

Industrial Market Activity Report

Salt Lake County | **Second Quarter 2010**

Industrial Market Overview - Q2 2010

Total Market Square Feet:

	Current	Change since:	
		Q1 10	Q4 09
Industrial Vacancy	7.59%	↑	↑
Average Market Lease Rate	\$0.39	↔	↓
Completed Construction	25,000 SF	↓	↓

- As expected the industrial vacancy rate has increased slightly now standing at 7.59%, but still much healthier than most of our Western neighbors.
- The overall industrial market activity experienced a 19% decline over the past 12 months and 33% from historic highs of 2007.
- Industrial leasing activity is up 29% while sales activity is down a startling 84% of last mid - year numbers, reflecting a dearth of debt capital available to owner users forcing them into leased premises.
- Leasing rates are down nearly 8% while landlords aggressively compete for fewer deals.
- Sales prices show an 11% increase year-over-year, but is shaded by minimal transaction volume.

Industrial Market Overview

Square Feet	Available Sq. Ft.	Total Market Sq. Ft.	Vacancy Total Market	Vacancy Increment
0-5,000	320,395	4,667,461	0.29%	6.86%
5,001-20,000	1,883,652	22,325,536	1.70%	8.44%
20,001-50,000	2,125,367	25,670,621	1.92%	8.28%
50,001-100,000	1,335,574	18,736,698	1.20%	7.13%
100,000+	2,751,203	39,525,404	2.48%	6.96%
Total	8,416,191	110,925,720	7.59%	

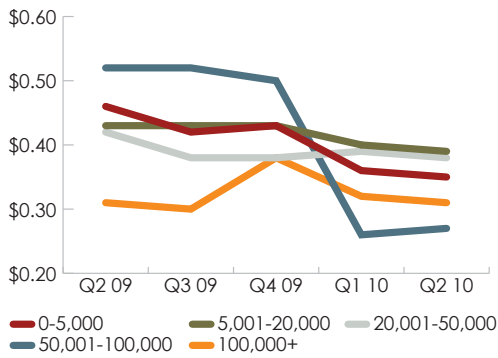
Industrial Lease Rates (NNN) / Sq. Ft. / Month

Square Feet	Average 2010 Asking Rate [^]	Number of Q2 Transactions	Average 2009 Actual Rate* [^]	Average 2010 Actual Rate* [^]
0-5,000	\$0.46	46	\$0.43	\$0.35
5,001-20,000	\$0.44	48	\$0.43	\$0.39
20,001-50,000	\$0.42	10	\$0.38	\$0.38
50,001-100,000	\$0.37	4	\$0.50	\$0.27
100,000+	\$0.33	3	\$0.31	\$0.31
Overall Weighted Average	\$0.39	111	\$0.38	\$0.35

Industrial Sales Prices / Sq. Ft.

Square Feet	Average 2010 Asking Price	Number of Q2 Transactions	Average 2009 Sales Price	Average 2010 Sale Price
0-5,000	\$111.46	2	\$100.00	\$116.52
5,001-20,000	\$72.03	7	\$82.39	\$72.67
20,001-50,000	\$66.32	2	\$53.10	\$55.55
50,001-100,000	\$58.63	0	\$65.29	-
100,000+	\$52.51	0	\$35.28	-
Overall Weighted Average	\$60.79	11	\$59.57	\$66.36

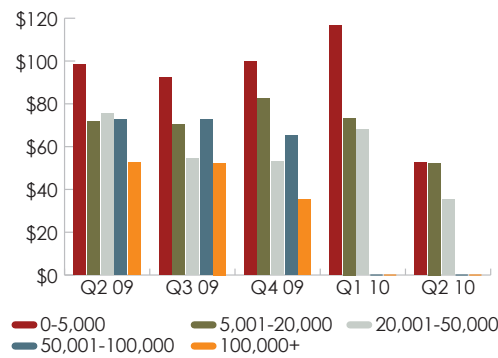
Average Lease Rates



Average Lease Rates *^

Square Feet	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
0-5,000	\$0.46	\$0.42	\$0.43	\$0.36	\$0.35
5,001-20,000	\$0.43	\$0.43	\$0.43	\$0.40	\$0.39
20,001-50,000	\$0.42	\$0.38	\$0.38	\$0.39	\$0.38
50,001-100,000	\$0.52	\$0.52	\$0.50	\$0.26	\$0.27
100,000+	\$0.31	\$0.30	\$0.38	\$0.32	\$0.31
Total	\$0.41	\$0.38	\$0.38	\$0.35	\$0.35

