

Economic Overview

According to the Bureau of Labor Statistics, the unemployment rate for Dayton increased 0.3 percentage points, from 4.7% in July 2016 to 5.1% in August 2017. The Overall unemployment rate for Ohio was at 5.4% for August 2017, which was an increase from the 4.9% in July 2016. The Dayton metropolitan statistical area job creation showed an increase of 1.1% totaling 4,400 non-farm jobs over the past year, from August 2016 to August 2017.

Market Overview

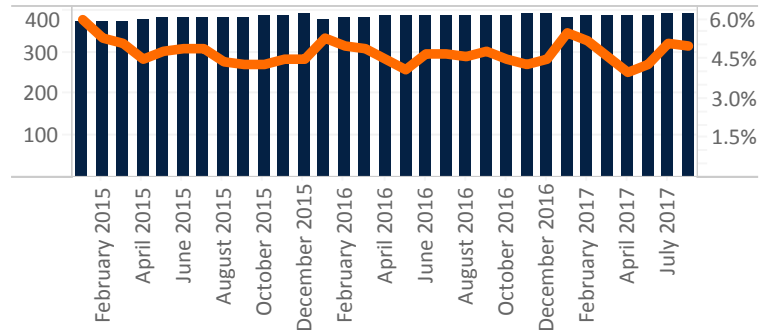
The Dayton retail market recorded 98,773 square feet (sf) of negative absorption during 3Q 2017. The total vacancy rate increased only slightly from 7.4% to 7.7% year-over-year. Overall weighted average rents increased from \$9.26 per square foot (psf) in 2Q 2017 to \$9.65 psf in 3Q 2017, with a year-over-year increase of 7.1%. The North reported the highest negative net losses totaling 157,084 sf during the third quarter. Gander Mountain and Dollar Tree attributed to the net loss, resulting in a spike in vacancy from 4.3% in 2Q 2017 to 7.6% during 3Q 2017.

Market Highlights

Much of the negative absorption during 3Q 2017 was from Gander Mountain vacating Northpark Center. There was significant sales activity during the quarter, with both Corner's at the Mall and Centerville Place I selling for over \$9M. Although the sales volume was down from previous quarters, the average price per square foot (psf) remained steady around \$65 psf.

Dayton Employment

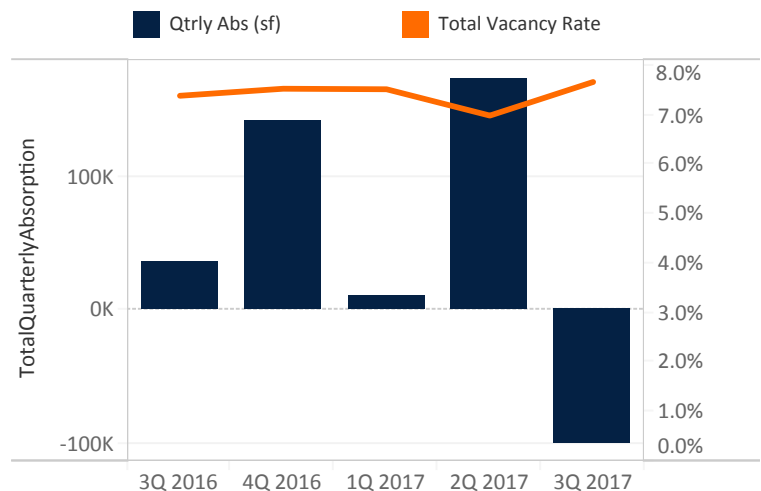
Source: BLS



Market Recap

Inventory (sf)	33,176,822
# of Bldgs	598
Qtrly Abs (sf)	-98,773
Total Avail Rate	7.9%
Total Vacancy Rate	7.7%
U/C Inventory (sf)	0
Delivered (sf)	135,000
Weighted Average Asking Rate (NNN)	\$9.65

