

Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate for Cincinnati dropped 0.4 percentage points from 4.1% in April 2016 to 3.7% in April 2017. The overall unemployment rate for Ohio was at 4.9% for May 2017, which was unchanged from May 2016. The Cincinnati metropolitan statistical area job creation increased 2.0% totaling 21,600 over the past year, from May 2016 to May 2017.

Market Overview

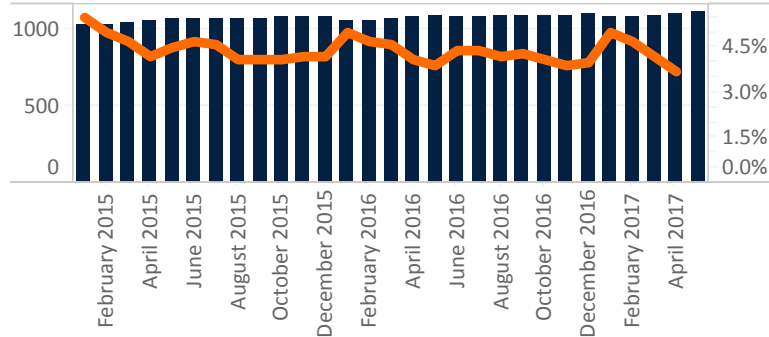
The Cincinnati retail market recorded 32,263 square feet (sf) of positive absorption during 2Q 2017. The total vacancy rate increased slightly to 7.8% in 2Q 2017, but is relatively stable for the year. Weighted average rent growth showed improvement during 2Q 2017, especially in strip center properties in the Central and Western submarkets. Weighted average asking rents in all classes increased 3.2% recording \$11.23 per square foot (psf) at the close of 2Q 2017 compared to 1Q 2017.

Market Highlights

The majority of positive leasing activity during 2Q 2017 was from large tenants such as Home Goods, Run Jump Play and Cincinnati Children's. This was offset by departing stores HH Gregg and Gordman's this quarter. Large construction projects that were recently delivered, including Kenwood Collection and Oakley Station, have caused the vacancy rate to remain steady around 8%. At this time, 15,200 sf of space remains under construction, in the Western market.

Cincinnati Employment

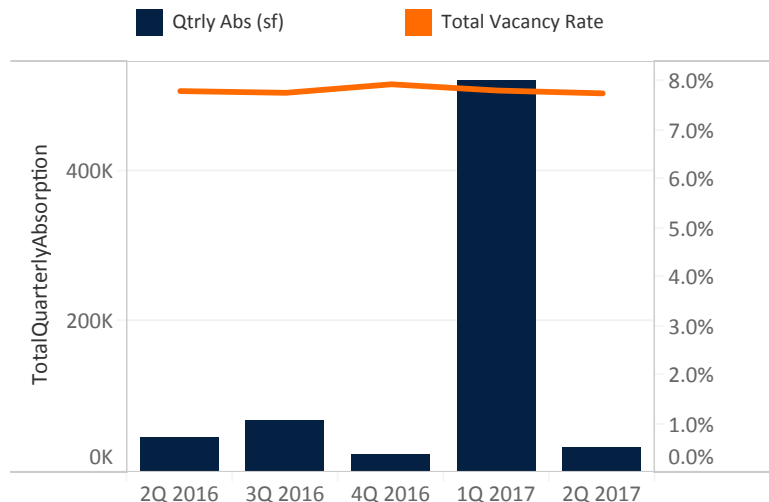
Source: BLS



Market Recap

Inventory (sf)	57,600,337
# of Bldgs	865
Qtrly Abs (sf)	32,263
Total Avail Rate	9.2%
Total Vacancy Rate	7.8%
U/C Inventory (sf)	15,200
Delivered (sf)	0
Weighted Average Asking Rate (NNN)	\$11.23

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	10,144,691	1,030,011	787,878	7.8%	99,228	76,331
Free/Gen	18,277,349	757,607	703,500	3.8%	-57,655	-58,735
Nbrhd/Comm Ctr	22,606,641	3,052,072	2,574,206	11.4%	-26,155	366,893
Reg/Power Ctr	6,571,656	435,768	402,255	6.1%	16,845	165,437
Overall	57,600,337	5,275,458	4,467,839	7.8%	32,263	549,926

Overview by Market (Total)

