

Weber County YEAR-END 2010 | MARKET REVIEW

OVERVIEW / OFFICE MARKET

WEBER COUNTY MARKET TRENDS

- Most sectors in the Weber County commercial real estate market emerged from the stalemate they experienced over the past few years and saw movement for the first time. Large developments began filling up, and Ogden continued to flex its economic incentive muscles to attract more retailers to its reenergized downtown area.

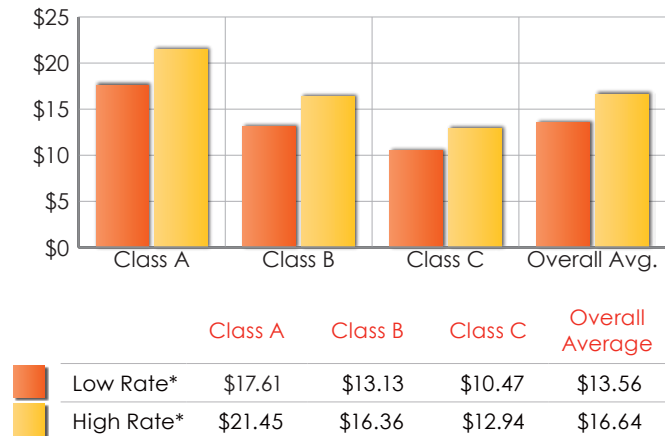
WEBER COUNTY MARKET FORECAST

- Entering 2011, expect to see some smaller tenants flock to the areas surrounding larger developments, attracted by the buzz of economic activity.
- The standoff between landlords and tenants, and buyers and sellers seems to have passed, which will mean more activity in the coming year and even more in 2012. It will take some time, however, for the market to absorb existing inventory, do not expect much new construction in any commercial real estate sector in 2011.
- As with most areas of the state, there will be no major surges in activity. Anticipate more movement toward steady, sustainable growth, which after the last few years, will be a much welcomed change.

OFFICE MARKET INDICATORS

Total Inventory Surveyed (SF)	2,551,063
Overall Average Asking Lease Rates	\$13.56 – \$16.64 PSF
Vacancy	24.70%
Available (SF)	630,157

OFFICE RATES – FOURTH QUARTER 2010



*Overall Average FS

OFFICE MARKET

- The Weber County office market struggled in 2010. Vacancies ended the year at an average of 24.7 percent. Lower grade properties were especially hard hit, with Class C buildings settling at 31.18 percent, as tenants took advantage of lower lease rates and moved into better space.
- There was only one significant new project announced in 2010. The Boyer Company will construct a \$21 million facility for the IRS at the corner of Lincoln Avenue and 23rd Street. The building will house about 750 employees and is expected to be finished in early 2012.

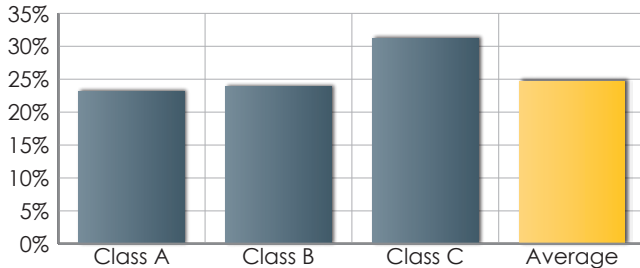
OFFICE MARKET OVERVIEW - FOURTH QUARTER 2010

Class	Total Market SF Surveyed	Available SF	Vacancy	Overall Average Full Service Low Rate	Overall Average Full Service High Rate
Class A	1,185,326	273,581	23.08%	\$17.61	\$21.45
Class B	942,872	224,725	23.83%	\$13.13	\$16.36
Class C	422,865	131,851	31.18%	\$10.47	\$12.94
Total	2,551,063	630,157	24.70%	\$13.56	\$16.64