Absorption and Vacancy Rate



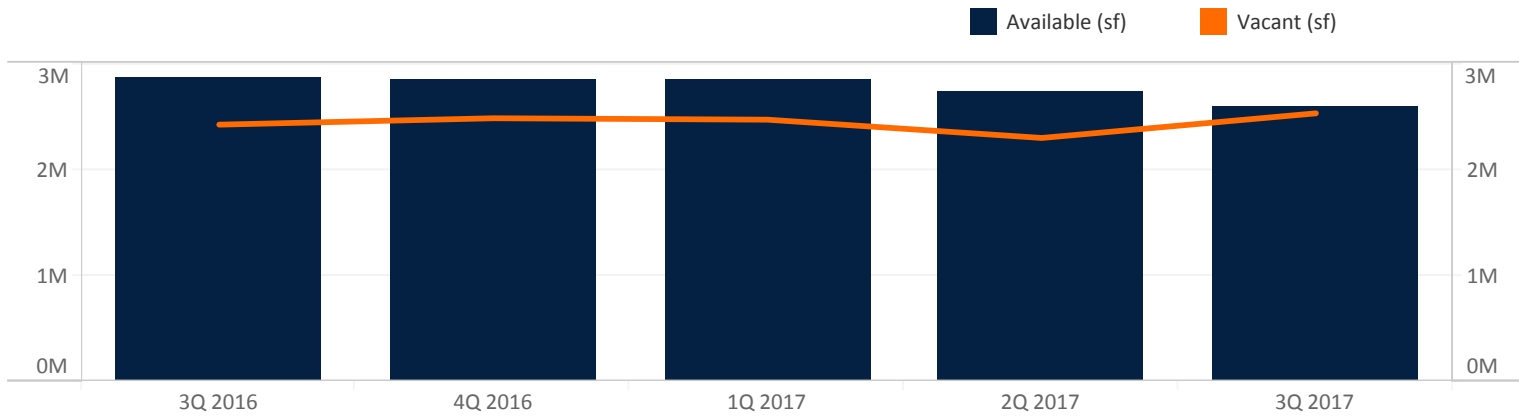
Overview by Specific Use (Total)

Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	4,984,682	611,779	516,319	10.4%	-24,765	-57,457
Free/Gen	12,211,490	391,185	342,012	2.8%	-26,594	204,881
Nbrhd/Comm Ctr	14,398,202	1,568,000	1,649,936	11.5%	-15,151	-30,311
Reg/Power Ctr	1,582,448	39,455	35,732	2.3%	-32,263	-32,263
Overall	33,176,822	2,610,419	2,543,999	7.7%	-98,773	84,850

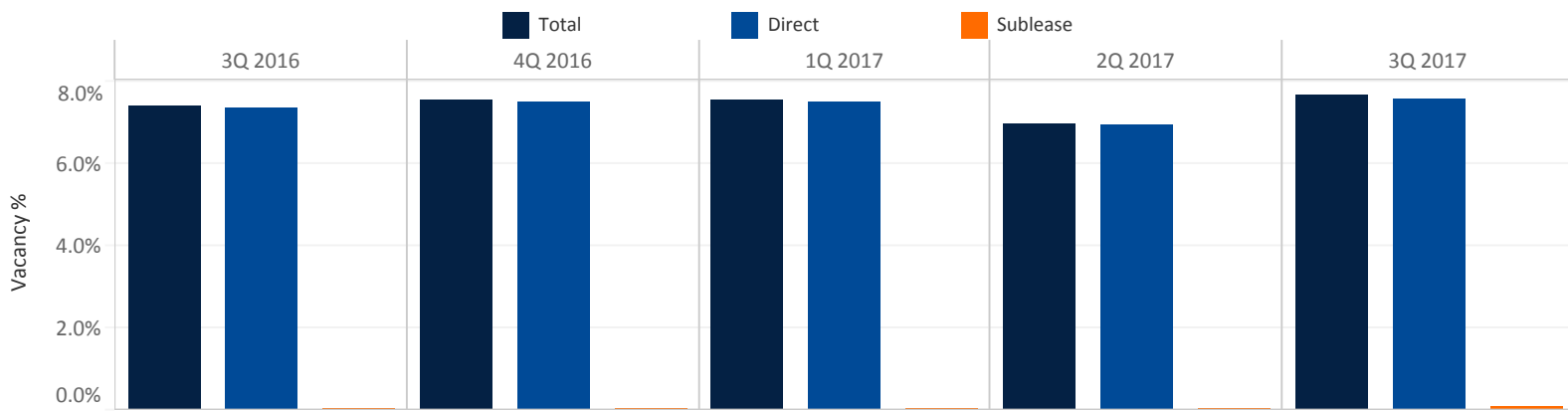
Overview by Market (Total)

