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2012 DAYTON REGIONAL APARTMENT MARKET STUDY

Gem Real Estate Group's 2012 Dayton Regional Apartment Market Survey is a comprehensive investigation intended to capture the current conditions and trends regarding the apartment market in the Greater Dayton and Regional areas. This survey represents a general sampling of the Dayton Regional Apartment Market and may, or may not, represent a statistical sample.

Gem Real Estate Group sampled 350 apartment projects containing 41,321 units in the Dayton Region, which have been segmented into the following market areas:

- 1) Greater Dayton Market Areas - includes the following four sub-markets:
 - Dayton Central Business District (CBD)
 - East Dayton Market Area
 - North/West Dayton Market Area
 - South Dayton Market Area

- 2) Dayton Outlying Market Areas - includes the following five sub-markets:
 - Upper Valley Market Area
 - Middletown Market Area
 - Franklin-Springboro Market Area
 - Springfield Market Area
 - Xenia Market Area

The unit and vacancy totals reflected in this survey summary include only those projects that disclosed unit vacancies. The results for the year 2012 survey from the regional, area, and the stated sub-markets are illustrated below.

2012 Dayton Regional Apartment Market Survey				
Market Area	Total Projects	Total Units	Vacant Units	Vac. %
<i>Greater Dayton Area</i>	247	32,769	2,016	6.15%
• <i>Dayton-CBD</i>	7	507	12	2.37%
• <i>Dayton-East</i>	68	9,451	550	5.82%
• <i>Dayton-North/West</i>	78	9,050	838	9.26%
• <i>Dayton-South</i>	94	13,761	616	4.48%
<i>Dayton Outlying Areas</i>	103	8,552	373	5.99%
• <i>Upper Valley</i>	38	1,893	32	4.27%
• <i>Middletown</i>	17	2,210	179	9.00%
• <i>Franklin-Springboro</i>	10	1,149	52	7.25%
• <i>Springfield</i>	31	2,797	84	4.43%
• <i>Xenia</i>	7	503	26	5.42%
Total Dayton Region	350	41,321	2,389	5.78%

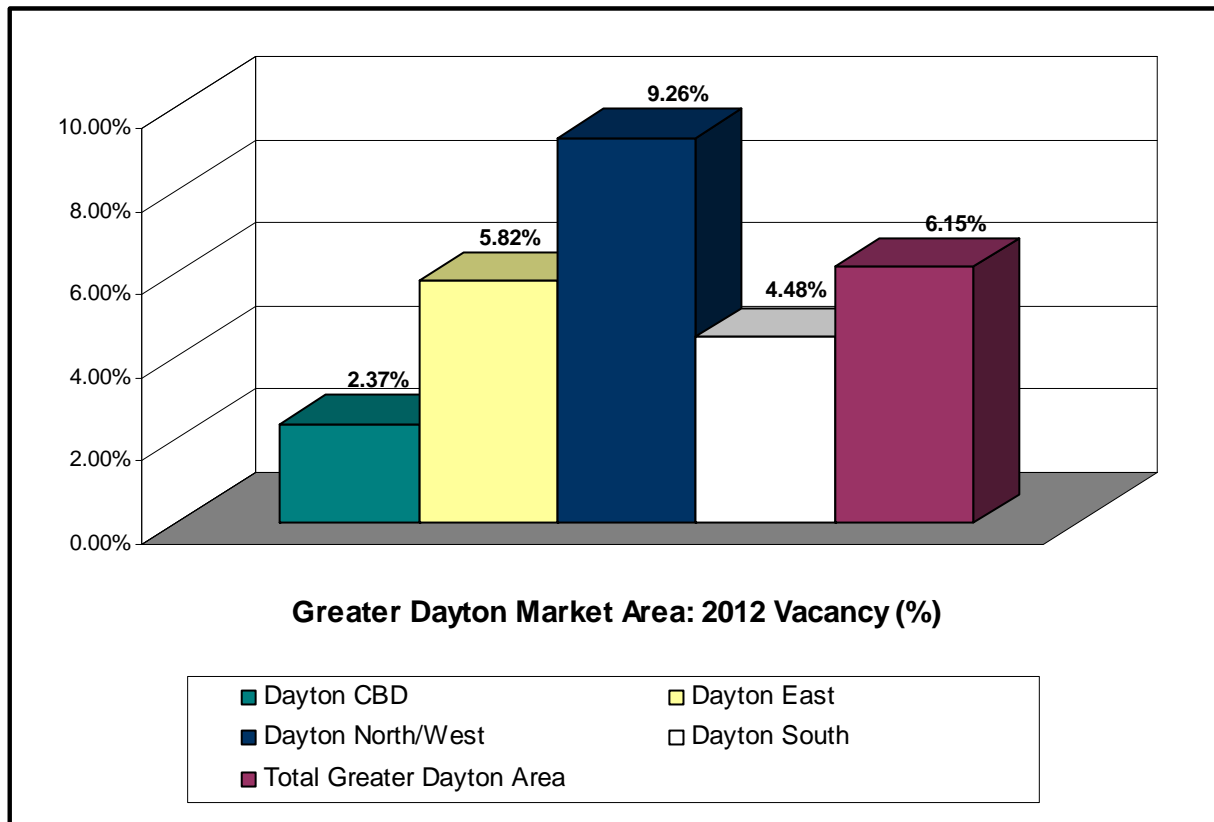
The surveyed projects within the Dayton Regional Market comprise a total of 41,321 units. Of the total market, 2,389 units, or 5.78%, were reported to be vacant. This year's vacancy rate is down from last year's figure of 7.38%.

