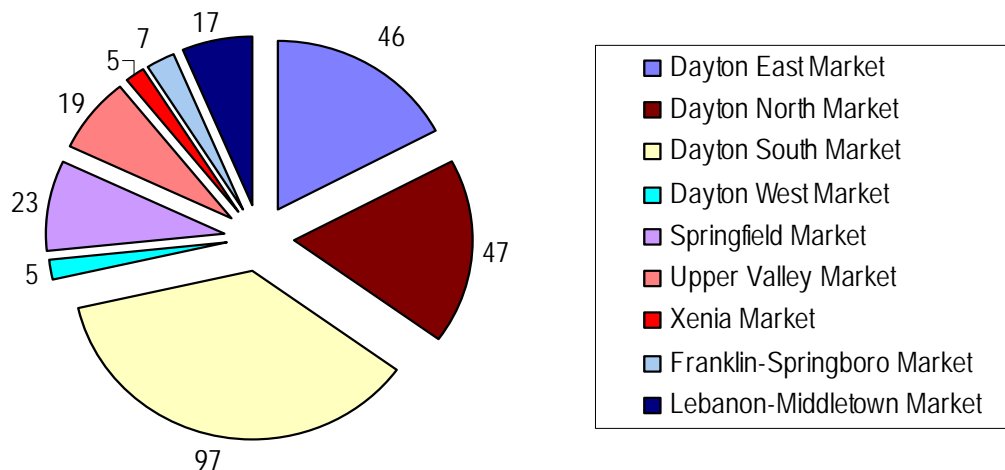




## 2009 DAYTON REGIONAL RETAIL MARKET STUDY

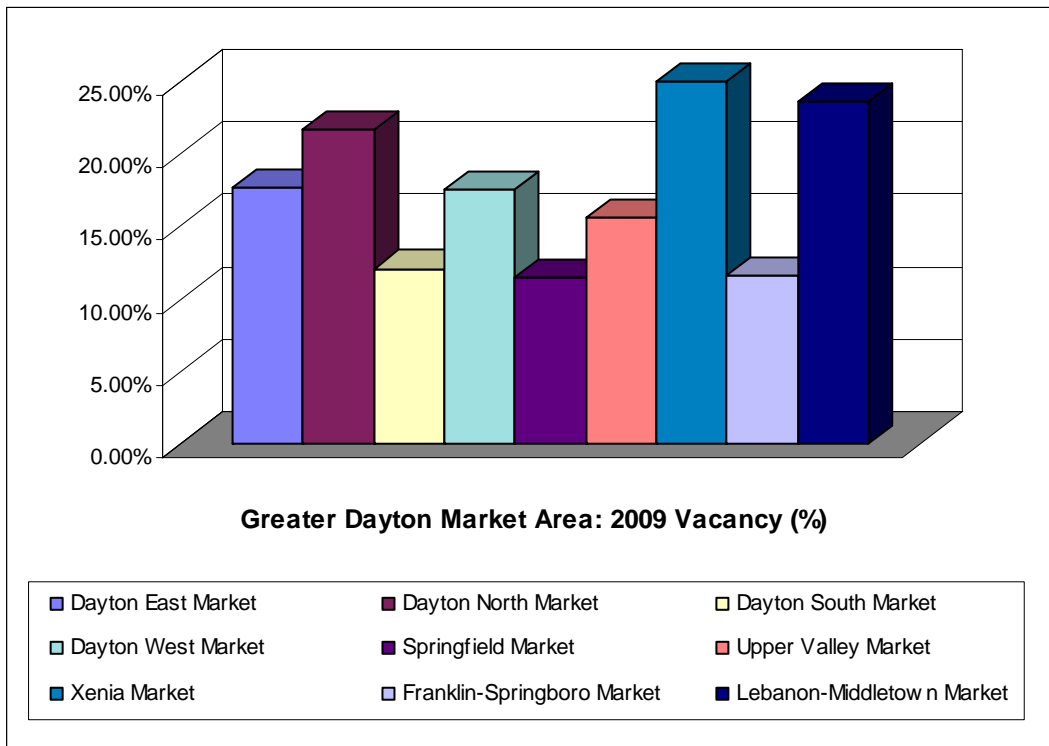
**Gem Real Estate Group's 2009 Dayton Regional Retail Market Study** is a comprehensive survey designed to capture the current conditions and developing trends regarding retail space within the Dayton region. The properties assessed for this survey are those deemed to most accurately reflect the region's retail market.

