

The logo for Miller-Valentine Group Realty Services features the company name in white text on an orange background. The words "Miller", "Valentine", and "Group" are stacked vertically, separated by horizontal white lines. Below this, the words "Realty Services" are written in a larger, orange font.

# Miller Valentine Group

## Realty Services

**Miller-Valentine Group Realty Services** is a diversified commercial, industrial and investment real estate services company offering a wide variety of professional services including: **Leasing and Sales, Property Management and Consulting.**

The framework of our business is built upon our relentless desire to be unsurpassed in the level of information, knowledge and expertise we impart to our clients. In pursuit of this goal, we have assembled a diverse staff of experienced professionals in several related fields, supplemented these individuals with teams of strategic consultants, and dedicated administrative staff including a full-time database administrator/researcher. Our professional staff brings multiple years of combined real estate experience to the service of our clients.

For more information regarding **Miller-Valentine Group Realty Services**, please call, fax, or visit our Website at:

Phone: (937) 228-2800

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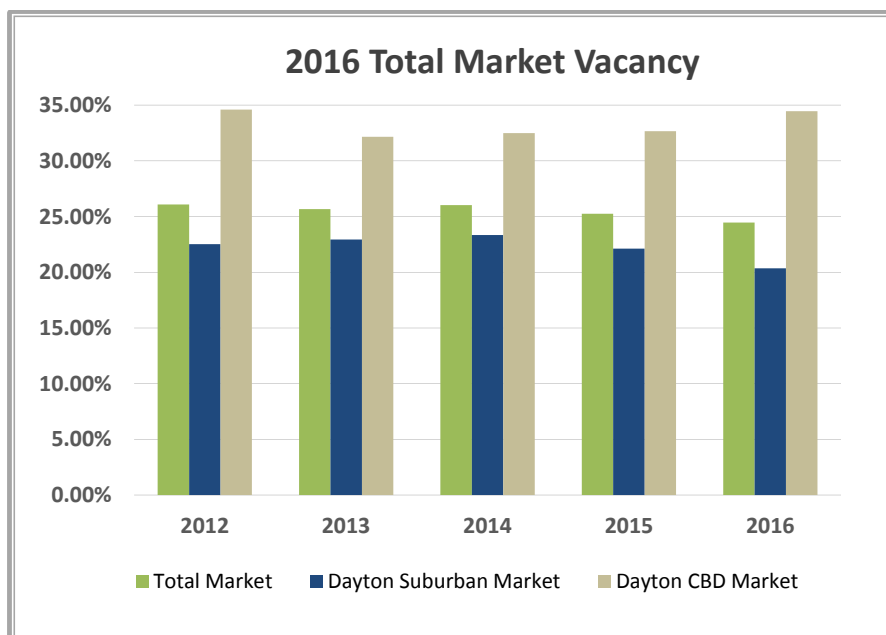
## DAYTON REGIONAL 2016 OFFICE MARKET STUDY

Miller-Valentine Group Realty Services 2016 Office Market Study is a comprehensive survey intended to capture the current conditions and developing trends regarding Office space within the greater Dayton area. The facilities included in this study represent those, which are most reflective of the area's Office market.

In this survey, we sampled (341) Office Buildings which are segmented into four (4) distinct markets identified as Dayton: East, Dayton: North/West, Dayton: South, and Dayton: Central Business District (CBD). A total of 15,461,745 square feet of office space was surveyed within these four (4) markets, of which 3,781,416 square feet, or 24.46%, was reported to be vacant. A summary of the 2016 figures is illustrated below.

		2016	2016	2016	2015-2016		
	#	GRA	Vac. SF	Vac. %	Absorb.	Rental Rate Range	
Dayton East Market	76	3,689,932	872,206	23.64%	56,489	\$6.00	- \$28.00
Dayton North/West Market	66	1,480,697	260,503	17.59%	20,109	\$4.00	- \$20.00
Dayton South Market	158	5,791,256	1,098,247	18.96%	91,849	\$4.50	- \$23.50
Dayton CBD Market	41	4,499,860	1,550,460	34.46%	(131,381)	\$4.00	- \$22.95
<b>Total Market</b>	<b>341</b>	<b>15,461,745</b>	<b>3,781,416</b>	<b>24.46%</b>	<b>37,066</b>	<b>\$4.00</b>	<b>- \$28.00</b>
Dayton Suburban Market	300	10,961,885	2,230,956	20.35%	168,447	\$4.00	- \$28.00
Dayton CBD Market	41	4,499,860	1,550,460	34.46%	(131,381)	\$4.00	- \$22.95
Class A CBD Market	13	2,619,746	809,214	30.89%	(125,466)	\$4.00	- \$22.95
Class B/C CBD Market	28	1,880,114	741,246	39.43%	(5,915)	\$5.00	- \$15.95