The table below illustrates the annual vacancy rates from 2009 to 2012.

Dayton Regional Apartment Market Survey Comparison																
Market Area	2012				2011				2010				2009			
	Total Proj.	Total Units	Vacant Units	Vac. %	Total Proj.	Total Units	Vacant Units	Vac. %	Total Proj.	Total Units	Vacant Units	Vac. %	Total Proj.	Total Units	Vacant Units	Vac. %
Greater Dayton Area	247	32,769	2,016	6.15%	246	33,590	2,606	7.76%	248	32,305	2,913	9.02%	257	31,654	2,600	8.21%
• Dayton-CBD	7	507	12	2.37%	7	507	27	5.33%	7	507	36	7.10%	7	507	43	8.48%
• Dayton-East	68	9,451	550	5.82%	67	9,531	711	7.46%	67	8,762	965	11.01%	70	8,717	768	8.81%
• Dayton-North/West	78	9,050	838	9.26%	78	9,357	1,036	11.07%	80	9,376	832	8.87%	86	9,101	757	8.32%
• Dayton-South	94	13,761	616	4.48%	94	14,195	832	5.86%	94	13,660	1080	7.91%	94	13,329	1,032	7.74%
Dayton Outlying Areas	103	8,552	373	4.36%	106	8,972	537	5.99%	107	8,647	630	7.29%	121	7,819	498	6.37%
• Upper Valley	38	1,893	32	1.69%	39	2,106	90	4.27%	38	1,707	68	3.98%	43	1,884	90	4.78%
• Middletown	17	2,210	179	8.10%	17	2,210	199	9.00%	17	2,210	266	12.04%	26	1,941	181	9.33%
• Franklin-Springboro	10	1,149	52	4.53%	10	1,269	92	7.25%	11	1,383	110	7.95%	11	1,131	66	5.84%
• Springfield	31	2,797	84	3.00%	31	2,797	124	4.43%	32	2,757	144	5.22%	32	2,527	132	5.22%
• Xenia	7	503	26	5.17%	9	590	32	5.42%	9	590	42	7.12%	9	336	29	8.63%
Total Dayton Region	350	41,321	2,389	5.78%	352	42,562	3,143	7.38%	355	40,952	3,543	8.65%	378	39,473	3,098	7.85%

