



**2011 GREATER DAYTON  
INDUSTRIAL-WAREHOUSE MARKET SURVEY**

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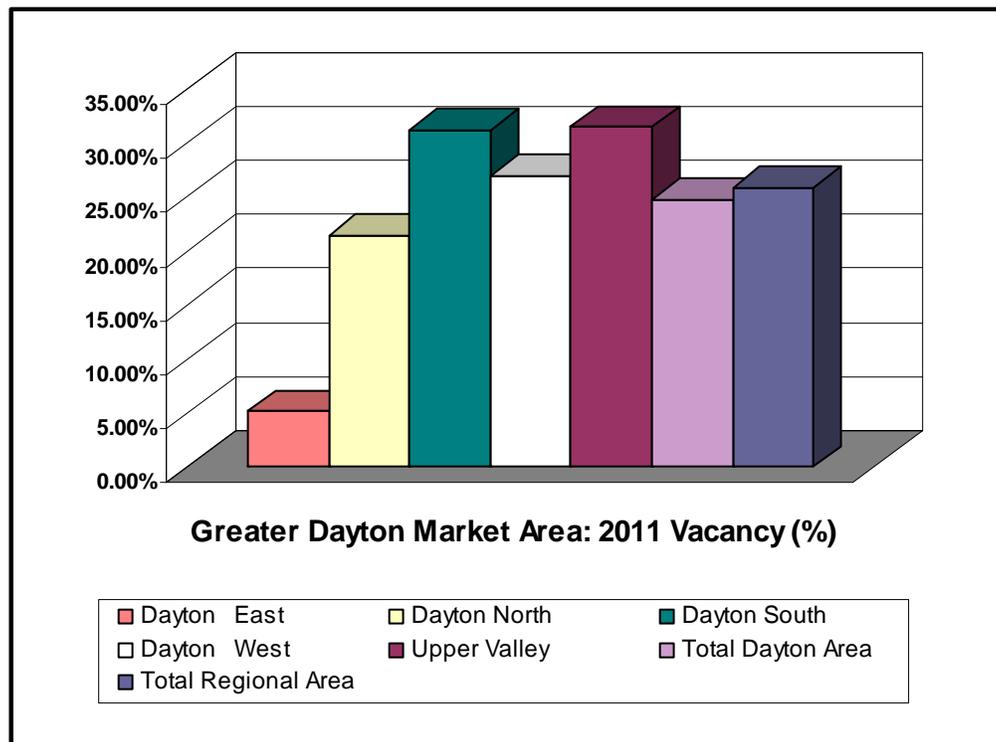


## 2011 DAYTON INDUSTRIAL MARKET SURVEY

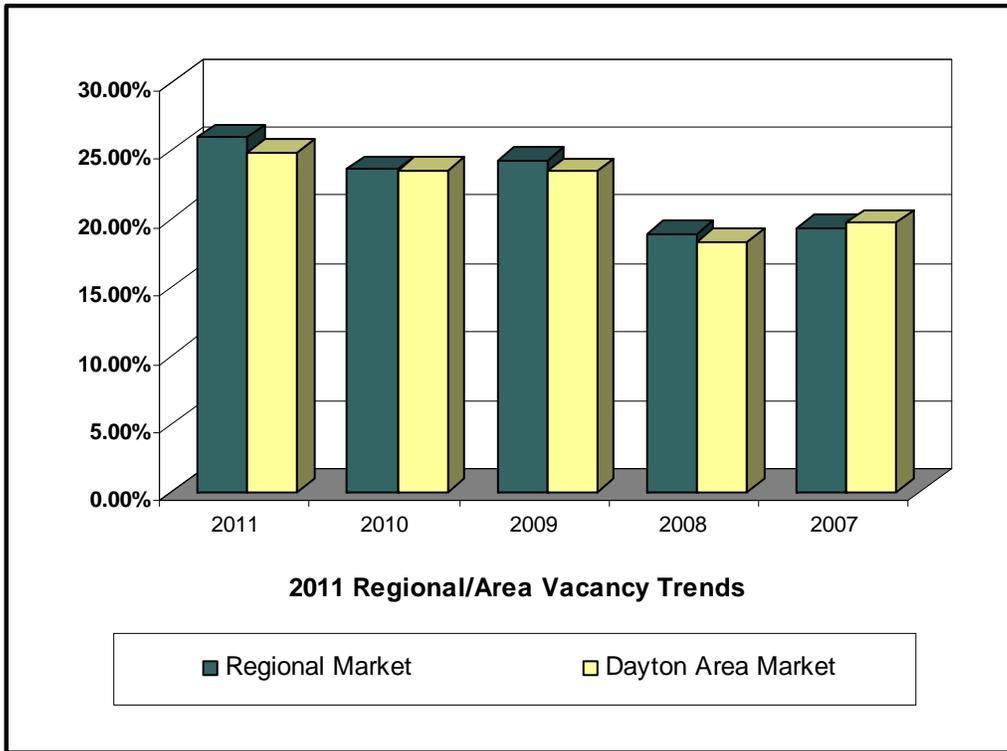
*Gem Real Estate Group's 2011 Industrial Market Survey* is a comprehensive survey intended to capture the current conditions and developing trends regarding Industrial space within the greater Dayton area. The facilities included in this study represent those, which are most reflective of the area's Industrial market.