The 2016 overall market vacancy rate of 24.46% is down from the 2015-reported figure of 25.25%. Illustrated on the graph below are the 2012-2016 vacancy levels (square feet) for the overall market, as well as the Central Business District (CBD) and suburban markets.

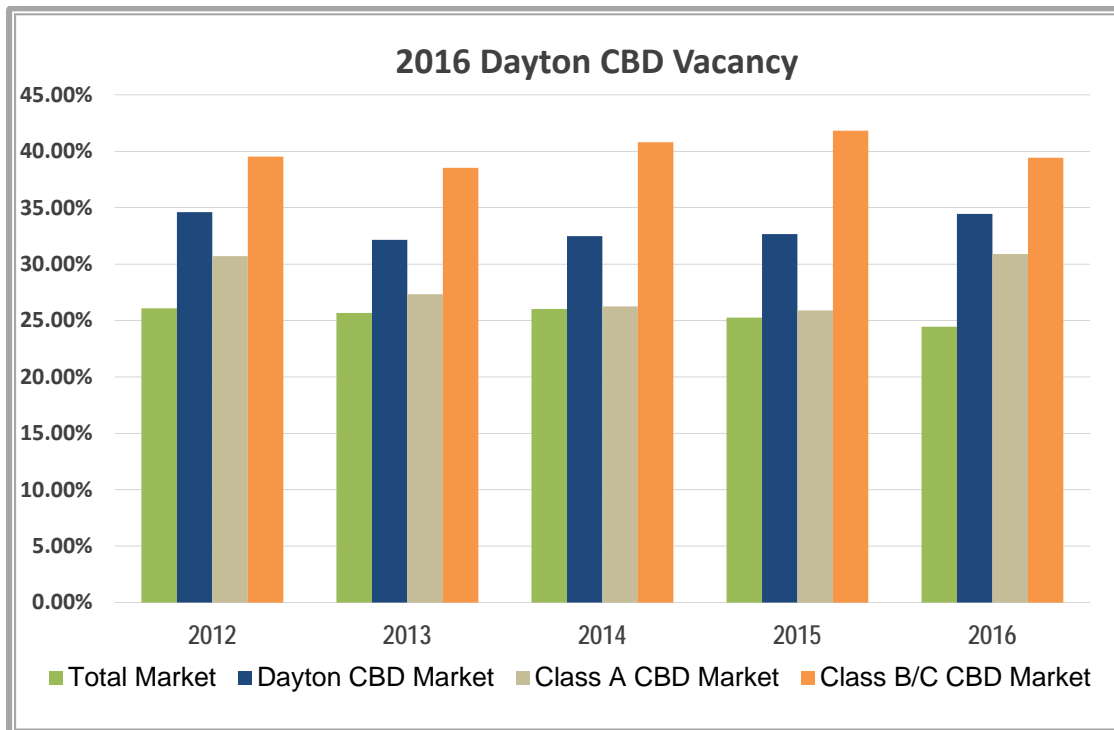


The table below illustrates the annual vacancy rates and absorption figures from 2012 to 2016.

	2016	2015-16	2015	2014-15	2014	2013-14	2013	2012-13	2012	2011-12
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
Dayton CBD Market	34.46%	(131,381)	32.66%	20,478	32.48%	3,317	32.16%	78,022	34.60%	(72,508)
Total Market	24.46%	37,066	25.25%	152,442	26.03%	81,209	25.66%	(39,701)	26.08%	(84,713)
Dayton Suburban Market	20.35%	168,447	22.12%	131,964	23.34%	77,892	22.94%	(117,723)	22.52%	(12,205)

### Dayton CBD

Specifically, in the Dayton CBD Market, we have surveyed (41) Office Buildings, which have been segmented into Class A and Class B/C. Contained in this market sample is a grand total of 4,499,860 square feet of Office space, of which 1,550,460 square feet, or 34.46%, was reported to be vacant. Illustrated on the graph below are the 2012-2016 vacancy levels (% vacant) for the overall market, total Central Business Districts (CBD) and the CBD's Class A and Class B/C submarkets.



