

The logo features the text "Miller Valentine Group" in white, bold, sans-serif font, stacked vertically within an orange square. The text is framed by three horizontal white lines. Below the square, the words "Realty Services" are written in a large, orange, sans-serif 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:

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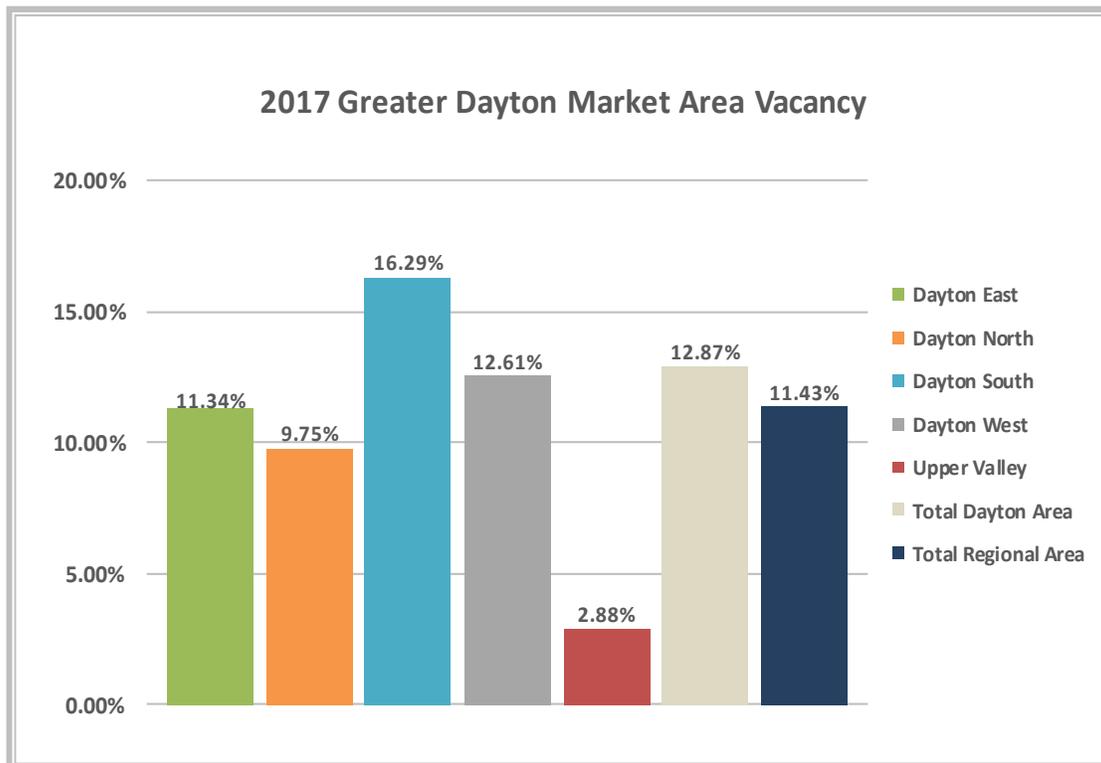


## 2017 DAYTON INDUSTRIAL MARKET SURVEY

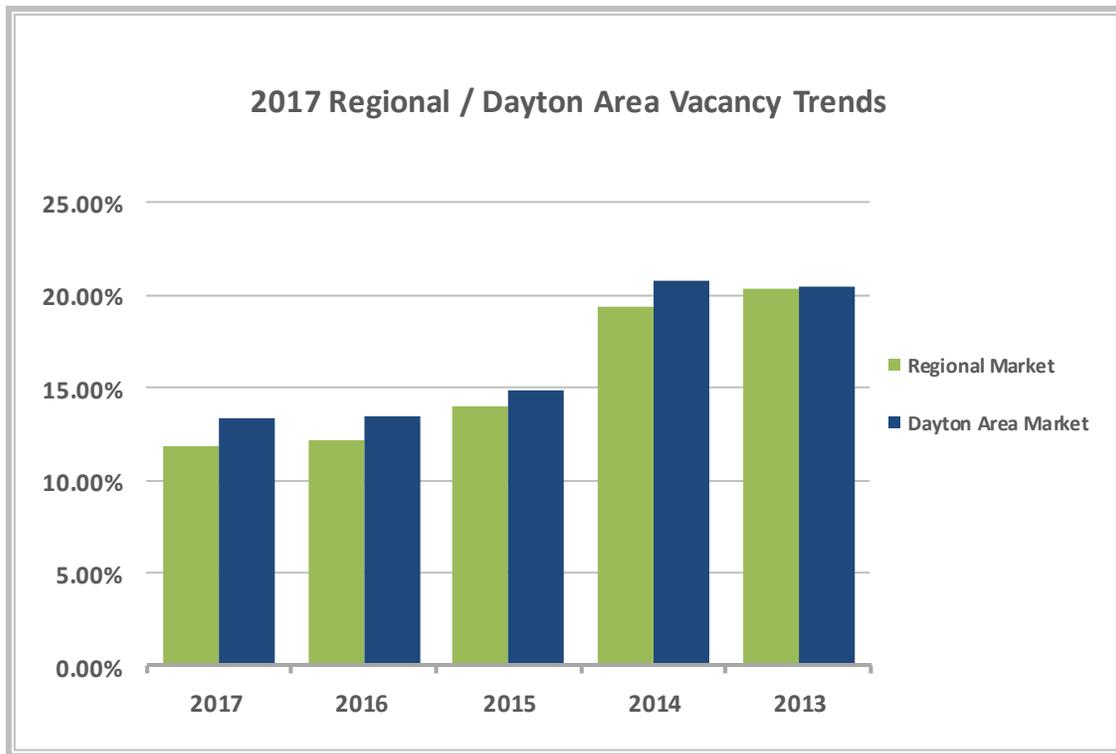
Miller-Valentine Group Realty Services 2017 Industrial Market Survey is a comprehensive survey intended to capture the current conditions and developing trends regarding Industrial space within the greater Dayton area. The facilities included in this study represent those, which are most reflective of the area's Industrial market.

