

Davis County Market Activity Report

Second Quarter 2010

Market Overview - Q2 2010

Office Vacancy	17.17%
Office Lease Rates	\$12.97 - \$16.21 PSF
Industrial Vacancy	8.93%
Industrial Average Lease Rate	\$0.51 PSF
Industrial Average Sales Price	\$86.89 PSF
Retail Vacancy	10.43%
Retail Lease Rates	\$12.70 - \$15.80 PSF

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

Commerce Real Estate Solutions© Copyright 2010 - All Rights Reserved

- Concessions are being made in all sectors by landlords to lure tenants into the marketplace. Concessions include free rent, reduced lease rates, tenant improvements, and creative deal structures.
- The retail market is stable with the overall vacancy rate hovering at approximately 10% throughout the past two years.
- Over the last 12 months very little change has occurred in office lease and vacancy rates. Very little new space is expected in the next six months indicating that landlords and developers are focused on filling up current vacant space.
- Over the first half of 2010 we have seen a slight increase in the total number of industrial transactions compared to the first half of 2009.
- The overall industrial vacancy is declining, which appears to be attributed to the lack of new industrial buildings coming on the market. Lease rates and sales prices are softening as the number of active tenants and buyers are increasing.

Office Market Overview

Class	Total Market SF Surveyed	Available SF	Vacancy	Overall Average Full Service Low Rate	Overall Average Full Service High Rate
Class A	676,358	88,735	13.12%	\$15.00	\$19.90
Class B	1,167,637	216,555	18.55%	\$14.17	\$16.48
Class C	652,335	123,243	18.89%	\$11.60	\$14.32
Total	2,496,330	428,533	17.17%	\$12.97	\$16.21

Industrial Market Overview

Type	Total Market SF Surveyed	Available SF	Vacancy	Overall Average Asking Lease Rate	Overall Average Asking Sale Prices Per SF	Freeport Center	
						Available SF	100,000
0-5,000	334,335	31,318	9.37%	\$0.54	\$101.76	Total SF	7,009,398
5,001-20,000	4,327,545	359,802	8.31%	\$0.50	\$88.81	Vacancy	1.43%
20,001-50,000	5,016,098	393,429	7.84%	\$0.38	\$86.44	Freeport West	
50,001-Up	16,322,804	1,537,012	9.42%	\$0.27	\$30.00	Available SF	319,200
Total	26,000,782	2,321,561	8.93%	\$0.51	\$86.89	Total SF	1,019,250
						Vacancy	31.32%

Retail Market Overview

Type	Total Market SF Surveyed	Available SF	Vacancy	Overall Average Low Rate	Overall Average High Rate	Overall Average CAMS
Regional Mall	750,000	99,500	13.27%	n/a	n/a	n/a
Regional Center	846,367	4,697	0.55%	\$20.00	\$26.50	\$3.75
Community	3,648,945	361,875	9.92%	\$11.31	\$17.00	\$2.95
Neighborhood	1,144,264	86,843	7.59%	\$11.70	\$14.70	\$2.90
Anchorless Strip	1,025,232	220,569	21.51%	\$13.21	\$15.18	\$3.16
Total	7,414,808	773,484	10.43%	\$12.70	\$15.80	\$3.11