The following table illustrates the annual vacancy rates and absorption figures from 2012 to 2016 for the CBD market.

	2016	2015-16	2015	2014-15	2014	2013-14	2013	2012-13	2012	2011-12
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
Total Market	24.46%	37,066	25.25%	152,442	26.03%	81,209	25.66%	(39,701)	26.08%	(84,713)
Dayton CBD Market	34.46%	(131,381)	32.66%	20,478	32.48%	3,317	32.16%	78,022	34.60%	(72,508)
Class A CBD Market	30.89%	(125,466)	25.89%	45,835	26.25%	27,946	27.32%	87,672	30.71%	128,499
Class B/C CBD Market	39.43%	(5,915)	41.83%	(25,357)	40.81%	(24,629)	38.53%	(9,650)	39.53%	(201,007)

## Dayton CBD Class A

The CBD Class A Office Market is comprised of (13) office buildings totaling 2,619,746 square feet of space, of which 809,214 square feet, or 30.89%, was reported vacant.

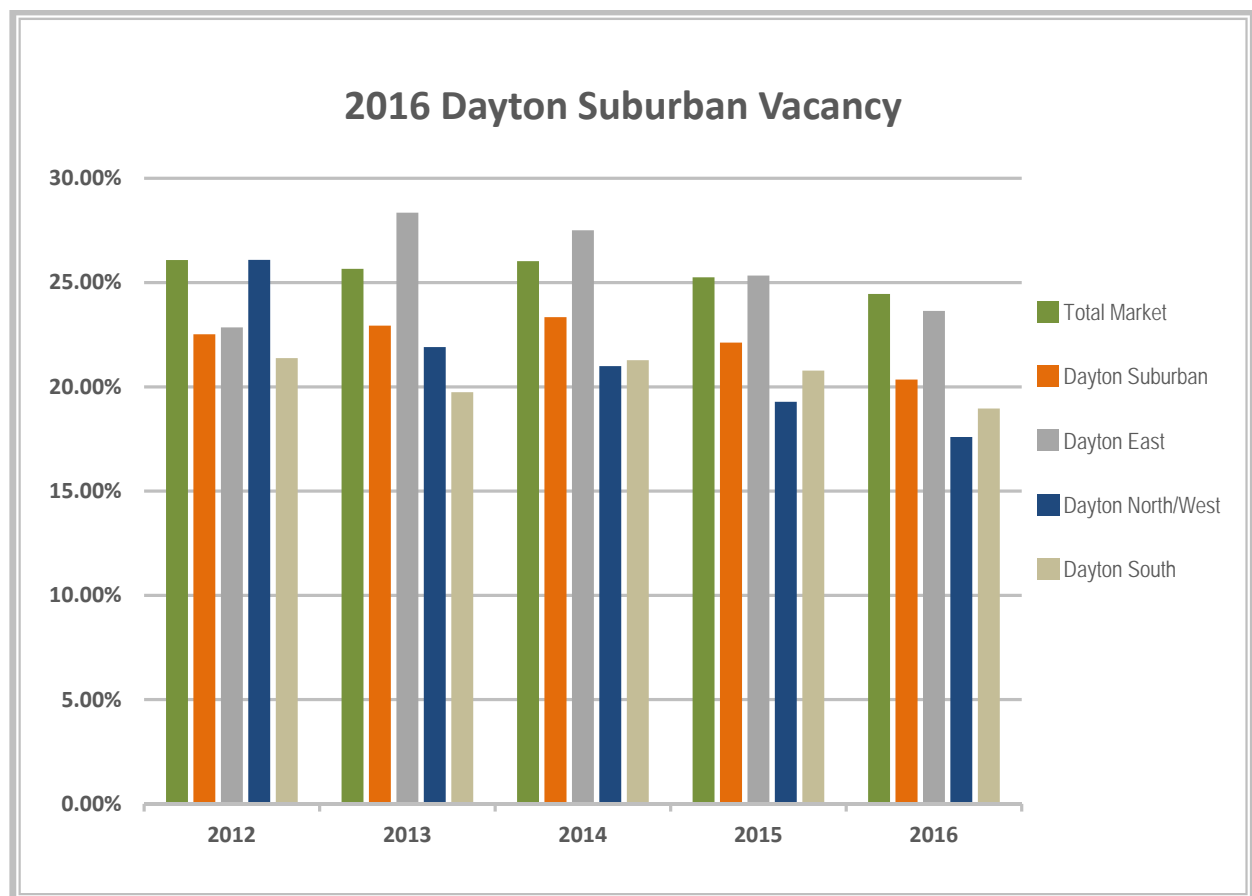
## Dayton CBD Class B/C

The CBD Class B/C Office Market is comprised of (28) office buildings totaling 1,880,114 square feet of space, of which 741,246 square feet, or 39.43%, was reported vacant.

For the CBD market, quoted annual lease rates range from \$4.00/square foot to \$22.95/square foot.

## Dayton Suburban

Specifically, in the Dayton Suburban Market, we have surveyed (300) Office Buildings, which included the submarkets of East, North/West and South. Within these sampled markets, a grand total of 10,961,885 square feet of Office space was surveyed, of which 2,230,956 square feet, or 20.35%, was reported to be vacant. The 2016 vacancy rate is down from 22.12% reported in 2015. The following graph illustrates the 2012-2016 vacancy levels (% vacant) for the overall market, total Suburban market and the Suburban's East, North/West and South submarkets.



The table below illustrates the annual vacancy rates and absorption figures from 2012 to 2016 for the Suburban market.

	2016 Vac. %	2015-16 Absorb.	2015 Vac. %	2014-15 Absorb.	2014 Vac. %	2013-14 Absorb.	2013 Vac. %	2012-13 Absorb.	2012 Vac. %	2011-12 Absorb.
Dayton East Market	23.64%	56,489	25.34%	78,925	27.51%	150,822	28.35%	(208,777)	22.85%	(128,110)