In the 2017 survey, we have sampled 317 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 26,244,718 square feet of industrial/warehouse space was surveyed within these five (5) markets, of which 2,998,821 square feet, or 11.43% was reported to be vacant. This vacancy rate is down from the 2016 figure of 12.22%. The 2017 results are summarized in the following grid and chart.

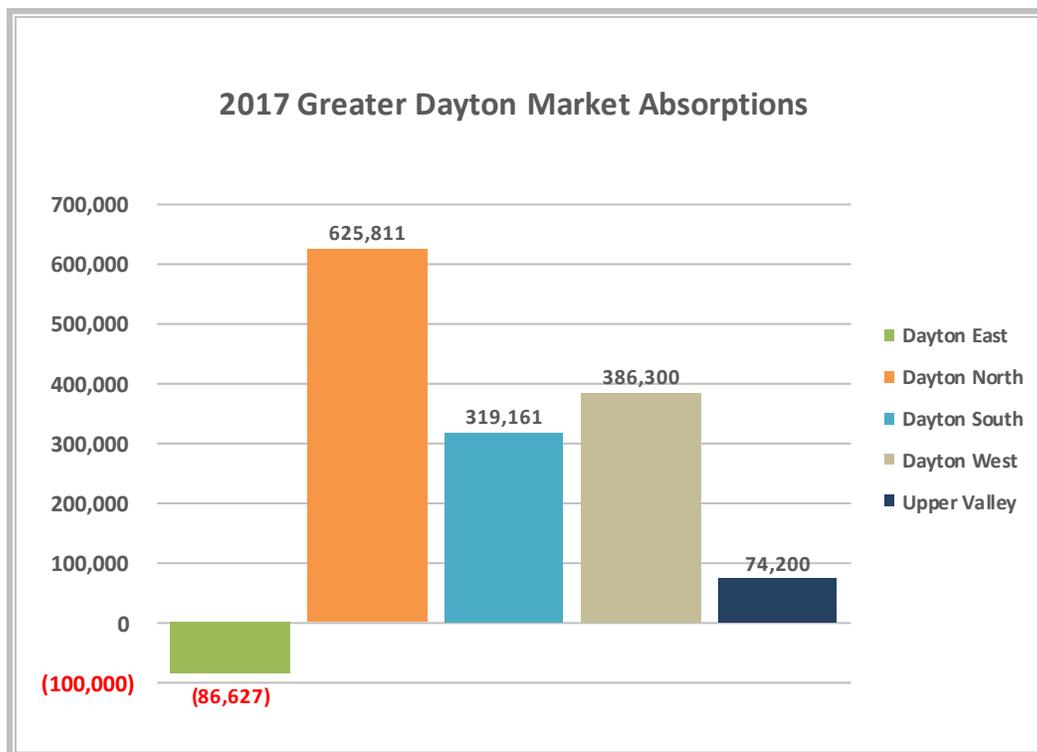
2017 Dayton Industrial Market Survey				
	#	GRA	Vac. SF	Vac. %
Dayton East Market	36	2,185,764	247,944	11.34%
Dayton North Market	95	9,019,057	879,479	9.75%
Dayton South Market	132	9,341,520	1,521,316	16.29%
Dayton West Market	11	1,912,246	241,194	12.61%
Upper Valley Market	43	3,786,131	108,888	2.88%
Regional Market	317	26,244,718	2,998,821	11.43%
Dayton Area Market	274	22,458,587	2,889,933	12.87%



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



Within the regional market, a positive absorption of 1,318,845 square feet of space occurred in 2016-2017 survey period. The Dayton Area market experienced a positive absorption of 1,244,645 square feet during the 2016-2017 survey period. The vacancy rate decreased during the 2016-2017 survey period. Illustrated on the following chart, is the 2016-2017 absorption by sub-market.