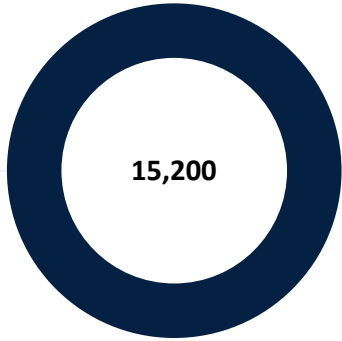
Market Name	Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Boone Cty	Conv/Strip Ctr	863,716	93,192	79,263	9.2%	8,000	10,713
	Free/Gen	2,002,886	8,200	0	0.0%	0	0
	Nbrhd/Comm Ctr	1,721,408	142,791	62,795	3.6%	-9,977	-6,900
	<i>Subtotal</i>	4,588,010	244,183	142,058	3.1%	-1,977	3,813
Campbell Cty	Conv/Strip Ctr	237,913	12,122	0	0.0%	0	1,200
	Free/Gen	1,035,251	5,265	5,265	0.5%	0	2,351
	Nbrhd/Comm Ctr	1,644,759	237,150	217,526	13.2%	-14,390	-21,740
	<i>Subtotal</i>	2,917,923	254,537	222,791	7.6%	-14,390	-18,189
Central	Conv/Strip Ctr	764,244	51,313	39,375	5.2%	31,314	16,342
	Free/Gen	868,570	12,000	12,000	1.4%	0	64,700
	Nbrhd/Comm Ctr	1,632,876	126,203	118,518	7.3%	25,631	57,409
	Reg/Power Ctr	664,995	102,244	102,244	15.4%	58,353	239,710
	<i>Subtotal</i>	3,930,685	291,760	272,137	6.9%	115,298	378,161
East	Conv/Strip Ctr	2,121,222	193,577	164,897	7.8%	19,999	20,990
	Free/Gen	3,540,926	71,686	70,200	2.0%	-25,289	-25,289
	Nbrhd/Comm Ctr	2,662,247	401,410	351,780	13.2%	-13,448	53,748
	Reg/Power Ctr	864,238	61,629	56,629	6.6%	-40,946	-19,546
	<i>Subtotal</i>	9,188,633	728,302	643,506	7.0%	-59,684	29,903
Hamltn - Oxford	Conv/Strip Ctr	563,097	62,274	31,998	5.7%	13,000	5,767
	Free/Gen	1,227,873	32,366	32,366	2.6%	-32,366	-32,366
	Nbrhd/Comm Ctr	957,123	284,117	275,815	28.8%	5,481	38,415
	Reg/Power Ctr	409,960	49,448	49,448	12.1%	0	-49,448
	<i>Subtotal</i>	3,158,053	428,205	389,627	12.3%	-13,885	-37,632
Kenton Cty	Conv/Strip Ctr	713,677	54,171	43,646	6.1%	2,116	-8,623
	Free/Gen	542,795	0	0	0.0%	0	-1,700
	Nbrhd/Comm Ctr	1,457,960	171,622	166,053	11.4%	-18,000	-23,650
	Reg/Power Ctr	500,000	3,872	3,872	0.8%	0	0
	<i>Subtotal</i>	3,214,432	229,665	213,571	6.6%	-15,884	-33,973
Middletown	Conv/Strip Ctr	535,595	63,361	55,538	10.4%	-1,200	4,978
	Free/Gen	1,075,761	90,386	90,386	8.4%	0	12,700
	Nbrhd/Comm Ctr	746,753	154,611	154,611	20.7%	590	86,984
	<i>Subtotal</i>	2,358,109	308,358	300,535	12.7%	-610	104,662
Overall		57,600,337	5,275,458	4,467,839	7.8%	32,263	549,926

Overview by Market (Total) Cont'd

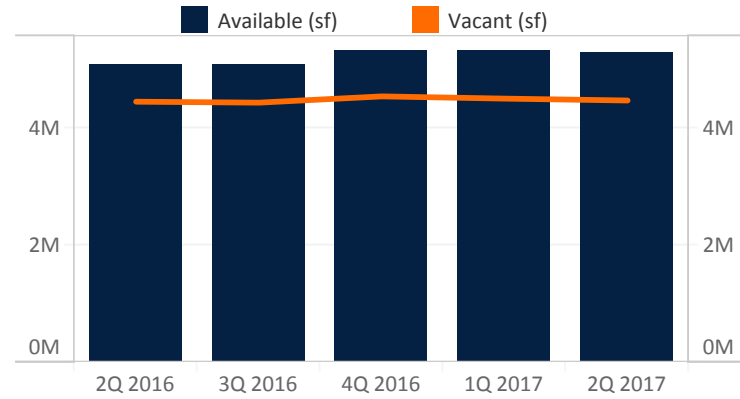
Market Name	Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Midtown	Conv/Strip Ctr	214,003	11,310	11,310	5.3%	0	-1,017
	Free/Gen	827,812	78,712	48,812	5.9%	0	-14,231
	Nbrhd/Comm Ctr	1,197,805	77,034	77,034	6.4%	7,132	175,948
	Reg/Power Ctr	576,115	4,666	4,666	0.8%	0	0
	<i>Subtotal</i>	2,815,735	171,722	141,822	5.0%	7,132	160,700
North Central	Conv/Strip Ctr	1,568,886	190,046	129,076	8.2%	9,650	19,406
	Free/Gen	2,445,811	118,208	118,208	4.8%	0	0
	Nbrhd/Comm Ctr	2,630,711	292,622	248,130	9.4%	-15,887	-48,047
	Reg/Power Ctr	1,340,000	62,074	54,192	4.0%	0	-217
	<i>Subtotal</i>	7,985,408	662,950	549,606	6.9%	-6,237	-28,858
Northeast	Conv/Strip Ctr	795,269	95,222	83,343	10.5%	-270	2,505
	Free/Gen	1,277,041	43,846	43,846	3.4%	0	0
	Nbrhd/Comm Ctr	2,171,288	297,820	278,740	12.8%	-31,586	-21,656
	Reg/Power Ctr	715,439	57,575	36,944	5.2%	0	-4,500
	<i>Subtotal</i>	4,959,037	494,463	442,873	8.9%	-31,856	-23,651
West	Conv/Strip Ctr	751,160	54,465	27,991	3.7%	2,812	2,492
	Free/Gen	1,661,658	64,900	64,900	3.9%	0	-64,900
	Nbrhd/Comm Ctr	2,153,009	248,477	169,569	7.9%	-600	105,383
	Reg/Power Ctr	322,055	9,072	9,072	2.8%	-562	-562
	<i>Subtotal</i>	4,887,882	376,914	271,532	5.6%	1,650	42,413
West Central	Conv/Strip Ctr	1,015,909	148,958	121,441	12.0%	13,807	1,578
	Free/Gen	1,770,965	232,038	217,517	12.3%	0	0
	Nbrhd/Comm Ctr	3,630,702	618,215	453,635	12.5%	38,899	-29,001
	Reg/Power Ctr	1,178,854	85,188	85,188	7.2%	0	0
	<i>Subtotal</i>	7,596,430	1,084,399	877,781	11.6%	52,706	-27,423
Overall		57,600,337	5,275,458	4,467,839	7.8%	32,263	549,926