In the 2011 survey, we have sampled 293 Industrial Buildings which have been segmented into five (5) distinct markets identified as Dayton East, Dayton North, Dayton South, Dayton West, and the Upper Valley Market. A total of 19,514,164 square feet of industrial/warehouse space was surveyed within these five (5) markets, of which 5,043,726 square feet, or 25.85% was reported to be vacant. This vacancy rate is up from the 2010 figure of 23.53%. The 2011 results are summarized in the following grid and chart.

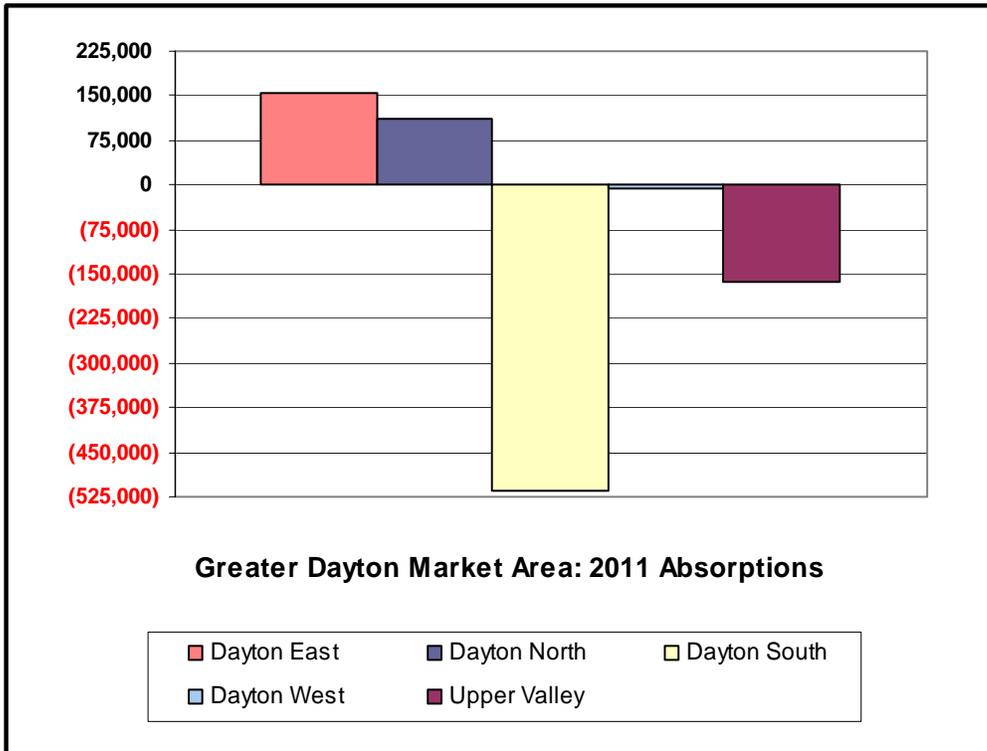
2011 Dayton Industrial Market Survey				
	#	GFA	Vac. s.f.	Vac. %
<i>Dayton East Market</i>	35	1,992,241	101,800	5.11%
<i>Dayton North Market</i>	89	5,025,095	1,079,102	21.47%
<i>Dayton South Market</i>	122	8,203,903	2,564,780	31.26%
<i>Dayton West Market</i>	8	1,184,810	319,320	26.95%
<i>Upper Valley Market</i>	39	3,108,115	978,724	31.49%
<i>Regional Market</i>	293	19,514,164	5,043,726	25.85%
<i>Dayton Area Market</i>	254	16,406,049	4,065,002	24.78%



A comparison of the Dayton Area and Regional Vacancy rates is illustrated on the following chart.



Within the regional market, a negative absorption of (416,374) square feet of space occurred in 2010-2011 survey period. The Dayton Area market, experienced a negative absorption of (253,322) square feet during the 2010-2011 survey period. Illustrated on the following chart, is the 2010-2011 absorption by sub-market.



The grid below illustrates a summary of the 2011, 2010, 2009, 2008 and 2007 vacancy rates and absorption results for the surveyed markets:

2011 Dayton Industrial Market Survey Vacancy Rates and Absorption Results															
Market Area	2011			2010			2009			2008			2007		
	GFA	Vac. %	Absorb.	GFA	Vac. %	Absorb.									
			2010-11			2009-10			2008-09			2007-08			2006-07
<i>Dayton East</i>	1,992,241	5.11%	156,260	1,992,241	12.95%	146,584	1,992,241	20.31%	24,078	1,992,241	21.52%	(11,336)	1,996,241	20.91%	(49,800)
<i>Dayton North</i>	5,025,095	21.47%	110,606	5,072,637	23.73%	(248,085)	5,028,118	18.92%	(113,578)	4,745,938	17.65%	50,420	4,987,869	17.80%	(55,921)
<i>Dayton South</i>	8,203,903	31.26%	(515,188)	8,218,139	25.39%	88,747	8,154,645	26.68%	(484,194)	8,035,260	17.18%	231,816	8,281,610	19.47%	117,428
<i>Dayton West</i>	1,184,810	26.95%	(5,000)	1,184,810	26.53%	(9,200)	1,184,810	25.75%	(35,800)	1,184,810	22.73%	59,000	1,264,810	25.96%	(17,000)
<i>Upper Valley</i>	3,108,115	31.49%	(163,852)	3,127,690	23.89%	97,360	2,948,807	28.64%	(310,921)	2,332,557	22.88%	(123,492)	2,452,557	16.73%	113,400
<i>Regional</i>	19,514,164	25.85%	(416,374)	19,984,243	25.58%	138,626	19,308,621	24.24%	(920,415)	18,290,806	18.86%	206,408	18,983,087	19.26%	108,107
<i>Dayton Area</i>	16,406,049	24.78%	(253,322)	16,467,827	23.46%	(21,954)	16,359,814	23.45%	(609,494)	15,958,249	18.27%	329,900	16,530,530	19.63%	(5,293)

Specifically, in the Dayton Area market, we have surveyed 254 Industrial Buildings, which included properties in the submarkets of East, North, South and West. Within these sampled markets, a grand total of 16,406,049 square feet of space was surveyed, of which 4,065,002 square feet, or 24.78%, was reported to be vacant.

Next, we will examine each of the five (5) distinct markets identified as *Dayton: East, Dayton: North, Dayton: West, Dayton: South, and the Upper Valley Region.*

### Dayton East

In the *East Industrial* market, a total of (35) facilities were surveyed. This market accounts for a total of 1,992,241 square feet of space, of which 101,800 square feet, or 5.11%, was reported to be vacant. This market indicates a net positive absorption of 156,260 square feet. For the *East* market, quoted annual lease rates range from \$9.00/square foot to \$11.00/square foot for office space, from \$3.25/square foot to \$9.00/square foot for warehouse space and from \$2.00/square foot to \$2.63/square foot on a blended basis.

### Dayton North

In the *North Industrial* market, a total of (89) facilities were surveyed. This market accounts for a total of 5,025,095 square feet of space, of which 1,079,102 square feet, or 21.47%, was reported to be vacant. This market reflected a net positive absorption of 110,606 square feet. For the *North* market, quoted annual lease rates range from \$8.75/square foot to \$16.00/square foot for office space, from \$2.25/square foot to \$5.50/square foot for warehouse space and from \$2.70/square foot to \$5.50/square foot on a blended basis.

### Dayton South

In the *South Industrial* market, a total of (122) facilities were surveyed. This market accounts for a total of 8,203,903 square feet of space, of which 2,564,780 square feet, or 31.26%, was reported to be vacant. This indicates a net negative absorption for the *South* market of (515,188) square feet. A large percentage of the vacant space in the *South* market is within bulk industrial facilities. For the *South* market, quoted annual lease rates range from \$3.25/square foot to \$16.00/square foot for office space, from \$1.50/square foot to \$6.00/square foot for warehouse space and from \$3.75/square foot to \$6.75/square foot on a blended basis.

### Dayton West

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In the *West Industrial* market, a total of (8) facilities were surveyed. This market accounts for a total of 1,184,810 square feet of space, of which 319,320 square feet, or 26.95%, was reported to be vacant. This indicates a net negative absorption for the *West* market of (5,000) square feet. For the *West* market, quoted annual lease rates range from \$12.00/square foot to \$16.87/square foot for office space, from \$2.00/square foot to \$6.00/square foot for warehouse space and from \$1.50/square foot to \$1.50/square foot on a blended basis.

### **Upper Valley**

In the *Upper Valley Industrial* market, a total of (39) facilities were surveyed. This market accounts for a total of 3,108,115 square feet of space, of which 978,724 square feet, or 31.49% was reported to be vacant. This indicates a net negative absorption for the *Upper Valley* market of (163,052) square feet. For the *Upper Valley* market, quoted annual lease rates range from \$2.30/square foot to \$9.00/square foot for office space, from \$1.25/square foot to \$4.40/square foot for warehouse space and from \$2.30/square foot to \$2.30/square foot on a blended basis.

***Gem Real Estate Group*** is a full-service commercial, industrial and investment real estate resource company offering a wide variety of professional services including advisory services: appraisal, litigation valuation, public sector services, and corporate services; agency services: property management, leasing and sales; and information services: market studies, due diligence, market surveys, and database services.

The information published in ***Gem Real Estate Group's 2011 Industrial Market Study*** reflects market conditions during the Second quarter of 2010. All data contained herein are believed to be accurate and have been compiled from one or more of the following sources: property owners, property managers, leasing agents, and/or public records. All information furnished by others is believed to be reliable. ***Gem Real Estate Group*** makes no warranties regarding the accuracy of this information, which is subject to change without notice.

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