



Shopping Centers: Store closures to hit 3Q internal growth, but progress for re-tenanting more important

Figure 53: 1-Month Shopping Center performance



As of 10/14/16

Source: Deutsche Bank, S&P

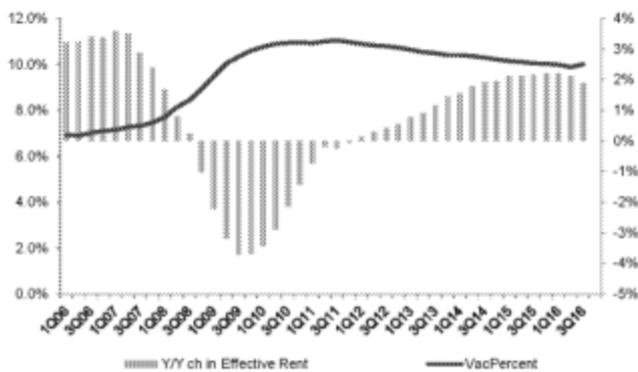
Figure 54: YTD Shopping Center performance



As of 10/14/16

Source: Deutsche Bank, S&P

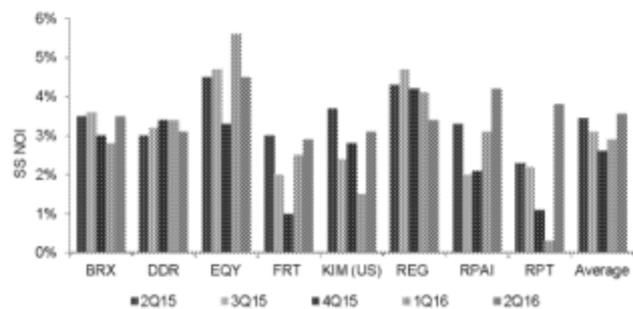
Figure 55: Vacancy up and rents down modestly in 3Q



- National vacancy rate was up 10bps q/q to 10%
- Effective rent growth was down relative to last Q to 1.9% y/y.

Source: Deutsche Bank, Reis

Figure 56: 2016 SS NOI growth similar to 1H level



- 2016 SS NOI guidance on average at the midpoint is ~3%, implying steady results in 2H, although additional potential store closures present downside risk.

Source: Deutsche Bank, company data

Key Shopping Center topics/questions for the quarter

- Development and redevelopment outlook
- Anchor and small shop retailer health
- Sports Authority releasing, downtime and capex update
- Logans Roadhouse and Golfsmith exposure and store closures
- Outlook and thoughts on Staples/Office Depot (SPLS: DB Hold rated, USD7.56/ODP: DB Hold rated, USD3.34, both by Mike Baker)
- New watchlist tenants