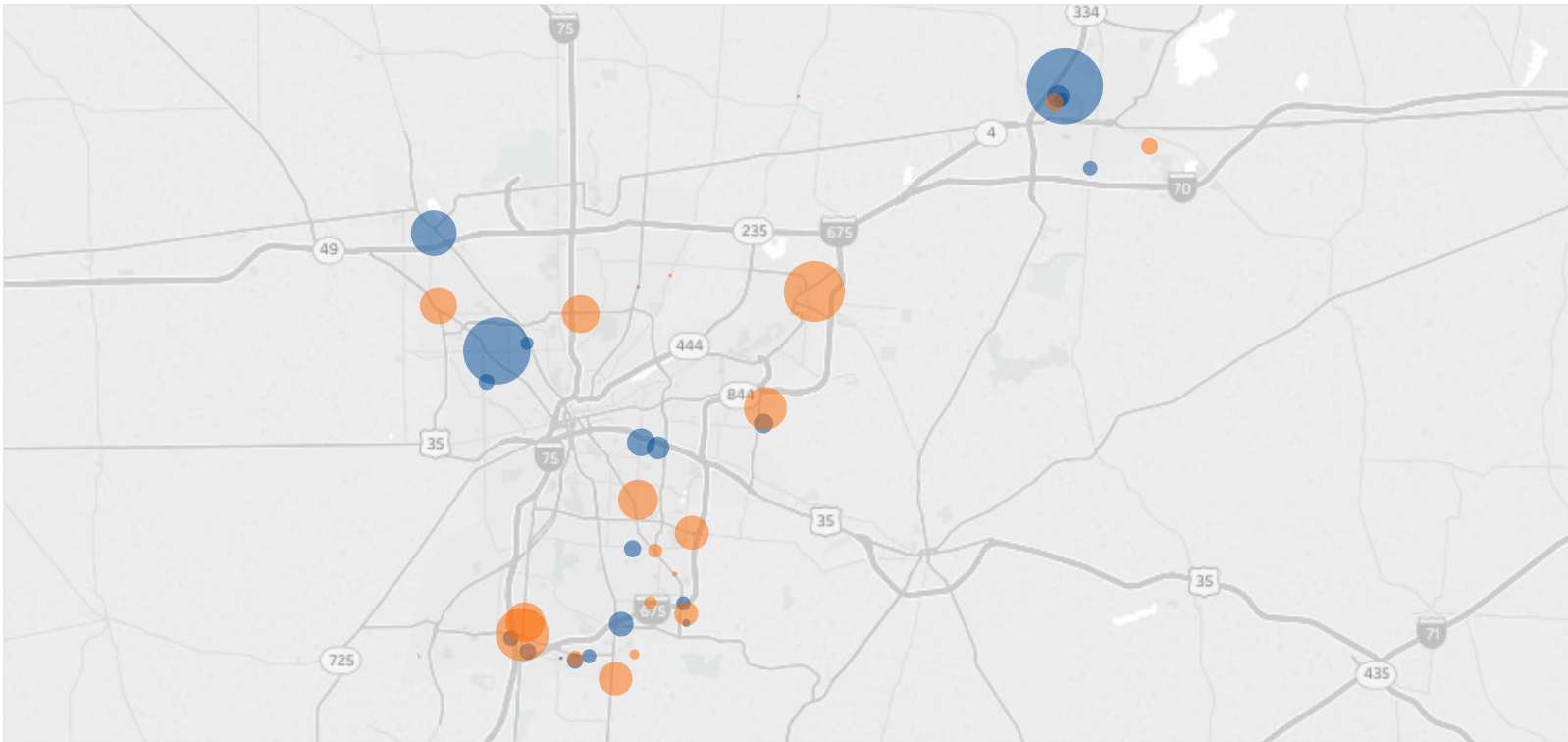


### National by Specific Use



### Absorption Map

■ Negative
 ■ Positive



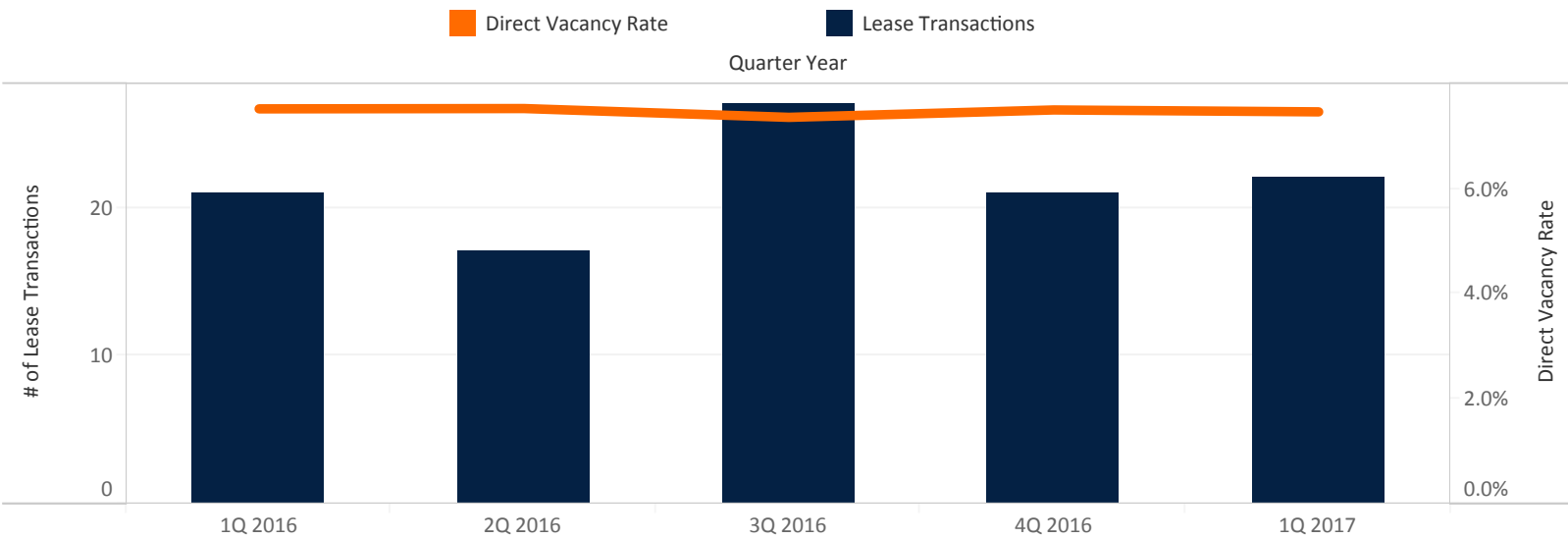
### Largest Positives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Dick's Sporting Goods	New Delivery	Springfld - Urbana	Free/Gen	42,000
3495 W Siebenthaler Ave	BLdg Sold in 4Q	West	Free/Gen	32,831
Imperial Square Shopping Center	The Yellow Rose Bar, Viny's Pizza, leased space in 2016	South	Nbrhd/Comm Ctr	21,115
Northmont Plaza	Aldi vacated; Planet Fitness 30,600 sf	West	Nbrhd/Comm Ctr	15,178
2909-2939 Linden Ave	Overstock Corner 5,625 sf	South	Conv/Strip Ctr	5,625
Cross Pointe Centre	The Old Bag of Nails 6050 sf; Undisclosed -1,633 sf	South	Nbrhd/Comm Ctr	4,417
Eastown Shopping Center	Undisclosed tenant leased 3,800 SF	South	Nbrhd/Comm Ctr	3,800
Plaza 41	T-Mobile 1,628 sf; Surge-Force 1,942 sf..	Springfld - Urbana	Conv/Strip Ctr	3,570

