

# MARKETBEAT



## SALT LAKE COUNTY RETAIL REPORT

2Q11

EXPANDED MARKET COVERAGE REPORT

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### Overview

- With the exception of the regional mall segment and Station Park in Farmington, overall retail activity remains stagnant in the Salt Lake market with transaction volume and new construction at historic lows.
- While stagnant, the Salt Lake retail market appears to have stabilized with overall vacancy rates remaining virtually unchanged. Asking lease rates have increased slightly in A centers only.
- City Creek Center, the multi-billion dollar redevelopment of two former regional malls by the Church of Jesus Christ of Latter Day Saints and Taubman Centers, is on schedule for a March 12, 2012 grand opening.
- General Growth Properties' (GGP) Fashion Place Mall continues to expand despite the challenging economy with North Face, Crate and Barrel, Sephora, Bravo restaurants and 17 other storefront and restaurant spaces scheduled to open in 2011 according to GGP.
- The Howard Hughes Corporation announced their plans to proceed with the development of the now vacant 54 acre former Cottonwood Mall site (excluding the operating Macy's department store) for 575,000 SF of retail, 195,000 SF of office, and 614 residential units.

### Retail Market Overview by Sub-Market

#### With Malls

	Market SF	Vacant SF	Vacancy
Northeast	5,110,340	497,078	9.73%
Central East	6,126,802	460,811	7.52%
Southeast	9,528,489	1,145,539	12.02%
Northwest	876,650	94,129	10.74%
Central West	7,204,420	916,953	12.73%
Southwest	8,680,435	483,225	5.57%
<b>Total</b>	<b>37,527,136</b>	<b>3,597,735</b>	<b>9.59%</b>

#### Without Malls

	Market SF	Vacant SF	Vacancy
Northeast	4,730,116	320,738	6.78%
Central East	5,021,652	443,397	8.83%
Southeast	8,259,803	1,122,039	13.58%
Northwest	876,650	94,129	10.74%
Central West	6,521,554	786,674	12.06%
Southwest	8,680,435	483,225	5.57%
<b>Total</b>	<b>34,090,210</b>	<b>3,250,202</b>	<b>9.53%</b>

### Retail Market Overview by Type

#### With Malls

	Market SF	Vacant SF	Vacancy
Mall	3,436,926	347,533	10.11%
Regional	6,735,413	653,656	9.70%
Community	15,327,805	1,268,326	8.27%
Neighborhood	7,553,007	662,157	8.77%
Strip	4,473,985	666,063	14.89%
<b>Total</b>	<b>37,527,136</b>	<b>3,597,735</b>	<b>9.59%</b>

#### Without Malls

	Market SF	Vacant SF	Vacancy
Mall	—	—	—
Regional	6,735,413	653,656	9.70%
Community	15,327,805	1,268,326	8.27%
Neighborhood	7,553,007	662,157	8.77%
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<b>Total</b>	<b>34,090,210</b>	<b>3,250,202</b>	<b>9.53%</b>

### Stats on the Go

	Current	Change since:	
		1Q11	2Q10
Retail Vacancy	<b>9.59%</b>	↓	↑
Average Market Lease Rate	<b>\$17.08</b>	↑	↓

### Notable First Quarter Transactions

Property	Tenant	Size
One Fourteen	Scheels Sporting Goods	220,000 SF
The District North	Gordman's, Inc.	50,000 SF
Former Fresh Market	Big Lots	33,502 SF
Fashion Place Mall	Crate & Barrel	29,000 SF
Fashion Place Mall	North Face	6,000 SF



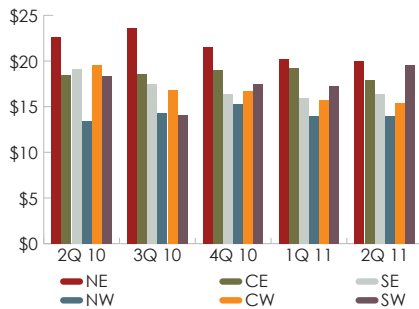
#### Cushman & Wakefield Commerce Real Estate Solutions

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

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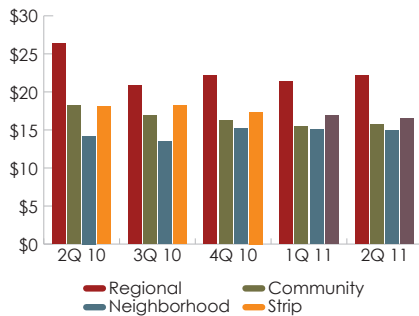
### Lease Rates by Sub-Market



### Weighted Average Asking Lease Rates by Sub-Market

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
Northeast	\$22.62	\$23.57	\$21.52	\$20.25	\$20.00
Central East	\$18.48	\$18.54	\$18.99	\$19.26	\$17.90
Southeast	\$19.13	\$17.42	\$16.39	\$15.97	\$16.32
Northwest	\$13.45	\$14.33	\$15.25	\$13.91	\$13.91
Central West	\$19.50	\$16.77	\$16.74	\$15.69	\$15.36
Southwest	\$18.34	\$14.08	\$17.42	\$17.20	\$19.54
<b>Total</b>	<b>\$19.12</b>	<b>\$17.20</b>	<b>\$17.42</b>	<b>\$16.94</b>	<b>\$17.08</b>

