MARKETBEAT
U.S. Shopping Center
Q1 2017

CUSHMAN & WAKEFIELD

CELEBRATING 100 YEARS

U.S. SHOPPING CENTER

Economic Indicators

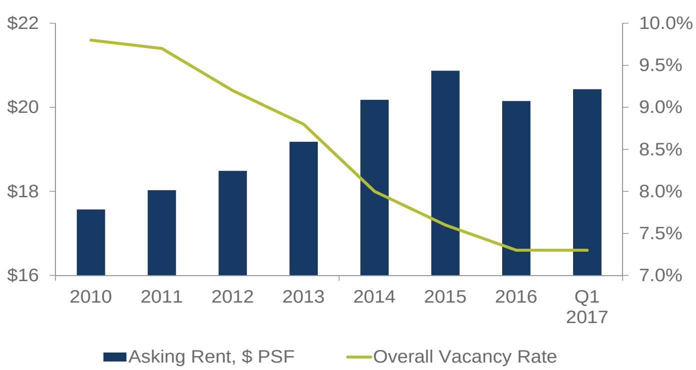
	Q1 16	Q1 17*	12-Month Forecast
GDP Growth	1.6%	2.0%	▲
CPI Growth	1.1%	2.4%	▲
Consumer Spending Growth	2.4%	3.1%	▼
Retail Sales Growth	2.5%	5.2%	■

*Forecast by Cushman & Wakefield; values represent year-over-year % change

Market Indicators

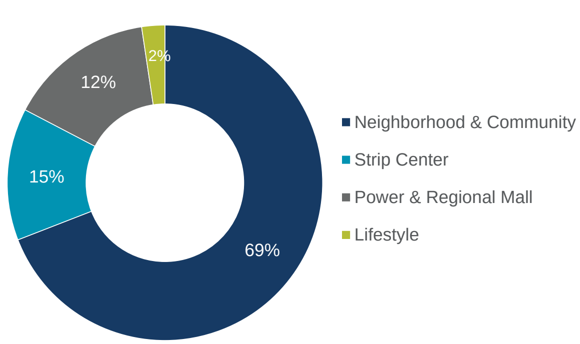
	Q1 16	Q1 17	12-Month Forecast
Vacancy Rates	7.6%	7.3%	▲
Net Absorption	5.2M	4.9M	▼
Under Construction	33.3M	20.7M	▼
Average Asking Rent (NNN, Annual)	$21.33	$20.43	▼

Rent Rate vs. Overall Vacancy



Availability by Type

% OF TOTAL SPACE AVAILABLE IN THE U.S.



Source: CoStar, Cushman & Wakefield Research

Closures Ramping Up, Omnichannel Right-Sizing to Accelerate in 2017

At the end of Q1 2017, non-mall shopping center vacancy in the United States stood at 7.3%. This metric is unchanged from that posted in both the third and fourth quarters of 2016, despite the wave of retail closures and bankruptcies. In fact, Non-mall vacancy has been on a consistent downward trend since Q1 2010 when it peaked at 10.2%. In the seven years since vacancy has increased only once. Non-mall shopping center vacancy stood at 7.6% one year ago and 8.0% two years ago. However, the decline in vacancy has slowed significantly over the past couple of years as more retail sectors have gone into contraction mode.

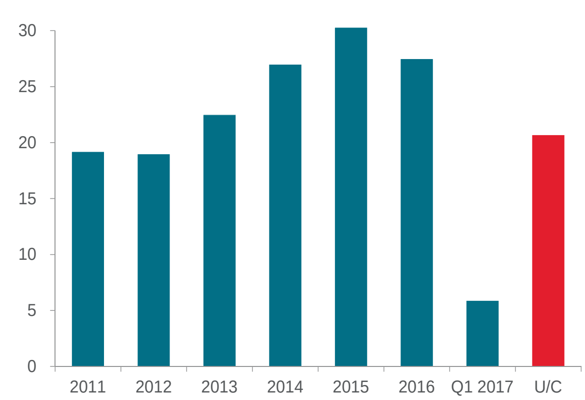
Overall vacancy is currently lowest in the Northeast and Pacific regions at 6.2% (declining only slightly in this region from 6.4% over the past year). However, vacancy has been flat in the Northeast for four consecutive quarters 6.2%. The Texas South Central region currently boasts a vacancy rate of 6.9% (down from 7.5% from the first quarter of 2016), with the Southeast following at 7.0% (down from 7.4% a year ago). The Great Plains region has seen its non-mall vacancy rate decline from 8.0% to 7.4%, and vacancy in the South region declined from 7.8% to 7.7% during the same time frame. The Mountain and Great Lakes regions currently are experiencing the highest levels of vacancy. In the Mountain region vacancy stands at 9.1%—unchanged from a year ago, but higher than the 8.9% rate at midyear 2016. The Great Lakes region posted vacancy of 9.4%, down from 9.8% in Q1 2016.