Weber County YEAR-END 2010 | MARKET REVIEW

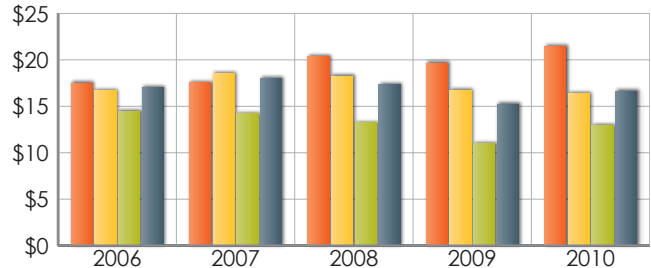
OFFICE MARKET

OFFICE VACANCY BY CLASS
- FOURTH QUARTER 2010



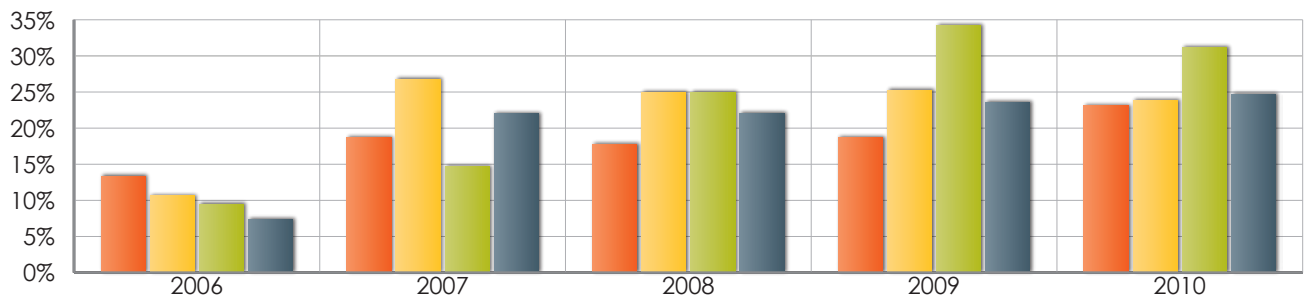
Class A	Class B	Class C	Average
23.08%	23.83%	31.18%	24.70%

OFFICE LEASE RATES (PSF / HIGH RATE) BY CLASS - FIVE YEAR HISTORY



	2006	2007	2008	2009	2010
Class A	\$17.50	\$17.54	\$20.33	\$19.64	\$21.45
Class B	\$16.67	\$18.52	\$18.26	\$16.72	\$16.36
Class C	\$14.46	\$14.19	\$13.21	\$10.98	\$12.94
Overall Avg.	\$17.02	\$17.98	\$17.36	\$15.23	\$16.64

OFFICE VACANCY BY CLASS - FIVE YEAR HISTORY



	2006	2007	2008	2009	2010
Class A	13.37%	18.69%	17.77%	18.67%	23.08%
Class B	14.27%	26.74%	24.91%	25.25%	23.83%
Class C	22.59%	14.70%	24.92%	34.23%	31.18%
Average Overall	15.08%	21.98%	22.03%	23.59%	24.70%

Weber County
YEAR-END 2010 | MARKET REVIEW
INDUSTRIAL MARKET

INDUSTRIAL MARKET

- The industrial market in Weber County did not see a lot of activity this past year. The average vacancy rate saw little change, ending 2010 at 8.66 percent. After a year of virtually no movement, sellers and landlords finally gave in to the oversupply situation and brought down both lease rates and sale prices. The overall average asking lease rate decreased to \$0.41 per square foot, down from \$0.45 per square foot a year ago, and the overall average asking sales price settled at \$64.67 per square foot at year-end versus \$78.45 per square foot at the end of 2009.
- Although the market did not see a lot of activity, there were a few notable transactions. Newell Window Furnishings will move from Salt Lake City to a larger manufacturing facility in Ogden thanks to cash and in-kind incentives from the city. Hart Skis, a 55-year-old company based in Minnesota will relocate its headquarters, as well as a warehouse, to Ogden's 23rd Street. Hart is the sixteenth ski company to relocate to Ogden in the past five years.

INDUSTRIAL MARKET INDICATORS

Total Inventory Surveyed (SF)	32,211,920
Overall Average Asking Lease Rates	\$0.41 PSF
Overall Average Asking Sales Price	\$64.67 PSF
Vacancy	8.66%
Available (SF)	2,789,421

BUSINESS DEPOT OGDEN OVERVIEW
 - FOURTH QUARTER 2010

Available SF	1,399,925
Total SF	8,754,963
Vacancy	15.99%

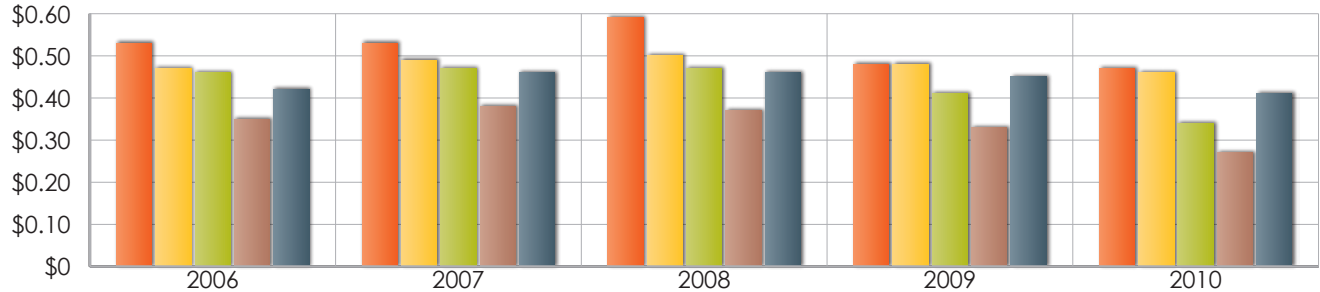
INDUSTRIAL MARKET OVERVIEW –FOURTH QUARTER 2010

