

# MARKETBEAT

## U.S. Shopping Center

### Q3 2016



#### U.S. SHOPPING CENTER

##### Economic Indicators

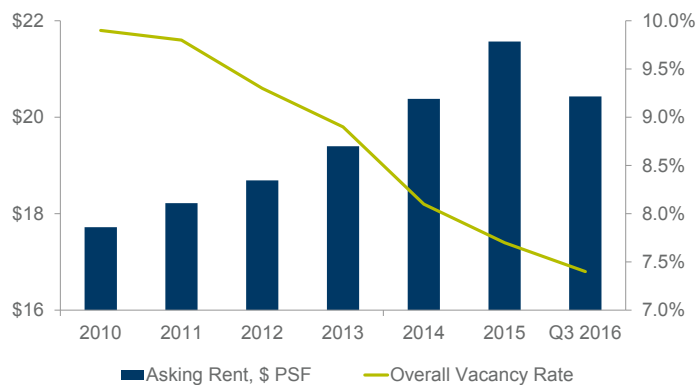
	Q3 15	Q3 16	12-Month Forecast
GDP Growth*	2.0%	2.4%	▲
CPI Growth	1.4%	1.2%	▲
Consumer Spending Growth*	3.1%	2.8%	▲
Retail Sales Growth	2.0%	2.9%	▲

\*Based on Moody's baseline estimates

##### Market Indicators

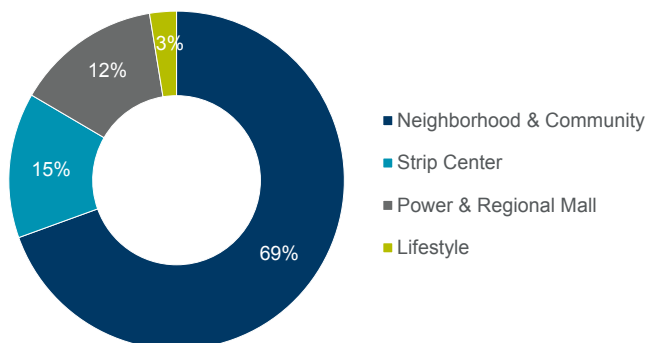
	Q3 15	Q3 16	12-Month Forecast
Vacancy Rates	7.8%	7.4%	▲
Net Absorption	14.4 M	11.9 M	▼
Under Construction	28.9 M	25.0 M	▼
Average Asking Rent (NNN, Annual)	\$20.67	\$20.43	■

##### Rent Rate vs. Overall Vacancy



##### Availability by Type

% OF TOTAL SPACE AVAILABLE IN THE U.S.



Source: CoStar, Cushman & Wakefield Research

## Vacancy Dips Once More, As Do Rents

The retail marketplace continues to undergo a period of retrenchment and reinvention, the likes of which we have not seen since the beginning of the rise of the suburbs starting in the late 1950s. This period of disruption has been fueled by the rise of eCommerce (and Amazon, in particular), with the emergence of smartphones and tablets acting as a major accelerator since 2010. This, combined with a consumer that downshifted into frugality mode in the Great Recession and that to past spending patterns (despite immensely improved economics), has contributed to one of the most challenging retail landscapes of the past 50 years.

Yet, in spite of these challenges, overall shopping center vacancy has actually continued to trend downward. Despite a significant increase in retail closures (through Q3 we have tracked over 4,000 major chain closures for 2016, surpassing 2010's record of 3,600), as well as multiple notable bankruptcies, the disruption has not equally impacted all retail sectors. Digital media has effectively wiped out the video and record store sectors while creating major challenges for the remaining major book store chains. The consumer electronics and office supplies categories continue to face major headwinds from eCommerce, as do a number of other retail categories ranging from gifts to home furnishings. The latest challenges have been for the apparel and department store categories with Amazon forecast to become the largest retailer of apparel goods in the U.S. by next year. Yet, even as Wall Street continues to ratchet up the pressure on retailers in that arena to cut store counts and boost their omnichannel presence, the impact of this trend has almost exclusively been felt at the nation's malls, and almost entirely at its aging inventory of Class B and C malls which account for only a small portion of the nation's retail space. While the nation's inventory of major malls has decreased by about 200 over the past six years, roughly 125 of those were reinvented with new tenant mixes and/or significant redevelopment as other retail types. Meanwhile, even while many retailer categories have been in contraction mode, this has more than been offset in the post-recession era by a number of sectors that have posted explosive growth ranging from dollar stores to discounters, off-price apparel, grocery stores (especially small format niche concepts), automotive retail, service-oriented retail and restaurants.