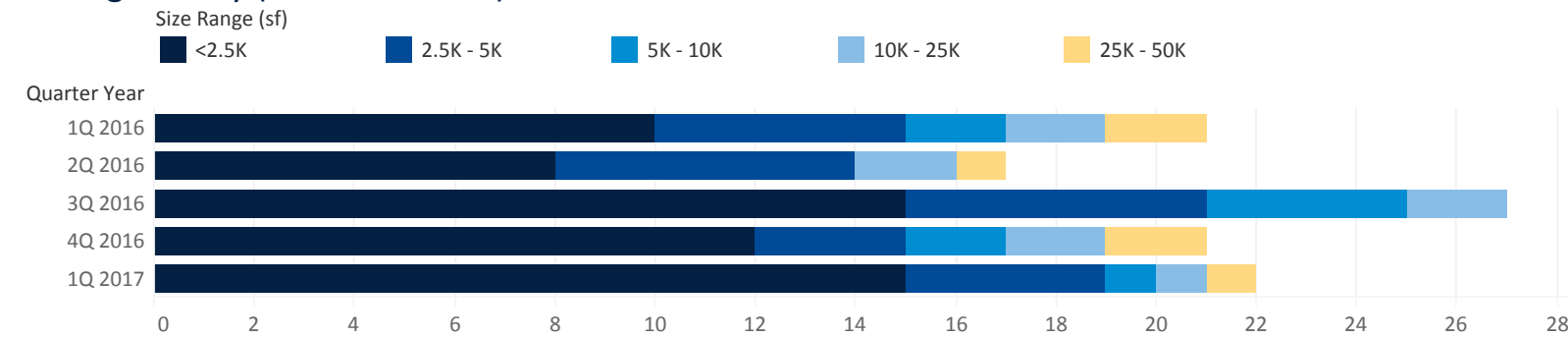
### Largest Negatives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Fairborn Plaza Shopping Center	Undisclosed -11,000 sf; Dollar General -8,044 sf	East	Nbrhd/Comm Ctr	-27,069
Corner's at the Mall	Party City -15,400 sf; Undisclosed -5,576 sf	South	Nbrhd/Comm Ctr	-20,468
Shoppes of Beavercreek	Golfsmith -20,845 sf; Barbara's Scrappin Place 7572 sf	East	Nbrhd/Comm Ctr	-13,273
The Shoppes at Kettering Pointe	Undisclosed -9,150 SF; Undisclosed -2,500 SF	South	Conv/Strip Ctr	-11,650
Springboro Pike Shopping Center	Dayton Fireplace Systems -9,000 sf; Undisclosed -2,500 sf	South	Conv/Strip Ctr	-11,500
Quarter Mile Crossing	Vacancy adjustment from Duplicate property	North	Conv/Strip Ctr	-10,440
Salem Consumer Square	Undisclosed -2000 sf; Undisclosed -8,000 sf	West	Nbrhd/Comm Ctr	-10,000
Greene Crossing Shopping Center	Hancock Fabric -10,464 sf	South	Nbrhd/Comm Ctr	-8,464

