

The logo for Miller-Valentine Group Realty Services. It features the words "Miller", "Valentine", and "Group" stacked vertically in a large, white, sans-serif font, centered within a solid orange square. Each word is separated from the others by a thin white horizontal line. Below the orange 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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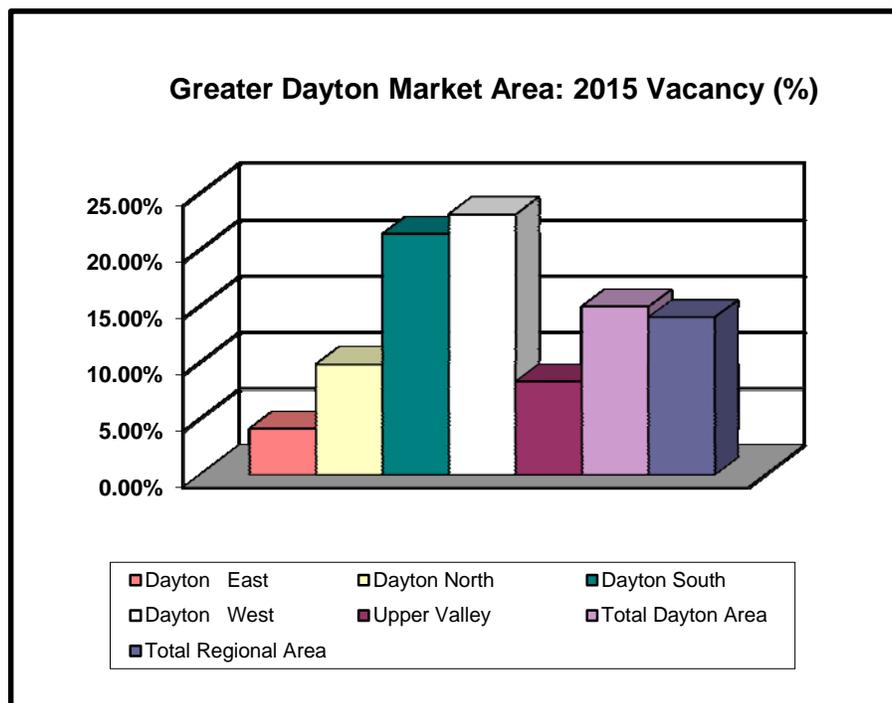
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## 2015 DAYTON INDUSTRIAL MARKET SURVEY

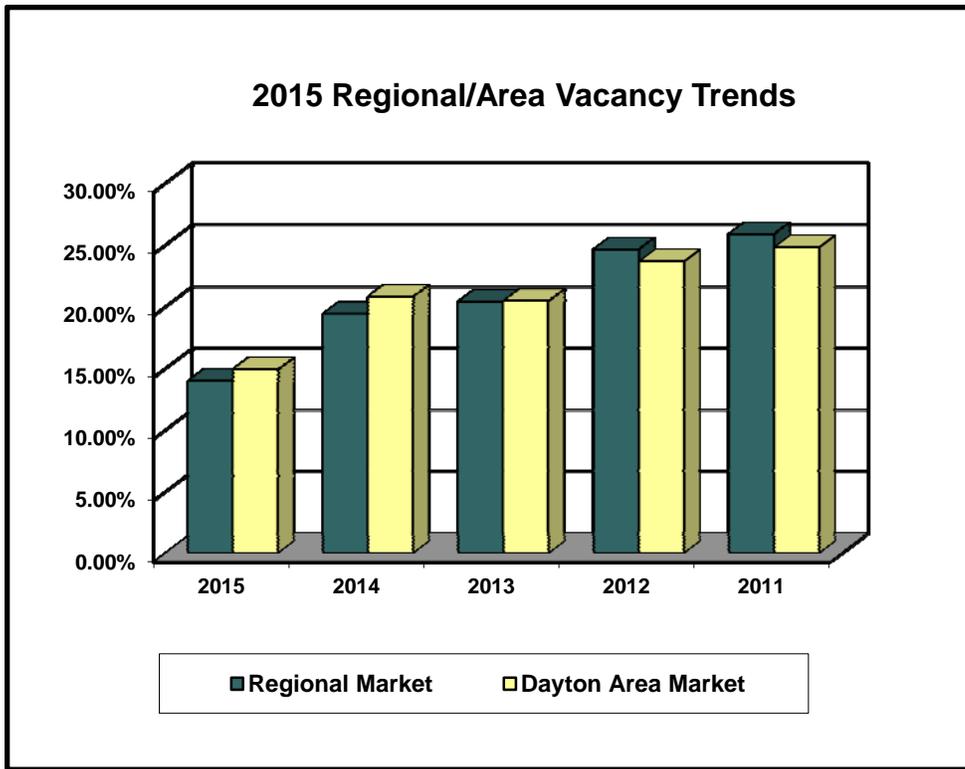
Miller-Valentine Group Realty Services 2015 Industrial Market Survey is a comprehensive survey intended to capture the current conditions and developing trends regarding Industrial space within the greater Dayton area. The facilities included in this study represent those, which are most reflective of the area's Industrial market.

