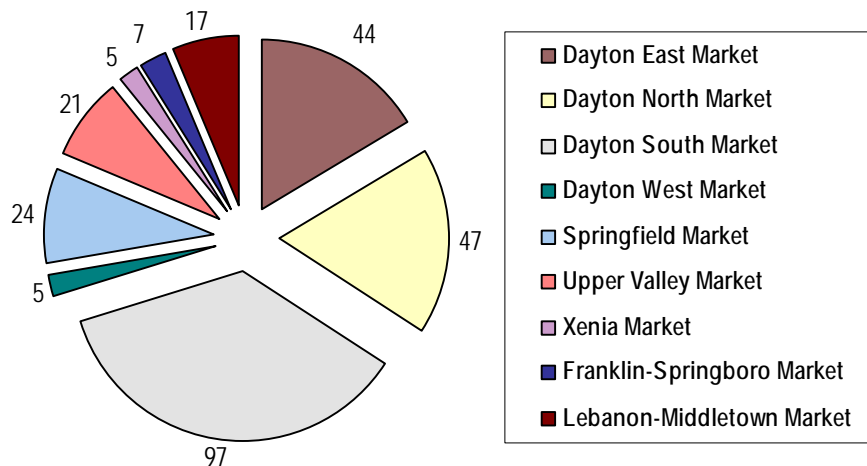




2011 DAYTON REGIONAL RETAIL MARKET STUDY

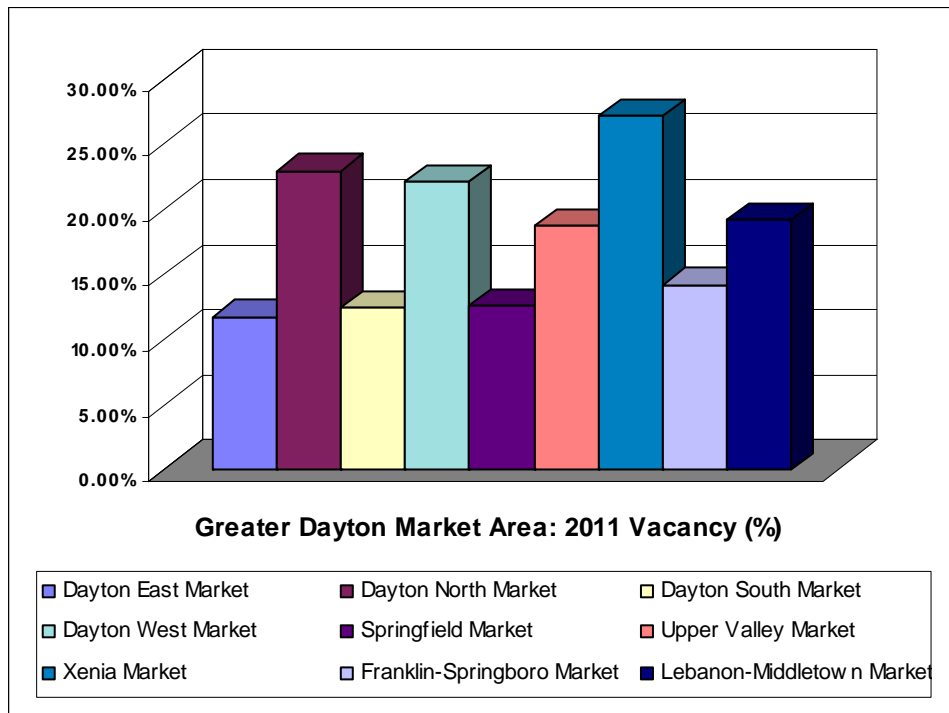
Gem Real Estate Group's 2011 Dayton Regional Retail Market Study is a comprehensive survey designed to capture the current conditions and developing trends regarding retail space within the Dayton region. The properties assessed for this survey are those deemed to most accurately reflect the region's retail market.

We sampled 267 retail facilities for this survey. These properties are divided into nine distinct sub-markets identified as: Dayton East; Dayton North; Dayton South; Dayton West; Springfield; Upper Valley; Xenia; Franklin-Springboro; Lebanon-Middletown. The chart below illustrates the number of retail centers surveyed within each sub-market.



A grand total of 25,943,386 square feet of retail space within the Dayton Regional Market was surveyed. **Gem Real Estate Group** determined that 4,042,711 square feet, or 15.58% of the grand total, was reported to be vacant. Accordingly, those properties included in the 2011 survey demonstrate a positive absorption within the regional market of 125,096 square feet. The 2011 results are summarized in the following grid.