Market Name	Specific Use	Inventory (sf)	Available (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
East	Conv/Strip Ctr	301,097	34,262	32,662	10.8%	-4,800	-4,800
	Free/Gen	256,272	14,070	14,070	5.5%	0	-7,862
	Nbrhd/Comm Ctr	1,166,068	255,400	252,900	21.7%	61,000	33,931
	Subtotal	1,723,437	303,732	299,632	17.4%	56,200	21,269
North	Conv/Strip Ctr	944,424	144,770	129,835	13.7%	-2,100	-17,841
	Free/Gen	1,855,549	74,996	48,249	2.6%	-10,484	18,325
	Nbrhd/Comm Ctr	1,881,797	42,050	180,050	9.6%	-144,500	-138,000
	Subtotal	4,681,770	261,816	358,134	7.6%	-157,084	-137,516
South	Conv/Strip Ctr	2,355,125	265,425	220,040	9.3%	-16,421	-39,488
	Free/Gen	4,918,293	46,036	23,610	0.5%	-16,110	-3,060
	Nbrhd/Comm Ctr	6,546,809	779,672	662,533	10.1%	64,849	51,276
	Reg/Power Ctr	1,582,448	39,455	35,732	2.3%	-32,263	-32,263
	Subtotal	15,402,675	1,130,588	941,915	6.1%	55	-23,535
Sprngfld - Urbana	Conv/Strip Ctr	633,229	93,722	91,522	14.5%	-7,182	-2,052
	Free/Gen	1,660,495	105,169	105,169	6.3%	0	42,000
	Nbrhd/Comm Ctr	1,088,492	85,027	83,587	7.7%	-8,950	-12,816
	Subtotal	3,382,216	283,918	280,278	8.3%	-16,132	27,132
Upper Valley	Conv/Strip Ctr	240,157	14,540	14,540	6.1%	0	986
	Free/Gen	1,370,962	0	0	0.0%	0	0
	Nbrhd/Comm Ctr	1,601,778	109,924	109,924	6.9%	-5,840	-7,240
	Subtotal	3,212,897	124,464	124,464	3.9%	-5,840	-6,254
West	Conv/Strip Ctr	497,390	59,060	27,720	5.6%	5,738	5,738
	Free/Gen	1,648,115	150,914	150,914	9.2%	0	155,478
	Nbrhd/Comm Ctr	1,953,097	291,427	356,442	18.3%	9,490	33,738
	Subtotal	4,098,602	501,401	535,076	13.1%	15,228	194,954
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	4,500	4,500	2.8%	8,800	8,800
	Subtotal	628,483	4,500	4,500	0.7%	8,800	8,800
Overall		33,130,080	2,610,419	2,543,999	7.7%	-98,773	84,850

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	4,984,682	572,496	513,546	10.3%	-24,765	-54,684
Free/Gen	12,211,490	380,475	331,302	2.7%	-15,884	215,591
Nbrhd/Comm Ctr	14,398,202	1,529,741	1,638,294	11.4%	-17,569	-32,729
Reg/Power Ctr	1,582,448	39,455	35,732	2.3%	-32,263	-32,263
Overall	33,176,822	2,522,167	2,518,874	7.6%	-90,481	95,915

Overview by Specific Use (Sublease)

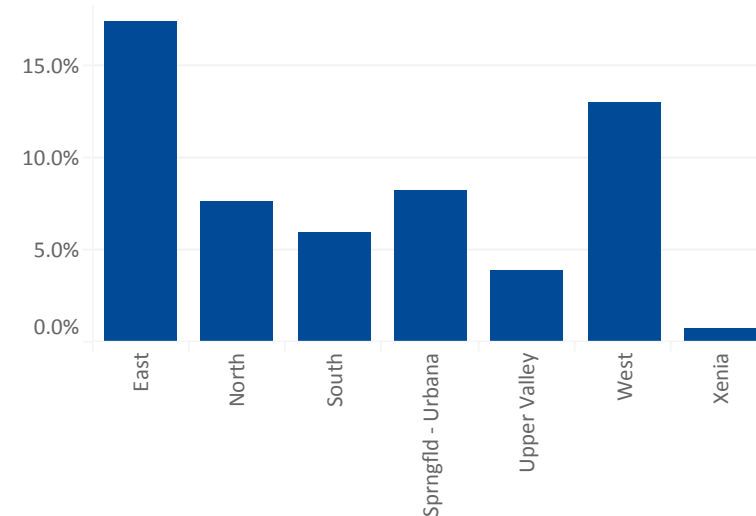
Specific Use	Inventory (sf)	Avail (sf)	Vacant (sf)	Vacancy Rate	Qtrly Abs (sf)	YTD Net Abs (sf)
Conv/Strip Ctr	4,984,682	39,283	2,773	0.1%	0	-2,773
Free/Gen	12,211,490	10,710	10,710	0.1%	-10,710	-10,710
Nbrhd/Comm Ctr	14,398,202	38,259	11,642	0.1%	2,418	2,418
Reg/Power Ctr	1,582,448	0	0	0.0%	0	0
Overall	33,176,822	88,252	25,125	0.1%	-8,292	-11,065