None of this, however, is to suggest that the challenges facing the retail marketplace aren't significant or that they are behind us. While vacancy edged down a notch this quarter, net absorption also slowed and has been on an erratic, and mostly downward overall trend for the past few years. Most strikingly, following five consecutive years of rising rents, the average asking rent for shopping center space in the U.S. fell for the first time this quarter (keep in mind this metric reflects the overall average—great disparities have emerged over the past six years between Class A, B and C properties of all shopping center types, but the overall average trend had been upward until now).

# MARKETBEAT

## U.S. Shopping Center

### Q3 2016



#### Just the Stats

Overall shopping center vacancy stood at 7.4% as of the end of Q3 2016, down from 7.5% three months ago. One year ago this metric stood at 7.8%. In terms of geographic performance, the Great Plains saw the greatest quarterly decrease in vacancy (the current rate of 7.9% is down from Q2's reading of 8.3%), followed by the Great Lakes (9.6% down from 9.9%). Regardless, the Great Lakes still has the highest level of vacancy of any region in the U.S., followed by the Mountain (9.0%, unchanged from Q2) and the Great Plains. The regions with the lowest levels of vacancy are the Pacific (6.3% down from 6.5% last quarter) and the Northeast (6.3% up from 6.2% in Q2). The Northeast was the only region to post increased vacancy levels this quarter. But declines overall were minimal; vacancy remained stable in the South at 7.5% and fell slightly in the Texas South Central (7.0% down from 7.2%) and the Southeast (7.1% down from 7.3%) regions.

---

**While net absorption was tepid at best this quarter, two product types stand out in terms of growth: neighborhood/community and strip centers.**

---

The U.S. shopping center marketplace posted over 11.9 million square feet (MSF) of occupancy growth in Q3. This is down from nearly 12.2 MSF of positive net absorption recorded last quarter. In terms of occupancy growth, the Pacific and Great Lakes regions led the way (both recorded 2.4 MSF) in Q3. The Texas South Central (2.1 MSF), Southeast (1.9 MSF), Northeast (1.4 MSF) and Great Plains (1.2 MSF) followed. The Mountain (343,000 SF) and South (200,000 SF) regions posted the weakest levels of growth.

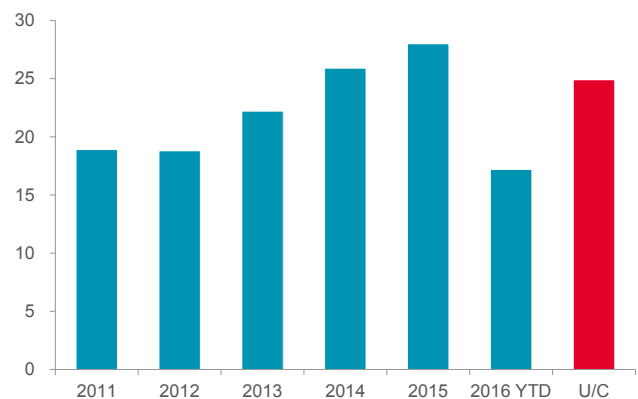
New construction accounted for over 7.1 MSF of new shopping center space in Q3, just under 80% of which was occupied upon delivery. The Northeast and Texas South Central regions led the way with nearly 1.8 and 1.4 MSF of new deliveries, respectively. Virtually no new projects are moving forward without anchor commitments in place and, in most cases, significant preleasing of inline and pad space as well. Regardless, the development pipeline is shrinking. We are currently tracking 25.0 MSF of new space under construction. This number is down from nearly 29.0 MSF of space that was in the development pipeline exactly one year ago.

Despite overall metrics that still mostly favor landlords, the average asking rent that we are tracking for shopping centers fell from \$21.79 to \$20.43 per square foot (PSF) on a net lease basis (NNN) in Q3. We should note that as this metric includes space of all sizes across all shopping center types and classes, it is useful only as a benchmark. There are wide variations at the local level based on class, type and size. While a number of markets continue to see brisk leasing activity we are seeing lower levels of gross absorption (deal flow) in most markets.

#### Feeling Good In the Neighborhood

While net absorption was tepid at best this quarter, two product types stand out in terms of growth: neighborhood/community and strip centers. Of the nearly 4.1 billion square feet of (BSF) shopping center space that we track in the U.S., neighborhood/community centers account for 63% of this total, or nearly 2.6 BSF. With a core tenancy that consists of drug or grocery anchors and restaurants or service-related retail, they are also the most eCommerce resistant of all shopping center types. In Q3 this sector of the market recorded over 7.6 MSF of occupancy growth, or 64% of all of the net absorption posted over the past three months.