Construction by Market

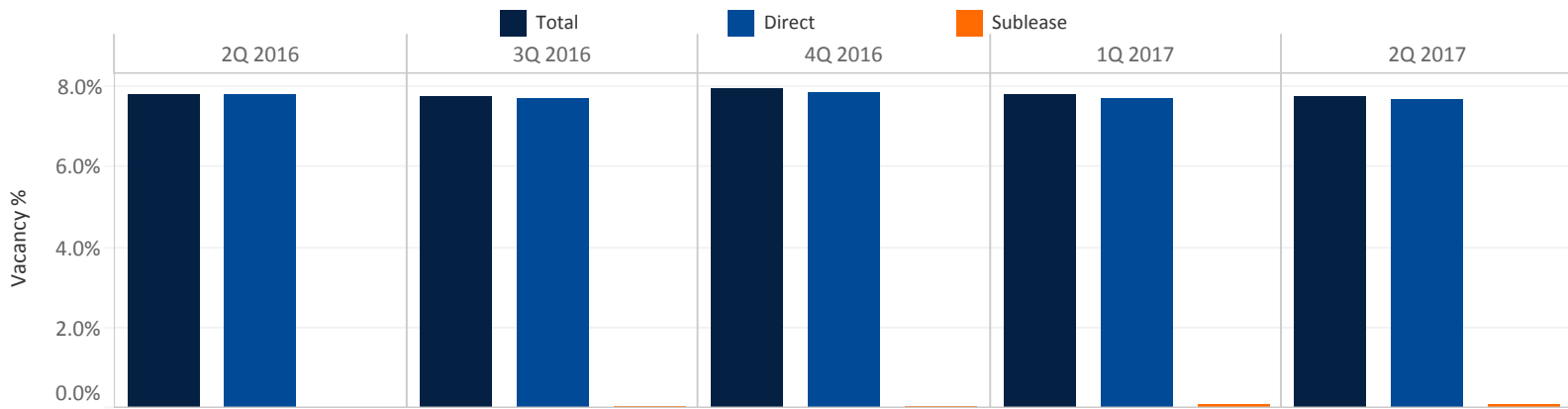
Rank
■ West



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	10,144,691	1,021,462	779,329	7.7%	101,153	80,873
Free/Gen	18,277,349	757,607	703,500	3.8%	-57,655	-58,735
Nbrhd/Comm Ctr	22,606,641	3,013,485	2,535,619	11.2%	-26,155	368,905
Reg/Power Ctr	6,571,656	435,768	402,255	6.1%	16,845	165,437
Overall	57,600,337	5,228,322	4,420,703	7.7%	34,188	556,480

Overview by Specific Use (Sublease)

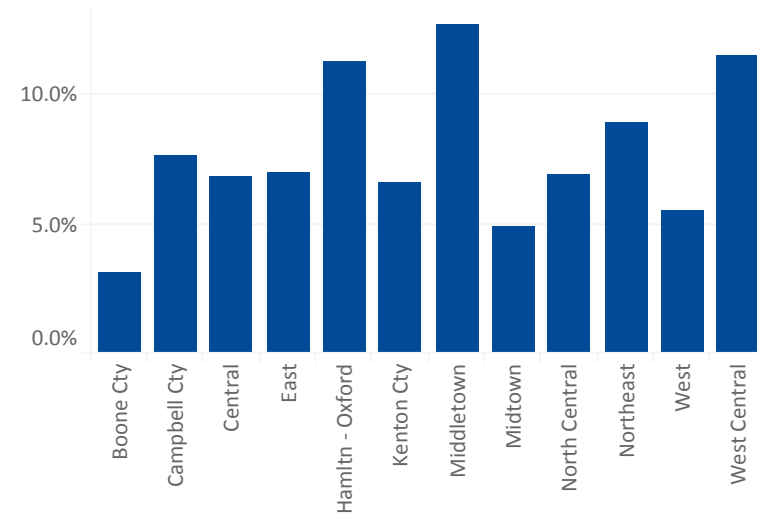
Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	10,144,691	8,549	8,549	0.1%	-1,925	-4,542
Free/Gen	18,277,349	0	0	0.0%	0	0
Nbrhd/Comm Ctr	22,606,641	38,587	38,587	0.2%	0	-2,012
Reg/Power Ctr	6,571,656	0	0	0.0%	0	0
Overall	57,600,337	47,136	47,136	0.1%	-1,925	-6,554