Type*	Total Market SF Surveyed	Available SF	Vacancy	Overall Average Asking Lease Rate PSF	Overall Average Asking Sales Price PSF
0 – 5,000 SF	694,382	54,015	7.78%	\$0.47	\$95.13
5,001 – 20,000 SF	4,819,822	283,997	5.89%	\$0.46	\$74.44
20,001 – 50,000 SF	5,342,673	548,041	10.26%	\$0.34	\$36.77
50,001+ SF	21,355,043	1,903,368	8.91%	\$0.27	\$26.58
Total	32,211,920	2,789,421	8.66%	\$0.41	\$64.67

*Vacancy rate calculated by building square footage. Average lease rate / sales price calculated by available square footage.

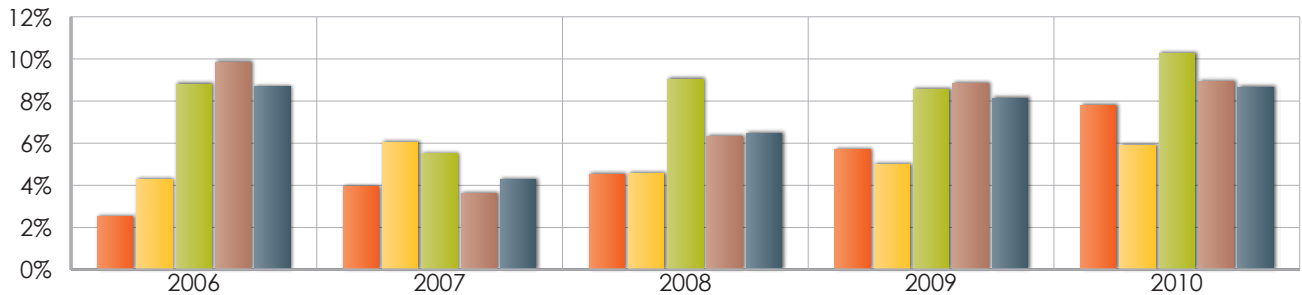
Weber County
YEAR-END 2010 | MARKET REVIEW
INDUSTRIAL MARKET

INDUSTRIAL LEASE RATES BY SIZE – FIVE YEAR HISTORY



	2006	2007	2008	2009	2010
0 – 5,000 SF	\$0.53	\$0.53	\$0.59	\$0.48	\$0.47
5,001 – 20,000 SF	\$0.47	\$0.49	\$0.50	\$0.48	\$0.46
20,001 – 50,000 SF	\$0.46	\$0.47	\$0.47	\$0.41	\$0.34
50,001+ SF	\$0.35	\$0.38	\$0.37	\$0.33	\$0.27
Overall Average	\$0.42	\$0.46	\$0.46	\$0.45	\$0.41

INDUSTRIAL VACANCY BY SIZE – FIVE YEAR HISTORY



	2006	2007	2008	2009	2010
0 – 5,000 SF	2.52%	3.94%	4.52%	5.69%	7.78%
5,001 – 20,000 SF	4.28%	6.02%	4.56%	4.99%	5.89%
20,001 – 50,000 SF	8.80%	5.49%	9.04%	8.54%	10.26%
50,001+ SF	9.84%	3.60%	6.31%	8.82%	8.91%
Overall Average	8.67%	4.27%	6.46%	8.13%	8.66%

RETAIL MARKET

- Weber County’s retail market saw a good year in 2010 as city leaders threw a large amount of incentive dollars toward developers to attract them to the area. A new In-N-Out Burger restaurant will be built near the Babies-R-U’s on Riverdale Road where Larry H. Miller is constructing a new auto dealership.
- The area in and around The Junction in Ogden saw some activity this past year; two new home improvement outlet stores, Pro Tools Clearance Outlets and Black & Decker Clearance Outlet, each leased about 3,500 square feet of space in the mixed use development.
- Outdoor sporting goods store Recreation Outlet opened a 9,000 square foot store on Washington Blvd. Another outdoor retailer, Ogden ROX, moved into a 5,700 square feet of space next door.

RETAIL MARKET INDICATORS

Total Inventory Surveyed (SF)	5,904,675
Overall Average Asking Lease Rates	\$11.84 – \$16.00
Vacancy	17.78%
Overall Average CAMs	\$3.15

- Despite the leasing activity, vacancy rates decreased very little in the last half of 2010, ending the year at 17.78 percent. Asking rates did not change much either, however they did come down and incentives were generous enough to attract new tenants.
- WinCo opened a new store at 12th and Wall earlier in the year, and a new Walmart is under construction in Ogden. Both of these developments are expected to spur commercial activity in the Ogden area.