#### New Construction (MSF)



Source: CoStar, Cushman & Wakefield Research

Vacancy for neighborhood/community centers now stands at 8.1%. Three months ago it stood at 8.2%. One year ago it stood at 8.5%. The South recorded a minor uptick in vacancy (8.1% up from Q2's 8.0%) while metrics were flat in the Northeast (6.8%). Moderate declines in vacancy were registered in the Great Plains (8.5% down from 8.9%), Great Lakes (10.8% down from 11.1%), Southeast (7.9% down from 8.1%) and Pacific (6.6% down from 6.8%) regions. Minor declines were recorded in the Mountain (10.0% from 10.1%) and Texas South Central (7.9% compared to Q2's 8.0%) regions. Over 4.5 MSF of new space was delivered over the course of the quarter with the Northeast (1.2 MSF) and Texas South Central (724,000 SF) regions leading the way. Like every other shopping center type, the delivery pipeline is shrinking. We are now tracking just under 11.0 MSF of space under construction compared to 14.1 MSF of development in the pipeline a year ago. The Pacific (2.5 MSF) and Northeast (2.0 MSF) regions have the most active projects under development. The average asking rent for neighborhood/community center space fell from \$25.80 to \$23.84 PSF (NNN) in Q3.

#### Strip Strengthening

Unanchored strip centers, which account for 14% (or just over 545 MSF) of the shopping centers that we track, were responsible for 28% of the occupancy growth we recorded in Q3 2016. Strip centers were responsible for over 3.3 MSF of

# MARKETBEAT

## U.S. Shopping Center

### Q3 2016



positive net absorption this quarter as vacancy for this shopping center type fell from 7.7% to 7.2%. One year ago, strip vacancy stood at 8.7%. All regions posted declines; the South (6.4% down from 7.3%) led the way, followed by the Great Plains (8.1% down from 8.9%), the Great Lakes (9.0% down from 9.7%) and the Northeast (6.4% down from 6.9%). Moderate declines were also recorded in the Southeast (6.7% down from 7.1%), Mountain (9.7% down from 10.0%), Pacific (6.0% down from 6.4%) and the Texas South Central (7.3% down from 7.5%) regions. While this product type remains far more volatile than anchored neighborhood/community centers, it continues to benefit from strong leasing trends from dollar stores, restaurants and service-related retailers.

Just under 670,000 SF of new strip center space came online this quarter. The Texas South Central region accounted for the greatest amount of new construction with 240,000 SF of new deliveries. There is just under 1.8 MSF of space currently under construction (the Texas South Central region leads the way again with 691,000 SF). The average asking rent for strip center space fell from \$22.62 to \$21.09 PSF (NNN) in Q3.

### Power Takes a Hit

Power/regional shopping centers were the only shopping center type to post increased vacancy in Q3; the closure of roughly 450 Sports Authority stores played a major role in this, though they certainly weren't the only tenant active in this arena to return space to the market. Power/regional center vacancy now stands at 5.3%, up from 5.1% just three months ago. One year ago this metric stood at 5.0%. Vacancy fell in four of the eight regions we track. The Great Lakes (7.1% down from 7.4%) saw the greatest quarterly decrease, followed by the Great Plains (4.8% from 4.9%), the South (5.5% from 5.6%) and Texas South Central (4.5% from 4.6%) regions. The largest increases in vacancy were recorded in the Mountain (5.4% up from 4.9%), the Northeast (4.8% up from 4.5%), the Southeast (4.7% up from 4.4%) and the Pacific (5.2% up from 5.0%) regions. The good news for this sector is that it continues to post the lowest overall vacancy rate of any shopping center type. This is because most savvy landlords began backfilling box vacancies as early as 2008 with food concepts (replacing Circuit City storefronts with Whole Foods, etc.) or bringing in more Superstore players like Walmart and Target, essentially reinventing the power center as a mega-neighborhood/community space with both immediate local and extended regional draw.