Occupancy growth in Q1 2017 was also flat. Non-mall shopping center occupancy growth accounted for just 4.9 million square feet (MSF) of positive net absorption in the quarter—the lowest net absorption level in this space since Q1 2012. While growth remained positive in Q1 2017 in every region except the South (which posted -270,000 SF), net absorption totals were tepid at best. The Northeast led the way with nearly 1.9 MSF of occupancy growth (new deliveries accounted for roughly 1.3 MSF of the total). The Great Lakes recorded 706,000 SF of positive net absorption (nearly 600,000 SF of which was the result of new construction), while the Texas South Central region posted occupancy growth of 782,000 SF (the majority of which was also driven by new projects coming online). All other regions experienced gains of 600,000 SF or less, well below historic norms. Considering the deluge of closure announcements and bankruptcy notices, the fact that these absorption figures have remained flat are likely a surprise to some. However, this is due to the fact that the ongoing retail consolidation has been concentrated primarily in categories that are traditionally mall or lifestyle center tenants. Regardless, growth is slowing in most of the categories that have fueled non-mall shopping center expansion with nearly 80% of this year's first-quarter occupancy growth having come from tenants taking occupancy in newly delivered projects, for which leases were inked as much as two years ago. New construction added 5.9 MSF of space to the market in Q1 2017, most of which was in the form of new neighborhood/community centers (over 2.9 MSF). Development levels are dropping; we are currently tracking just over 20.7 MSF of new product under development in the U.S. with delivery dates scheduled through 2018. The Southeast leads the way in new development with nearly 4.7 MSF underway in that region; most of that development is in Florida, which currently leads the nation in population growth.

This current wave of consolidation is being driven by two basic factors; the continued acceleration of eCommerce and the ongoing focus of American consumers on value-oriented retail. . . .

Newly delivered projects have consistently been averaging occupancy levels of 80% or more upon delivery. This is partially due to the fact that speculative development simply isn't happening and extensive pre-leasing is taking place before most new projects go forward. However, it also reflects the fact that those tenants who are in growth mode continue to demonstrate a strong preference for new or Class A product over existing Class B or C space, even if the gulf in asking rates is wide. Although we see the tenant pool continuing to shrink going forward, we expect non-mall Class A product (neighborhood/community, power or strip) to continue outperforming the rest of the marketplace. That said, while vacancy levels have yet to climb, non-mall shopping centers are not going to make it through 2017 unscathed.

New Construction (MSF)



Source: CoStar, Cushman & Wakefield Research

The average asking lease rate at the end of the first quarter of 2017 was $20.43 PSF on an annual triple net basis. This figure is down from the $21.33 PSF one year ago. We anticipate that the rate will likely remain flat or edge downward slightly over the next 12 months. While there may be some limited room for rental rate growth for Class A product, there is likely to be greater challenges ahead for landlords of Class B and C space.

What Does the Closure Wave Mean for Non-mall Shopping Centers?

The retail world is currently experiencing the strongest wave of industry consolidation that we have seen since the Great Recession. The majority of retail closures and bankruptcies announced so far this year, however, have come primarily from the apparel and department store categories and from retailers that typically take mall, lifestyle center or urban space. But there have been some notable retail collapses among tenants active in non-mall shopping space as well; most of those closures won't start registering in the statistics until next quarter. For example, HH Gregg is in the process of liquidating all of its roughly 240 stores, but that process had just begun as Q1 2017 ended. These closures will overwhelmingly impact power centers, just as last year's Sports Authority bankruptcy did.

This current wave of consolidation is being driven by two basic factors; the continued acceleration of eCommerce and the ongoing focus of American consumers on value-oriented retail. Against this backdrop we have seen a number of chains struggling with declining sales at their physical stores, especially those retailers active at mid-level price points. While the luxury retail market has been sluggish in terms of both sales and growth, it continues to hold its own. Upscale brands have not been left unscathed by the entrance of Amazon and other pure eCommerce players into the luxury arena, but they have not suffered the same levels of declining sales as mid-tier players. Meanwhile, off-price and discount concepts have been white-hot both in terms of store sales volumes and expansion. The brunt of the challenges has been borne by concepts in the middle that are not only competing increasingly with Amazon and the internet but also with discounters. One telling statistic is that Amazon will surpass Macy's as the largest apparel retailer in the U.S. sometime later this year; based on current sales growth trajectories, TJ Maxx will be in second place by 2021, if not sooner.

