



**2012 GREATER DAYTON
INDUSTRIAL-WAREHOUSE MARKET SURVEY**

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Miller-Valentine Gem Real Estate Group 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.

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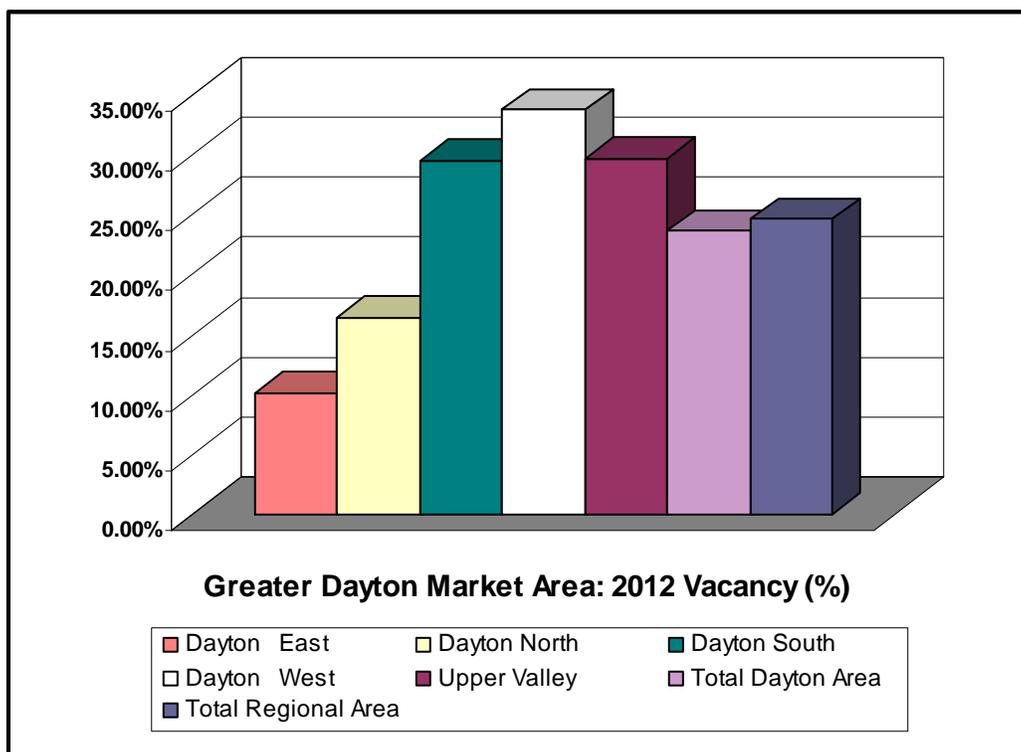
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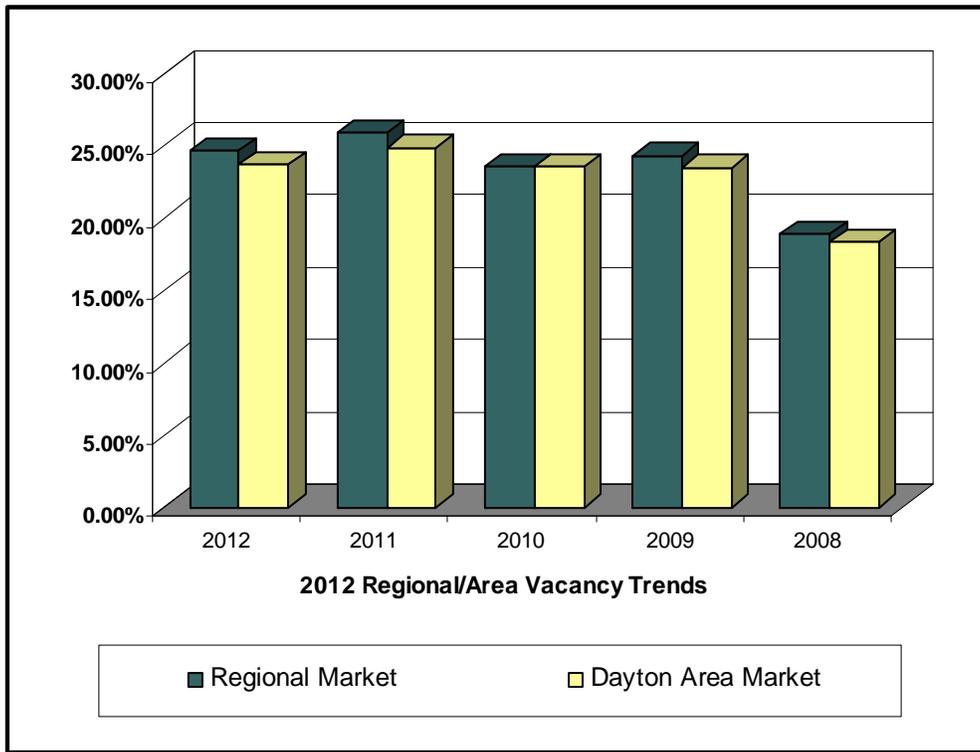
Miller-Valentine Gem Real Estate Group's 2012 Industrial Market Survey is a comprehensive survey intended to capture the current conditions and developing trends regarding Industrial space within the greater Dayton area. The facilities included in this study represent those, which are most reflective of the area's Industrial market.