Despite climbing vacancy levels, power/regional centers actually posted positive occupancy growth in Q3 to the tune of 540,000 SF. This reflects statistically negligible growth, however, and these gains were far outweighed by new deliveries. The Texas South Central (545,000 SF), Great Lakes (377,000 SF) and Great Plains (167,000 SF) regions saw the most growth. On the flipside of the equation, the Mountain (-387,000), Southeast (-272,000 SF) and Northeast (-83,000) regions posted modest declines. All told, just over 1.7 MSF of new power/regional space was

delivered in Q3. The Pacific (539,000 SF), and Northeast (430,000) regions led the way with new construction. We are currently tracking over 6.9 MSF of new development in the pipeline. This compares to roughly the same amount one year ago. With nearly 2.5 MSF of new space under construction, the Northeast leads all regions in terms of development. The average asking rent for power/regional space now stands at \$23.64 PSF (NNN), down from \$24.87 PSF (NNN) last quarter.

### Looking Ahead

We anticipate slightly positive occupancy growth in Q4 2016; driven almost entirely by deliveries of new product where significant space commitments have already been made. However, we also expect the trend of closures to continue and for leasing of second-generation space to slow further. Vacancy levels are likely to remain flat or possibly increase by the end of the year. These increases will be minimal. However, our outlook for 2017 reflects a marketplace where the pendulum will likely move further towards the tenant side of transactions.

Though we anticipate a stronger holiday shopping season (we forecast 3.7% sales growth over last year's 3.0% total), the trend of closures will continue in 2017 and likely accelerate. There are a number of retailers we are tracking that will need a phenomenal holiday season to survive into next year and there are some others for which bankruptcy may already be an inevitability. For the most part, however, this will just be a continuation of the trends we are seeing already in the marketplace. What is more challenging is the increasing weakness we are starting to see in some of the categories that have driven growth over the past few years.

Roughly half of all of the retail unit growth that we have tracked in the U.S. in the post-recession era (since 2010) has come from restaurants. Prior to 2010, this category typically accounted for one-third of the total retail unit growth annually in the U.S. But years of aggressive expansion from hundreds of concepts mean that the dining landscape is increasingly saturated. Though American consumers are eating out more than ever, restaurant closures are on the rise and will increasingly be an issue heading into 2017 and beyond. This sector isn't likely to see contraction in 2017, but we are due for a shakeout with winners and losers emerging. The same is likely to hold true for grocery stores; look for new, smaller niche concepts to continue expanding while consolidation plays out among many traditional concepts (mostly those active with larger footprints). Meanwhile, the discounter, off-price apparel and dollar store categories each have varying degrees of runway left. But after years of aggressive expansion we are already starting to see signs of market saturation for these players. These categories are also likely looking at a shakeout sometime in the next 12 to 24 months. The long and short of it is that many (if not most) of the categories that have been in expansion mode over the past few years are likely to slow growth ahead.

Net Absorption	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
<b>United States</b>	<b>14,421,195</b>	<b>11,021,468</b>	<b>5,707,805</b>	<b>12,172,912</b>	<b>11,903,893</b>
Albuquerque	165,886	25,528	151,297	103,242	110,379
Atlanta	430,663	784,122	316,618	411,708	311,996
Austin	430,996	356,695	-88,265	115,076	-90,627
Bakersfield	6,015	-84,816	92,215	36,508	-91,545
Baltimore	-50,470	123,222	-38,423	63,875	-28,696
Birmingham	101,193	102,248	10,553	137,265	-17,929
Boise	94,312	117,009	102,602	-101,591	-6,457
Boston	307,762	210,900	-2,046	356,796	63,426
Buffalo	110,527	18,608	28,191	-38,898	32,213
Charleston	345,855	90,795	130,428	-74,945	-5,377
Charlotte	110,472	554,466	-45,229	70,273	261,295
Chicago	596,886	829,252	93,678	375,239	462,010
Cincinnati	368,848	553,741	64,740	412,749	185,067
Cleveland	127,535	-104,520	15,264	92,501	133,883
Columbia	300,604	-29,812	-24,692	223,724	230,543
Dallas	913,567	1,098,727	1,051,931	1,274,598	657,495
Denver	149,374	403,592	262,437	414,961	29,549
Des Moines	-23,351	-39,723	60,430	60,953	-14,096
Detroit	417,745	245,157	232,866	311,779	406,559
Fort Lauderdale/Broward County	233,904	389,012	50,977	320,364	301,296
Hampton Roads	225,039	138,113	111,307	256,363	81,005
Hawaii	115,346	52,178	27,880	96,329	416,547
Houston	1,022,354	657,430	48,838	1,048,659	905,772
Indianapolis	-15,090	-21,419	60,198	105,478	514,266
Inland Empire	232,893	-16,945	77,629	123,385	684,688
Jacksonville	23,395	107,926	134,024	257,303	297,007
Kansas City	5,871	116,114	-113,068	169,088	674,775
Knoxville	67,689	225,766	90,447	107,084	74,112
Las Vegas	547,507	-174,474	157,902	551,420	276,261
Little Rock	58,659	44,646	-36,132	4,554	110,418
Los Angeles	810,005	-64,796	517,530	466,108	431,631
Louisville	99,906	29,910	46,781	33,834	-102,611
Memphis	259,808	18,267	96,191	6,161	110,068
Miami	78,005	185,105	77,384	162,395	85,076
Milwaukee	285,240	-118,203	19,546	-280,497	430,726
Minneapolis	376,279	430,960	-41,601	329,772	98,003
Mobile	298,940	-37,767	-24,732	18,990	52,880
Nashville	206,315	244,421	210,746	144,589	83,597
New Orleans	33,668	-104,874	57,488	59,017	170,475
New York City Metro (Greater Tri-State)	310,958	610,868	-469,833	144,180	576,363
Oakland/East Bay	229,913	100,937	-187,087	-50,188	184,391
Oklahoma City	174,192	59,299	52,750	235,239	139,341
Omaha	84,861	-35,208	-947	98,711	269,599
Orange County	222,784	105,655	102,180	92,674	186,797
Orlando	-14,114	283,874	76,933	223,352	7,163
Palm Beach	98,328	255,120	249,034	206,717	301,857
Philadelphia	209,061	273,917	270,192	332,035	416,184

