

MARKETBEAT



UTAH COUNTY QUARTERLY REPORT

3Q11

EXPANDED MARKET COVERAGE REPORT

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Overview

- All Sectors had a positive absorption of space overall.
- Available sublease office space has increased significantly.
- Average Retail rates have declined slightly. Large malls and retail centers seem to have the lowest vacancy rates.
- The Industrial Sector is very healthy at less than 8% vacancy.
- Owner occupied buildings opening up to multi-tenant opportunities are responsible for most of the market size growth, but North county is seeing several large construction projects near completion which will change this dynamic soon.

Retail Absorption

Orem	105,564
Provo	85,583
North	(73,162)
South	(483)
Overall	117,502
Anchorless Strip	87,716
Neighborhood Ctr	11,093
Community Center	18,693
Mall	-
Overall	117,502

Retail Market Indicators

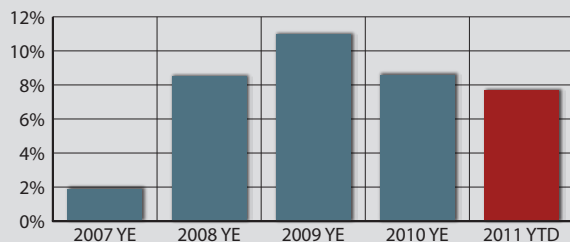
Total Inventory (SF)	10,875,450
Lease Rates PSF	\$14 NNN avg (\$5 - \$27)
Vacancy	12.93%
Cap Rate	8%
Land Values PSF	\$7 avg (\$3 - \$9)

Retail Market Overview - 3Q 11

Sector	Total SF	Available SF	Vacancy
Orem	4,504,314	553,273	12.28%
Provo	2,273,799	364,518	16.03%
Utah County North	3,167,818	385,240	12.16%
Utah County South	929,519	102,872	11.07%
Total	10,875,450	1,405,903	12.93%

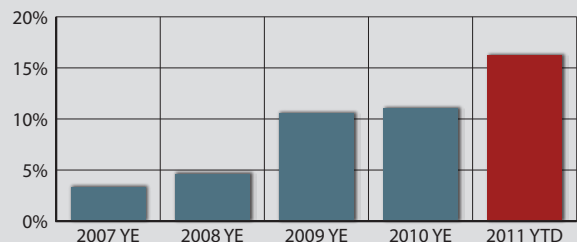
Type	Total SF	Available SF	Vacancy
Anchorless Strip	2,427,995	548,889	22.61%
Neighborhood Center	2,279,564	255,231	11.20%
Community Center	4,066,577	426,359	10.48%
Mall Space	2,101,314	175,424	8.35%
Total	10,875,450	1,405,903	12.93%

Overall Industrial Vacancy - Five Year History



	2007 YE	2008 YE	2009 YE	2010 YE	2011 YTD
Overall	1.89%	8.49%	10.95%	8.59%	7.67%

Overall Retail Vacancy - Five Year History



	2007 YE	2008 YE	2009 YE	2010 YE	2011 YTD
Overall	3.33%	4.62%	10.51%	11.05%	16.22%

*YE=Year End • YTD=Year To Date

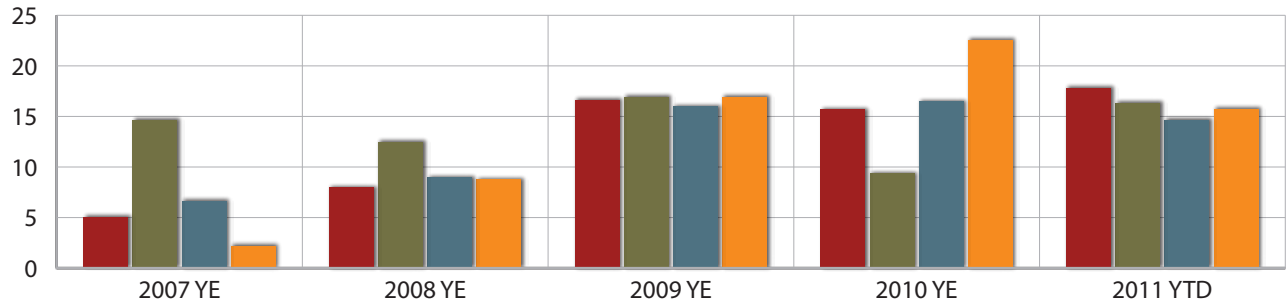


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Overall Office Vacancy – Five Year History