In the 2015 survey, we have sampled 302 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 24,019,309 square feet of industrial/warehouse space was surveyed within these five (5) markets, of which 3,352,107 square feet, or 13.96% was reported to be vacant. This vacancy rate is down from the 2014 figure of 19.39%. The 2015 results are summarized in the following grid and chart.

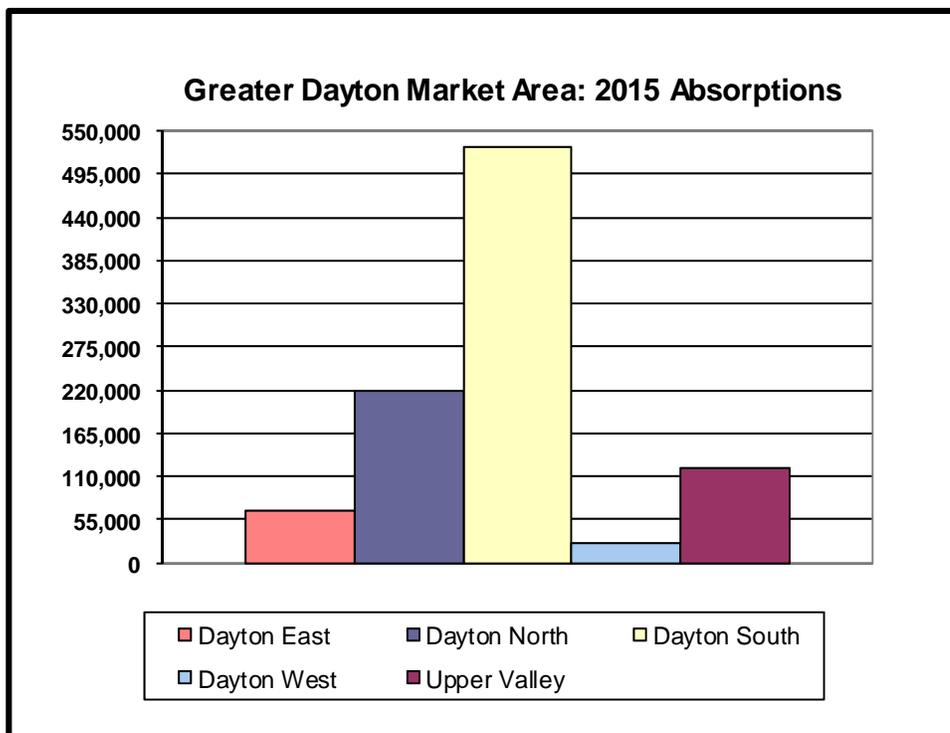
<u>2015 Dayton Industrial Market Survey</u>				
	#	GFA	Vac. s.f.	Vac. %
<i>Dayton East Market</i>	36	2,185,764	89,375	4.09%
<i>Dayton North Market</i>	92	8,354,808	816,871	9.78%
<i>Dayton South Market</i>	127	8,927,118	1,904,956	21.34%
<i>Dayton West Market</i>	7	1,115,488	257,494	23.08%
<i>Upper Valley Market</i>	40	3,436,131	283,411	8.25%
<i>Regional Market</i>	302	24,019,309	3,352,107	13.96%
<i>Dayton Area Market</i>	262	20,583,178	3,068,696	14.91%



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



Within the regional market, a positive absorption of 958,552 square feet of space occurred in 2014-2015 survey period. The Dayton Area market experienced a positive absorption of 838,552 square feet during the 2014-2015 survey period. The vacancy rate decreased during the 2014-2015 survey period. Illustrated on the following chart, is the 2014-2015 absorption by sub-market.