Net Absorption	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
Phoenix	384,536	157,437	458,069	377,732	186,060
Pittsburgh	68,986	62,899	-11,266	132,307	79,997
Portland	293,266	163,500	76,023	-48,842	87,704
Providence	39,439	90,295	-27,213	-21,455	92,704
Raleigh/Durham	455,864	192,891	102,228	153,493	429,799
Reno	-17,139	86,070	70,280	56,047	-15,234
Richmond	42,535	57,319	204,843	178,443	-130,326
Sacramento	221,070	247,009	-122,264	-26,918	250,383
Salt Lake City	-13,779	87,911	16,003	257,700	-284,600
San Antonio	355,284	204,865	138,875	617,271	105,438
San Diego	170,775	-484,296	267,926	374,860	310,761
San Francisco Metro	52,909	162,915	45,965	29,242	-127,543
San Jose	85,051	256,813	13,347	-170,393	189,083
Seattle	63,147	115,610	161,051	104,346	-134,508
St. Louis	431,171	20,530	-112,430	60,485	216,583
Tampa	220,743	237,999	178,970	241,746	-72,064
Tucson	58,089	-61,371	4,333	57,413	47,258
Tulsa	64,783	99,129	145,784	152,201	61,322
Washington, DC	258,330	312,920	20,129	138,305	203,701

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.