Direct Vacancy Rate

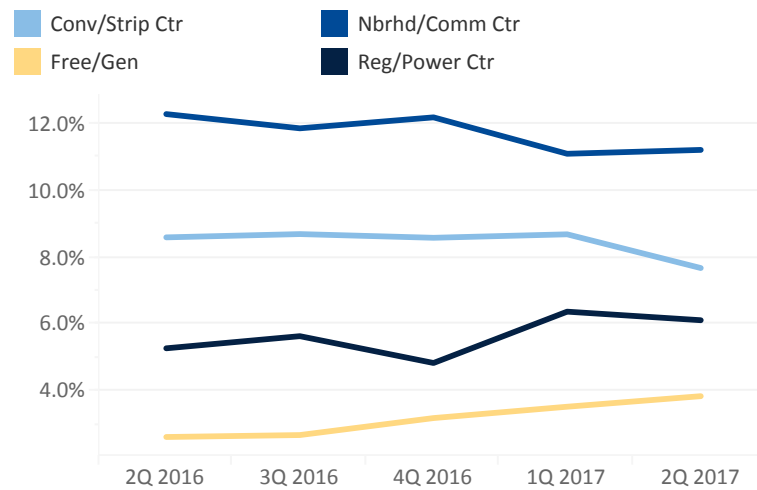
By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017
Boone Cty	Conv/Strip Ctr	11.4%	10.7%	10.4%	10.1%	9.2%
	Free/Gen	0.0%	0.0%	0.0%	0.0%	0.0%
	Nbrhd/Comm Ctr	3.5%	3.1%	3.2%	3.1%	3.6%
Campbell Cty	Conv/Strip Ctr	0.5%	0.5%	0.5%	0.0%	0.0%
	Free/Gen	0.5%	0.7%	0.7%	0.5%	0.5%
	Nbrhd/Comm Ctr	16.8%	12.2%	11.9%	12.4%	13.2%
Central	Conv/Strip Ctr	6.8%	7.0%	7.3%	9.2%	4.9%
	Free/Gen	1.5%	1.5%	1.5%	1.4%	1.4%
	Nbrhd/Comm Ctr	8.5%	12.4%	8.3%	8.8%	7.3%
	Reg/Power Ctr	9.5%	9.5%	19.8%	24.2%	15.4%
East	Conv/Strip Ctr	8.9%	9.0%	8.8%	8.7%	7.8%
	Free/Gen	2.5%	2.5%	1.3%	1.3%	2.0%
	Nbrhd/Comm Ctr	12.2%	11.9%	13.6%	12.6%	13.1%
	Reg/Power Ctr	11.2%	14.4%	4.3%	1.8%	6.6%
Hamltm - Oxford	Conv/Strip Ctr	5.0%	6.9%	6.7%	8.0%	5.7%
	Free/Gen	0.0%	0.0%	0.0%	0.0%	2.6%
	Nbrhd/Comm Ctr	32.4%	29.5%	29.3%	25.9%	25.3%
	Reg/Power Ctr	0.0%	0.0%	0.0%	12.1%	12.1%
Kenton Cty	Conv/Strip Ctr	5.6%	5.8%	4.9%	6.4%	6.1%
	Free/Gen	0.0%	0.0%	0.0%	0.0%	0.0%
	Nbrhd/Comm Ctr	4.6%	4.8%	9.7%	10.1%	11.3%
	Reg/Power Ctr	2.5%	2.5%	0.8%	0.8%	0.8%
Middletown	Conv/Strip Ctr	8.1%	7.9%	11.3%	10.1%	10.4%
	Free/Gen	8.5%	8.5%	9.6%	8.4%	8.4%
	Nbrhd/Comm Ctr	28.1%	29.1%	32.4%	20.8%	20.7%
Midtown	Conv/Strip Ctr	10.7%	10.7%	3.6%	3.6%	3.6%
	Free/Gen	2.8%	4.2%	4.2%	5.9%	5.9%
	Nbrhd/Comm Ctr	3.5%	3.5%	4.2%	7.0%	6.4%
	Reg/Power Ctr	0.8%	0.8%	0.8%	0.8%	0.8%
North Central	Conv/Strip Ctr	11.3%	10.4%	9.6%	8.8%	8.2%
	Free/Gen	4.8%	4.8%	4.8%	4.8%	4.8%
	Nbrhd/Comm Ctr	8.3%	8.3%	7.5%	8.8%	9.4%
	Reg/Power Ctr	4.0%	3.8%	4.0%	4.0%	4.0%
Northeast	Conv/Strip Ctr	11.8%	12.4%	11.0%	10.6%	10.5%
	Free/Gen	3.4%	3.4%	3.4%	3.4%	3.4%
	Nbrhd/Comm Ctr	13.4%	12.1%	11.8%	11.4%	12.8%
	Reg/Power Ctr	4.8%	4.5%	4.5%	5.2%	5.2%
West	Conv/Strip Ctr	3.1%	3.9%	3.9%	3.7%	3.3%
	Free/Gen	0.0%	0.0%	0.0%	3.9%	3.9%
	Nbrhd/Comm Ctr	11.0%	10.5%	12.8%	7.8%	7.9%
	Reg/Power Ctr	2.6%	2.6%	2.6%	2.6%	2.8%
West Central	Conv/Strip Ctr	10.6%	10.7%	12.7%	13.3%	12.0%
	Free/Gen	5.6%	5.6%	12.3%	12.3%	12.3%
	Nbrhd/Comm Ctr	16.3%	15.9%	15.3%	13.6%	12.5%
	Reg/Power Ctr	7.2%	7.2%	7.2%	7.2%	7.2%
Overall		7.8%	7.7%	7.9%	7.7%	7.7%

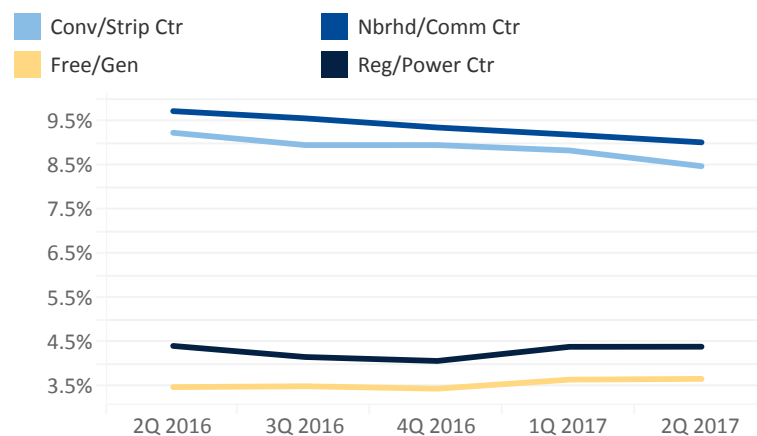
By Market



Cincinnati by Specific Use



National by Specific Use

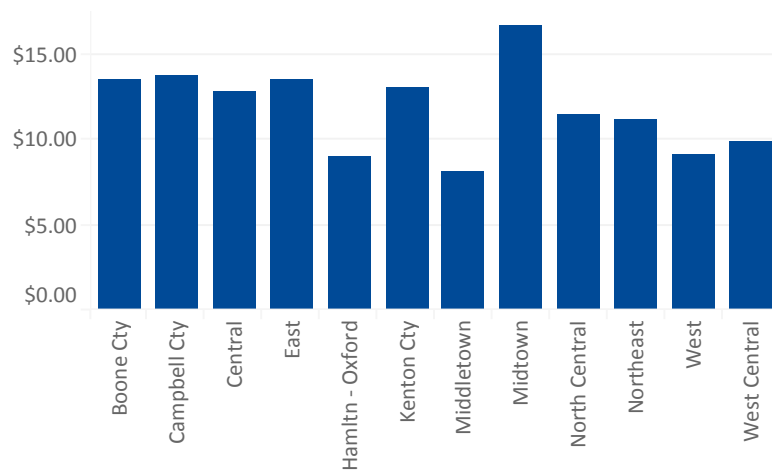


Direct Weighted Average Asking Rates (NNN)