The grid below illustrates a summary of the 2017, 2016, 2015, 2014 and 2013 vacancy rates and absorption results for the surveyed markets:

Market Area	2017			2016			2015			2014			2013		
	GRA	Vac. %	Absorb.	GRA	Vac. %	Absorb.	GRA	Vac. %	Absorb.	GRA	Vac. %	Absorb.	GRA	Vac. %	Absorb.
Dayton East	2,185,764	11.34%	(86,627)	2,165,764	7.45%	(71,942)	2,185,764	4.09%	65,769	2,185,764	7.10%	24,498	2,025,964	8.87%	25,274
Dayton North	9,019,057	9.75%	625,811	8,364,297	10.18%	(24,019)	8,354,808	9.78%	219,040	6,563,202	15.78%	56,053	6,699,416	16.30%	(279,231)
Dayton South	9,341,520	16.29%	319,161	9,061,503	17.57%	312,479	8,927,118	21.34%	528,708	8,927,118	27.26%	48,689	8,663,918	26.16%	294,127
Dayton West	1,912,246	12.61%	386,300	1,532,246	16.15%	10,000	1,115,488	23.08%	25,035	1,114,810	25.34%	(38,411)	1,114,810	21.90%	48,247
Upper Valley	3,786,131	2.88%	74,200	3,724,131	4.92%	100,323	3,436,131	8.25%	120,000	3,436,131	11.74%	298,778	3,301,112	20.06%	313,364
Regional	26,244,718	11.43%	1,318,845	24,847,941	12.22%	326,841	24,019,309	13.96%	958,552	22,227,025	19.39%	389,607	21,805,220	20.38%	401,781
Dayton Area	22,458,587	12.87%	1,244,645	21,123,810	13.50%	226,518	20,583,178	14.91%	838,552	18,790,894	20.79%	90,829	18,504,108	20.44%	88,417

Specifically, in the Dayton Area market, we have surveyed 274 Industrial Buildings, which included properties in the submarkets of East, North, South and West. Within these sampled markets, a grand total of 22,458,587 square feet of space was surveyed, of which 2,889,933 square feet, or 12.87%, 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 (36) facilities were surveyed. This market accounts for a total of 2,185,764 square feet of space, of which 247,944 square feet, or 11.34%, was reported to be vacant. This market indicates a net negative absorption of (86,627) square feet. For the *East* market, quoted annual lease rates range from \$9.00/square foot to \$12.00/square foot for office space, from \$1.95/square foot to \$5.00/square foot for warehouse space and from \$3.05/square foot to \$12.00/square foot on a blended basis.

### Dayton North

In the *North Industrial* market, a total of (95) facilities were surveyed. This market accounts for a total of 9,019,057 square feet of space, of which 879,479 square feet, or 9.75%, was reported to be vacant. This market reflected a net positive absorption of 625,811 square feet. For the *North* market, quoted annual lease rates range from \$6.00/square foot to \$16.00/square foot for office space, from \$2.00/square foot to \$6.00/square foot for warehouse space and from \$4.50/square foot to \$5.95/square foot on a blended basis.

### Dayton South

In the *South Industrial* market, a total of (132) facilities were surveyed. This market accounts for a total of 9,341,520 square feet of space, of which 1,521,316 square feet, or 16.29%, was reported to be vacant. This indicates a net positive absorption for the *South* market of 319,161 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 \$5.50/square foot to \$16.00/square foot for office space, from \$2.25/square foot to \$6.00/square foot for warehouse space and from \$4.00/square foot to \$6.50/square foot on a blended basis.

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## Dayton West

In the *West Industrial* market, a total of (11) facilities were surveyed. This market accounts for a total of 1,912,246 square feet of space, of which 241,194 square feet, or 12.61%, was reported to be vacant. This indicates a net positive absorption for the *West* market of 386,300 square feet. For the *West* market, quoted annual lease rates range from \$7.50/square foot to \$16.87/square foot for office space and from \$2.25/square foot to \$6.00/square foot for warehouse space.

## Upper Valley

In the *Upper Valley Industrial* market, a total of (43) facilities were surveyed. This market accounts for a total of 3,786,131 square feet of space, of which 108,888 square feet, or 2.88% was reported to be vacant. This indicates a net positive absorption for the *Upper Valley* market of 74,200 square feet. For the *Upper Valley* market, quoted annual lease rates range from \$5.00/square foot to \$9.00/square foot for office space, from \$1.95/square foot to \$4.50/square foot for warehouse space and from \$3.55/square foot to \$3.55/square foot on a blended basis.

**Miller-Valentine Group Realty Services** is a full-service commercial, industrial and investment real estate resource company offering a wide variety of professional services including Leasing and Sales, Property Management and Consulting. Additional Real Estate Advisory Services are provided by our associate company The Gem Real Estate Advisory Group. These Advisory Services include Appraisal, Litigation Valuation, Public Sector Services, and Corporate Services.

The information published in **Miller-Valentine Group Realty Services** 2017 Industrial Market Study reflects market conditions during the Second quarter of 2017. 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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