We sampled 266 retail facilities for this survey. These properties are divided into nine distinct sub-markets identified as: Dayton East; Dayton North; Dayton South; Dayton West; Springfield; Upper Valley; Xenia; Franklin-Springboro; Lebanon-Middletown. The chart below illustrates the number of retail centers surveyed within each sub-market.



A grand total of 26,173,644 square feet of retail space within the Dayton Regional Market was surveyed. **Gem Real Estate Group** determined that 4,273,283 square feet, or 16.33% of the grand total, was reported to be vacant. Accordingly, those properties included in last year's survey demonstrate a negative absorption within the regional market of **(554,153)** square feet. The 2009 results are summarized in the following grid.

	2009	2009	2009	2008-2009	Rental Rate Range	Expense/ Sq.Ft.
	#	GFA	Vac. s.f.	Vac. %	Absorb.	All Space
Dayton East Market	46	5,602,279	991,720	17.70%	(247,252)	\$2.00 - \$120.00 \$0.33 - \$25.00
Dayton North Market	47	4,356,588	943,371	21.65%	49,786	\$2.00 - \$22.00 \$0.90 - \$4.50
Dayton South Market	97	7,580,969	916,229	12.09%	(168,424)	\$3.00 - \$75.00 \$0.50 - \$25.00
Dayton West Market	5	385,758	67,780	17.57%	(40,400)	\$3.65 - \$12.00 \$1.00 - \$2.51
Springfield Market	23	2,913,467	334,402	11.48%	48,556	\$3.00 - \$28.00 \$1.00 - \$4.88
Upper Valley Market	19	2,582,929	402,302	15.58%	32,119	\$5.00 - \$35.00 \$1.10 - \$4.50
Xenia Market	5	548,262	151,824	27.69%	(126,559)	\$7.00 - \$14.00 \$3.00 - \$3.83
Franklin-Springboro Market	7	457,509	53,071	11.60%	48,229	\$3.25 - \$13.21 \$1.60 - \$4.00
Lebanon-Middletown Market	17	1,745,883	412,584	23.63%	(150,208)	\$2.70 - \$22.00 \$1.50 - \$5.00
Regional Market	266	26,173,644	4,273,283	16.33%	(554,153)	\$2.00 - \$120.00 \$0.33 - \$25.00
Dayton Area Market	195	17,925,594	2,919,100	16.28%	(406,290)	\$2.00 - \$120.00 \$0.33 - \$25.00



The following chart illustrates the vacancy and absorption trends for both the Regional and immediate Dayton Area Markets. The trend in 2009 for both the Dayton Area and Dayton Regional markets reflect an increase in vacancy rates and, correspondingly, available space. A summary of these trends, from 2004–2009 is shown below.

	2009	2008-2009	2008	2007-2008	2007	2006-2007	2006	2005-2006	2005	2004-2005	2004	2003-2004
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
<i>Dayton Area Market</i>	16.28%	(406,290)	13.84%	(114)	13.19%	20,669	13.32%	120,927	13.38%	(257,060)	11.65%	224,393
<i>Regional Market</i>	16.33%	(554,153)	14.09%	(310,372)	12.45%	(52,401)	12.24%	274,571	12.87%	(311,716)	11.41%	131,190

These data demonstrate a strengthening of both the area and regional retail market.