Direct Vacancy Rate

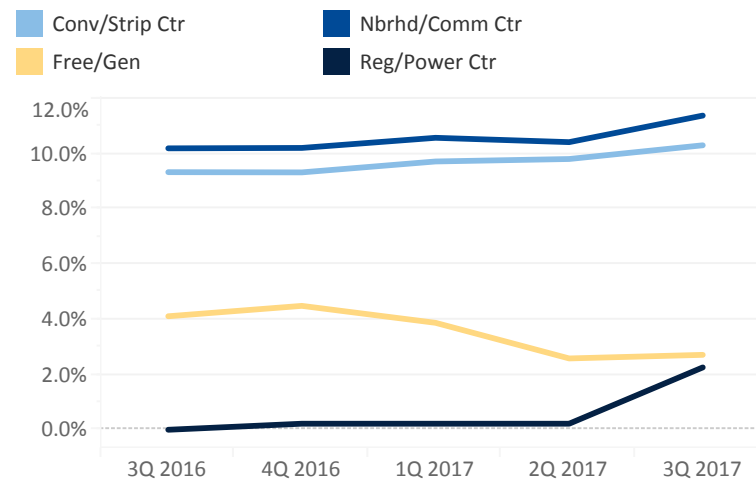
By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017
East	Conv/Strip Ctr	9.3%	9.3%	9.3%	9.3%	10.8%
	Free/Gen	2.4%	2.4%	2.4%	5.5%	5.5%
	Nbrhd/Comm Ctr	13.9%	14.7%	17.4%	17.4%	21.7%
	Subtotal	11.2%	11.7%	13.4%	13.9%	17.4%
North	Conv/Strip Ctr	12.1%	11.9%	13.0%	13.5%	13.7%
	Free/Gen	4.1%	3.6%	3.6%	2.0%	2.6%
	Nbrhd/Comm Ctr	1.9%	2.2%	2.2%	1.9%	9.6%
	Subtotal	4.8%	4.7%	4.9%	4.3%	7.6%
South	Conv/Strip Ctr	8.1%	7.9%	8.6%	8.5%	9.2%
	Free/Gen	0.0%	0.4%	0.4%	0.2%	0.3%
	Nbrhd/Comm Ctr	10.5%	10.6%	10.9%	10.9%	9.9%
	Reg/Power Ctr	0.0%	0.2%	0.2%	0.2%	2.3%
	Subtotal	5.8%	5.9%	6.1%	6.0%	6.0%
Sprngfld - Urbana	Conv/Strip Ctr	13.2%	14.1%	13.1%	13.3%	14.5%
	Free/Gen	6.5%	8.9%	6.3%	6.3%	6.3%
	Nbrhd/Comm Ctr	11.1%	6.5%	6.9%	6.9%	7.7%
	Subtotal	9.3%	9.1%	7.8%	7.8%	8.3%
Upper Valley	Conv/Strip Ctr	6.3%	6.5%	6.5%	6.1%	6.1%
	Free/Gen	0.0%	0.0%	0.0%	0.0%	0.0%
	Nbrhd/Comm Ctr	6.6%	6.4%	6.4%	6.5%	6.9%
	Subtotal	3.7%	3.7%	3.7%	3.7%	3.9%
West	Conv/Strip Ctr	6.7%	6.7%	6.7%	6.7%	5.6%
	Free/Gen	18.6%	18.6%	16.6%	9.2%	9.2%
	Nbrhd/Comm Ctr	18.3%	19.4%	19.6%	18.7%	18.3%
	Subtotal	17.0%	17.5%	16.8%	13.4%	13.1%
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%	8.3%	8.3%	8.3%	2.8%
	Subtotal	0.0%	2.1%	2.1%	2.1%	0.7%
Overall		7.4%	7.5%	7.5%	7.0%	7.6%