Throughout 2016, Cushman & Wakefield tracked over 4,000 major chain closures (surpassing 2015's roughly 3,600 closures). We anticipate closure levels in 2017 to ramp up by at least 25%, if not more, to at least 5,000 units this year. Meanwhile, bankruptcies are already on track to match, or surpass, peak levels recorded during the Great Recession. From January through March of 2017, the number of major-chain retail bankruptcies was up 40% from the first quarter of 2016. Notable bankruptcies so far this year include Wet Seal, The Limited, Bob's, Eastern Mountain Sports, BCBG, Max Azria, Marbles—The Brain Store, Vanity, HH Gregg, RadioShack (General Wireless), Gordman's, Gander Mountain, Payless ShoeSource and Bebe. While many of these filings are still pending in the courts, the reality is that the majority of retail bankruptcies end in total liquidation. In an atmosphere of heightened retail risk, there are fewer lenders, investors or private equity players willing to gamble on bailing out troubled concepts even if those concepts could be bought out of bankruptcy for dimes on the dollar. Meanwhile, as this report went to press, news stories were circulating that both Rue21 and Gymboree were also preparing to file, and speculation was rife regarding the financial viability of at least a dozen other major chains including Sears/Kmart, Charming Charlie, Marsh, Claire's and others. Despite this, non-mall shopping center vacancy didn't budge in Q1 2017.

Consolidation in the sporting goods, consumer electronics and office supplies categories will increasingly impact the non-mall world, particularly power centers. The good news for power center landlords is that we are also seeing robust growth from off-price apparel players like TJ Maxx, Ross, Marshall's, Nordstrom Rack and others that tend to prefer power centers and are active in the same size range as many of these space givebacks. Likewise, we continue to see growth from junior box (20,000 SF to 40,000 SF) niche grocery users ranging from organic to ethnic concepts. (Two discount grocery chains from Germany—ALDI and Lidl—plan on more than 200 new stores in the U.S. over the next two years.) But it is critical to note that nearly all of the categories that have driven growth in the non-mall shopping center marketplace over the last seven years are increasingly facing the challenges of market saturation.

Meanwhile, dollar store chains, which have added more than 7,000 units nationally in the past five years (or roughly four new stores PER DAY), remain in aggressive growth mode (Dollar General plans 1,000 stores this year) although most chains report sagging same-store sales. These users have been active in a variety of properties—from freestanding to strip, neighborhood/community and power/regional space—but their runway for further growth is dwindling. Same-store sales comparables for many of these chains have been declining due largely to saturation issues. This hasn't slowed growth so far, but it is likely to begin doing so soon.

The restaurant sector is not without its challenges. No other sector has accounted for as much unit growth as restaurants in the post-recession era; planned expansion from the major chains alone has averaged over 12,400 units annually since 2011 and that only represents about half of the marketplace. We estimate that the U.S. has averaged well over 24,000 new restaurants annually for each of the last six years. This rate of growth has been slowly declining since 2014 and although it remains robust, the restaurant marketplace does face some headwinds. Market saturation is increasingly becoming an issue. Also a challenge is the rise of "grocerants." Retail chains as diverse as grocers (Whole Foods), convenience stores (7-Eleven) and even dollar store chains have gradually been adding more prepared food options in their stores. Restaurant failures have been on the rise since early 2016 with market saturation and increased operational costs (from rent to wages) playing substantial roles. Casual dining chains have felt the most pain so far, with a few notable bankruptcies already and more to follow. But we see just as challenging an environment this year for a number of restaurant categories. Low barrier-to-entry franchise operators are likely to feel the greatest pain in terms of increased labor costs while fast casual players will struggle with the issue of saturation. All of these factors point towards a shakeout sometime in the next 18 months. Still, there remains a deep tenant pool of new concepts looking to grow in the marketplace. Over the next couple of years this growth will seem like a game of musical chairs with new concepts take the place of failing ones.

Outlook

The lion's share of consolidation in retail will continue to be focused on mid-tier, large publicly traded chains (particularly in the apparel and department store categories) that will disproportionately impact Class B and C mall space as opposed to non-mall shopping centers. Class A neighborhood/community centers should continue to see steady tenant demand. The same is likely for Class A power centers, although this segment of the market will experience rising vacancy levels thanks to ongoing big box givebacks, particularly from the sporting goods and office supplies sector. Landlords of Class B and C space will face the greatest challenges, but these will be nowhere near the severity of the challenges that Class B and C mall landlords will face in the next couple of years.