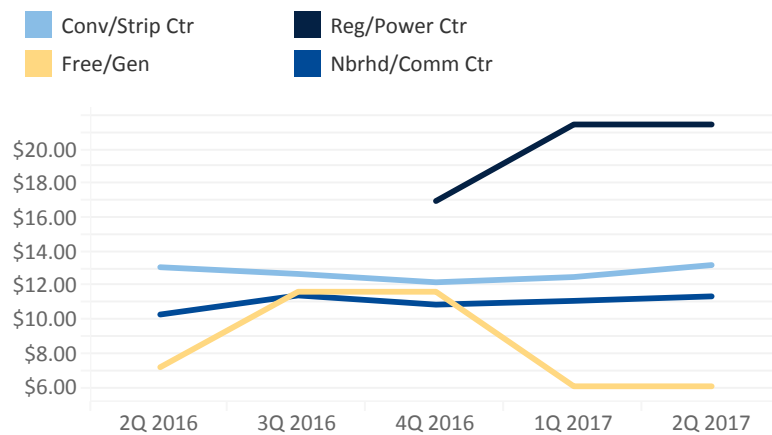
By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		2Q 2016	3Q 2016	4Q 2016	1Q 2017	2Q 2017
Boone Cty	Conv/Strip Ctr	\$12.68	\$12.28	\$13.59	\$13.51	\$13.55
	Free/Gen	-	\$25.00	\$25.00	-	-
	Nbrhd/Comm Ctr	\$19.20	\$19.20	\$15.80	\$15.85	\$12.75
Campbell Cty	Conv/Strip Ctr	\$10.00	\$10.00	\$10.00	\$12.00	\$12.00
	Free/Gen	\$23.00	\$21.50	\$21.50	\$18.00	\$18.00
	Nbrhd/Comm Ctr	\$11.11	\$12.35	\$11.97	\$13.72	\$13.61
Central	Conv/Strip Ctr	\$16.70	\$14.48	\$12.05	\$10.51	\$16.25
	Free/Gen	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
	Nbrhd/Comm Ctr	\$15.16	\$15.14	\$13.34	\$12.33	\$11.88
East	Conv/Strip Ctr	\$14.28	\$14.01	\$13.56	\$14.38	\$14.48
	Free/Gen	\$7.28	\$8.70	\$8.70	\$6.00	\$6.00
	Nbrhd/Comm Ctr	\$11.17	\$11.09	\$11.09	\$10.94	\$13.37
Hamltm - Oxford	Conv/Strip Ctr	\$9.57	\$11.58	\$10.59	\$12.10	\$12.10
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$7.35	\$8.25	\$8.57	\$8.54	\$8.72
Kenton Cty	Conv/Strip Ctr	\$13.41	\$12.66	\$12.79	\$12.27	\$12.67
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$16.00	\$15.91	\$15.91	\$15.80	\$13.35
Middletown	Conv/Strip Ctr	\$11.73	\$10.04	\$8.58	\$8.72	\$8.15
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$6.00	-	-	-	-
Midtown	Conv/Strip Ctr	\$28.00	\$26.00	-	-	-
	Free/Gen	\$28.00	\$12.92	\$12.92	\$12.84	\$12.84
	Nbrhd/Comm Ctr	\$12.61	\$12.88	\$14.73	\$16.19	\$20.84
North Central	Conv/Strip Ctr	\$13.16	\$13.30	\$12.78	\$13.94	\$14.04
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$9.72	\$10.07	\$9.31	\$9.91	\$9.74
Northeast	Conv/Strip Ctr	\$12.08	\$13.80	\$12.81	\$14.27	\$14.22
	Free/Gen	\$4.00	\$4.00	\$4.00	\$4.00	\$4.00
	Nbrhd/Comm Ctr	\$10.79	\$12.90	\$12.92	\$12.35	\$11.80
West	Conv/Strip Ctr	\$10.58	\$10.58	\$10.33	\$9.94	\$11.11
	Free/Gen	-	-	-	\$4.95	\$4.95
	Nbrhd/Comm Ctr	\$12.07	\$12.21	\$10.95	\$11.26	\$10.95
West Central	Conv/Strip Ctr	\$11.87	\$9.74	\$11.34	\$10.77	\$11.81
	Free/Gen	-	-	-	\$5.50	\$5.50
	Nbrhd/Comm Ctr	\$10.81	\$12.20	\$10.76	\$11.06	\$10.86
Overall		\$10.91	\$11.79	\$11.42	\$10.88	\$11.23