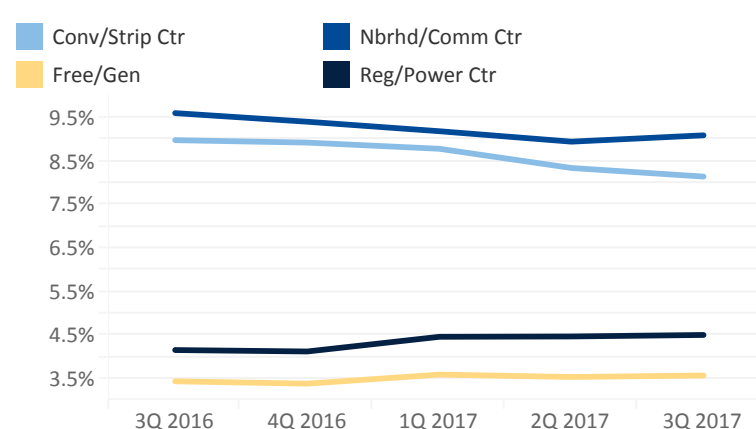
By Market



Dayton by Specific Use



National by Specific Use

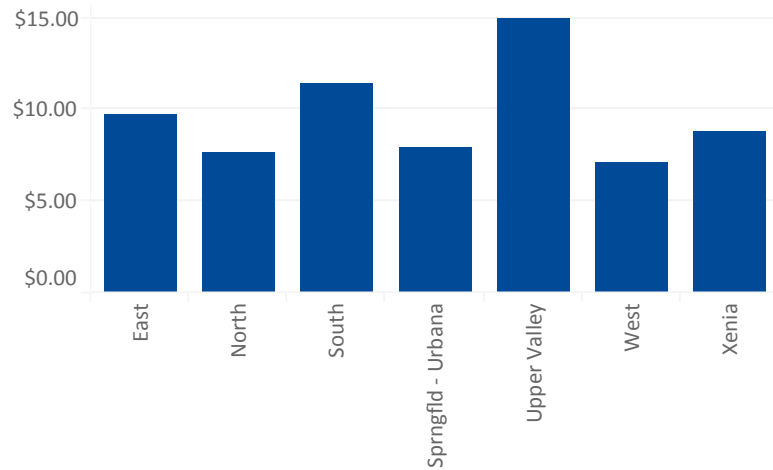


Direct Weighted Average Asking Rates (NNN)

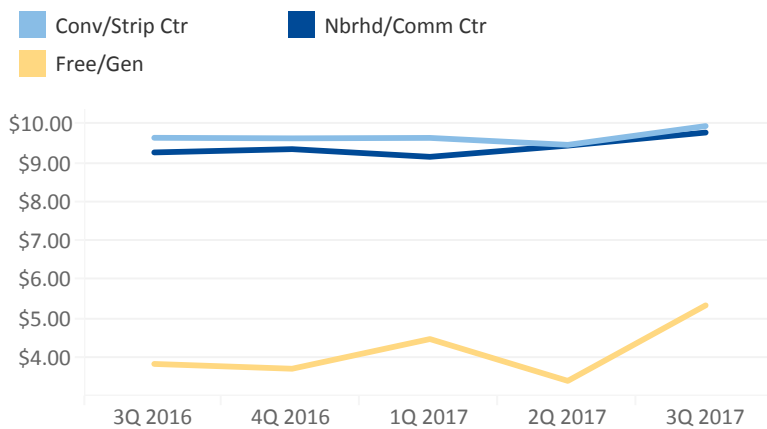
By Market and Specific Use

Market Name	Specific Use	Quarter Year				
		3Q 2016	4Q 2016	1Q 2017	2Q 2017	3Q 2017
East	Conv/Strip Ctr	\$10.97	\$12.80	\$12.80	\$11.36	\$11.36
	Free/Gen	\$5.50	-	-	-	-
	Nbrhd/Comm Ctr	\$8.80	\$9.03	\$9.13	\$9.13	\$9.13
	Subtotal	\$9.18	\$10.12	\$10.19	\$9.77	\$9.77
North	Conv/Strip Ctr	\$7.36	\$7.29	\$7.45	\$7.49	\$7.49
	Free/Gen	\$3.79	\$3.79	\$3.79	\$3.25	\$7.00
	Nbrhd/Comm Ctr	\$8.39	\$8.39	\$8.35	\$9.02	\$8.35
	Subtotal	\$6.46	\$6.38	\$6.52	\$7.46	\$7.60
South	Conv/Strip Ctr	\$10.57	\$10.95	\$11.03	\$10.95	\$11.82
	Free/Gen	-	-	\$12.50	-	-
	Nbrhd/Comm Ctr	\$10.24	\$9.80	\$9.68	\$10.12	\$11.03
	Reg/Power Ctr	-	-	-	-	-
	Subtotal	\$10.34	\$10.16	\$10.22	\$10.42	\$11.36
Springfld - Urbana	Conv/Strip Ctr	\$10.23	\$8.09	\$7.50	\$7.47	\$7.99
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$8.31	\$9.66	\$10.15	\$10.15	-
	Subtotal	\$9.11	\$8.79	\$7.92	\$7.88	\$7.99
Upper Valley	Conv/Strip Ctr	\$16.06	\$15.35	\$17.00	\$15.89	\$15.89
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
	Subtotal	\$14.84	\$14.46	\$14.85	\$14.94	\$14.94
West	Conv/Strip Ctr	\$7.43	\$7.43	\$6.50	\$6.50	\$6.50
	Free/Gen	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
	Nbrhd/Comm Ctr	\$7.91	\$7.69	\$7.88	\$7.84	\$7.86
	Subtotal	\$7.43	\$6.74	\$7.17	\$7.12	\$7.13
Xenia	Conv/Strip Ctr	-	-	-	-	-
	Free/Gen	-	-	-	-	-
	Nbrhd/Comm Ctr	-	\$8.75	\$8.75	\$8.75	\$8.75
	Subtotal	-	\$8.75	\$8.75	\$8.75	\$8.75
Overall		\$9.01	\$9.01	\$8.96	\$9.26	\$9.65

