

MARKETBEAT



SALT LAKE COUNTY INDUSTRIAL REPORT

3Q11

EXPANDED MARKET COVERAGE REPORT

WWW.COMRE.COM

Overview

The increase in overall market activity along side a slower negative direct net absorption indicates market conditions are flattening from the previous declines. Leasing continues to improve however lease rates have not stabilized. New construction showed improvement this quarter with five new starts, including two speculative buildings, as opposed on no new starts in the second quarter. Another glimmer of optimism comes from the increase in sales of owner/user properties which has not been seen since the fourth quarter of 2010.

Vacancy—The overall vacancy rate has decreased slightly from 8.59% to 8.53% last quarter as market activity continues to capture some companies downsizing and giving up space while others are adding space.

The industrial direct net absorption in Salt Lake County continues to show a contraction of just over 311,000 square feet in occupied space. This is a slowing decline this quarter from mid year numbers.

Industrial Market Overview

New Activity

Square Feet	Available Square Feet	Total Market Square Feet	Vacancy Total Market	Vacancy Increment
0-5,000	367,241	4,667,461	32.00%	7.87%
5,001-20,000	2,286,918	22,389,236	2.02%	10.21%
20,001-50,000	2,019,379	25,670,621	1.79%	7.87%
50,001-100,000	1,344,441	18,945,045	1.19%	7.10%
100,000+	3,626,040	41,356,257	3.21%	8.77%
Total	9,644,019	113,028,620	8.53%	

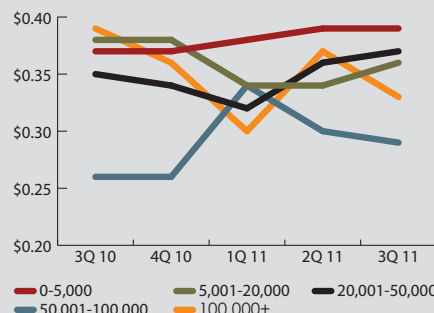
Industrial Lease Rates (NNN) / Sq. Ft. / Month

Square Feet	Average 2011 Asking Rate	Number of Q3 Transactions	Average 2010 Actual Rate	Average 2011 Actual Rate
0-5,000	\$0.43	41	\$0.37	\$0.39
5,001-20,000	\$0.44	44	\$0.38	\$0.36
20,001-50,000	\$0.41	14	\$0.34	\$0.37
50,001-100,000	\$0.43	6	\$0.26	\$0.29
100,000+	\$0.34	3	\$0.36	\$0.33
Total	\$0.40	108	\$0.36	\$0.34

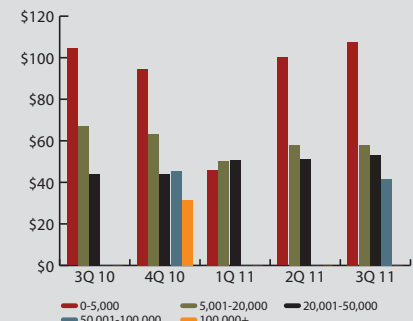
Stats on the Go

Total Market Square Feet:	113,028,620		
	Change since:	2Q11	3Q10
Industrial Vacancy	Current	8.53%	↓ ↑
Average Market Lease Rate	Current	\$0.34	↔ ↔
Completed Construction	Current	852,704	↓ ↓

Average Lease Rates



Average Sale Prices



Cushman & Wakefield Commerce Real Estate Solutions

170 South Main St., Suite 1600, Salt Lake City, UT 84101 (801) 322-2000

www.comre.com

©2011, Commerce Real Estate Solutions. Disclaimer: The above information is given with the obligation that all negotiations relating to the purchase, renting, or leasing of the property described above shall be conducted through Commerce Real Estate Solutions. No warranty or representation, express or implied, is made as to the accuracy of the information contained herein, and same is submitted subject to errors, omissions, change of price, rental or other encumbrances, withdrawal without notice, and to any special listing conditions imposed by the seller. Prospective buyers should conduct their own due diligence.

Industrial Sales Prices / Sq. Ft.

Square Feet	Average 2011 Asking Price	Number of 3Q Transactions	Average 2010 Sales Price	Average 2011 Sales Price
0-5,000	\$85.59	5	\$94.47	\$107.64
5,001-20,000	\$73.38	20	\$63.43	\$58.13
20,001-50,000	\$73.33	3	\$44.00	\$53.02
50,001-100,000	\$50.19	2	\$45.38	\$41.43
100,000+	\$45.89	0	\$31.47	\$0.00
Total	\$58.40	30	\$49.53	\$55.10

