

Overall, the Salt Lake industrial market had increased market activity in both leasing and sales (up 12.7%) due to the favorable tenant market conditions. However, 2011 remained sluggish after a slow 2010. Similar to other Salt Lake County commercial real estate sectors, the larger regional and national companies are taking advantage of the current market conditions to grow and expand while the local, Main Street business owner remains cautious about the future and continues to struggle.

MARKET INDICATORS

	Change Since		
	Current	Q4 10	Q2 11
Industrial Vacancy	8.60%	▲	▼
Average Market Lease Rate	\$0.35 PSF	▼	▲
Completed Construction	1,378,404 SF	▲	▲

Arrows are indicators, and do not represent a positive or negative value.

MARKET TRENDS

Vacancy: Year-over-year vacancy is up 1%, now at 8.60%. Available space increased by 20% across the board in all size sectors. There remains shallow activity in the small

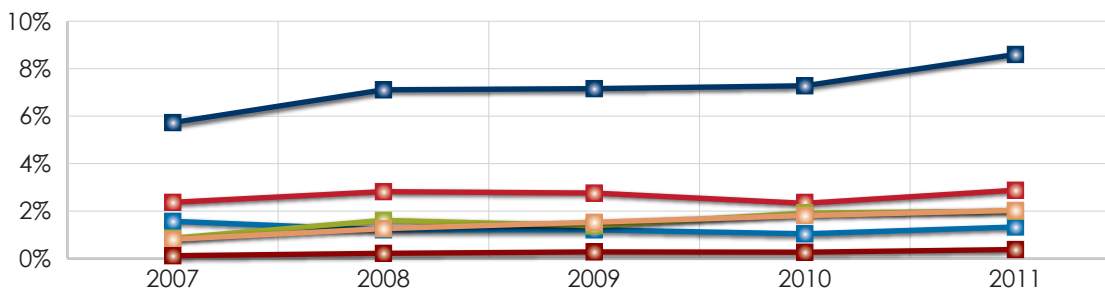
increment space, under 20,000 sf, with 408,082 sf added to the inventory over 2010. Smaller companies are experiencing a lack of available financing, with a few taking advantage of knowledge gains by doing more with better technology, thus requiring less space.

INDUSTRIAL MARKET OVERVIEW – FOURTH QUARTER 2011

Building Size (square feet)	New Construction	Rents*	Vacancy	Lease Activity (square feet)	Sales Activity (square feet)	Total Activity (square feet)	Total Market (square feet)
0-5,000	0 SF	\$0.38	0.38%	258,013	31,175	289,188	4,667,461
5,001-20,000	0 SF	\$0.36	2.03%	971,934	371,201	1,343,135	22,389,236
20,001-50,000	0 SF	\$0.34	1.99%	715,524	289,861	1,005,385	25,670,621
50,001-100,000	208,347 SF	\$0.28	1.33%	1,093,908	148,542	1,242,450	18,945,045
100,000+	1,170,057 SF	\$0.33	2.88%	1,423,908	-	1,423,908	41,546,257
Total	1,378,404 SF	\$0.35	8.60%	4,463,287	840,779	5,304,066	113,218,620

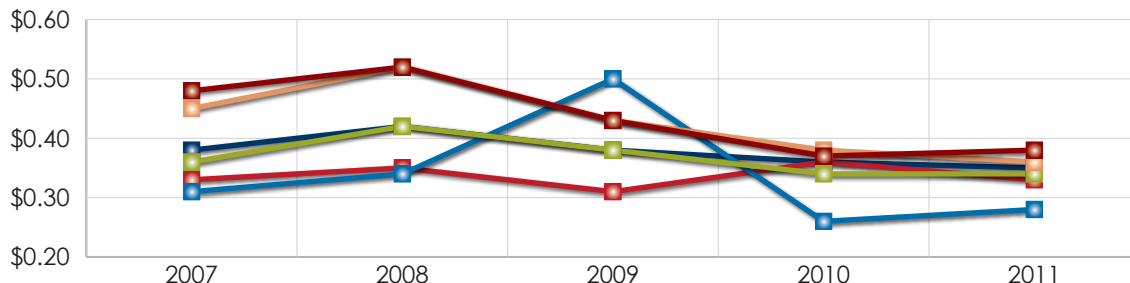
* Rents are actual, triple-net (NNN), per square foot, per month and include tenant build-out.