We are likely to be in a period of rising vacancy levels and diminishing tenant demand through the remainder of this economic cycle. Going forward, the winners will be quality concepts and quality projects as the chasm in performance between Class A retail real estate and other retail product widens.

Net Absorption

Net Absorption	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
United States	**5,150,731**	**13,044,979**	**11,816,817**	**9,499,271**	**4,896,829**
Albuquerque	143,742	103,242	111,470	-89,985	-1,639
Atlanta	264,632	467,103	261,970	263,086	432,392
Austin	-86,565	121,676	-90,127	228,887	60,694
Bakersfield	92,215	36,508	-88,695	145,569	83,070
Baltimore	-44,373	225,425	-28,677	90,506	364,467
Birmingham	13,353	104,867	-36,263	424,403	-143,032
Boise	107,102	-101,774	23,298	-11,719	8,009
Boston	-2,046	356,796	119,508	-41,057	-42,516
Buffalo	24,743	-34,450	32,213	24,279	-47,129
Charleston	140,315	-57,673	-10,365	48,505	-50,109
Charlotte	-46,451	80,381	327,279	210,849	175,454
Chicago	13,213	303,044	179,569	283,146	465,991
Cincinnati	62,508	382,029	187,067	262,429	-208,702
Cleveland	30,764	138,501	298,136	-44,804	41,810
Columbus	-24,692	343,785	230,543	34,563	-119,569
Dallas	1,080,257	1,352,301	817,536	577,478	693,372
Denver	232,083	301,549	-160,633	350,450	-8,978
Des Moines	72,797	60,953	-9,296	49,350	54,114
Detroit	370,839	315,979	366,601	197,240	576,081
Fort Lauderdale/Broward County	41,360	483,302	324,722	234,684	367,050
Hampton Roads	130,089	254,463	68,416	4,604	-304,695
Hawaii	27,880	95,829	640,539	21,132	-97,215
Houston	55,004	1,303,715	1,071,178	1,018,466	100,714
Indianapolis	57,298	106,572	514,024	-132,865	-208,259
Inland Empire	64,064	94,194	624,373	418,410	12,393
Jacksonville	137,474	254,187	311,396	121,332	-156,354
Kansas City	-156,550	156,144	670,977	-132,485	185,522
Knoxville	102,447	102,534	64,612	-32,052	72
Las Vegas	145,453	559,621	303,477	157,888	-98,830
Little Rock	-36,132	14,026	72,898	108,036	-46,372
Los Angeles	559,618	776,416	246,669	330,961	-363,252
Louisville	17,781	35,434	-101,501	-62,855	-58,122
Memphis	108,770	43,505	156,858	-138,922	-168,492
Miami	107,523	162,832	69,512	238,618	185,234
Milwaukee	-232,479	-28,165	266,102	-170,195	158,526
Minneapolis	-69,538	333,371	143,328	30,839	87,836
Mobile	-28,482	17,740	35,397	-90,247	23,883
Nashville	229,546	123,102	80,997	210,192	75,620
New Orleans	57,488	127,315	119,479	144,049	12,584
New York City Metro (Greater Tri-State)	-530,180	39,790	697,967	1,089,902	-393
Oakland/East Bay	-120,183	-49,258	161,342	168,847	-52,534
Oklahoma City	52,750	215,387	186,945	93,489	71,808
Omaha	-28,758	157,080	109,407	48,765	-81,684
Orange County	90,030	79,274	76,530	-186,118	33,660
Orlando	-124,377	235,320	81,854	323,276	163,440
Palm Beach	250,834	170,430	339,494	264,996	75,853
Philadelphia	229,229	201,675	343,583	61,359	1,272,679