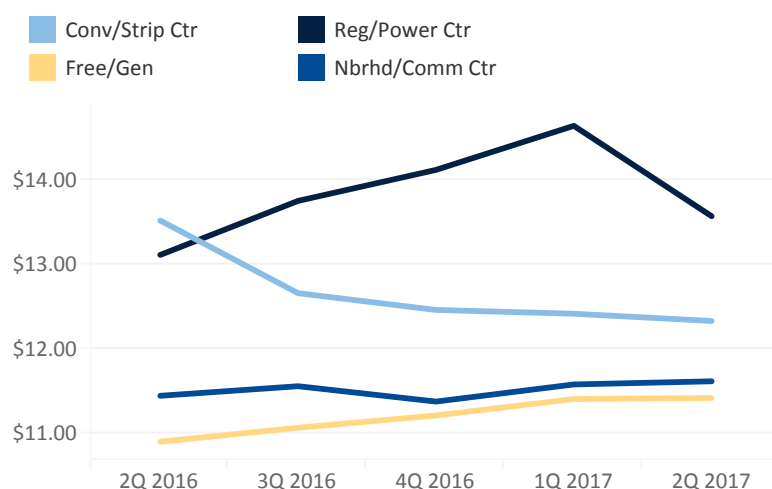
By Market



Cincinnati by Specific Use

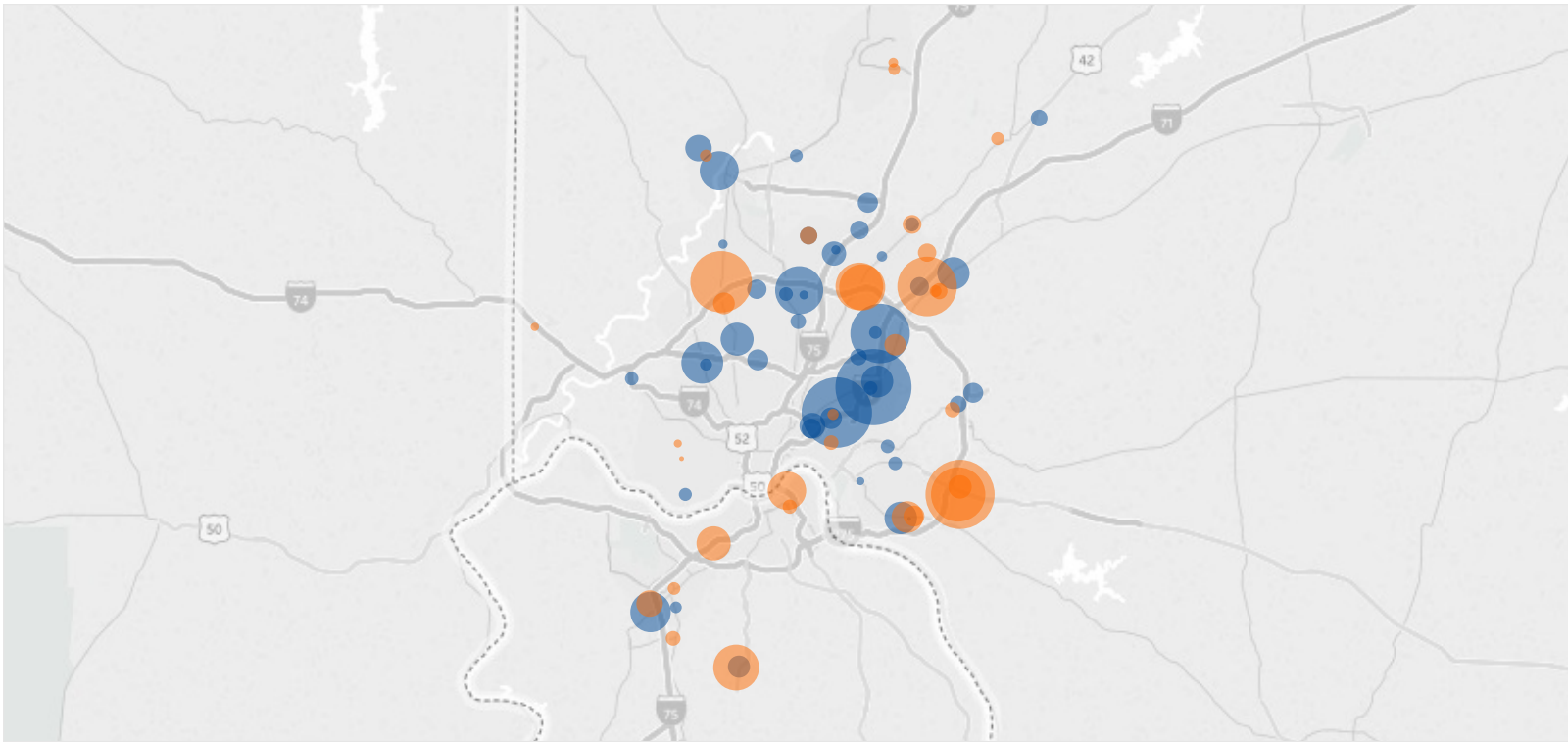


National by Specific Use



Absorption Map

■ Negative
 ■ Positive



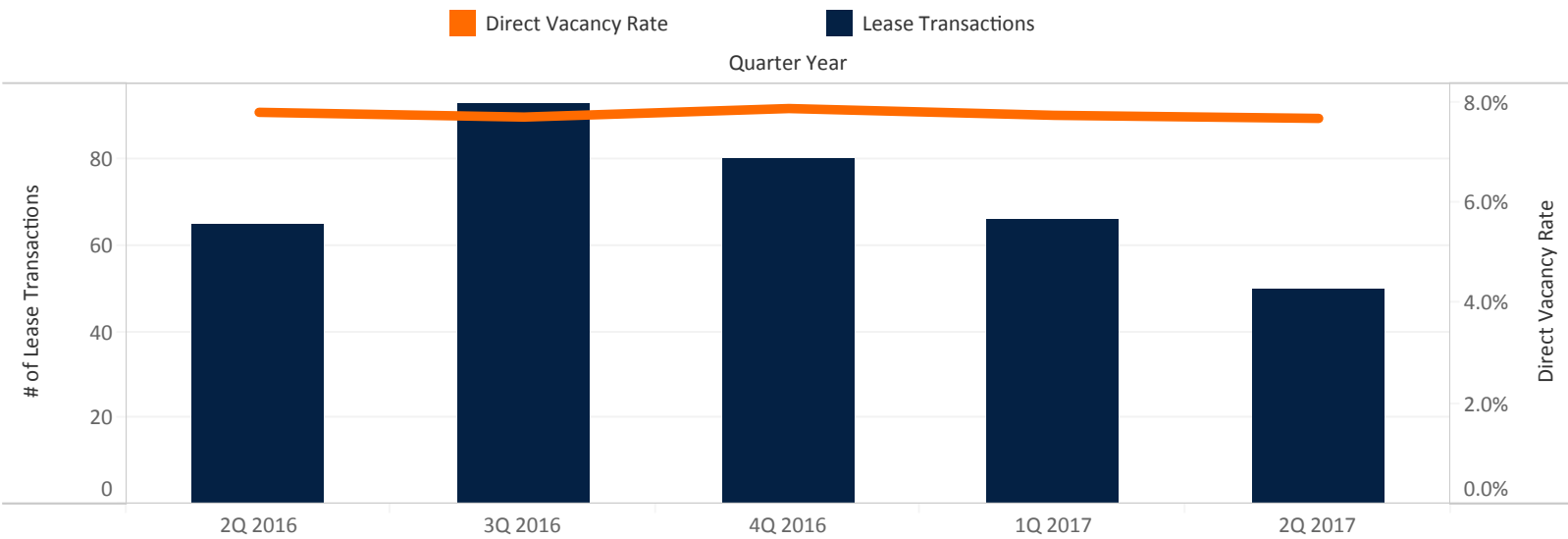
Largest Positives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Kenwood Square	Marshalls HomeGoods	Central	Reg/Power Ctr	49,603
Highland Square	Cincinnati Children's Hospital	Central	Nbrhd/Comm Ctr	42,498
Pfeiffer Commons	Run Jump Play	Central	Conv/Strip Ctr	30,294
Tri-County Towne Center	Discount Fashion Warehouse	West Central	Nbrhd/Comm Ctr	19,805
8255-8269 Colerain Ave	Family Grocery	West Central	Conv/Strip Ctr	15,000
201-205 Main St	Building sold	Hamtn - Oxford	Conv/Strip Ctr	13,000
Hilltop Plaza	Undisclosed tenant	West Central	Nbrhd/Comm Ctr	9,342