INDUSTRIAL MARKET VACANCY – FIVE YEAR HISTORY



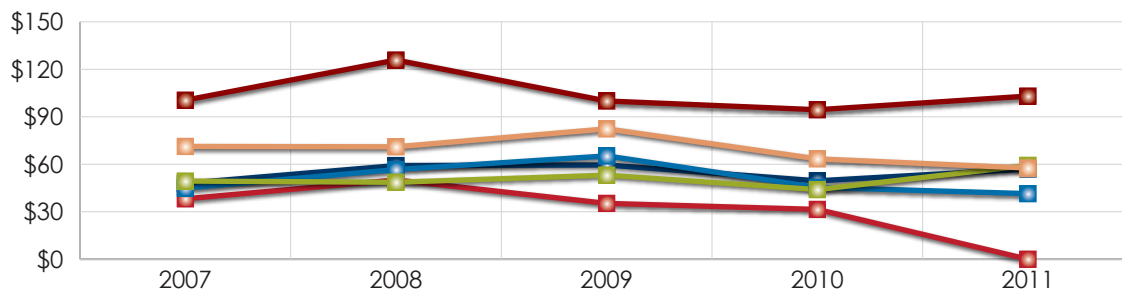
	2007	2008	2009	2010	2011
0-5,000 SF	0.12%	0.22%	0.28%	0.28%	0.38%
5,001-20,000 SF	0.81%	1.26%	1.53%	1.80%	2.03%
20,001-50,000 SF	0.86%	1.61%	1.38%	1.96%	1.99%
50,001-100,000 SF	1.57%	1.21%	1.21%	0.90%	1.33%
100,001+ SF	2.37%	2.82%	2.76%	2.34%	2.88%
Overall	5.73%	7.11%	7.16%	7.28%	8.60%

INDUSTRIAL MARKET LEASE RATES (PER SQUARE FOOT) – FIVE YEAR HISTORY



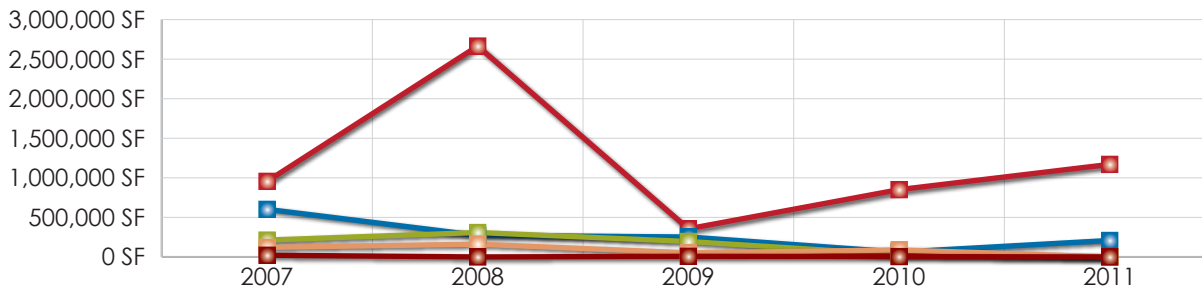
	2007	2008	2009	2010	2011
0-5,000 SF	\$0.48	\$0.52	\$0.43	\$0.37	\$0.38
5,001-20,000 SF	\$0.45	\$0.52	\$0.43	\$0.38	\$0.36
20,001-50,000 SF	\$0.36	\$0.42	\$0.38	\$0.34	\$0.34
50,001-100,000 SF	\$0.31	\$0.34	\$0.50	\$0.26	\$0.28
100,001+ SF	\$0.33	\$0.35	\$0.31	\$0.36	\$0.33
Overall	\$0.38	\$0.42	\$0.38	\$0.36	\$0.35

INDUSTRIAL MARKET SALE PRICES (PER SQUARE FOOT) – FIVE YEAR HISTORY



	2007	2008	2009	2010	2011
0-5,000 SF	\$100.50	\$125.88	\$100.00	\$94.47	\$103.09
5,001-20,000 SF	\$71.28	\$71.05	\$82.39	\$63.43	\$57.60
20,001-50,000 SF	\$49.38	\$48.63	\$53.10	\$44.00	\$59.31
50,001-100,000 SF	\$44.96	\$56.64	\$65.29	\$45.38	\$41.43
100,001+ SF	\$38.17	\$50.09	\$35.28	\$31.47	\$0.00
Overall	\$47.96	\$59.18	\$59.57	\$49.53	\$57.02

INDUSTRIAL CONSTRUCTION – FIVE YEAR HISTORY



	2007	2008	2009	2010	2011
0-5,000 SF	21,479	0	7,800	4,673	0
5,001-20,000 SF	120,888	161,294	51,260	88,418	0
20,001-50,000 SF	212,889	308,639	195,182	28,029	0
50,001-100,000 SF	601,594	273,058	252,300	60,600	208,347
100,001+ SF	955,539	2,665,410	355,966	850,796	1,170,057
Overall	1,912,389	3,408,401	862,508	1,032,516	1,378,404

MARKET FORECAST

The outlook for 2012 will look much like 2011. Vacancies will continue to be at stabilized levels with an overall reduction in larger increment spaces. Vacancy in the smaller increment spaces will increase. Lease rates will remain consistent at current rates within +/- 5% and lease activity is anticipated to keep showing improvement. With the exception of a greater

portion of the large increment spaces, tenants will continue to seek short term leases.

There is uncertainty as to what the potential change to Capital Leases policy will be on the market. Corporate America will continue to gain traction and grow while Main Street struggles. Limited new industrial building construction will occur as capital continues to be cautious and tenants face further economic and policy uncertainties.