Net Absorption

Net Absorption	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
Phoenix	409,830	305,125	305,975	404,740	265,830
Pittsburgh	-29,866	127,607	-28,226	45,649	354,850
Portland	36,763	-88,300	85,477	409,677	-71,891
Providence	-24,713	-24,955	90,254	10,315	148,378
Raleigh/Durham	64,309	171,383	435,212	15,360	-11,110
Reno	75,289	58,639	-4,037	56,857	27,051
Richmond	217,818	146,032	-84,607	142,437	-674,755
Sacramento	-147,527	-35,384	276,912	13,234	489,593
Salt Lake City	64,473	292,811	-112,671	-292,988	214,139
San Antonio	146,949	522,044	132,391	-11,644	-155,850
San Diego	272,916	329,720	352,521	353,500	98,413
San Francisco Metro	100,309	77,175	-134,633	-1,264	168,957
San Jose	14,223	-109,802	192,574	87,991	213,418
Seattle	169,336	65,225	-238,294	113,701	-66,675
St. Louis	-135,325	37,682	103,011	247,091	78,717
Tampa	148,153	244,715	-63,292	366,969	252,646
Tucson	4,333	57,113	19,371	29,765	192,835
Tulsa	144,284	166,501	61,322	-13,799	44,572
Washington, DC	36,782	135,571	215,848	374,399	-196,741

Our statistical coverage includes community, neighborhood, power and lifestyle centers only.
It does not include malls, outlet centers, theme retail centers, airport retail or freestanding retail product.
p = preliminary

Methodology
Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including our own proprietary database as well as data gleaned from reliable thirdparty data sources. The market statistics are calculated from a base shopping center inventory made up of shopping center properties deemed to be competitive in their respective local markets. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. The figures provided for the current quarter are preliminary and all information contained in this report is subject to correction of errors and revisions based on the receipt of additional pertinent data.

Vacancy Rates

Overall Vacancy Rate	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
United States	**7.6%**	**7.4%**	**7.3%**	**7.3%**	**7.3%**
Albuquerque	7.4%	7.0%	6.4%	7.2%	7.2%
Atlanta	9.2%	9.0%	8.8%	8.8%	8.6%
Austin	5.3%	5.1%	5.3%	5.0%	5.0%
Bakersfield	8.6%	8.3%	9.2%	8.7%	8.1%
Baltimore	5.6%	5.6%	5.7%	5.6%	5.6%
Birmingham	10.9%	10.7%	10.9%	10.0%	10.7%
Boise	6.5%	7.1%	7.6%	7.7%	7.6%
Boston	3.9%	3.7%	3.6%	3.7%	3.8%
Buffalo	7.0%	7.2%	7.1%	6.9%	7.2%
Charleston	5.0%	5.4%	5.5%	5.2%	5.7%
Charlotte	6.8%	6.7%	6.5%	6.3%	6.1%
Chicago	10.6%	10.7%	10.8%	10.7%	10.5%
Cincinnati	10.0%	9.6%	9.3%	9.0%	9.3%
Cleveland	9.2%	9.1%	8.7%	8.8%	8.9%
Columbus	7.9%	7.2%	7.1%	7.1%	7.4%
Dallas	8.3%	7.8%	7.6%	7.5%	7.3%
Denver	7.2%	7.0%	7.3%	7.0%	7.0%
Des Moines	7.0%	6.5%	6.6%	6.2%	5.8%
Detroit	10.4%	10.1%	9.7%	9.6%	9.2%
Fort Lauderdale/Broward County	7.2%	6.8%	6.2%	5.9%	5.4%
Hampton Roads	7.9%	7.5%	7.5%	7.5%	8.2%
Hawaii	3.5%	3.1%	3.2%	4.5%	5.0%
Houston	7.1%	6.7%	6.5%	6.6%	6.9%
Indianapolis	8.0%	7.9%	6.9%	7.2%	7.8%
Inland Empire	9.9%	9.9%	9.4%	9.1%	9.1%
Jacksonville	8.7%	8.5%	8.1%	7.9%	8.3%
Kansas City	9.9%	9.6%	8.6%	8.9%	8.9%
Knoxville	6.9%	6.3%	6.0%	6.1%	6.1%
Las Vegas	11.0%	10.2%	9.9%	10.0%	10.3%
Little Rock	5.8%	5.7%	5.2%	4.5%	4.9%
Los Angeles	5.4%	5.2%	5.1%	5.0%	5.2%
Louisville	4.8%	4.7%	5.2%	5.4%	5.7%
Memphis	9.4%	9.3%	9.0%	9.4%	9.9%
Miami	3.7%	3.5%	3.5%	4.0%	4.3%
Milwaukee	10.0%	10.3%	9.8%	10.4%	10.0%
Minneapolis	6.7%	6.2%	6.3%	6.4%	6.3%
Mobile	12.2%	11.9%	11.3%	12.8%	12.4%
Nashville	5.8%	5.4%	5.3%	4.7%	4.5%
New Orleans	8.8%	8.1%	7.4%	6.5%	6.4%
New York City Metro (Greater Tri-State)	6.5%	6.5%	6.6%	6.6%	6.6%
Oakland/East Bay	5.4%	5.5%	5.5%	5.4%	5.6%
Oklahoma City	9.2%	8.9%	8.7%	8.6%	8.4%
Omaha	7.5%	7.3%	7.5%	7.3%	7.8%
Orange County	4.8%	4.7%	4.6%	4.8%	5.2%
Orlando	8.1%	7.9%	8.1%	7.5%	7.2%
Palm Beach	7.2%	6.9%	6.3%	5.7%	5.7%
Philadelphia	7.9%	7.9%	7.9%	8.1%	7.7%

