

MARKETBEAT



SALT LAKE COUNTY RETAIL REPORT

3Q11

EXPANDED MARKET COVERAGE REPORT

WWW.COMRE.COM

Overview

- The Salt Lake retail market has mirrored Wall Street this quarter. While always a factor in retail activity, the decline in the stock market and persistent troubling economic data had more of a direct impact on leasing activity.
- Lack of available financing and landlord wariness continue to hamper retail tenant leasing, especially for smaller start-ups and local operators. Despite all of this, 2011 has been the strongest year for retail since the downturn, and activity levels continue to improve.
- Positive market news came with the announcement by Taubman Centers, Inc, and the Church of Jesus Christ of Latter Day Saints of the first round retail tenants for the City Creek Center which include many large national retailers. City Creek, with new tenants such as Tiffany & Company, Coach, Porsche Design and Tumi, to name a few, will hopefully spawn additional activity in the Main Street Sector, particularly restaurants.
- In the overall U.S. retail market, national retailers are being attracted to outlet centers based on continued performance measures. Occupancy costs have fallen to their lowest level since 2007 and sales productivity has jumped to record highs, resulting in occupancy that has nearly returned to pre-recession levels.
- Overall vacancy in the Salt Lake retail market continues to remain around 9% while lease rates continue to steadily increase over Q2 2011. Value-oriented retail will remain a strong sector on both the national and local front for the foreseeable future.

Retail Market Overview by Sub-Market

With Malls

	Market SF	Vacant SF	Vacancy
Northeast	5,110,340	502,535	9.83%
Central East	6,126,802	491,783	8.03%
Southeast	9,528,489	1,127,847	11.84%
Northwest	876,650	93,004	10.61%
Central West	7,204,420	998,337	13.86%
Southwest	8,680,435	443,588	5.11%
Total	37,527,136	3,657,094	9.75%

Without Malls

	Market SF	Vacant SF	Vacancy
Northeast	4,730,116	326,195	6.90%
Central East	5,021,652	474,369	9.45%
Southeast	8,259,803	1,104,347	13.37%
Northwest	876,650	93,004	10.61%
Central West	6,521,554	868,058	13.31%
Southwest	8,680,435	443,588	5.11%
Total	34,090,210	3,309,561	9.71%

Retail Market Overview by Type

With Malls

	Market SF	Vacant SF	Vacancy
Mall	3,436,926	347,533	10.11%
Regional	6,735,413	667,346	9.91%
Community	15,327,805	1,186,527	7.74%
Neighborhood	7,553,007	711,959	9.43%
Strip	4,473,985	743,729	16.62%
Total	37,527,136	3,657,094	9.75%

Without Malls

	Market SF	Vacant SF	Vacancy
Mall	–	–	–
Regional	6,735,413	667,346	9.91%
Community	15,327,805	1,186,527	7.74%
Neighborhood	7,553,007	711,959	9.43%
Strip	4,473,985	743,729	16.62%
Total	34,090,210	3,309,561	9.71%

Stats on the Go

	Current	Change since:	
		2Q11	3Q10
Retail Vacancy	9.75%	↑	↑
Average Market Lease Rate	\$18.40	↑	↑

Notable First Quarter Transactions

Property	Tenant	Size
Former Pine Restaurant	River Restaurant	7,200 SF
Little Cottonwood Center	Bajjo	4,067 SF
2110 South 900 East	Chase Bank	3,740 SF



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.

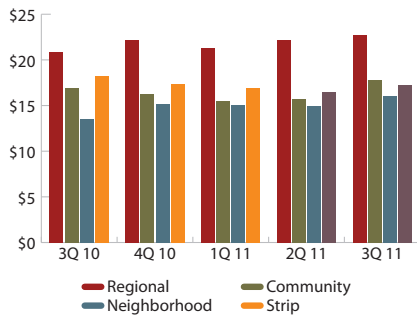
Lease Rates by Sub-Market



Weighted Average Asking Lease Rates by Sub-Market

	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
Northeast	\$23.57	\$21.52	\$20.25	\$20.00	\$19.89
Central East	\$18.54	\$18.99	\$19.26	\$17.90	\$18.82
Southeast	\$17.42	\$16.39	\$15.97	\$16.32	\$17.85
Northwest	\$14.33	\$15.25	\$13.91	\$13.91	\$13.78
Central West	\$16.77	\$16.74	\$15.69	\$15.36	\$16.69
Southwest	\$14.08	\$17.42	\$17.20	\$19.54	\$22.56
Total	\$17.20	\$17.42	\$16.94	\$17.08	\$18.40

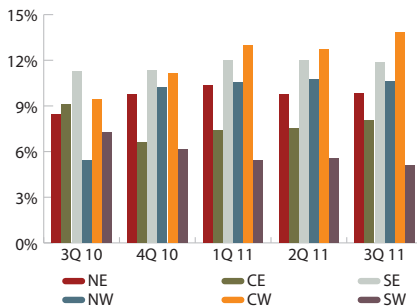
Lease Rates by Type



Weighted Average Asking Lease Rates by Type

	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
Regional	\$20.84	\$22.19	\$21.34	\$22.14	\$22.75
Community	\$16.95	\$16.22	\$15.47	\$15.76	\$17.81
Neighborhood	\$13.49	\$15.14	\$15.09	\$14.97	\$16.01
Strip	\$18.21	\$17.35	\$16.88	\$16.47	\$17.24
Total	\$17.20	\$17.42	\$16.94	\$17.08	\$18.40

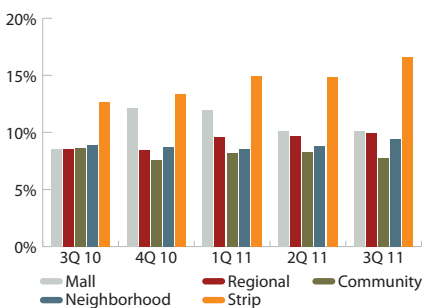
Vacancy by Sub-Market



Vacancy by Sub-Market

	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
Northeast	8.46%	9.77%	10.38%	9.73%	9.83%
Central East	9.13%	6.62%	7.36%	7.52%	8.03%
Southeast	11.30%	11.31%	11.98%	12.02%	11.84%
Northwest	5.43%	10.25%	10.55%	10.74%	10.61%
Central West	9.44%	11.13%	12.98%	12.73%	13.86%
Southwest	7.27%	6.14%	5.45%	5.57%	5.11%
Total	9.14%	9.08%	9.66%	9.59%	9.75%

Vacancy by Type



Vacancy by Type

	3Q 10	4Q 10	1Q 11	2Q 11	3Q 11
Mall	8.52%	12.14%	11.98%	10.11%	10.11%
Regional	8.58%	8.49%	9.56%	9.70%	9.91%
Community	8.60%	7.60%	8.18%	8.27%	7.74%
Neighborhood	8.87%	8.71%	8.53%	8.77%	9.43%
Strip	12.70%	13.39%	14.98%	14.89%	16.62%
Total	9.14%	9.08%	9.66%	9.59%	9.75%

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