In the 2012 survey, we have sampled 297 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 20,213,642 square feet of industrial/warehouse space was surveyed within these five (5) markets, of which 4,978,630 square feet, or 24.63% was reported to be vacant. This vacancy rate is down from the 2011 figure of 25.85%. The 2012 results are summarized in the following grid and chart.

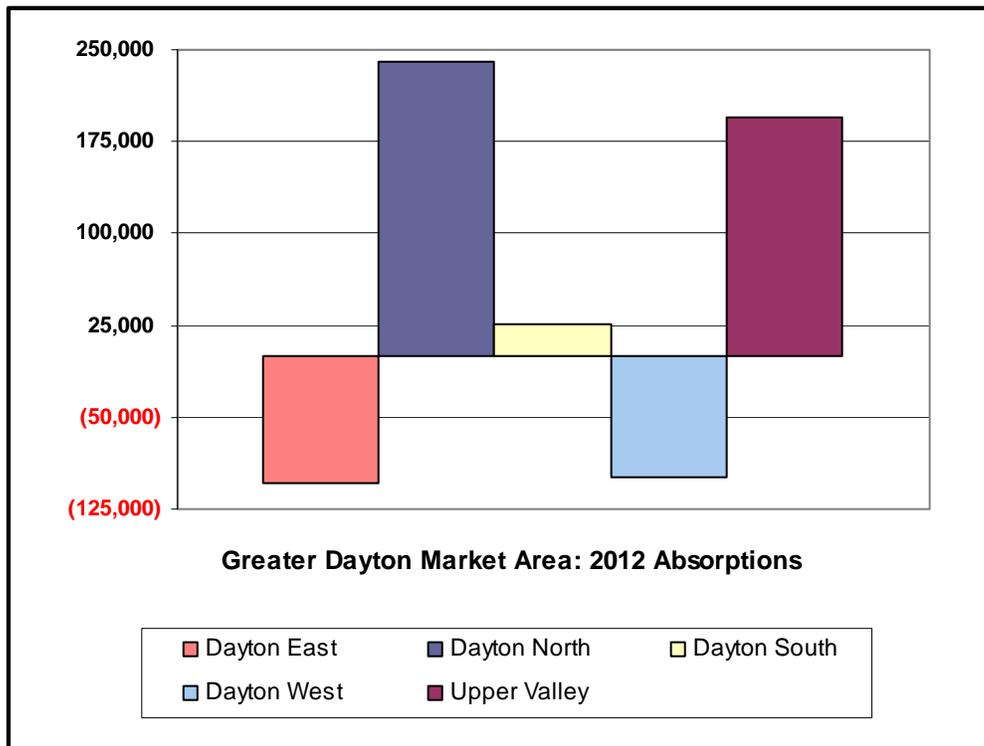
2012 Dayton Industrial Market Survey				
	#	GFA	Vac. s.f.	Vac. %
<i>Dayton East Market</i>	35	2,025,964	204,916	10.11%
<i>Dayton North Market</i>	89	4,971,296	815,733	16.41%
<i>Dayton South Market</i>	126	8,684,458	2,560,754	29.49%
<i>Dayton West Market</i>	8	1,240,948	418,503	33.72%
<i>Upper Valley Market</i>	39	3,290,976	975,553	29.64%
<i>Regional Market</i>	297	20,213,642	4,975,459	24.61%
<i>Dayton Area Market</i>	258	16,922,666	3,999,906	23.64%



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



Within the regional market, a positive absorption of 259,497 square feet of space occurred in 2011-2012 survey period. The Dayton Area market experienced a positive absorption of 64,015 square feet during the 2011-2012 survey period. Illustrated on the following chart, is the 2011-2012 absorption by sub-market.