Vacancy Rates

Overall Vacancy Rate	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
Phoenix	11.2%	11.1%	11.3%	11.2%	11.2%
Pittsburgh	5.0%	4.8%	5.0%	5.0%	4.5%
Portland	6.7%	7.0%	6.8%	6.3%	6.6%
Providence	9.4%	9.7%	9.1%	9.1%	8.1%
Raleigh/Durham	5.3%	4.9%	4.2%	4.2%	4.3%
Reno	12.1%	11.7%	11.7%	11.3%	11.1%
Richmond	8.4%	8.5%	8.8%	8.5%	10.3%
Sacramento	10.4%	10.6%	10.2%	10.3%	9.6%
Salt Lake City	5.1%	4.8%	5.4%	6.3%	6.2%
San Antonio	7.0%	6.4%	6.5%	6.9%	7.1%
San Diego	6.4%	6.0%	5.8%	5.3%	5.2%
San Francisco Metro	4.3%	4.2%	4.6%	4.6%	4.3%
San Jose	4.8%	5.2%	5.2%	5.0%	4.9%
Seattle	6.2%	6.1%	6.5%	6.4%	6.5%
St. Louis	8.0%	8.0%	7.9%	7.6%	7.5%
Tampa	7.9%	7.7%	7.8%	7.4%	7.1%
Tucson	9.3%	9.2%	9.2%	9.3%	9.3%
Tulsa	7.2%	6.6%	6.5%	6.6%	6.4%
Washington, DC	4.8%	4.9%	5.0%	4.9%	5.1%

Our statistical coverage includes community, neighborhood, power and lifestyle centers only.
It does not include malls, outlet centers, theme retail centers, airport retail or freestanding retail product.
p = preliminary

Methodology
Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including our own proprietary database as well as data gleaned from reliable thirdparty data sources. The market statistics are calculated from a base shopping center inventory made up of shopping center properties deemed to be competitive in their respective local markets. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. The figures provided for the current quarter are preliminary and all information contained in this report is subject to correction of errors and revisions based on the receipt of additional pertinent data.

Average Asking Rent	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
United States	**$21.33**	**$21.43**	**$20.03**	**$20.15**	**$20.43**
Albuquerque	$19.62	$19.40	$17.94	$17.64	$17.18
Atlanta	$16.86	$17.35	$16.31	$16.31	$16.58
Austin	$25.15	$25.69	$25.30	$25.80	$25.30
Bakersfield	$21.11	$21.30	$20.08	$19.23	$18.09
Baltimore	$25.08	$25.46	$23.49	$22.90	$22.21
Birmingham	$12.78	$12.69	$11.60	$11.64	$11.79
Boise	$17.37	$17.52	$16.41	$16.39	$15.38
Boston	$24.17	$24.93	$23.20	$23.11	$23.14
Buffalo	$13.74	$13.84	$12.73	$12.29	$13.63
Charleston	$22.98	$22.34	$20.83	$21.04	$22.15
Charlotte	$19.28	$19.35	$18.79	$18.81	$19.10
Chicago	$20.28	$20.07	$18.50	$18.45	$18.38
Cincinnati	$14.09	$14.16	$13.00	$13.49	$13.24
Cleveland	$14.24	$14.26	$13.06	$13.15	$12.96
Columbus	$14.36	$14.65	$13.55	$14.14	$14.36
Dallas	$20.34	$20.12	$19.58	$19.50	$19.95
Denver	$20.57	$20.76	$19.04	$19.19	$19.61
Des Moines	$14.58	$14.16	$13.05	$13.36	$13.05
Detroit	$16.81	$16.94	$15.61	$15.76	$15.95
Fort Lauderdale/Broward County	$26.81	$27.15	$25.04	$25.29	$24.85
Hampton Roads	$18.25	$18.47	$17.36	$17.63	$17.86
Hawaii	$48.86	$48.14	$46.46	$44.28	$46.94
Houston	$21.52	$21.68	$20.18	$19.83	$21.74
Indianapolis	$17.86	$17.70	$16.00	$15.79	$16.15
Inland Empire	$22.68	$22.76	$21.63	$21.90	$21.94
Jacksonville	$17.39	$17.73	$16.00	$15.96	$16.03
Kansas City	$17.24	$16.97	$15.91	$16.03	$16.48
Knoxville	$15.70	$16.69	$15.93	$15.84	$15.90
Las Vegas	$21.76	$21.82	$21.11	$21.19	$22.54
Little Rock	$16.39	$17.05	$16.16	$16.48	$16.25
Los Angeles	$34.40	$35.25	$33.03	$33.34	$33.21
Louisville	$17.71	$17.51	$15.83	$15.84	$15.23
Memphis	$13.59	$13.84	$13.06	$12.98	$13.51
Miami	$39.15	$39.34	$38.28	$38.84	$39.05
Milwaukee	$15.63	$15.70	$14.08	$14.15	$13.89
Minneapolis	$19.10	$19.31	$17.23	$17.26	$18.14
Mobile	$13.81	$13.11	$12.48	$12.33	$12.68
Nashville	$21.34	$20.70	$19.33	$19.39	$19.48
New Orleans	$20.80	$20.47	$18.96	$19.75	$18.61
New York City Metro (Greater Tri-State)	$27.73	$27.58	$25.48	$25.68	$25.64
Oakland/East Bay	$31.91	$31.90	$30.30	$30.85	$30.59
Oklahoma City	$15.27	$15.00	$13.99	$13.96	$14.43
Omaha	$17.31	$17.17	$15.49	$15.53	$15.23
Orange County	$34.07	$33.53	$30.90	$31.76	$31.75
Orlando	$20.29	$20.37	$18.69	$18.50	$21.36
Palm Beach	$25.52	$25.33	$23.63	$23.73	$24.55
Philadelphia	$20.78	$20.41	$18.86	$18.74	$18.96