Dayton North/West Market	17.59%	20,109	19.29%	24,833	20.99%	14,877	21.91%	(2,516)	26.09%	20,965
Dayton South Market	18.96%	91,849	20.78%	28,206	21.27%	(87,807)	19.74%	93,570	21.38%	94,940
Dayton CBD Market	34.46%	(131,381)	32.66%	20,478	32.48%	3,317	32.16%	78,022	34.60%	(72,508)
Total Market	24.46%	37,066	25.25%	152,442	26.03%	81,209	25.66%	(39,701)	26.08%	(84,713)
Dayton Suburban Market	20.35%	168,447	22.12%	131,964	23.34%	77,892	22.94%	(117,723)	22.52%	(12,205)

### Dayton East

In the *East Office* market, a total of (76) facilities were surveyed. This market accounts for a total of 3,689,932 square feet of space, of which 872,206 square feet, or 23.64%, was reported to be vacant. This indicates a net positive absorption for the *East* market of 56,489 square feet. For the *East* market, quoted annual lease rates range from \$6.00/square foot to \$28.00/square foot.

### Dayton North/West

In the *North and West Office* market, a total of (66) facilities were surveyed. This market accounts for a total of 1,480,697 square feet of space, of which 260,503 square feet, or 17.59%, was reported to be vacant. This indicates a net positive absorption for the *North and West* market of 20,109 square feet. For the *North and West* market, quoted annual lease rates range from \$4.00/square foot to \$20.00/square foot.

### Dayton South

In the *South Office* market, a total of (158) facilities were surveyed. This market accounts for a total of 5,791,256 square feet of space, of which 1,098,247 square feet, or 18.96%, was reported to be vacant. This indicates a net positive absorption for the *South* market of 91,849 square feet. For the *South* market, quoted annual lease rates range from \$4.50/square foot to \$23.50/square foot.

The information published in **Miller-Valentine Group Realty Services 2016 Office Market Study** reflects market conditions during the fourth quarter of 2016. 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. **Miller-Valentine Group Realty Services** makes no warranties regarding the accuracy of this information, which is subject to change without notice.

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