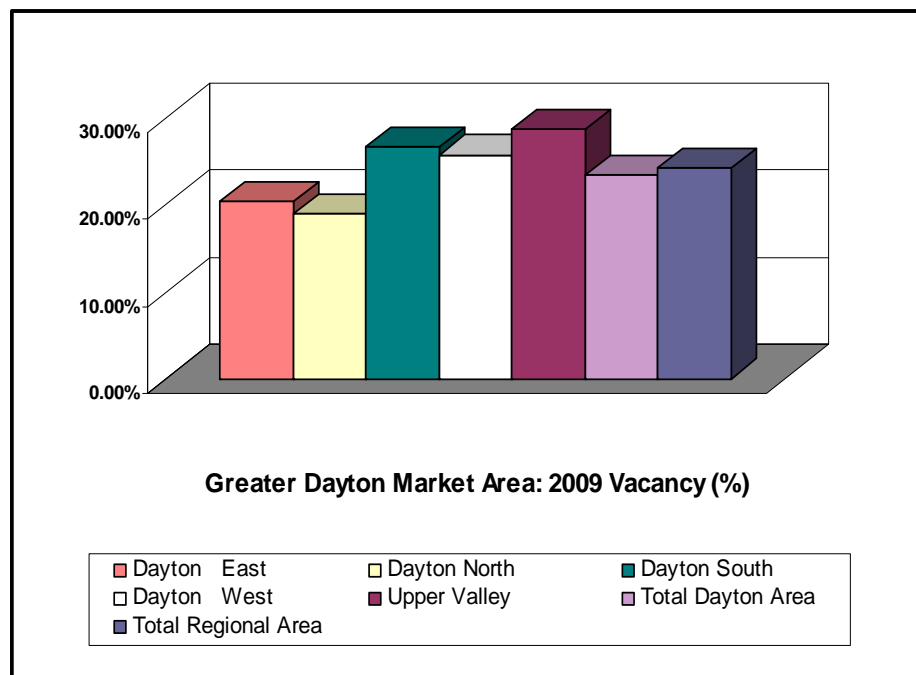


## 2009 DAYTON INDUSTRIAL MARKET SURVEY

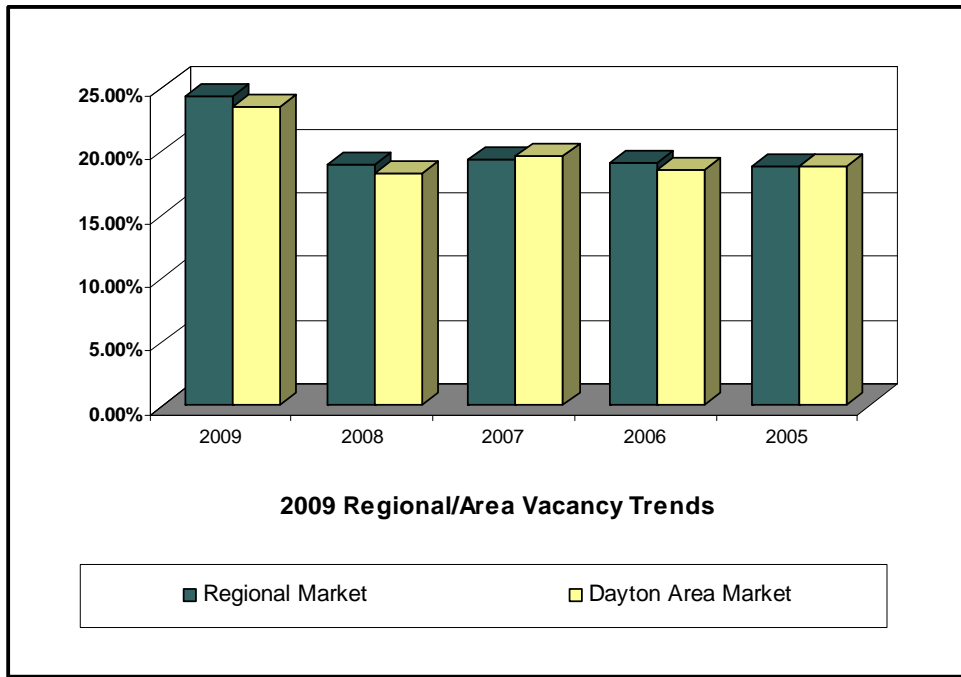
*Gem Real Estate Group's 2009 Industrial Market Survey* is a comprehensive survey intended to capture the current conditions and developing trends regarding Industrial space within the greater Dayton area. The facilities included in this study represent those, which are most reflective of the area's Industrial market.