Asking Rents

Average Asking Rent	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017p
Phoenix	$19.24	$19.56	$18.16	$17.96	$18.16
Pittsburgh	$18.50	$19.16	$17.34	$17.34	$17.26
Portland	$24.18	$24.56	$22.73	$23.15	$23.68
Providence	$17.55	$16.96	$15.96	$15.30	$15.04
Raleigh/Durham	$21.28	$21.49	$19.55	$19.79	$20.39
Reno	$21.63	$21.56	$20.45	$18.38	$18.81
Richmond	$19.53	$18.99	$17.19	$17.78	$18.85
Sacramento	$22.13	$22.19	$20.50	$21.69	$20.46
Salt Lake City	$18.45	$19.44	$19.03	$19.79	$19.49
San Antonio	$19.71	$19.62	$18.83	$18.65	$18.74
San Diego	$29.27	$28.88	$26.84	$26.93	$27.20
San Francisco Metro	$29.54	$28.92	$26.90	$27.21	$27.83
San Jose	$39.11	$39.15	$36.83	$35.99	$36.14
Seattle	$24.14	$24.45	$23.18	$23.44	$23.50
St. Louis	$16.28	$16.19	$14.95	$15.14	$15.39
Tampa	$18.05	$18.89	$18.10	$18.10	$18.44
Tucson	$20.24	$20.48	$18.75	$18.70	$18.81
Tulsa	$14.72	$14.55	$13.61	$14.16	$13.94
Washington, DC	$35.28	$36.57	$33.65	$34.94	$34.94

Rental rates reflect triple net asking $psf/annually for all tracked shopping center types. This metric reflects currently available space across all class and size ranges for each respective shopping center type. Our statistical coverage includes community, neighborhood, power and lifestyle centers only. Rental rates are not weighted. It does not include malls, outlet centers, theme retail centers, airport retail or freestanding retail product.
p = preliminary

Methodology
Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including our own proprietary database as well as data gleaned from reliable thirdparty data sources. The market statistics are calculated from a base shopping center inventory made up of shopping center properties deemed to be competitive in their respective local markets. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. The figures provided for the current quarter are preliminary and all information contained in this report is subject to correction of errors and revisions based on the receipt of additional pertinent data.