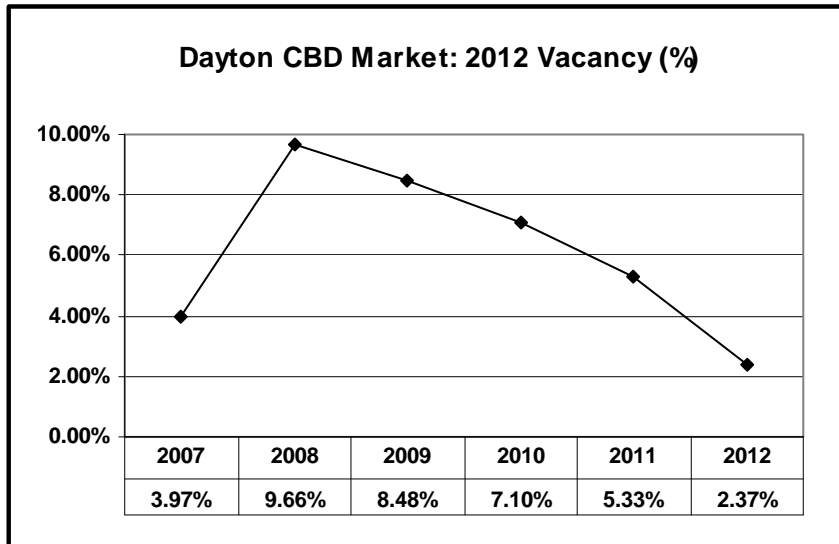
The surveyed projects within the Greater Dayton Market Area comprise a total of 32,769 units. Of the total market, 2,016 units, or 6.15%, were reported to be vacant. This year's vacancy rate is down from last year's figure of 7.76%.

The chart below illustrates the vacancy (as a percentage) of the total Dayton Area market, segmented by sub-market (CBD, East, North/West, and South).



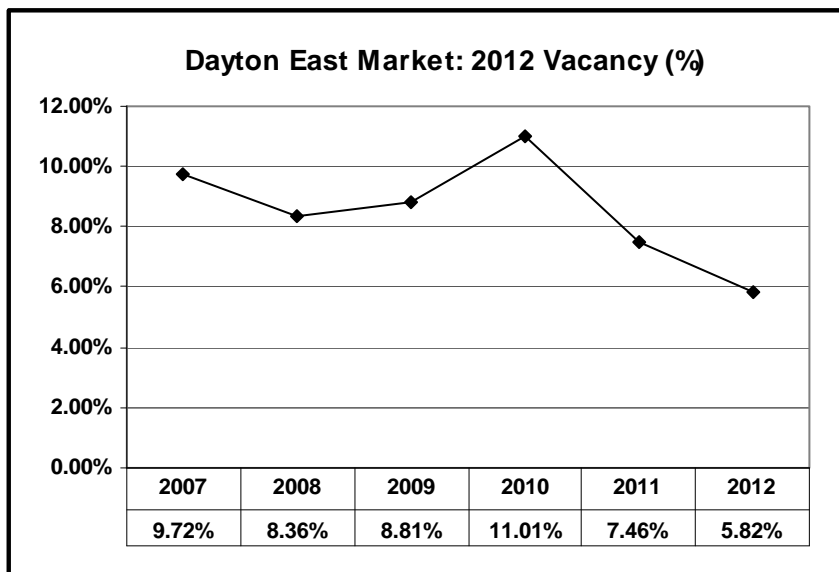
Dayton CBD

The Central Business District (CBD) apartment market is comprised of seven (7) projects located within the Dayton Central Business District. An existing total of 507 units were reported in the CBD market, of which 12 units, or 2.37%, were vacant. This year's vacancy rate is down from last year's figure of 5.33%.