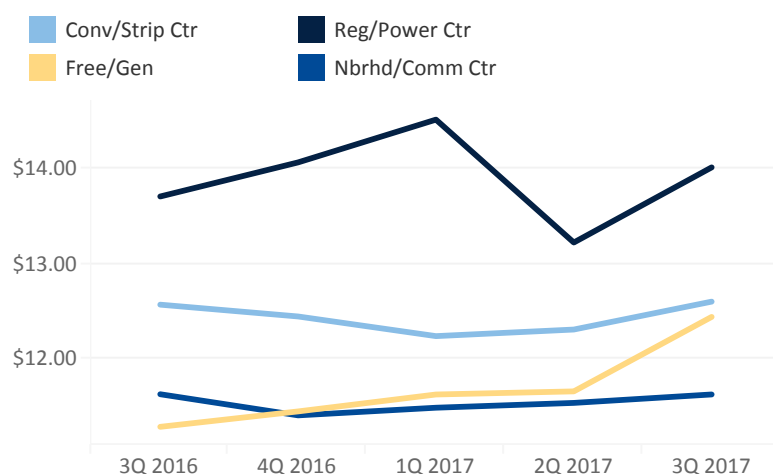
By Market



Dayton by Specific Use

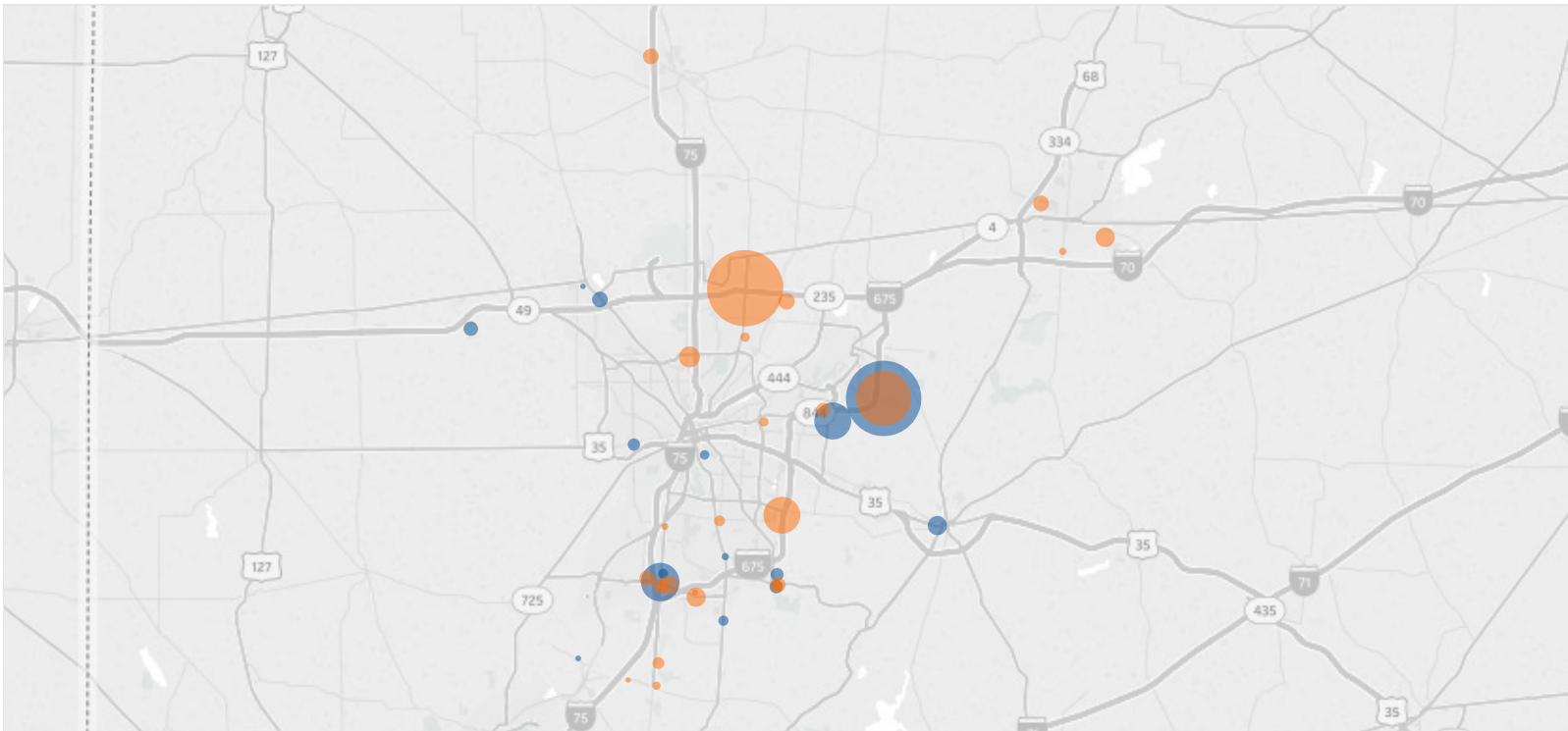


National by Specific Use



Absorption Map

● Negative
 ● Positive



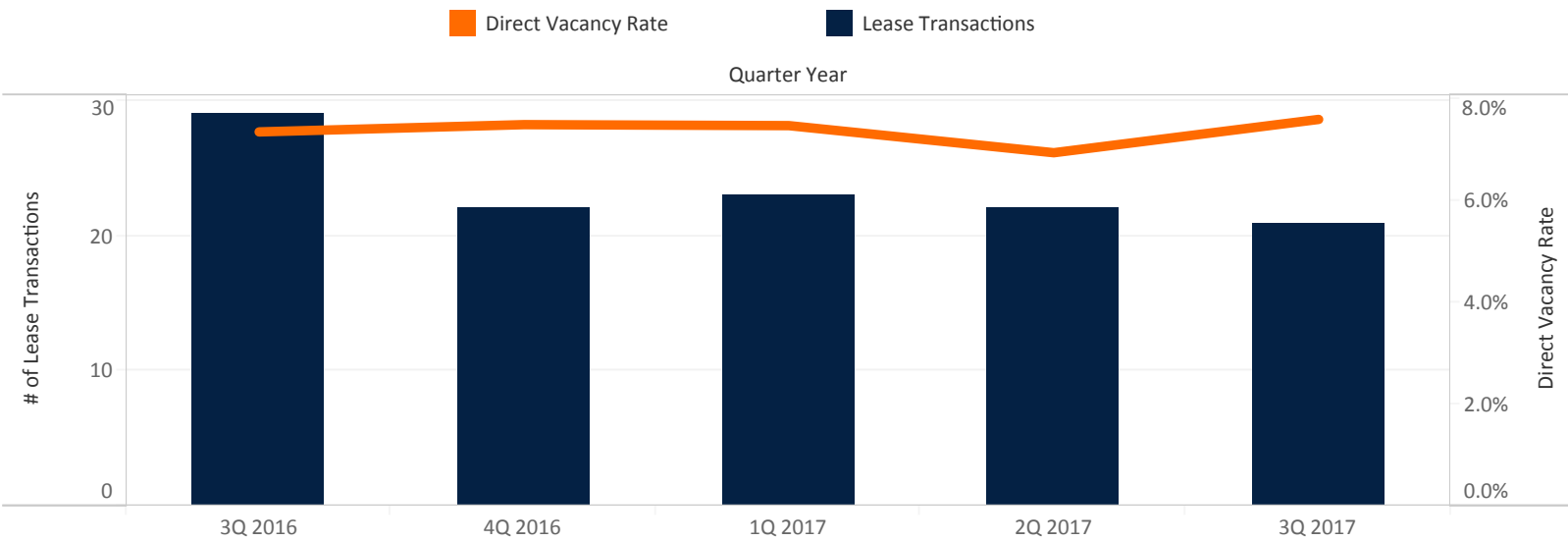
Largest Positives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Shoppes at Valle Greene - Kroger Marketplace	Kroger	East	Nbrhd/Comm Ctr	135,000
Corner's at the Mall	Best Mattress & Furniture; Halloween City	South	Nbrhd/Comm Ctr	35,144
Shoppes of Beaver creek	Halloween City	South	Nbrhd/Comm Ctr	32,530
Xenia Plaza Shopping Center	MVP Dance Studio	Xenia	Nbrhd/Comm Ctr	8,800
Mad River Station	Phoenix Salons	South	Nbrhd/Comm Ctr	8,423
Northmont Plaza	Big Lots	West	Nbrhd/Comm Ctr	5,890
Brookside Plaza Shopping Center	Whole Body Fitness	West	Conv/Strip Ctr	5,000
Sugar Bell Center	BRP Realty LLC	South	Conv/Strip Ctr	4,196