The grid below illustrates a summary of the 2015, 2014, 2013, 2012 and 2011 vacancy rates and absorption results for the surveyed markets:

2015 Dayton Industrial Market Survey Vacancy Rates and Absorption Results															
Market Area	2015			2014			2013			2012			2011		
	GFA	Vac. %	2014-15 Absorb.	GFA	Vac. %	2013-14 Absorb.	GFA	Vac. %	2012-13 Absorb.	GFA	Vac. %	2011-12 Absorb.	GFA	Vac. %	2010-11 Absorb.
Dayton East	2,185,764	4.09%	65,769	2,185,764	7.10%	24,498	2,025,964	8.87%	25,274	2,025,964	10.11%	(103,116)	1,992,241	5.11%	156,260
Dayton North	8,354,808	9.78%	219,040	6,563,202	15.78%	56,053	6,699,416	16.30%	(279,231)	4,971,296	16.41%	240,288	5,025,095	21.47%	110,606
Dayton South	8,927,118	21.34%	528,708	8,927,118	27.26%	48,689	8,663,918	26.16%	294,127	8,684,458	29.49%	26,026	8,203,903	31.26%	(515,188)
Dayton West	1,115,488	23.08%	25,035	1,114,810	25.34%	(38,411)	1,114,810	21.90%	48,247	1,240,948	33.72%	(99,183)	1,184,810	26.95%	(5,000)
Upper Valley	3,436,131	8.25%	120,000	3,436,131	11.74%	298,778	3,301,112	20.06%	313,364	3,290,976	29.64%	195,482	3,108,115	31.49%	(163,852)
Regional	24,019,309	13.96%	958,552	22,227,025	19.39%	389,607	21,805,220	20.38%	401,781	20,213,642	24.61%	259,497	19,514,164	25.85%	(416,374)
Dayton Area	20,583,178	14.91%	838,552	18,790,894	20.79%	90,829	18,504,108	20.44%	88,417	16,922,666	23.64%	64,015	16,406,049	24.78%	(253,322)

Specifically, in the Dayton Area market, we have surveyed 262 Industrial Buildings, which included properties in the submarkets of East, North, South and West. Within these sampled markets, a grand total of 20,583,178 square feet of space was surveyed, of which 3,068,696 square feet, or 14.91%, 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 89,375 square feet, or 4.09%, was reported to be vacant. This market indicates a net positive absorption of 65,769 square feet. For the *East* market, quoted annual lease rates range from \$9.00/square foot to \$9.00/square foot for office space, from \$3.25/square foot to \$5.00/square foot for warehouse space and from \$2.00/square foot to \$12.00/square foot on a blended basis.

### Dayton North

In the *North Industrial* market, a total of (92) facilities were surveyed. This market accounts for a total of 8,354,808 square feet of space, of which 816,871 square feet, or 9.78%, was reported to be vacant. This market reflected a net positive absorption of 219,040 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 \$5.00/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 (127) facilities were surveyed. This market accounts for a total of 8,927,118 square feet of space, of which 1,904,956 square feet, or 21.34%, was reported to be vacant. This indicates a net positive absorption for the *South* market of 528,708 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 \$5.00/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 (7) facilities were surveyed. This market accounts for a total of 1,115,488 square feet of space, of which 257,494 square feet, or 23.08%, was reported to be vacant. This indicates a net positive absorption for the *West* market of 25,035 square feet. For the *West* market, quoted annual lease rates range from \$7.50/square foot to \$16.87/square foot for office space, from \$2.25/square foot to \$6.00/square foot for warehouse space and from \$1.49/square foot to \$1.49/square foot on a blended basis.

## Upper Valley

In the *Upper Valley Industrial* market, a total of (40) facilities were surveyed. This market accounts for a total of 3,436,131 square feet of space, of which 283,411 square feet, or 8.25% was reported to be vacant. This indicates a net positive absorption for the *Upper Valley* market of 120,000 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 and from \$1.95/square foot to \$4.40/square foot for warehouse space.

**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** 2015 Industrial Market Study reflects market conditions during the Second quarter of 2015. 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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