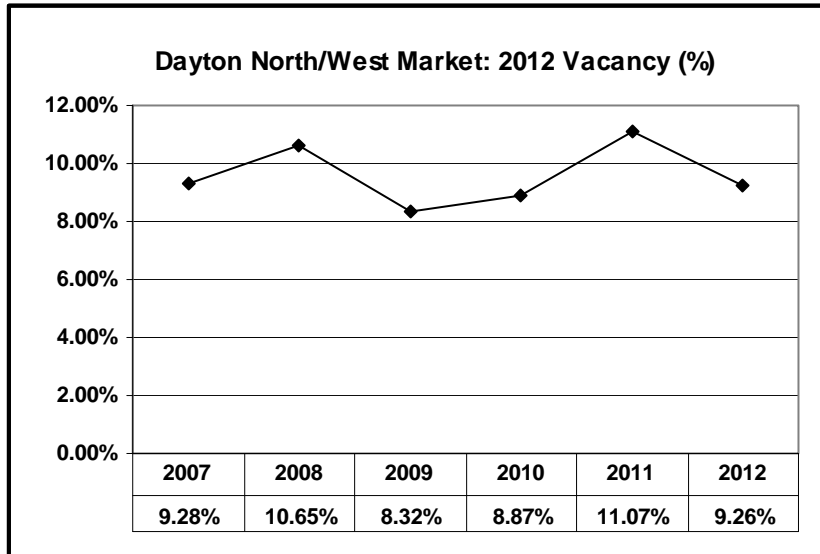
Dayton East

The East apartment market is comprised of 68 projects located in East Dayton, Riverside, Kettering, Beaver Creek, and Fairborn. A total of 9,451 units were reported in the East market, of which 550 units, or 5.82%, were vacant. This year's vacancy rate is down from last year's figure of 7.46%.



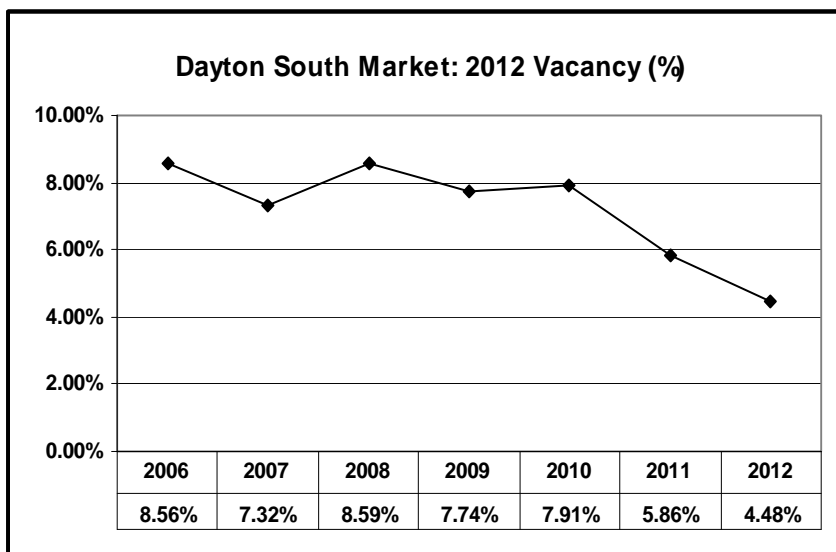
Dayton North/West

The North/West apartment market is comprised of 78 projects located in North and West Dayton, Trotwood, Englewood, Vandalia, and Huber Heights. A total of 9,050 units were reported in the North/West market, of which 838 units, or 9.26%, were vacant. This year's vacancy rate is down from last year's figure of 11.07%.