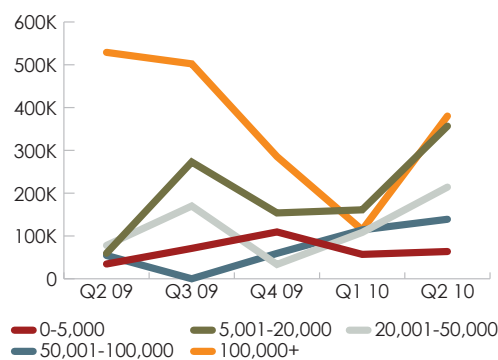
Average Sale Prices



Average Sale Prices

Square Feet	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
0-5,000	\$98.47	\$92.16	\$100.00	\$116.52	\$116.52
5,001-20,000	\$71.86	\$70.45	\$82.39	\$73.38	\$72.67
20,001-50,000	\$75.45	\$54.47	\$53.10	\$67.86	\$55.55
50,001-100,000	\$72.85	\$72.85	\$65.29	-	-
100,000+	\$52.30	\$52.36	\$35.28	-	-
Total	\$60.99	\$59.07	\$59.57	\$73.91	\$66.36

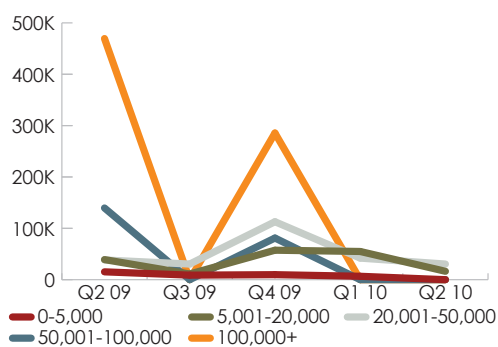
Leasing Activity



Leasing Activity

Square Feet	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
0-5,000	34,524	70,995	109,445	57,011	63,685
5,001-20,000	59,603	272,783	153,813	161,103	356,637
20,001-50,000	77,917	169,989	33,504	108,291	214,131
50,001-100,000	54,428	0	59,326	114,258	138,996
100,000+	528,974	502,148	285,545	114,161	380,153
Total	755,446	1,015,915	641,633	554,824	1,153,602

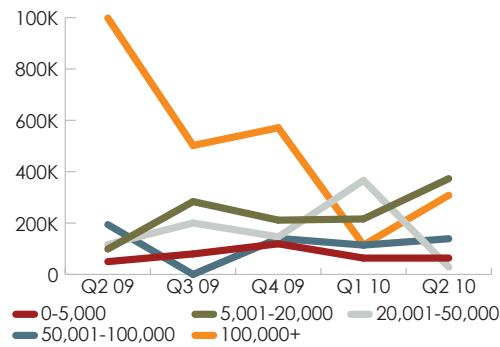
Sales Activity



Sales Activity

Square Feet	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
0-5,000	15,274	8,835	9,777	6,647	0
5,001-20,000	39,120	11,040	57,380	54,920	16,360
20,001-50,000	38,400	30,435	112,840	42,000	30,453
50,001-100,000	139,597	0	81,099	0	0
100,000+	469,505	0	285,545	0	0
Total	701,896	50,310	546,641	103,567	46,813

Total Activity



Total Activity

Square Feet	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
0-5,000	49,798	79,830	119,222	63,658	63,685
5,001-20,000	98,723	283,643	211,373	216,023	372,997
20,001-50,000	116,317	200,424	146,344	366,314	28,561
50,001-100,000	194,025	0	140,425	114,258	138,996
100,000+	998,449	502,148	571,090	114,161	308,153
Total	1,457,312	1,066,045	1,188,454	874,414	984,392

Notes:

* Actual rates include tenant build-out.

^ Conversion from MG or G lease type to NNN is \$0.16 for 0 to 5K, \$0.12 for 5 to 50K and \$0.09 for 50K+.

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Commerce Real Estate Solutions

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Industrial Parks

Park	Buildings Available	Available Sq. Ft.	Total Sq. Ft.	Vacancy
Bonneville	1	512,482	768,482	66.69%
Centennial	22	424,300	6,992,050	6.06%
Commerce Park	0	0	980,283	0.00%
Decker Lake	22	177,995	4,320,727	4.12%
Metro Business	13	138,440	842,066	16.44%
Ninigret	8	680,982	3,576,296	19.04%
Landmark	8	481,460	5,825,488	8.26%
Pioneer	4	92,556	1,145,570	8.08%
SL International Center	12	738,306	5,249,488	14.06%
Sorenson Tech.	5	291,280	2,677,817	10.88%
Wagner	12	343,553	5,261,597	6.53%

Notable Second Quarter Transactions

Property	Location	Size
Americold	1646 South 4490 West, Salt Lake City	242,405 SF
InTegracore	9669 South Prosperity Rd., West Jordan	137,748 SF
UPS	2431 Progress Drive, West Valley	69,696 SF
Metech Recycling	2250 West Bridge Road, Salt Lake City	69,300 SF