

MARKETBEAT



SALT LAKE COUNTY OFFICE REPORT

2Q11

EXPANDED MARKET COVERAGE REPORT

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Overview

Vacancy—The overall combined direct vacancy rate in the Salt Lake County office market decreased from 15.41% in the first quarter, to 15.11% at the end of second quarter 2011. There is an additional 486,000 square feet of sublease space (or 1.61% of the total inventory) bringing the overall vacancy rate to 16.7%.

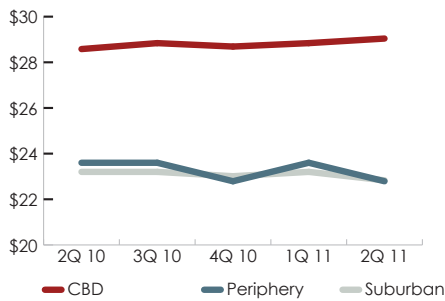
Rental Rates—Direct weighted average rental rates remained steady over the past six months and landlords are continuing to offer concessions to lure new tenants. The overall market direct weighted average asking rental rate stands at \$20.43 full service, per square foot per year.

Absorption—Direct absorption was stronger than anticipated given the current economic conditions. For the first half of 2011, The Salt Lake County office market experienced positive absorption of 432,459 sf, of which 95% occurred in the suburban submarkets.

Completed Construction—One build-to-suit project totaling 125,000 sf in a south suburban submarket was completed during the first half of 2011, with it being 100% pre-leased to the University of Southern Nevada.

Under Construction—An additional fully pre-leased 32,000 sf building in the Central Business District is currently under construction and is estimated to be completed by the end of 2011. It is anticipated that an additional 635,000 sf of construction will be completed in 2012, with 61% currently committed to tenants.

Class A Quoted Rents



Class A Quoted Rents*

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
CBD	\$28.58	\$28.84	\$28.69	\$28.84	\$29.04
Periphery	\$23.60	\$23.60	\$22.79	\$23.60	\$22.79
Suburban	\$23.20	\$23.20	\$23.01	\$23.20	\$22.83

Office Market Direct Vacancy**

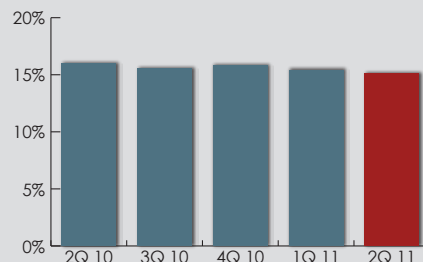
	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
CBD	15.14%	15.05%	15.07%	15.27%	15.19%
Periphery	10.95%	10.75%	11.48%	10.78%	10.56%
Suburban	17.15%	16.54%	16.96%	16.27%	15.87%
Overall	15.97%	15.53%	15.78%	15.41%	15.11%

Stats on the Go

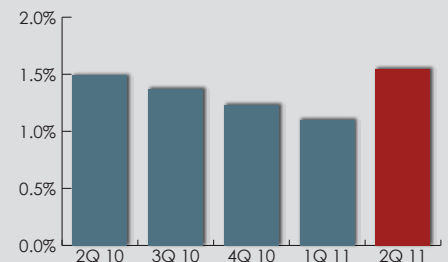
Total Market Square Feet: 31,620,274

	Current	Change since:	
		1Q11	2Q10
Direct Office Vacancy	15.11%	↓	↓
Sublease Vacancy	1.55%	↑	↑
Average Lease Rate	\$20.43	↓	↓
Completed Construction	125,000	↑	↓

Direct Market Vacancy



Sublease Vacancy



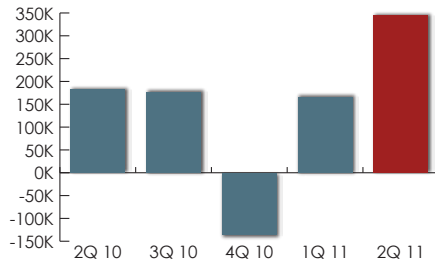
Cushman & Wakefield Commerce Real Estate Solutions

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

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Direct Market Absorption



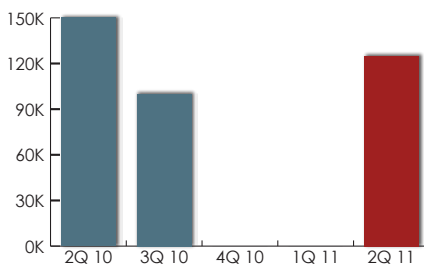
Office Market Direct Absorption (Square Feet)**

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
CBD	227,427	6,349	22,570	-1,619	-12,873
Periphery	-15,226	7,484	-23,964	25,072	7,968
Suburban	-29,502	163,489	-132,474	64,950	348,961
Overall	182,699	177,322	-134,868	88,403	344,056

Office Market Sublease Vacancy

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
CBD	1.94%	1.90%	1.95%	1.63%	1.75%
Periphery	1.66%	1.20%	1.16%	1.11%	0.89%
Suburban	1.30%	1.22%	0.99%	0.92%	1.60%
Overall	1.49%	1.37%	1.23%	1.10%	1.55%

Construction



Office Market New Construction Completed (Square Feet)

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
CBD	0	0	0	0	0
Periphery	0	0	0	0	0
Suburban	150,000	100,000	0	0	125,000
Overall	150,000	100,000	0	0	125,000

Under Construction

Property	Size	Estimated Completion
50 East South Temple	32,000 SF	4Q 11
Questar	175,000 SF	1Q 12
Old Mill IV	195,000 SF	2Q 12
Six Gateway	100,000 SF	3Q 12
FBI Building	165,000 SF	4Q 12

Construction Completion

Property	Riverpark XI
Tenant	Roseman University of Health Sciences (formerly University of So. Nevada)
Size	125,000 SF
Completion	2Q 2011

Notable First Quarter Transactions

Property	Tenant	Size	Class
170 South Main	QEP Resources, Inc.	35,320 SF	A
Eagle Gate Plaza	Morgan Stanley Smith Barney	22,094 SF	A
Bridge Building	Dex Media, Inc.	14,278 SF	B
Center Square	Lifetree Clinical Research	20,731 SF	B
Microsoft Building	L-3 Communications	46,062 SF	B

Notes:

* Weighted full service asking lease rates.

** Sublease space is not included in these figures.

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

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