	2011	2011	2011	2010-2011	Rental Rate Range	Expense/ Sq.Ft.
	#	GFA	Vac. s.f.	Vac. %	Absorb.	All Space
Dayton East Market	44	5,385,802	630,544	11.71%	195,691	\$2.00 - \$120.00 \$0.33 - \$20.00
Dayton North Market	47	4,386,604	1,004,054	22.89%	(5,206)	\$2.00 - \$25.00 \$0.90 - \$4.00
Dayton South Market	97	7,606,305	941,935	12.38%	(104,907)	\$3.00 - \$75.00 \$0.50 - \$25.00
Dayton West Market	5	385,758	85,000	22.03%	6,800	\$3.65 - \$12.00 \$1.00 - \$2.51
Springfield Market	24	2,926,150	366,874	12.54%	(70,257)	\$3.00 - \$28.00 \$1.00 - \$4.88
Upper Valley Market	21	2,622,929	489,259	18.65%	(53,208)	\$4.00 - \$35.00 \$1.25 - \$4.50
Xenia Market	5	548,262	148,739	27.13%	2,170	\$7.00 - \$14.00 \$3.00 - \$3.83
Franklin-Springboro Market	7	457,509	64,713	14.14%	(13,192)	\$3.25 - \$13.21 \$1.25 - \$4.00
Lebanon-Middletown Market	17	1,624,067	311,593	19.19%	167,205	\$2.70 - \$22.00 \$1.50 - \$5.00
Regional Market	267	25,943,386	4,042,711	15.58%	125,096	\$2.00 - \$120.00 \$0.33 - \$25.00
Dayton Area Market	193	17,764,469	2,661,533	14.98%	92,378	\$2.00 - \$120.00 \$0.33 - \$25.00



The following chart illustrates the vacancy and absorption trends for both the Regional and immediate Dayton Area Markets. The trend in 2011 for both the Dayton Area and Dayton Regional markets reflect an increase in vacancy rates and, correspondingly, available space. A summary of these trends, from 2005–2010 is shown below.

	2011	2010-2011	2010	2009-2010	2009	2008-2009	2008	2007-2008	2007	2006-2007	2006	2005-2006
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
<i>Dayton Area Market</i>	14.98%	92,378	16.33%	(51,940)	16.28%	(406,290)	13.84%	(114)	13.19%	20,669	13.32%	120,927
<i>Regional Market</i>	15.58%	125,096	16.60%	(93,453)	16.33%	(554,153)	14.09%	(310,372)	12.45%	(52,401)	12.24%	274,571

These data demonstrate a strengthening of both the area and regional retail market.

The Gem Real Estate Group, Inc. surveyed 193 retail properties in the Dayton Area Market. This market is divided into sub-markets of East, North, South, and West. A total of 17,764,469 square feet of retail space was surveyed within these sub-markets. This review found that 2,661,533 square feet, or 14.98% of the total, was reported to be vacant. That result represents a decrease in the vacancy from 2010, when a 16.33% retail vacancy rate was identified. This activity is summarized, along with historical trend data, in the summary below.

	2011	2010-2011	2010	2009-2010	2009	2008-2009	2008	2007-2008	2007	2006-2007	2006	2005-2006
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
<i>Dayton East Market</i>	11.71%	195,691	15.38%	64,645	17.70%	(247,252)	12.44%	54,188	11.64%	21,258	12.01%	128,700
<i>Dayton North Market</i>	22.89%	(5,206)	22.92%	(55,477)	21.65%	49,786	22.80%	(124,300)	19.85%	(59,640)	18.48%	(21,373)
<i>Dayton South Market</i>	12.38%	(104,907)	12.88%	(37,088)	12.09%	(168,424)	9.91%	14,899	10.15%	101,495	11.52%	(6,120)
<i>Dayton West Market</i>	22.03%	6,800	23.80%	(24,020)	17.57%	(40,400)	7.10%	55,099	18.82%	(42,444)	9.13%	19,720
<i>Dayton Area Market</i>	14.98%	92,378	16.33%	(51,940)	16.28%	(406,290)	13.84%	(114)	13.19%	20,669	13.32%	120,927

The Gem Real Estate Group, Inc. analyzed each sub-group within the survey area. The most significant change is identified within the Dayton: North sub-market. This market reflect a negative trend with an increase in vacancy, resulting from negative space absorption. The remaining markets demonstrated lesser variation from the previous year's performance. The historical trend activity for each sub-market is illustrated below. A brief summary of the specific sub-market activity follows.