**The Gem Real Estate Group, Inc.** surveyed 195 retail properties in the Dayton Area Market. This market is divided into sub-markets of East, North, South, and West. A total of 17,925,594 square feet of retail space was surveyed within these sub-markets. This review found that 2,919,100 square feet, or 16.28% of the total, was reported to be vacant. That result represents an increase in the vacancy from 2008, when a 13.84% retail vacancy rate was identified. This activity is summarized, along with historical trend data, in the summary below.

	2009	2008-2009	2008	2007-2008	2007	2006-2007	2006	2005-2006	2005	2004-2005	2004	2003-2004
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
<i>Dayton East Market</i>	17.70%	(247,252)	12.44%	54,188	11.64%	21,258	12.01%	128,700	13.90%	(64,189)	12.41%	(37,936)
<i>Dayton North Market</i>	21.65%	49,786	22.80%	(124,300)	19.85%	(59,640)	18.48%	(21,373)	17.28%	(133,511)	13.56%	83,986
<i>Dayton South Market</i>	12.09%	(168,424)	9.91%	14,899	10.15%	101,495	11.52%	(6,120)	10.94%	(62,575)	9.96%	169,858
<i>Dayton West Market</i>	17.57%	(40,400)	7.10%	55,099	18.82%	(42,444)	9.13%	19,720	13.63%	3,215	13.34%	8,485
<i>Dayton Area Market</i>	16.28%	(406,290)	13.84%	(114)	13.19%	20,669	13.32%	120,927	13.38%	(257,060)	11.65%	224,393

**The Gem Real Estate Group, Inc.** analyzed each sub-group within the survey area. The most significant changes are identified within the Dayton: South and East sub-markets along with the Xenia and Lebanon-Middletown submarkets. These markets reflect a negative trend with an increase in vacancy, resulting from negative space absorption. The remaining markets demonstrated lesser variation from last year's performance. The historical trend activity for each sub-market is illustrated below. A brief summary of the specific sub-market activity follows.

	2009	2008-2009	2008	2007-2008	2007	2006-2007	2006	2005-2006	2005	2004-2005	2004	2003-2004
	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.	Vac. %	Absorb.
<i>Dayton East Market</i>	17.70%	(247,252)	12.44%	54,188	11.64%	21,258	12.01%	128,700	13.90%	(64,189)	12.41%	(37,936)
<i>Dayton North Market</i>	21.65%	49,786	22.80%	(124,300)	19.85%	(59,640)	18.48%	(21,373)	17.28%	(133,511)	13.56%	83,986
<i>Dayton South Market</i>	12.09%	(168,424)	9.91%	14,899	10.15%	101,495	11.52%	(6,120)	10.94%	(62,575)	9.96%	169,858
<i>Dayton West Market</i>	17.57%	(40,400)	7.10%	55,099	18.82%	(42,444)	9.13%	19,720	13.63%	3,215	13.34%	8,485
<i>Springfield Market</i>	11.48%	48,556	13.14%	(126,435)	8.80%	(79,473)	6.03%	59,624	7.25%	918	7.67%	(15,729)
<i>Upper Valley Market</i>	15.58%	32,119	16.87%	(107,529)	12.70%	(42,180)	11.06%	32,989	14.50%	(6,752)	14.18%	36,705
<i>Xenia Market</i>	27.69%	(126,559)	3.82%	23,250	7.94%	11,500	10.03%	32,200	9.75%	(5,000)	7.12%	3,000
<i>Franklin-Springboro Market</i>	11.60%	48,229	22.14%	(95,850)	1.19%	(4,450)	0.22%	0	0.22%	30,500	6.71%	(18,777)
<i>Lebanon-Middletown Market</i>	23.63%	(150,208)	15.03%	(3,694)	14.82%	41,533	17.21%	28,831	18.87%	(74,322)	14.52%	(98,402)
<i>Regional Market</i>	16.33%	(554,153)	14.09%	(310,372)	12.45%	(52,401)	12.24%	274,571	12.87%	(311,716)	11.41%	131,190

### **Dayton East**

Within the *Dayton East* market, a total of (46) facilities were surveyed. This market accounts for a total of 5,602,279 square feet of space, of which 991,720 square feet, or 17.70%, was reported to be vacant. Overall, quoted annual lease rates range from \$2.00 to \$120.00 per square foot. Expense reimbursements ranged from \$0.33/sq.ft. to \$25.00/sq.ft.