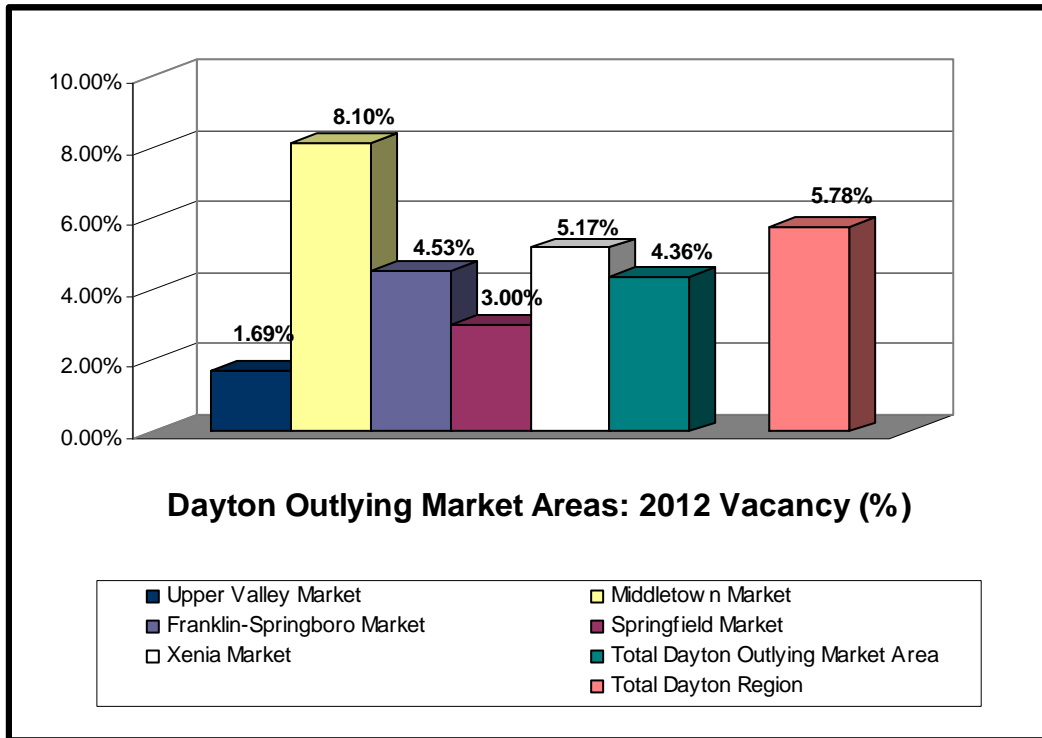
Dayton South

The South apartment market is comprised of 94 projects, located in South Dayton, Centerville, Miamisburg, West Carrollton, Moraine, Kettering, and Oakwood. A total of 13,761 units were reported in the South market, of which 616 units, or 4.48%, were vacant. This year's vacancy rate is down from last year's figure of 5.86%.



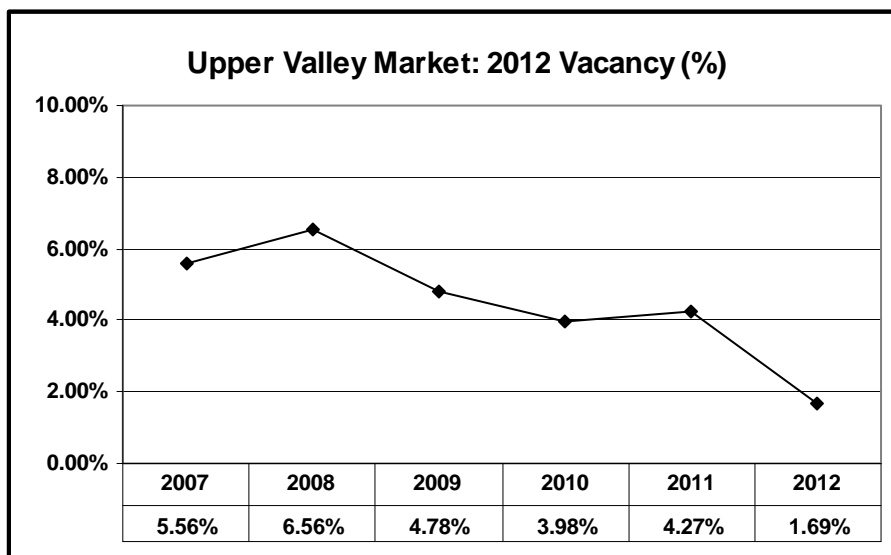
In the Dayton Outlying Market Areas, which includes the Upper Valley market, the Middletown market, the Franklin-Springboro market, the Springfield market and the Xenia Market, we have surveyed a total of 103 projects. In this outlying area, a total of 8,552 units were included, of which 373 units, or 4.36%, were reported vacant. This year's vacancy rate is down from last year's figure of 5.99%.

The chart below illustrates the vacancy (as a percentage) of the Total Regional Market, by sub-market.