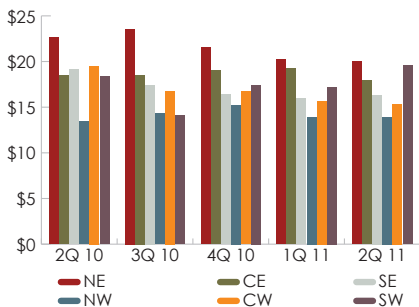
### Lease Rates by Type



### Weighted Average Asking Lease Rates by Type

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
Regional	\$26.39	\$20.84	\$22.19	\$21.34	\$22.14
Community	\$18.17	\$16.95	\$16.22	\$15.47	\$15.76
Neighborhood	\$14.20	\$13.49	\$15.14	\$15.09	\$14.97
Strip	\$18.13	\$18.21	\$17.35	\$16.88	\$16.47
<b>Total</b>	<b>\$19.12</b>	<b>\$17.20</b>	<b>\$17.42</b>	<b>\$16.94</b>	<b>\$17.08</b>

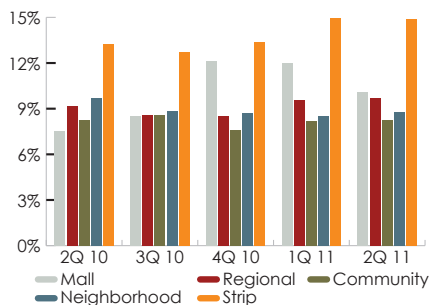
### Vacancy by Sub-Market



### Vacancy by Sub-Market

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
Northeast	8.60%	8.46%	9.77%	10.38%	9.73%
Central East	8.36%	9.13%	6.62%	7.36%	7.52%
Southeast	11.28%	11.30%	11.31%	11.98%	12.02%
Northwest	6.23%	5.43%	10.25%	10.55%	10.74%
Central West	10.06%	9.44%	11.13%	12.98%	12.73%
Southwest	7.63%	7.27%	6.14%	5.45%	5.57%
<b>Total</b>	<b>9.25%</b>	<b>9.14%</b>	<b>9.08%</b>	<b>9.66%</b>	<b>9.59%</b>

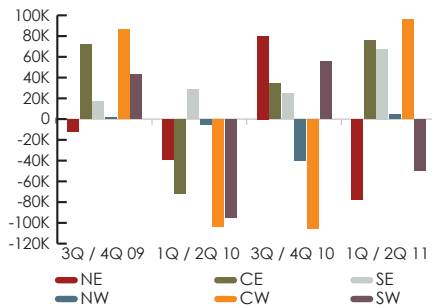
### Vacancy by Type



### Vacancy by Type

	2Q 10	3Q 10	4Q 10	1Q 11	2Q 11
Mall	7.54%	8.52%	12.14%	11.98%	10.11%
Regional	9.17%	8.58%	8.49%	9.56%	9.70%
Community	8.27%	8.60%	7.60%	8.18%	8.27%
Neighborhood	9.66%	8.87%	8.71%	8.53%	8.77%
Strip	13.22%	12.70%	13.39%	14.98%	14.89%
<b>Total</b>	<b>9.25%</b>	<b>9.14%</b>	<b>9.08%</b>	<b>9.66%</b>	<b>9.59%</b>

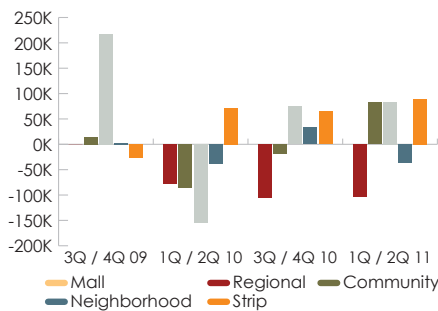
### Absorption by Sub-Market



### Absorption by Sub-Market (Square Feet)

	3Q/4Q 2009	1Q/2Q 10	3Q/4Q 10	1Q/2Q 11
Northeast	-11,656	-38,820	80,129	-77,791
Central East	71,582	-71,759	33,958	75,588
Southeast	17,103	28,154	25,026	67,480
Northwest	1,353	-5,072	-40,313	4,249
Central West	86,092	-103,266	-105,823	95,968
Southwest	42,858	-94,820	55,246	-49,678
<b>Total</b>	<b>207,332</b>	<b>-285,583</b>	<b>48,223</b>	<b>115,816</b>

### Absorption by Type



### Absorption by Type (Square Feet)

	3Q/4Q 09	1Q/2Q 10	3Q/4Q 10	1Q/2Q 11
Mall	0	-78,854	-105,478	-102,765
Regional	14,243	-84,780	-18,585	82,106
Community	217,190	-155,491	74,823	83,829
Neighborhood	2,472	-38,502	32,945	-36,926
Strip	-26,573	72,044	64,518	89,572
<b>Total</b>	<b>207,332</b>	<b>-285,583</b>	<b>48,223</b>	<b>115,816</b>

### New Construction by Sub-Market (Square Feet)

	3Q/4Q 09	1Q/2Q 10	3Q / 4Q 10	1Q/2Q 11
Northeast	-	20,516	193,716	88,610
Central East	-	-	-	15,044
Southeast	-	53,700	-	-
Northwest	-	-	-	-
Central West	105,150	-	83,069	12,600
Southwest	94,500	-	22,372	-
<b>Total</b>	<b>199,650</b>	<b>74,216</b>	<b>299,157</b>	<b>116,254</b>

### New Construction by Type (Square Feet)

	3Q/4Q 09	1Q/2Q 10	3Q / 4Q 10	1Q/2Q 11
Mall	-	-	137,982	43,610
Regional	-	-	22,372	-
Community	189,000	53,700	138,803	12,600
Neighborhood	-	-	-	45,000
Strip	10,650	20,516	-	15,044
<b>Total</b>	<b>199,650</b>	<b>74,216</b>	<b>299,157</b>	<b>116,254</b>

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

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