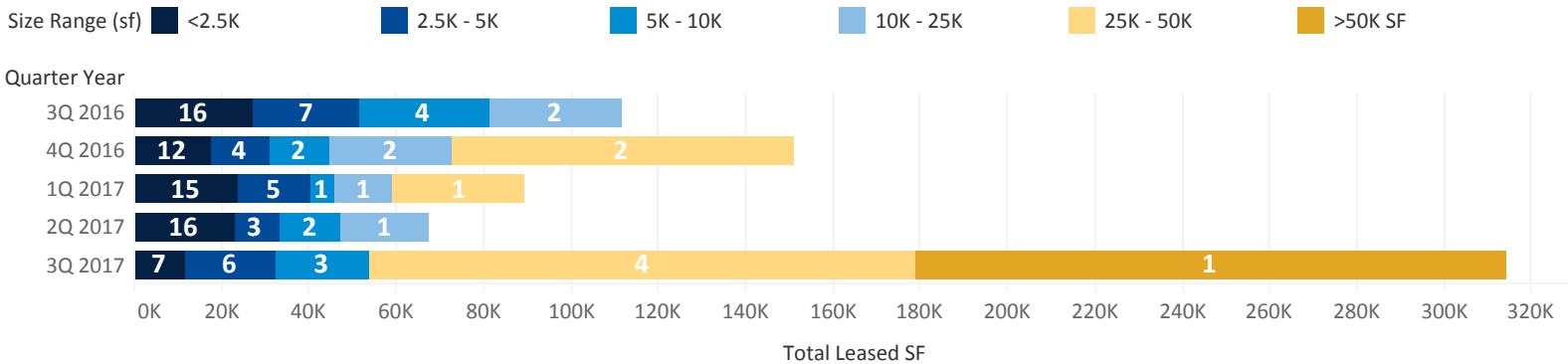
Largest Negatives (Total)

PropertyName	Significant Transactions	Market Name	Specific Use	
Northpark Center	Gander Mountain	North	Nbrhd/Comm Ctr	-138,000
Valle Greene North Retail Space	Kroger	East	Nbrhd/Comm Ctr	-72,000
The Greene Town Center	Undisclosed tenant vacated	South	Reg/Power Ctr	-20,302
2119 E Dorothy Ln	Aarons	South	Free/Gen	-10,710
5650 N Dixie Dr	Dollar Tree	North	Free/Gen	-10,484
Burnett Plaza Shopping Center	Space has been vacant long term	Springfld - Urbana	Nbrhd/Comm Ctr	-8,950
Township Square	First Financial; Rue/Bar Dumaine	South	Conv/Strip Ctr	-8,880
Triangle Station	CVS	South	Nbrhd/Comm Ctr	-8,450

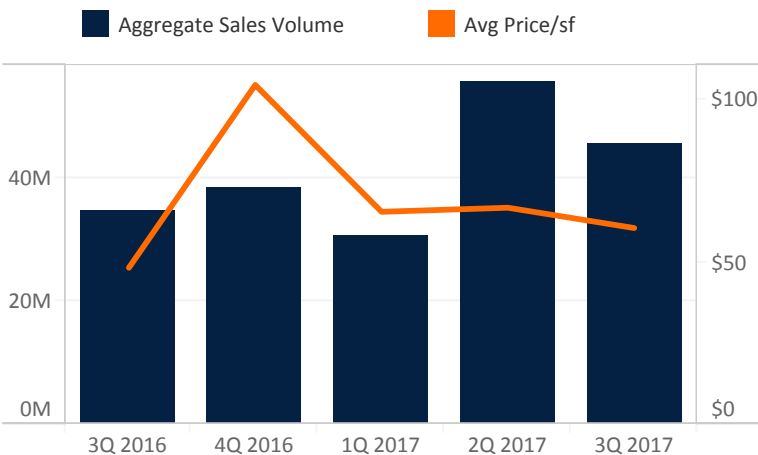
Leasing Activity Trends



Leasing Activity (# of New Deals)



Sales Volume vs. Price/SF



Top Sales

Property	Sale Date	Buyer	Sale Price
Corner's at the Mall	07/20/2017	Jally Management	\$9,550,000
Centerville Place I	07/18/2017	Queen City Lease Management	\$9,200,000
Kettering Towne Center	07/10/2017	CWCapital	\$7,200,000
1912-1914 W Main St	07/07/2017	Plato Pavlatos	\$3,100,000
Bob Evans	07/28/2017	Griffin Brock	\$3,040,000

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

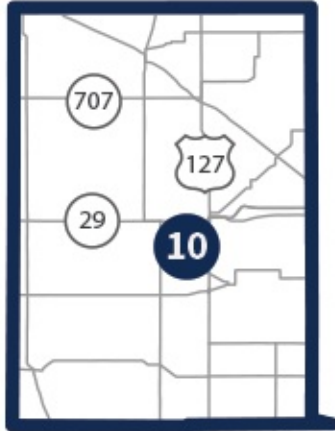
Colliers International	Pete Nichols	Miller-Valentine Group	Steve Ireland
Equity, Inc.	Kelly Gray	NAI Bergman	Larry Bergman
	Tracey Herron	Oberer Realty Services	Danielle Kuehnle
Miller-Valentine Group	Aaron Savino	RG Properties	Paul Miller

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- 1 Xenia
- 2 East
- 3 North
- 4 West
- 5 South
- 6 Outlying East
- 7 Springfield / Urbana
- 8 Upper Valley
- 9 Outlying West
- 10 Outlying North