Overall Vacancy Rate	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
<b>United States</b>	<b>7.8%</b>	<b>7.7%</b>	<b>7.7%</b>	<b>7.5%</b>	<b>7.4%</b>
Albuquerque	7.8%	7.9%	7.3%	6.9%	6.3%
Atlanta	9.7%	9.4%	9.3%	9.1%	8.9%
Austin	5.4%	5.1%	5.4%	5.1%	5.4%
Bakersfield	8.5%	9.3%	8.6%	8.2%	9.2%
Baltimore	5.5%	5.5%	5.6%	5.7%	5.8%
Birmingham	10.2%	9.9%	9.8%	9.5%	9.6%
Boise	7.3%	6.9%	6.6%	7.2%	7.2%
Boston	4.0%	3.9%	3.9%	3.7%	3.7%
Buffalo	7.1%	7.1%	7.0%	7.2%	7.0%
Charleston	6.1%	5.7%	5.2%	5.7%	5.8%
Charlotte	7.1%	6.8%	6.9%	6.8%	6.6%
Chicago	11.2%	10.8%	10.8%	10.8%	10.7%
Cincinnati	10.5%	10.4%	10.3%	9.9%	9.6%
Cleveland	9.3%	9.4%	9.4%	9.3%	9.2%
Columbia	7.8%	8.0%	8.1%	7.7%	7.6%
Dallas	8.8%	8.5%	8.3%	7.8%	7.7%
Denver	7.4%	7.5%	7.3%	7.0%	7.1%
Des Moines	6.8%	7.2%	7.1%	6.6%	6.7%
Detroit	11.0%	10.8%	10.6%	10.4%	9.9%
Fort Lauderdale/Broward County	8.1%	7.8%	7.7%	7.3%	6.8%
Hampton Roads	8.0%	7.8%	7.9%	7.6%	7.5%
Hawaii	3.7%	3.5%	3.5%	3.1%	3.2%
Houston	6.9%	6.8%	7.1%	7.0%	6.8%
Indianapolis	8.6%	8.7%	8.5%	8.3%	7.4%
Inland Empire	9.7%	9.8%	9.9%	9.8%	9.3%
Jacksonville	9.5%	9.3%	9.0%	8.9%	8.3%
Kansas City	9.6%	9.7%	9.9%	9.6%	8.6%
Knoxville	8.8%	7.6%	7.1%	6.5%	6.1%
Las Vegas	11.2%	11.4%	11.2%	10.5%	10.2%
Little Rock	5.7%	5.6%	5.9%	5.9%	5.1%
Los Angeles	5.6%	5.7%	5.5%	5.3%	5.1%
Louisville	5.0%	4.9%	4.7%	4.6%	5.1%
Memphis	10.2%	10.2%	9.9%	10.0%	9.9%
Miami	3.9%	3.8%	3.7%	3.5%	3.4%
Milwaukee	8.8%	9.1%	9.4%	10.4%	9.4%
Minneapolis	7.0%	6.6%	6.7%	6.2%	6.3%
Mobile	11.1%	11.7%	12.3%	11.9%	11.0%
Nashville	6.4%	6.0%	5.8%	5.4%	5.2%
New Orleans	8.6%	9.2%	8.8%	8.5%	7.5%
New York City Metro (Greater Tri-State)	6.3%	6.4%	6.6%	6.6%	6.7%
Oakland/East Bay	5.0%	5.0%	5.4%	5.6%	5.6%
Oklahoma City	9.4%	9.4%	9.3%	9.0%	8.6%
Omaha	7.7%	8.1%	8.1%	7.8%	7.2%
Orange County	4.8%	4.9%	5.3%	5.2%	5.0%
Orlando	8.3%	8.0%	7.9%	7.7%	8.0%
Palm Beach	8.1%	7.7%	7.2%	6.8%	6.3%
Philadelphia	8.0%	8.0%	7.9%	7.8%	7.7%