	2007 YE	2008 YE	2009 YE	2010 YE	2011 YTD
Orem	5.03%	7.97%	16.61%	15.67%	17.82%
Provo	14.65%	12.45%	16.93%	9.33%	16.34%
Utah County North	6.62%	8.94%	15.95%	16.46%	14.65%
Utah County South	2.2%	8.77%	16.92%	22.55%	15.72%

*YE=Year End • YTD=Year To Date

Office Market Overview - 3Q 11

	DIRECT OFFICE SPACE			SUBLEASE	
	Total SF	Available SF	Vacancy	Available SF	Vacancy
Orem					
Class A	1,339,011	205,469	15.34%	19,803	1.48%
Class B	695,659	127,441	18.32%	3,577	0.51%
Condo	965,523	201,586	20.88%	4,140	0.43%
Overall	3,000,193	534,496	17.82%	27,520	0.92%
Provo					
Class A	1,458,830	367,994	25.23%	3,933	0.27%
Class B	1,169,012	79,774	6.82%	28,717	2.46%
Condo	619,428	82,694	13.35%	0	0.00%
Overall	3,247,270	530,462	16.34%	32,650	1.01%
Utah County North					
Class A	1,225,620	193,266	15.77%	37,645	3.07%
Class B	1,269,926	137,166	10.80%	15,788	1.24%
Condo	670,202	133,405	19.91%	7,881	1.18%
Overall	3,165,748	463,837	14.65%	61,314	1.94%
Utah County South					
Class A	6,400	-	0.00%	0	0.00%
Class B	261,199	36,491	13.97%	2,467	0.94%
Condo	80,660	18,240	22.61%	0	0.00%
Overall	348,259	54,731	15.72%	2,467	0.71%
Totals					
Class A	4,029,861	766,729	19.03%	61,381	1.52%
Class B	3,395,796	380,872	11.22%	50,549	1.49%
Condo	2,335,813	435,925	18.66%	12,021	0.51%
Total Market	9,761,470	1,583,526	16.22%	123,951	1.27%

Office Market Indicators

Total Inventory (SF)	9,761,470
Lease Rates PSF	\$12 NNN avg (\$4 - \$20)
Vacancy	16.22%
Cap Rate	9%
Land Values PSF	\$6 avg (\$3 - \$10)

Office Absorption

Orem	
Class A	(4,530)
Class B	(12,223)
Class C	(33,123)
Overall	(49,876)
Provo	
Class A	26,895
Class B	(43,541)
Class C	25,807
Overall	9,161
UC North	
Class A	113,295
Class B	38,194
Class C	(12,140)
Overall	139,349
UC South	
Class A	-
Class B	2,467
Class C	(4,870)
Overall	(2,403)
Totals	
Class A	135,660
Class B	(15,103)
Class C	(24,326)
Total Market	96,231

Industrial Market Indicators

Total Inventory (SF)	30,513,080
Lease Rates PSF	\$0.44 NNN avg (\$0.20 - \$0.63)
Vacancy	7.67%
Cap Rate	8.50%
Land Values PSF	\$3 avg (\$1.2 - \$5)

Industrial Overview

	Total SF	Available SF	Vacancy
Orem	5,762,760	277,080	4.81%
Provo	4,501,143	396,750	8.81%
UC North	9,167,460	696,068	7.59%
UC South	11,081,717	971,205	8.76%
Total	30,513,080	2,341,103	7.67%

Industrial Absorption

Orem	5,255
Provo	4,987
North	17,341
South	(16,964)
Overall	10,619

Notable Third Quarter Transactions

Property	Location	Size
Dynix	Provo	30,000
Crisps	Salem	42,000
Chrysalis	Provo	48,000
Plum Tree Restaurant	Provo	8,300
The Grove	Pleasant Grove	7,700

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

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