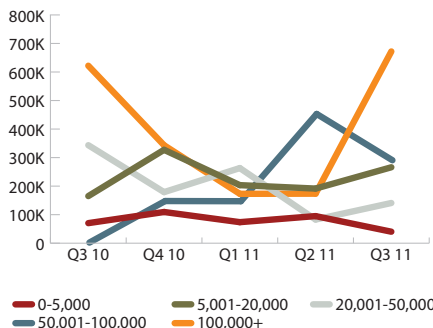
Average Lease Rates *^

Square Feet	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
0-5,000	\$0.37	\$0.37	\$0.38	\$0.39	\$0.39
5,001-20,000	\$0.38	\$0.38	\$0.34	\$0.34	\$0.36
20,001-50,000	\$0.35	\$0.34	\$0.32	\$0.36	\$0.37
50,001-100,000	\$0.26	\$0.26	\$0.34	\$0.30	\$0.29
100,000+	\$0.39	\$0.36	\$0.30	\$0.37	\$0.33
Total	\$0.35	\$0.36	\$0.34	\$0.34	\$0.34

Average Sale Prices

Square Feet	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
0-5,000	\$104.43	\$94.47	\$46.02	\$100.08	\$107.64
5,001-20,000	\$67.33	\$63.43	\$50.20	\$58.14	\$58.13
20,001-50,000	\$44.00	\$44.00	\$50.85	\$51.08	\$53.02
50,001-100,000	\$0.00	\$45.38	\$0.00	\$0.00	\$41.43
100,000+	\$0.00	\$31.47	\$0.00	\$0.00	\$0.00
Total	\$56.88	\$49.53	\$50.47	\$57.63	\$55.10

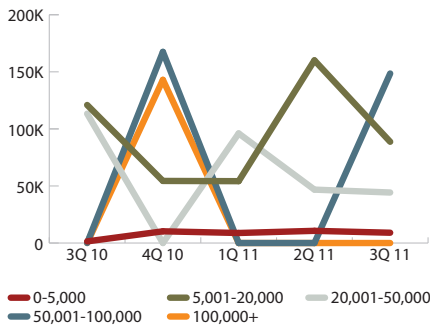
Leasing Activity



Leasing Activity

Square Feet	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
0-5,000	70,301	109,329	73,714	94,962	40,274
5,001-20,000	165,046	327,244	203,446	191,430	266,091
20,001-50,000	343,484	178,996	263,263	82,891	140,875
50,001-100,000	0	145,661	145,000	450,882	288,627
100,000+	622,000	343,257	173,040	173,539	672,000
Total	1,200,831	1,104,390	858,463	993,704	1,407,867

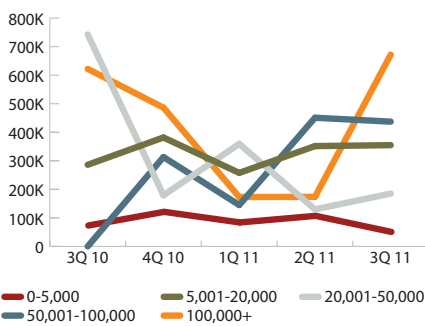
Sales Activity



Sales Activity

Square Feet	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
0-5,000	1,440	10,274	8,800	10,685	9,024
5,001-20,000	120,957	54,405	54,195	160,073	88,706
20,001-50,000	113,330	–	96,039	46,790	44,260
50,001-100,000	–	167,489	–	–	148,542
100,000+	–	143,000	–	–	–
Total	235,727	379,168	159,034	217,548	290,528

Total Activity



Total Activity

Square Feet	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
0-5,000	71,741	119,603	82,514	105,647	49,298
5,001-20,000	286,003	381,649	257,641	351,503	354,793
20,001-50,000	742,817	178,996	359,302	129,681	185,135
50,001-100,000	–	313,150	145,000	450,882	437,169
100,000+	622,000	486,257	173,040	173,539	672,000
Total	1,436,558	1,483,558	1,017,497	1,211,252	1,698,395

Notes:

* Actual rates include tenant build-out.

^ Conversion from MG or G lease type to NNN is \$0.16 for 0 to 5K, \$0.12 for 5 to 50K and \$0.09 for 50K+.

Disclaimer: The enclosed information, while not guaranteed, has been secured from sources we believe to be reliable.

Commerce Real Estate Solutions
© Copyright 2011 - All Rights Reserved

Industrial Parks

Park	Buildings Available	Available SF	Total SF	Vacancy
Bonneville	1	127,442	768,482	16.58%
Centennial	26	341,202	6,996,050	4.88%
Commerce Park	–	–	980,283	0.00%
Decker Lake	27	329,873	4,320,727	7.63%
Metro Business	7	79,589	842,066	9.45%
Ninigret	3	138,248	3,576,296	3.87%
Landmark	7	766,563	6,330,574	12.11%
Pioneer	5	135,697	1,145,570	11.85%
Salt Lake International Center	9	491,967	5,249,488	9.37%
Sorenson Technology Park	10	936,758	3,386,915	27.66%
Wagner	11	328,636	5,261,957	6.25%

Notable Second Quarter Transactions

Property	Tenant	Size	Class
5995 West Amelia Earhart Dr.	ITT Corporation	395,000 SF	B
1730 South 4650 West	International Paper	277,000 SF	A
1730 South 5200 West	Boart Longyear	83,107 SF	A
1900 West 2300 South	Alix Technology	80,040 SF	C
1786 South 4650 West	Medine	65,000	A