Overall Vacancy Rate	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
Phoenix	11.6%	11.5%	11.3%	11.1%	11.2%
Pittsburgh	5.1%	5.0%	5.1%	4.9%	4.8%
Portland	7.0%	6.7%	6.7%	6.8%	6.7%
Providence	9.6%	9.2%	9.4%	9.8%	9.2%
Raleigh/Durham	5.6%	5.4%	5.2%	4.9%	4.2%
Reno	13.5%	12.9%	12.4%	12.0%	12.1%
Richmond	8.1%	8.0%	8.0%	8.1%	8.4%
Sacramento	10.6%	10.3%	10.6%	10.7%	10.3%
Salt Lake City	5.8%	5.6%	5.6%	5.3%	5.9%
San Antonio	7.5%	7.2%	7.0%	6.2%	6.4%
San Diego	5.9%	6.8%	6.4%	5.9%	5.7%
San Francisco Metro	4.6%	4.3%	4.3%	4.4%	4.7%
San Jose	4.9%	4.6%	4.9%	5.5%	5.5%
Seattle	6.3%	6.5%	6.2%	6.0%	6.2%
St. Louis	9.4%	9.4%	9.6%	9.5%	9.4%
Tampa	7.9%	7.7%	7.6%	7.3%	7.5%
Tucson	8.9%	9.2%	9.3%	9.2%	9.0%
Tulsa	8.4%	8.1%	7.7%	7.2%	7.1%
Washington, DC	5.0%	4.9%	4.9%	5.0%	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	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
<b>United States</b>	<b>\$20.67</b>	<b>\$21.57</b>	<b>\$21.60</b>	<b>\$21.79</b>	<b>\$20.43</b>
Albuquerque	\$18.08	\$19.13	\$19.59	\$19.22	\$17.76
Atlanta	\$16.08	\$16.83	\$16.88	\$17.37	\$16.33
Austin	\$23.69	\$25.03	\$25.12	\$25.66	\$25.38
Bakersfield	\$18.98	\$20.67	\$21.26	\$21.47	\$20.21
Baltimore	\$25.52	\$25.38	\$25.07	\$25.39	\$23.44
Birmingham	\$12.43	\$12.69	\$12.73	\$12.64	\$11.53
Boise	\$16.46	\$17.13	\$17.37	\$17.52	\$16.41
Boston	\$24.23	\$24.22	\$24.17	\$24.93	\$23.20
Buffalo	\$12.27	\$13.92	\$13.72	\$13.81	\$12.70
Charleston	\$21.37	\$22.73	\$22.90	\$22.19	\$20.70
Charlotte	\$19.18	\$19.67	\$19.28	\$19.44	\$18.88
Chicago	\$20.05	\$20.44	\$20.32	\$20.14	\$18.59
Cincinnati	\$13.29	\$13.85	\$13.99	\$14.04	\$12.89
Cleveland	\$13.77	\$14.39	\$14.24	\$14.26	\$13.06
Columbia	\$13.96	\$14.42	\$14.31	\$14.59	\$13.50
Dallas	\$19.49	\$20.22	\$20.40	\$20.17	\$19.68
Denver	\$19.06	\$20.20	\$20.51	\$20.79	\$19.05
Des Moines	\$14.29	\$14.58	\$14.57	\$14.15	\$13.03
Detroit	\$16.12	\$16.83	\$16.82	\$16.94	\$15.69
Fort Lauderdale/Broward County	\$25.83	\$26.78	\$26.99	\$27.32	\$25.30
Hampton Roads	\$17.30	\$18.04	\$18.24	\$18.47	\$17.36
Hawaii	\$50.74	\$53.11	\$48.47	\$47.71	\$44.73
Houston	\$21.31	\$22.05	\$21.45	\$21.80	\$20.21
Indianapolis	\$17.15	\$18.32	\$17.85	\$17.70	\$16.01
Inland Empire	\$22.22	\$22.91	\$22.71	\$22.80	\$21.66
Jacksonville	\$17.11	\$17.62	\$17.39	\$17.73	\$16.00
Kansas City	\$16.78	\$17.39	\$17.35	\$17.17	\$16.08
Knoxville	\$14.38	\$15.05	\$15.70	\$16.69	\$15.93
Las Vegas	\$20.10	\$21.21	\$21.76	\$21.84	\$21.10
Little Rock	\$15.99	\$16.78	\$16.40	\$17.05	\$16.15
Los Angeles	\$32.47	\$34.01	\$34.41	\$35.26	\$33.03
Louisville	\$16.43	\$17.97	\$17.77	\$17.55	\$15.93
Memphis	\$13.51	\$14.07	\$13.59	\$13.84	\$13.06
Miami	\$41.82	\$42.78	\$39.20	\$38.35	\$37.26
Milwaukee	\$15.02	\$15.93	\$16.09	\$16.15	\$14.31
Minneapolis	\$17.97	\$18.79	\$19.12	\$19.32	\$17.24
Mobile	\$12.71	\$13.49	\$13.78	\$13.07	\$12.45
Nashville	\$20.25	\$20.59	\$22.33	\$21.68	\$20.23
New Orleans	\$18.94	\$20.79	\$20.87	\$20.53	\$19.03
New York City Metro (Greater Tri-State)	\$26.78	\$27.81	\$27.69	\$27.57	\$25.50
Oakland/East Bay	\$29.04	\$30.93	\$32.20	\$32.47	\$30.81
Oklahoma City	\$14.48	\$14.94	\$15.30	\$15.01	\$13.99
Omaha	\$16.68	\$17.29	\$17.27	\$17.13	\$15.53
Orange County	\$32.16	\$33.83	\$34.06	\$33.53	\$30.90
Orlando	\$18.97	\$19.68	\$20.01	\$20.12	\$18.31
Palm Beach	\$23.82	\$25.08	\$25.69	\$25.58	\$23.80
Philadelphia	\$20.27	\$20.44	\$20.74	\$20.39	\$18.84



Average Asking Rent	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016p
Phoenix	\$18.51	\$19.09	\$19.22	\$19.56	\$18.20
Pittsburgh	\$16.93	\$17.97	\$18.50	\$19.16	\$17.34
Portland	\$22.79	\$24.00	\$24.19	\$24.56	\$22.73
Providence	\$16.74	\$18.12	\$17.62	\$17.04	\$16.05
Raleigh/Durham	\$20.28	\$21.17	\$21.14	\$21.36	\$19.43
Reno	\$19.25	\$20.12	\$19.91	\$19.87	\$18.76
Richmond	\$19.18	\$19.32	\$19.28	\$18.74	\$16.93
Sacramento	\$21.44	\$22.19	\$22.19	\$22.25	\$20.51
Salt Lake City	\$17.11	\$17.90	\$18.48	\$19.45	\$18.99
San Antonio	\$18.80	\$19.51	\$19.68	\$19.74	\$18.95
San Diego	\$27.73	\$28.92	\$29.23	\$28.84	\$26.81
San Francisco Metro	\$28.08	\$29.15	\$29.48	\$28.88	\$26.88
San Jose	\$36.11	\$38.35	\$39.16	\$39.20	\$36.86
Seattle	\$23.62	\$24.21	\$24.19	\$24.50	\$23.24
St. Louis	\$15.28	\$16.07	\$16.28	\$16.20	\$14.91
Tampa	\$17.78	\$18.29	\$18.08	\$18.87	\$18.06
Tucson	\$19.67	\$20.47	\$20.24	\$20.47	\$18.74
Tulsa	\$13.92	\$14.46	\$14.70	\$14.54	\$13.60
Washington, DC	\$33.68	\$35.11	\$35.34	\$36.63	\$33.73