Festival Markets Of Anderson	Undisclosed tenant	East	Conv/Strip Ctr	9,059

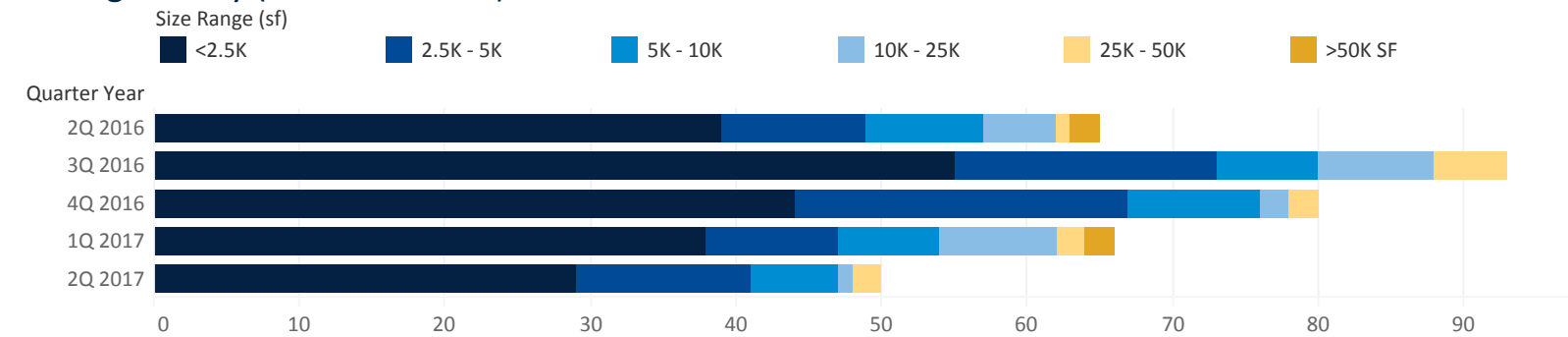
Largest Negatives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
32 East	Gordman's ; Torrid	East	Reg/Power Ctr	-40,946
Former Marsh Hometown Market	Marsh Hometown Market	Hamtn - Oxford	Free/Gen	-32,366
King's Mall I	HH Gregg	Northeast	Nbrhd/Comm Ctr	-30,386
Former HH Gregg	HH Gregg	East	Free/Gen	-25,289
Sharonville Plaza	United Arts & Education	North Central	Nbrhd/Comm Ctr	-19,467
Crystal View Plaza	The Elements at Ramada Plaza ; Black & White Boutique	Central	Nbrhd/Comm Ctr	-18,210
Independence Town Center	Kroger	Kenton Cty	Nbrhd/Comm Ctr	-18,000
Bellevue Plaza	UHR ; Save-a -lot	Campbell Cty	Nbrhd/Comm Ctr	-12,650

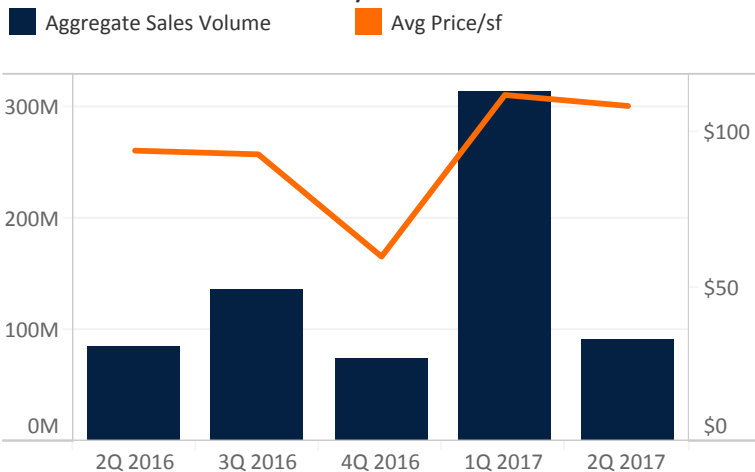
Leasing Activity Trends



Leasing Activity (# of New Deals)