The grid below illustrates a summary of the 2012, 2011, 2010, 2009 and 2008 vacancy rates and absorption results for the surveyed markets:

2012 Dayton Industrial Market Survey Vacancy Rates and Absorption Results															
Market Area	2012			2011			2010			2009			2008		
	GFA	Vac. %	2011-12 Absorb.	GFA	Vac. %	2010-11 Absorb.	GFA	Vac. %	2009-10 Absorb.	GFA	Vac. %	2008-09 Absorb.	GFA	Vac. %	2007-08 Absorb.
Dayton East	2,025,964	10.11%	(103,116)	1,992,241	5.11%	156,260	1,992,241	12.95%	146,584	1,992,241	20.31%	24,078	1,992,241	21.52%	(11,336)
Dayton North	4,971,296	16.41%	240,288	5,025,095	21.47%	110,606	5,072,637	23.73%	(248,085)	5,028,118	18.92%	(113,578)	4,745,938	17.65%	50,420
Dayton South	8,684,458	29.49%	26,026	8,203,903	31.26%	(515,188)	8,218,139	25.39%	88,747	8,154,645	26.68%	(484,194)	8,035,260	17.18%	231,816
Dayton West	1,240,948	33.72%	(99,183)	1,184,810	26.95%	(5,000)	1,184,810	26.53%	(9,200)	1,184,810	25.75%	(35,800)	1,184,810	22.73%	59,000
Upper Valley	3,290,976	29.64%	195,482	3,108,115	31.49%	(163,852)	3,127,690	23.89%	97,360	2,948,807	28.64%	(310,921)	2,332,557	22.88%	(123,492)
Regional	20,213,642	24.61%	259,497	19,514,164	25.85%	(416,374)	19,984,243	25.58%	138,626	19,308,621	24.24%	(920,415)	18,290,806	18.86%	206,408
Dayton Area	16,922,666	23.64%	64,015	16,406,049	24.78%	(253,322)	16,467,827	23.46%	(21,954)	16,359,814	23.45%	(609,494)	15,958,249	18.27%	329,900

Specifically, in the Dayton Area market, we have surveyed 258 Industrial Buildings, which included properties in the submarkets of East, North, South and West. Within these sampled markets, a grand total of 16,922,666 square feet of space was surveyed, of which 3,999,906 square feet, or 23.64%, 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 (35) facilities were surveyed. This market accounts for a total of 2,025,964 square feet of space, of which 204,916 square feet, or 10.11%, was reported to be vacant. This market indicates a net negative absorption of (103,116) square feet. For the *East* market, quoted annual lease rates range from \$9.00/square foot to \$14.00/square foot for office space, from \$2.95/square foot to \$9.00/square foot for warehouse space and from \$2.00/square foot to \$2.90/square foot on a blended basis.

Dayton North

In the *North Industrial* market, a total of (89) facilities were surveyed. This market accounts for a total of 4,971,296 square feet of space, of which 815,733 square feet, or 16.41%, was reported to be vacant. This market reflected a net positive absorption of 240,288 square feet. For the *North* 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 \$5.50/square foot for warehouse space and from \$2.70/square foot to \$5.00/square foot on a blended basis.

Dayton South

In the *South Industrial* market, a total of (126) facilities were surveyed. This market accounts for a total of 8,684,458 square feet of space, of which 2,560,754 square feet, or 29.49%, was reported to be vacant. This indicates a net positive absorption for the *South* market of 26,026 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 \$3.25/square foot to \$16.00/square foot for office space, from \$3.75/square foot to \$7.19/square foot for warehouse space and from \$3.75/square foot to \$6.75/square foot on a blended basis.

Dayton West

In the *West Industrial* market, a total of (8) facilities were surveyed. This market accounts for a total of 1,240,948 square feet of space, of which 418,503 square feet, or 33.72%, was reported to be vacant. This indicates a net negative absorption for the *West* market of (99,183) 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 \$2.00/square foot to \$6.00/square foot for warehouse space and from \$1.44/square foot to \$1.44/square foot on a blended basis.

Upper Valley

In the *Upper Valley Industrial* market, a total of (39) facilities were surveyed. This market accounts for a total of 3,290,976 square feet of space, of which 975,553 square feet, or 29.64% was reported to be vacant. This indicates a net positive absorption for the *Upper Valley* market of 195,482 square feet. For the *Upper Valley* market, quoted annual lease rates range from \$2.30/square foot to \$9.00/square foot for office space, from \$1.25/square foot to \$4.40/square foot for warehouse space and from \$2.30/square foot to \$2.30/square foot on a blended basis.

Miller-Valentine Gem Real Estate Group 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 Gem Real Estate Group's 2012 Industrial Market Study*** reflects market conditions during the Second 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/or public records. All information furnished by others is believed to be reliable. ***Miller-Valentine Gem Real Estate Group*** makes no warranties regarding the accuracy of this information, which is subject to change without notice.

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