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	Deliveries YTD	Under Construction as of Q3 2016
<b>United States</b>	<b>4,056,743,199</b>	<b>17,236,286</b>	<b>24,964,168</b>
Albuquerque	20,254,956	61,509	81,593
Atlanta	139,202,662	462,163	1,422,302
Austin	47,712,007	99,080	155,262
Bakersfield	11,335,011	20,866	225,389
Baltimore	50,670,079	179,700	646,900
Birmingham	28,149,011	49,795	92,000
Boise	17,273,265	60,695	20,491
Boston	70,212,791	290,952	0
Buffalo	20,925,624	0	0
Charleston	15,014,488	68,500	6,000
Charlotte	66,330,088	217,842	437,329
Chicago	189,769,341	813,174	251,905
Cincinnati	69,869,512	96,542	12,500
Cleveland	86,948,428	61,776	146,579
Columbus	46,437,341	252,769	6,598
Dallas	183,891,011	1,531,250	2,114,603
Denver	85,665,439	363,164	131,452
Des Moines	12,198,248	57,249	4,800
Detroit	87,032,618	166,909	538,195
Fort Lauderdale/Broward County	56,191,419	73,388	92,710
Hampton Roads	53,462,323	317,269	164,575
Hawaii	24,486,566	479,464	125,682
Houston	162,164,498	2,059,975	1,906,314
Indianapolis	47,107,449	82,409	250,837
Inland Empire	101,828,797	336,219	442,219
Jacksonville	42,189,528	274,144	63,506
Kansas City	58,556,556	96,109	273,344
Knoxville	18,471,649	7,505	0
Las Vegas	68,948,700	131,424	516,820
Little Rock	15,532,104	0	13,806
Los Angeles	190,313,602	215,794	425,270
Louisville	26,026,642	43,850	0
Memphis	37,886,531	107,113	76,700
Miami	55,555,814	112,811	1,728,694
Milwaukee	35,894,479	286,937	479,039
Minneapolis	64,267,949	160,568	334,243
Mobile	5,892,451	8,572	0
Nashville	36,855,123	156,410	891,900
New Orleans	16,691,017	0	20,560
New York City Metro (Greater Tri-State)	269,312,105	1,141,438	2,766,019
Oakland/East Bay	50,422,394	261,615	353,877
Oklahoma City	31,817,133	165,689	304,727
Omaha	23,542,900	187,819	15,875
Orange County	85,855,897	499,970	300,993
Orlando	52,134,107	333,505	118,514
Palm Beach	43,829,374	137,689	157,966
Philadelphia	135,380,081	697,329	1,131,147

	Inventory	Deliveries YTD	Under Construction as of Q3 2016
Phoenix	133,556,557	682,668	747,479
Pittsburgh	55,052,252	111,739	437,784
Portland	46,390,634	84,453	385,001
Providence	15,112,862	49,489	0
Raleigh/Durham	47,156,987	119,499	54,632
Reno	13,573,825	0	0
Richmond	37,551,270	441,113	77,758
Sacramento	59,718,903	147,827	976,766
Salt Lake City	51,410,842	150,200	769,505
San Antonio	56,957,584	398,114	126,044
San Diego	67,813,158	238,742	215,482
San Francisco Metro	40,443,751	111,690	276,161
San Jose	37,421,889	355,045	613,076
Seattle	57,436,995	0	26,701
St. Louis	69,607,453	176,565	54,000
Tampa	68,525,120	257,340	126,267
Tucson	24,130,248	57,555	220,186
Tulsa	25,318,157	118,160	9,300
Washington, DC	90,055,604	507,137	598,791

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 43,000 employees in more than 60 countries help investors and occupiers 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 \$5 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. To learn more, visit [www.cushmanwakefield.com](http://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](mailto:garrick.brown@cushwake.com)  
**[cushmanwakefield.com](http://cushmanwakefield.com)**