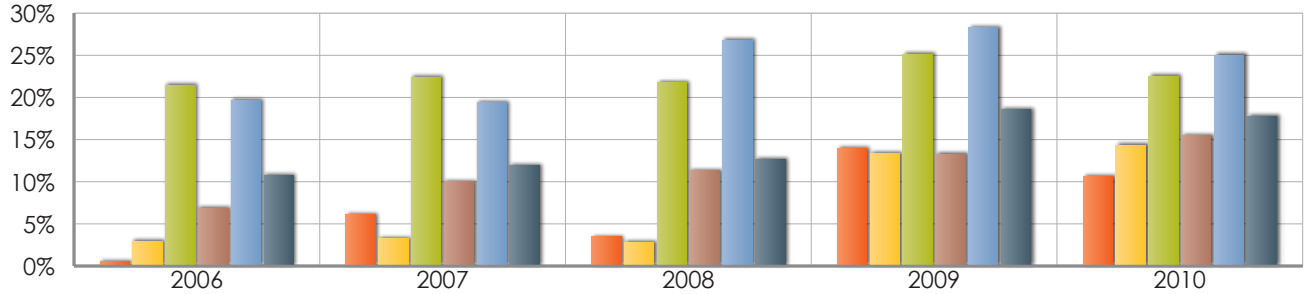
RETAIL MARKET OVERVIEW – FOURTH QUARTER 2010

Type	Total Market SF Surveyed	Available SF	Vacancy	Overall Average Low Rate	Overall Average High Rate	Overall Average CAMs
Regional Mall	726,729	77,337	10.64%	n/a	n/a	n/a
Regional Center	1,690,403	242,568	14.35%	\$12.00	\$22.00	\$3.25
Community Center	1,557,417	350,702	22.52%	\$12.33	\$17.31	\$3.03
Neighborhood Center	1,088,865	168,643	15.49%	\$11.82	\$16.27	\$3.46
Anchorless Strip	841,261	210,581	25.03%	\$11.58	\$14.98	\$2.43
Total	5,904,675	1,049,831	17.78%	\$11.84	\$16.00	\$3.15

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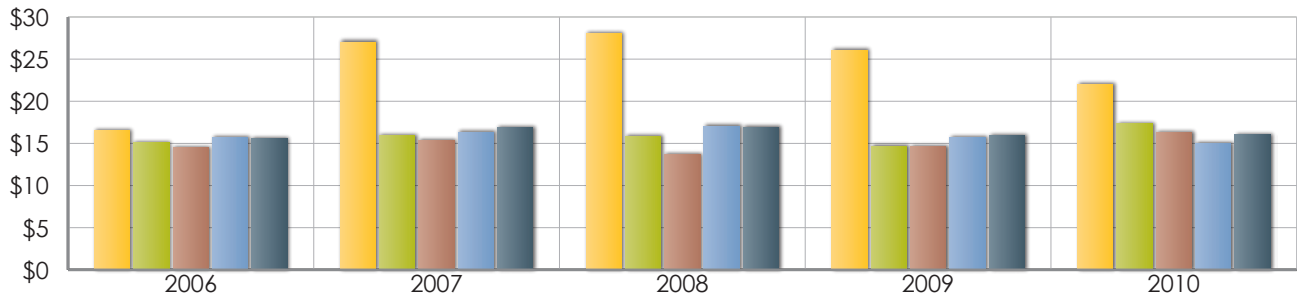
RETAIL MARKET

RETAIL VACANCY BY TYPE – FIVE YEAR HISTORY



	2006	2007	2008	2009	2010
Regional Mall	0.51%	6.12%	3.45%	13.96%	10.64%
Regional Center	2.95%	3.27%	2.82%	13.35%	14.35%
Community Center	21.46%	22.39%	21.76%	25.12%	22.52%
Neighborhood Center	6.88%	10.00%	11.30%	13.27%	15.49%
Anchorless Strip	19.63%	19.37%	26.81%	28.27%	25.03%
Average Rate	10.77%	11.96%	12.68%	18.58%	17.78%

RETAIL LEASE RATES (HIGH RATE) – FIVE YEAR HISTORY



	2006	2007	2008	2009	2010
Regional Center	\$16.50	\$27.00	\$28.00	\$26.00	\$22.00
Community Center	\$15.08	\$15.93	\$15.81	\$14.67	\$17.31
Neighborhood Center	\$14.50	\$15.31	\$13.71	\$14.64	\$16.27
Anchorless Strip	\$15.71	\$16.34	\$17.04	\$15.67	\$14.98
Average Rate	\$15.59	\$16.88	\$16.90	\$15.88	\$16.00