Inventory

CUSHMAN & WAKEFIELD

	Inventory	Deliveries YTD 2017	Under Construction as of Q1 2017
United States	**4,077,012,316**	**5,911,466**	**20,737,224**
Albuquerque	20,347,551	0	40,500
Atlanta	139,394,903	141,392	2,274,750
Austin	48,304,611	89,239	179,191
Bakersfield	11,424,582	6,095	102,480
Baltimore	51,454,941	401,000	103,757
Birmingham	28,642,888	69,800	66,750
Boise	17,471,034	3,500	24,151
Boston	70,231,798	10,000	87,800
Buffalo	20,817,761	0	0
Charleston	15,513,591	24,569	0
Charlotte	66,576,580	51,387	354,547
Chicago	189,960,495	128,804	132,599
Cincinnati	70,486,212	9,997	138,700
Cleveland	87,174,218	122,014	372,044
Columbus	46,387,401	12,598	14,300
Dallas	187,941,550	239,974	1,712,990
Denver	85,413,895	33,449	260,716
Des Moines	12,109,862	0	0
Detroit	87,581,805	274,674	126,227
Fort Lauderdale/Broward County	56,116,852	98,868	167,121
Hampton Roads	54,120,041	77,344	155,700
Hawaii	24,965,413	35,380	193,371
Houston	164,114,471	573,140	798,295
Indianapolis	47,230,051	65,200	0
Inland Empire	100,584,713	18,540	671,051
Jacksonville	42,345,923	16,734	20,400
Kansas City	58,695,509	212,184	238,785
Knoxville	18,507,746	0	0
Las Vegas	69,603,473	110,063	255,471
Little Rock	15,519,095	13,806	0
Los Angeles	190,576,433	87,561	351,638
Louisville	26,278,631	0	128,000
Memphis	37,446,751	38,293	65,000
Miami	56,356,690	378,592	957,426
Milwaukee	36,056,405	17,500	458,440
Minneapolis	64,596,285	7,200	280,230
Mobile	5,967,818	0	0
Nashville	36,927,220	0	980,000
New Orleans	16,676,397	0	24,000
New York City Metro (Greater Tri-State)	271,253,085	158,534	2,229,097
Oakland/East Bay	50,191,145	45,150	506,752
Oklahoma City	31,820,971	0	111,027
Omaha	23,933,271	21,886	0
Orange County	86,019,260	358,309	340,905
Orlando	51,829,265	0	377,468
Palm Beach	43,910,636	37,000	49,300
Philadelphia	137,048,814	796,013	1,102,540

Inventory

	Inventory	Deliveries YTD 2017	Under Construction as of Q1 2017
Phoenix	134,812,275	303,371	365,932
Pittsburgh	55,336,603	69,489	156,788
Portland	46,914,268	43,159	183,766
Providence	15,129,064	0	0
Raleigh/Durham	46,902,633	13,467	60,184
Reno	14,640,925	0	79,200
Richmond	37,722,197	0	106,267
Sacramento	59,773,941	32,836	485,747
Salt Lake City	51,919,037	176,130	326,501
San Antonio	57,158,291	3,000	52,500
San Diego	67,793,671	11,957	119,474
San Francisco Metro	40,503,398	37,572	304,661
San Jose	37,286,234	181,918	795,936
Seattle	57,543,184	0	22,755
St. Louis	68,772,256	10,220	293,000
Tampa	68,574,682	30,200	133,800
Tucson	24,518,518	199,133	3,400
Tulsa	25,400,231	0	170,710
Washington, DC	90,382,866	13,225	623,084

Rental rates reflect triple net asking $psf/annually for all tracked shopping center types. This metric reflects currently available space across all class and size ranges for each respective shopping center type. Our statistical coverage includes community, neighborhood, power and lifestyle centers only. Rental rates are not weighted. It does not include malls, outlet centers, theme retail centers, airport retail or freestanding retail product.
p = preliminary

Methodology
Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including our own proprietary database as well as data gleaned from reliable thirdparty data sources. The market statistics are calculated from a base shopping center inventory made up of shopping center properties deemed to be competitive in their respective local markets. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. The figures provided for the current quarter are preliminary and all information contained in this report is subject to correction of errors and revisions based on the receipt of additional pertinent data.

About Cushman & Wakefield

Cushman & Wakefield is a leading global real estate services firm that helps clients transform the way people work, shop, and live. Our 45,000 employees in more than 70 countries help occupiers and investors optimize the value of their real estate by combining our global perspective and deep local knowledge with an impressive platform of real estate solutions. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of $6 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. 2017 marks the 100-year anniversary of the Cushman & Wakefield brand. 100 years of taking our clients' ideas and putting them into action. To learn more, visit www.cushwakecentennial.com, www.cushmanwakefield.com or follow @CushWake on Twitter.

Garrick Brown
Vice President of Retail Research, Americas
Tel: +1 916 329 1558
Fax: +1 916 376 8840
garrick.brown@cushwake.com
cushmanwakefield.com