Sales Volume vs. Price/SF



Top Sales

Property	Sale Date	Buyer	Sale Price
Harbor Greene	04/13/2017	Gwynne Five Beverage	\$22,280,000
Western Hills Square	05/22/2017	Tevi Florida	\$14,650,000
Towne Mall	04/06/2017	Phoenicia Development	\$8,250,000
Florence Marketplace	05/18/2017	Vme Properties	\$4,994,000
Micro Center Mall	05/10/2017	360 Property Partners	\$3,700,000

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

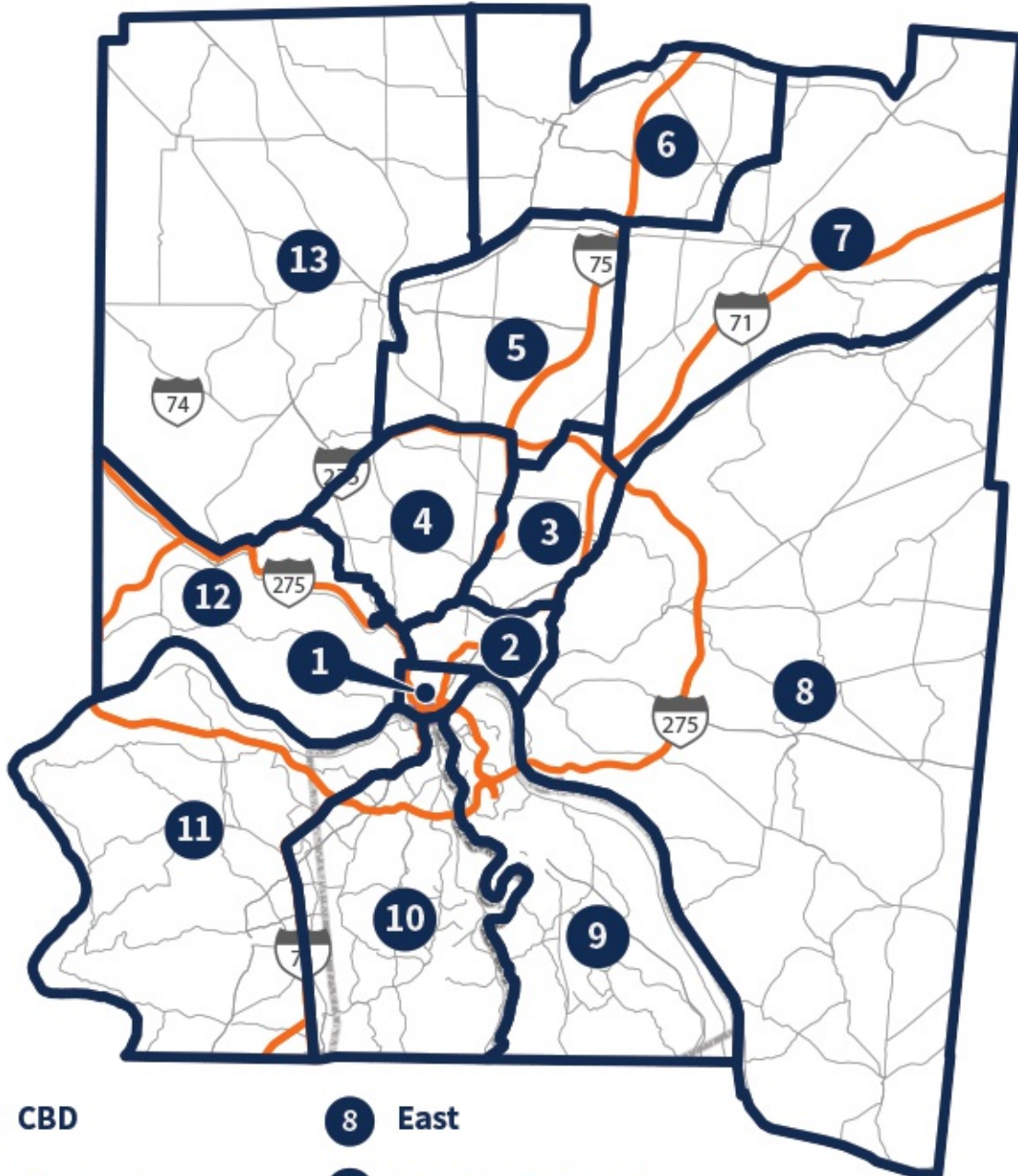
Anchor Associates	Jason Gibson	Edge	Mike Halonen
CBRE	Melissa Ruther	Midland Atlantic	Nicole Chimento
Casto	Adam Fights	Newmark Grubb Knight Frank	John Thompson
Colliers International	Justin Rex	Onsite Retail Group	Scott Saddlemire
Cushman & Wakefield	Tori Sunderman	Regency Centers	Ryan Ertel
Cushman Wakefield	Andrew Sellet	Sudbrack Kron Commercial Real Estate	Spencer Kron

Research Advisory Board Members

CBRE	Corey Mason	Cushman & Wakefield	Jarrett Hicks
	Demetri Sampanis	JLL	Abby Armbruster
Colliers International	Drew Wall		Trevor Wellbrock
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- 1 CBD
- 2 Midtown
- 3 Central
- 4 West Central
- 5 North Central
- 6 Middletown
- 7 Northeast
- 8 East
- 9 Campbell County
- 10 Kenton County
- 11 Boone County
- 12 West
- 13 Hamilton / Oxford