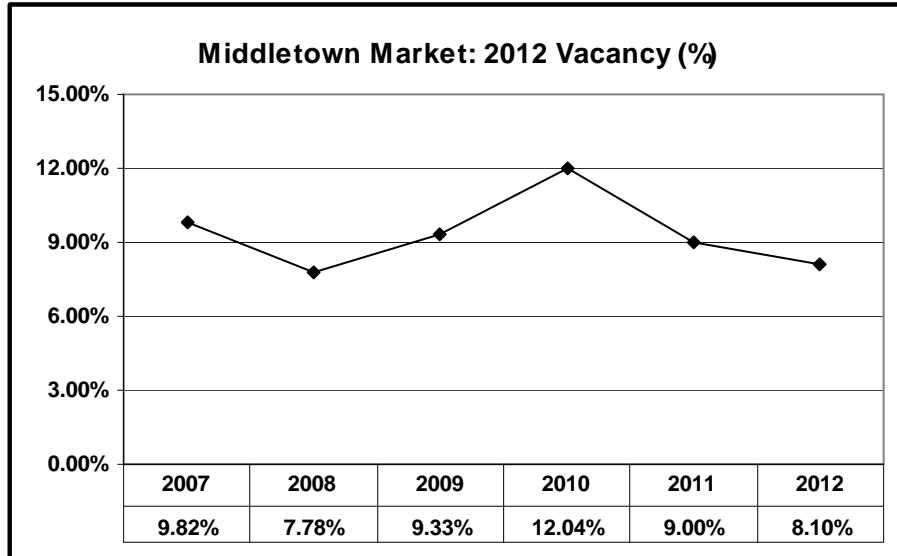
Upper Valley

The Upper Valley apartment market is comprised of 38 projects located in the Cities of Jackson Center, Sidney, Troy, Tipp City, and Piqua. A total of 1,893 units were reported in the Upper Valley market, of which 32 units, or 1.69%, were vacant. This year's vacancy rate is up from last year's figure of 4.27%.



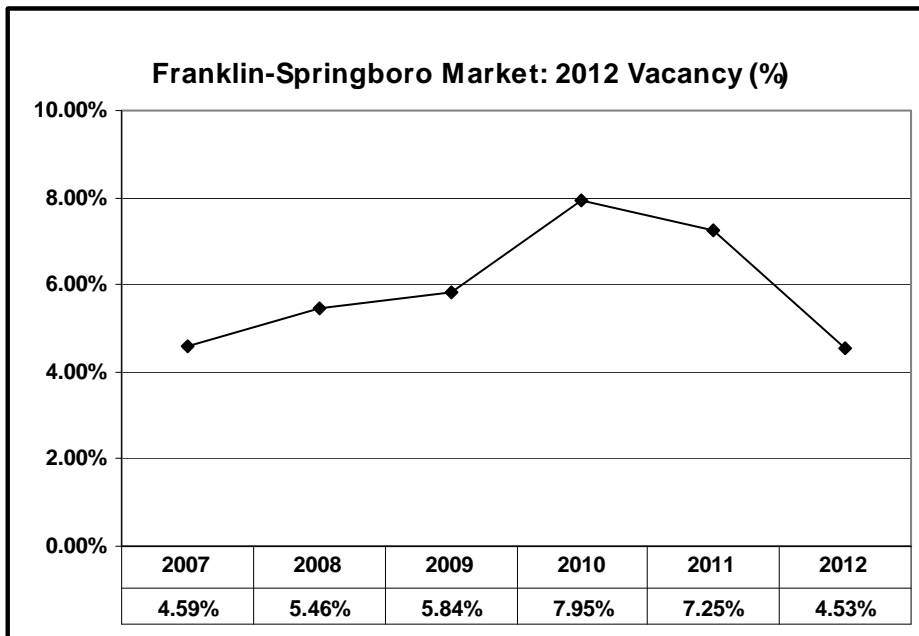
Middletown

The Middletown apartment market is comprised of 17 projects located in the Middletown area. A total of 2,210 units were reported in the Middletown market, of which 179 units, or 8.10%, were vacant. This year's vacancy rate is down from last year's figure of 9.00%.