	2011	2010-2011	2010	2009-	2009	2008-2009	2008	2007-2008	2007	2006-2007	2006	2005-2006
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
<i>Dayton East Market</i>	11.71%	195,691	15.38%	64,645	17.70%	(247,252)	12.44%	54,188	11.64%	21,258	12.01%	128,700
<i>Dayton North Market</i>	22.89%	(5,206)	22.92%	(55,477)	21.65%	49,786	22.80%	(124,300)	19.85%	(59,640)	18.48%	(21,373)
<i>Dayton South Market</i>	12.38%	(104,907)	12.88%	(37,088)	12.09%	(168,424)	9.91%	14,899	10.15%	101,495	11.52%	(6,120)
<i>Dayton West Market</i>	22.03%	6,800	23.80%	(24,020)	17.57%	(40,400)	7.10%	55,099	18.82%	(42,444)	9.13%	19,720
<i>Springfield Market</i>	12.54%	(70,257)	10.13%	39,185	11.48%	48,556	13.14%	(126,435)	8.80%	(79,473)	6.03%	59,624
<i>Upper Valley Market</i>	18.65%	(53,208)	16.23%	(16,949)	15.58%	32,119	16.87%	(107,529)	12.70%	(42,180)	11.06%	32,989
<i>Xenia Market</i>	27.13%	2,170	27.52%	915	27.69%	(126,559)	3.82%	23,250	7.94%	11,500	10.03%	32,200
<i>Franklin-Springboro Market</i>	14.14%	(13,192)	11.26%	1,550	11.60%	48,229	22.14%	(95,850)	1.19%	(4,450)	0.22%	0
<i>Lebanon-Middletown Market</i>	19.19%	167,205	29.66%	(66,214)	23.63%	(150,208)	15.03%	(3,694)	14.82%	41,533	17.21%	28,831
<i>Regional Market</i>	15.58%	125,096	16.60%	(93,453)	16.33%	(554,153)	14.09%	(310,372)	12.45%	(52,401)	12.24%	274,571

Dayton East

Within the *Dayton East* market, a total of (44) facilities were surveyed. This market accounts for a total of 5,385,802 square feet of space, of which 630,544 square feet, or 11.71%, was reported to be vacant. Overall, quoted annual lease rates range from \$2.00 to \$120.00 per square foot. Expense reimbursements ranged from \$0.33/sq.ft. to \$20.00/sq.ft.

Dayton North

Within the *Dayton North* market, a total of (47) facilities were surveyed. This market accounts for a total of 4,386,604 square feet of space, of which 1,004,054 square feet, or 22.89%, was reported to be vacant. Overall, quoted annual lease rates range from \$2.00 to \$25.00 per square foot. Expense reimbursements ranged from \$0.90/sq.ft. to \$4.00/sq.ft.

Dayton South

Within the *Dayton South* market, a total of (97) facilities were surveyed. This market accounts for a total of 7,606,305 square feet of space, of which 941,935 square feet, or 12.38%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.00 to \$75.00 per square foot. Expense reimbursements ranged from \$0.50/sq.ft. to \$25.00/sq.ft.

Dayton West

Within the *Dayton West* market, a total of (5) facilities were surveyed. This market accounts for a total of 385,758 square feet of space, of which 85,000 square feet, or 22.03%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.65 to \$12.00 per square foot. Expense reimbursements ranged from \$1.00/sq.ft. to \$2.51/sq.ft.

Springfield

Within the *Springfield* market, a total of (24) facilities were surveyed. This market accounts for a total of 2,926,150 square feet of space, of which 366,874 square feet, or 12.54%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.00 to \$28.00 per square foot. Expense reimbursements ranged from \$1.00/sq.ft. to \$4.88/sq.ft.

Upper Valley

Within the *Upper Valley* market (Tipp City, Troy, Piqua and Sidney), a total of (21) facilities were surveyed. This market accounts for a total of 2,622,929 square feet of space, of which 489,259 square feet, or 18.65%, was reported to be vacant. Overall, quoted annual lease rates range from \$4.00 to \$35.00 per square foot. Expense reimbursements ranged from \$1.25/sq.ft. to \$4.50/sq.ft.

Xenia

Within the *Xenia* market, a total of (5) facilities were surveyed. This market accounts for a total of 548,262 square feet of space, of which 148,739 square feet, or 27.13%, was reported to be vacant. Overall, quoted annual lease rates range from \$7.00 to \$14.00 per square foot. Expense reimbursements ranged from \$3.00/sq.ft. to \$3.83/sq.ft.

Franklin-Springboro

Within the *Franklin/Springboro* market, a total of (7) facilities were surveyed. This market accounts for a total of 457,509 square feet of space, of which 64,713 square feet, or 14.14%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.25 to \$13.21 per square foot. Expense reimbursements ranged from \$1.25/sq.ft. to \$4.00/sq.ft.

Lebanon-Middletown

Within the *Lebanon-Middletown* market, a total of (17) facilities were surveyed. This market accounts for a total of 1,624,067 square feet of space, of which 311,593 square feet, or 19.19%, was reported to be vacant. Overall, quoted annual lease rates range from \$2.70 to \$22.00 per square foot. Expense reimbursements ranged from \$1.50/sq.ft. to \$5.00/sq.ft.

As previously mentioned, this study is intended to reflect the condition of the Dayton regional retail real estate market. This survey may exclude facilities which are occupied solely by its owner or by single tenants.

The information published in ***Gem Real Estate Group's 2011 Retail Market Study*** reflects market conditions during the third 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, physical inspections 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.