In the 2009 survey, we have sampled 292 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 19,308,621 square feet of industrial/warehouse space was surveyed within these five (5) markets, of which 4,680,969 square feet, or 24.24% was reported to be vacant. This vacancy rate is up from the 2008 figure of 18.86%. The 2009 results are summarized in the following grid and chart.

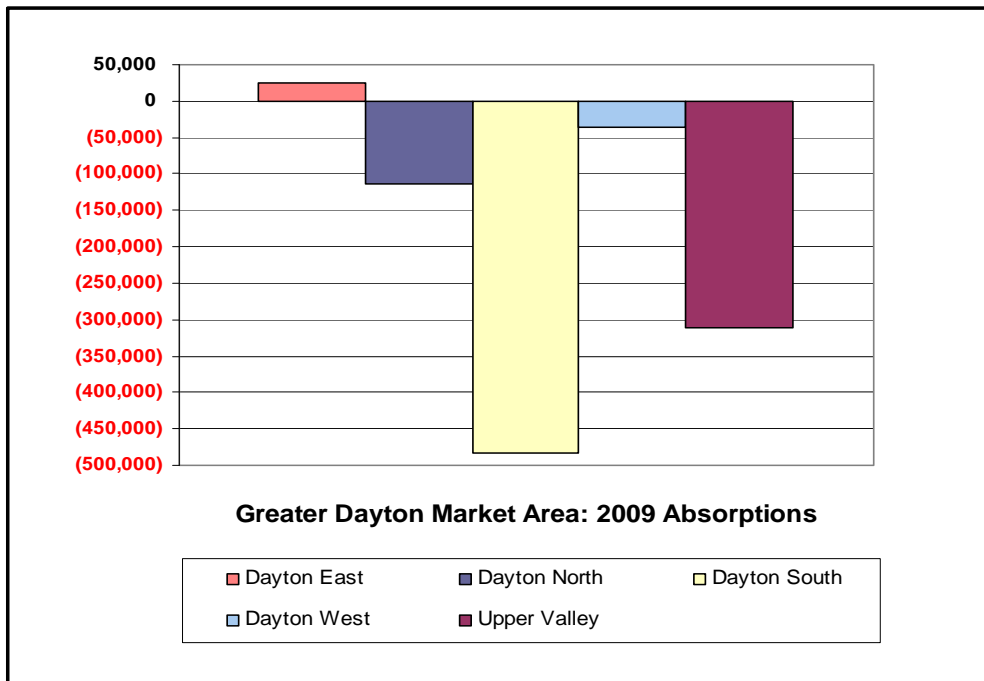
<u>2009 Dayton Industrial Market Survey</u>				
	#	GFA	Vac. s.f.	Vac. %
Dayton East Market	35	1,992,241	404,644	20.31%
Dayton North Market	90	5,028,118	951,123	18.92%
Dayton South Market	123	8,154,645	2,175,461	26.68%
Dayton West Market	8	1,184,810	305,120	25.75%
Upper Valley Market	36	2,948,807	844,621	28.64%
Regional Market	292	19,308,621	4,680,969	24.24%
Dayton Area Market	256	16,359,814	3,836,348	23.45%



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



Within the regional market, a negative absorption of (920,415) square feet of space occurred in 2008-2009 survey period. The Dayton Area market, experienced a negative absorption of (609,494) square feet during the 2008-2009 survey period. Illustrated on the following chart, is the 2008-2009 absorption by sub-market.



The grid below illustrates a summary of the 2009, 2008, 2007, 2006 and 2005 vacancy rates and absorption results for the surveyed markets:

2009 Dayton Industrial Market Survey Vacancy Rates and Absorption Results															
Market Area	2009			2008			2007			2006			2005		
	GFA	Vac. %	2008-09 Absorb.	GFA	Vac. %	2007-08 Absorb.	GFA	Vac. %	2006-07 Absorb.	GFA	Vac. %	2005-06 Absorb.	GFA	Vac. %	2004-05 Absorb.
Dayton East	1,992,241	20.31%	24,078	1,992,241	21.52%	(11,336)	1,996,241	20.91%	(49,800)	1,980,777	18.56%	(96,046)	1,958,777	13.86%	58,900
Dayton North	5,028,118	18.92%	(113,578)	4,745,938	17.65%	50,420	4,987,869	17.80%	(55,921)	5,075,338	16.31%	140,565	5,095,248	19.00%	108,575
Dayton South	8,154,645	26.68%	(484,194)	8,035,260	17.18%	231,816	8,281,610	19.47%	117,428	7,780,202	18.66%	33,023	8,107,605	18.31%	(400,038)
Dayton West	1,184,810	25.75%	(35,800)	1,184,810	22.73%	59,000	1,264,810	25.96%	(17,000)	1,184,810	26.28%	31,000	1,214,810	28.18%	(35,000)
Upper Valley	2,948,807	28.64%	(310,921)	2,332,557	22.88%	(123,492)	2,452,557	16.73%	113,400	2,174,557	23.53%	(107,300)	2,163,557	18.69%	103,300
Regional	19,308,621	24.24%	(920,415)	18,290,806	18.86%	206,408	18,983,087	19.26%	108,107	18,195,684	19.07%	1,242	18,539,997	18.72%	(164,263)
Dayton Area	16,359,814	23.45%	(609,494)	15,958,249	18.27%	329,900	16,530,530	19.63%	(5,293)	16,021,127	18.46%	108,542	16,376,440	18.73%	(267,563)

Specifically, in the Dayton Area market, we have surveyed 256 Industrial Buildings, which included properties in the submarkets of East, North, South and West. Within these sampled markets, a grand total of 16,359,814 square feet of space was surveyed, of which 3,836,348 square feet, or 23.45%, was reported to be vacant.

A larger percentage of the vacancy in this year's survey continues to be attributable to certain bulk industrial/warehouse facilities. The vacancy in these facilities tends to somewhat skew the overall market results.

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 1,992,241 square feet of space, of which 404,644 square feet, or 20.31%, was reported to be vacant. This market indicates a net positive absorption of 24,078 square feet. For the *East* market, quoted annual lease rates range from \$9.00/square foot to \$13.00/square foot for office space, from \$3.25/square foot to \$6.00/square foot for warehouse space and from \$2.00/square foot to \$9.00/square foot on a blended basis.

### Dayton North

In the *North Industrial* market, a total of (90) facilities were surveyed. This market accounts for a total of 5,028,118 square feet of space, of which 951,123 square feet, or 18.92%, was reported to be vacant. This market reflected a net negative absorption of (113,578) square feet. For the *North* market, quoted annual lease rates range from \$5.50/square foot to \$9.75/square foot for office space, from \$2.75/square foot to \$5.50/square foot for warehouse space and from \$2.94/square foot to \$11.00/square foot on a blended basis.

### Dayton South

In the *South Industrial* market, a total of (123) facilities were surveyed. This market accounts for a total of 8,154,645 square feet of space, of which 2,175,461 square feet, or 26.68%, was reported to be vacant. This indicates a net negative absorption for the *South* market of (484,194) 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 \$2.25/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 \$2.25/square foot to \$9.00/square foot on a blended basis.

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### Dayton West

In the *West Industrial* market, a total of (8) facilities were surveyed. This market accounts for a total of 1,184,810 square feet of space, of which 305,120 square feet, or 25.75%, was reported to be vacant. This indicates a net negative absorption for the *West* market of (35,800) square feet. For the *West* market, quoted annual lease rates range from \$12.00/square foot to \$16.87/square foot for office space, from \$3.00/square foot to \$6.00/square foot for warehouse space and from \$2.25/square foot to \$3.75/square foot on a blended basis.

### Upper Valley

In the *Upper Valley Industrial* market, a total of (36) facilities were surveyed. This market accounts for a total of 2,948,807 square feet of space, of which 844,621 square feet, or 28.64% was reported to be vacant. This indicates a net negative absorption for the *Upper Valley* market of (310,921) square feet. For the *Upper Valley* market, quoted annual lease rates range from \$2.50/square foot to \$9.00/square foot for office space, from \$2.00/square foot to \$4.50/square foot for warehouse space and from \$3.40/square foot to \$10.50/square foot on a blended basis.

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The information published in *Gem Real Estate Group's 2009 Industrial Market Study* reflects market conditions during the Second quarter of 2009. 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. *Gem Real Estate Group* makes no warranties regarding the accuracy of this information, which is subject to change without notice.

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