### **Dayton North**

Within the *Dayton North* market, a total of (47) facilities were surveyed. This market accounts for a total of 4,356,588 square feet of space, of which 943,371 square feet, or 21.65%, was reported to be vacant. Overall, quoted annual lease rates range from \$2.00 to \$22.00 per square foot. Expense reimbursements ranged from \$0.90/sq.ft. to \$4.50/sq.ft.

### **Dayton South**

Within the *Dayton South* market, a total of (97) facilities were surveyed. This market accounts for a total of 7,580,969 square feet of space, of which 916,229 square feet, or 12.09%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.00 to \$75.00 per square foot. Expense reimbursements ranged from \$0.50/sq.ft. to \$25.00/sq.ft.

### **Dayton West**

Within the *Dayton West* market, a total of (5) facilities were surveyed. This market accounts for a total of 385,758 square feet of space, of which 67,780 square feet, or 17.57%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.65 to \$12.00 per square foot. Expense reimbursements ranged from \$1.00/sq.ft. to \$2.51/sq.ft.

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### **Springfield**

Within the *Springfield* market, a total of (23) facilities were surveyed. This market accounts for a total of 2,913,467 square feet of space, of which 334,402 square feet, or 11.48%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.00 to \$28.00 per square foot. Expense reimbursements ranged from \$1.00/sq.ft. to \$4.88/sq.ft.

### **Upper Valley**

Within the *Upper Valley* market (Tipp City, Troy, Piqua and Sidney), a total of (19) facilities were surveyed. This market accounts for a total of 2,582,929 square feet of space, of which 402,302 square feet, or 15.58%, was reported to be vacant. Overall, quoted annual lease rates range from \$5.00 to \$35.00 per square foot. Expense reimbursements ranged from \$1.10/sq.ft. to \$4.50/sq.ft.

### **Xenia**

Within the *Xenia* market, a total of (5) facilities were surveyed. This market accounts for a total of 548,262 square feet of space, of which 151,824 square feet, or 27.69%, was reported to be vacant. Overall, quoted annual lease rates range from \$7.00 to \$14.00 per square foot. Expense reimbursements ranged from \$3.00/sq.ft. to \$3.83/sq.ft.

### **Franklin-Springboro**

Within the *Franklin/Springboro* market, a total of (7) facilities were surveyed. This market accounts for a total of 457,509 square feet of space, of which 53,071 square feet, or 11.60%, was reported to be vacant. Overall, quoted annual lease rates range from \$3.25 to \$13.21 per square foot. Expense reimbursements ranged from \$1.60/sq.ft. to \$4.00/sq.ft.

### **Lebanon-Middletown**

Within the *Lebanon-Middletown* market, a total of (17) facilities were surveyed. This market accounts for a total of 1,745,883 square feet of space, of which 412,584 square feet, or 23.63%, was reported to be vacant. Overall, quoted annual lease rates range from \$2.70 to \$22.00 per square foot. Expense reimbursements ranged from \$1.50/sq.ft. to \$5.00/sq.ft.

As previously mentioned, this study is intended to reflect the condition of the Dayton regional retail real estate market. This survey may exclude facilities which are occupied solely by its owner or by single tenants.

The information published in ***Gem Real Estate Group's 2009 Retail Market Study*** reflects market conditions during the third quarter of 2008. 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, physical inspections 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.