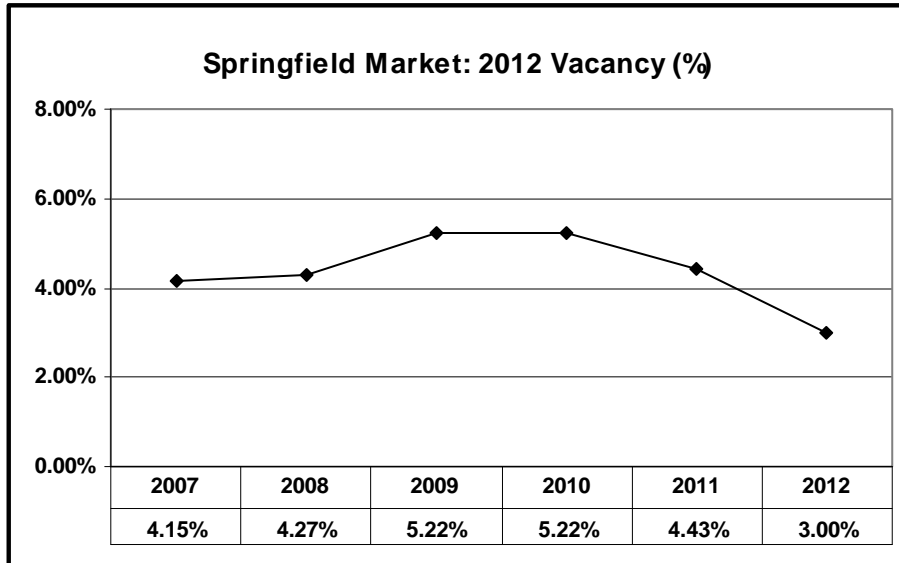
Franklin-Springboro

The Franklin-Springboro apartment market is comprised of 10 projects located in Franklin, Springboro and vicinity. A total of 1,149 units were reported in the Franklin-Springboro market, of which 52 units, or 4.53%, were vacant. This year's vacancy rate is down from last year's figure of 7.25%.



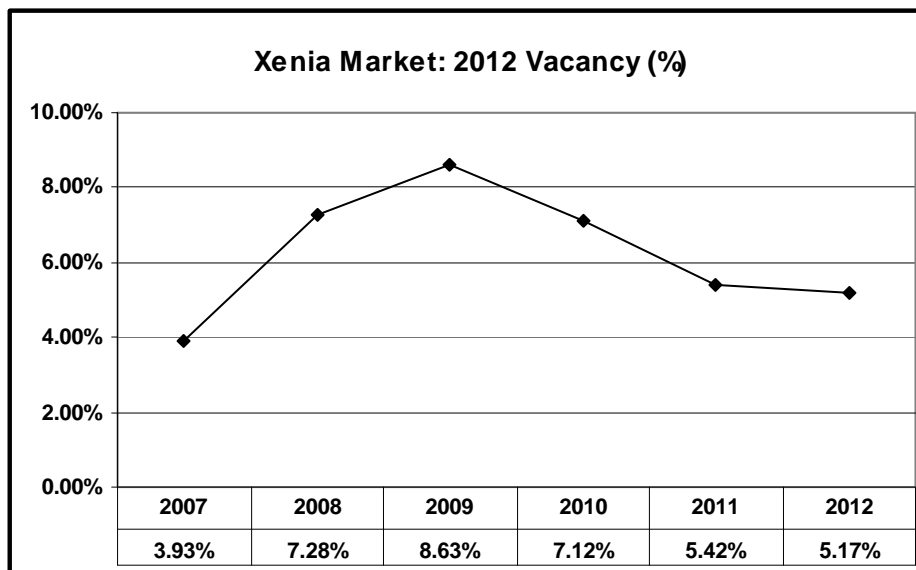
Springfield

The Springfield apartment market is comprised of 31 projects located in the Cities of Springfield, Enon, Medway, and South Charleston. A total of 2,797 units were reported in the Springfield market, of which 84 units, or 3.00%, were vacant. This year's vacancy rate is down from last year's figure of 4.43%.



Xenia

The Xenia apartment market is comprised of 7 projects located in the Xenia area. A total of 503 units were reported in the Xenia market, of which 26 units, or 5.17%, were vacant. This year's vacancy rate is down from last year's figure of 5.42%.



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The information published in ***Gem Real Estate Group's 2012 Apartment Market Survey*** reflects market conditions as of the first quarter of 2012. 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 public records. All information furnished by others is believed to be reliable. ***Gem Real Estate Group*** makes no warranties regarding the accuracy or completeness of this information. All information reported is subject to change without notice.

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