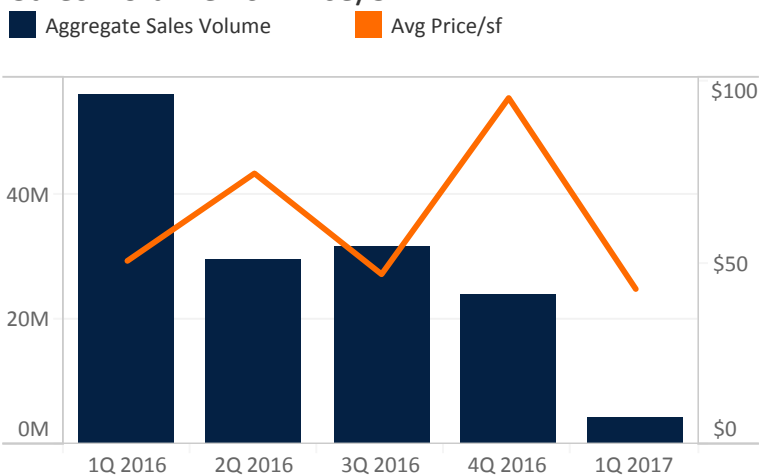
### Leasing Activity Trends



### Leasing Activity (# of New Deals)



### Sales Volume vs. Price/SF



### Top Sales

Property	Sale Date	Buyer	Sale Price
Executive Plaza	03/01/2017	Ki Ae Yoon	\$899,000
Former PNC Bank	03/21/2017	GOC Realco LLC	\$675,000
1291 E 2nd St	02/27/2017	Liberty Collision Center Inc	\$650,000
151 Woodman Dr	01/13/2017	Jason Hensley LLC	\$420,000
58-60 N Main St	01/27/2017	GKA Properties LLC	\$290,000

## Terminology

Term	Definition
Conv/Strip Ctr –	10,000+ sf; no dominant anchors; convenience oriented tenants.
Direct Vacant (sf) –	The total of the vacant square footage in a building that is being marketed by an agent representing the landlord.
Freestanding/ General/ Big Box	20,000+ sf; consists of one building occupied by one major tenant.
Inventory –	The total square feet of all existing single tenant, multi tenant and owner occupied retail properties greater than 10,000 sf.
Neighborhood/ Community Ctr	50,000 - 400,000 sf; usually two or more anchors such as discount department store, home improvement, books, electronics, or apparel. May also include grocery or drug store anchor.
Net Absorption–	The net change in occupancy from quarter to quarter, expressed in square feet.
Regional/Power Ctr	250,000 - 800,000 sf; two or more anchors such as, home improvement, discount department store or warehouse club, fashion apparel. Very little or no in-line shop space.
Sublease (sf) –	Space that is offered for lease by a current tenant, or his agent, within a property.
Total Available (sf) –	All of the available leasable space within a building, whether it is occupied or vacant, for direct lease or sublease space.
Total Vacant (sf) –	The total of all of the vacant square footage within a building, including both direct and sublease space.
Weighted Average Direct Asking Rent–	The weighted average of all direct asking lease rents expressed as a full service/gross rental rate and weighted on total direct available square feet. Non-full service rents (such as NNN) have been grossed up to reflect a full service/gross rate.

*This information has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy.*



## Advisory Board Members

Colliers International	Pete Nichols	Miller-Valentine Group	Aaron Savino
Equity, Inc.	Kelly Gray		Steve Ireland
	Tracey Herron	Oberer Realty Services	Danielle Kuehnle

## Research Advisory Board Members

CBRE	Demetri Sampanis	Cushman & Wakefield	Jarrett Hicks
Colliers	Dew Wall	JLL	Ross Bratcher
	Loren DeFilippo	Newmark Grubb Knight Frank	Travis Inglis

## Xceligent Team

Andy Kahn	Sales Executive	akahn@xceligent.com	(513) 703-6161
Brian Reece	Regional VP of Analytics	breece@xceligent.com	(919) 971-3461
Cassandra Sorah	Director of Analytics	csorah@xceligent.com	(816) 876-1151
Ron Haley	Sales Executive	rhaley@xceligent.com	(513) 801-9108