

Industrial Market Activity Report

Salt Lake County | Third Quarter 2010

Industrial Market Overview - Q3 2010

Total Market Square Feet: 110,989,420

	Current	Change since:	
		Q2 10	Q1 10
Industrial Vacancy	7.06%	↓	↓
Average Market Lease Rate	\$0.37	↓	↑
Completed Construction	328,029 SF	↑	↑

- The industrial vacancy rate unexpectedly decreased now standing at 7.06%, a half percent point reduction from second quarter's 7.59%
- The overall industrial market activity experienced a slight decline over the past 12 months and is 72% of the historic highs of 2007.
- Leasing activity is up 21% while sales activity is down 62% from last year's third quarter numbers, reflecting a continued dearth of debt capital available to owner users.
- Leasing rates are down slightly while landlords aggressively compete for fewer deals.
- Sale prices show a 5% decrease year-over-year with minimal transaction activity.

Industrial Market Overview

Square Feet	Available Sq. Ft.	Total Market Sq. Ft.	Vacancy Total Market	Vacancy Increment
0-5,000	324,119	4,667,461	0.29%	6.94%
5,001-20,000	2,144,742	22,389,236	1.93%	9.58%
20,001-50,000	2,221,742	25,670,621	1.80%	7.80%
50,001-100,000	1,103,786	18,736,698	0.99%	5.89%
100,000+	2,262,030	38,525,404	2.04%	5.72%
Total	7,835,077	110,989,420	7.06%	

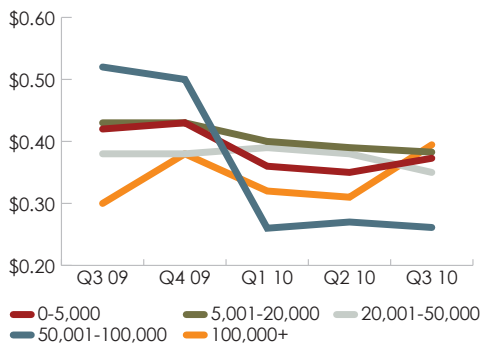
Industrial Lease Rates (NNN) / Sq. Ft. / Month

Square Feet	Average 2010 Asking Rate [^]	Number of Q3 Transactions	Average 2009 Actual Rate* [^]	Average 2010 Actual Rate* [^]
0-5,000	\$0.44	26	\$0.43	\$0.37
5,001-20,000	\$0.43	17	\$0.43	\$0.38
20,001-50,000	\$0.41	10	\$0.38	\$0.35
50,001-100,000	\$0.39	1	\$0.50	\$0.26
100,000+	\$0.29	1	\$0.31	\$0.39
Overall Weighted Average	\$0.38	55	\$0.38	\$0.37

Industrial Sales Prices / Sq. Ft.

Square Feet	Average 2010 Asking Price	Number of Q3 Transactions	Average 2009 Sales Price	Average 2010 Sale Price
0-5,000	\$89.78	1	\$100.00	\$104.43
5,001-20,000	\$67.85	11	\$82.39	\$67.33
20,001-50,000	\$67.85	1	\$53.10	\$44.00
50,001-100,000	\$55.12	0	\$65.29	0
100,000+	\$45.17	0	\$35.28	0
Overall Weighted Average	\$58.30	13	\$59.57	\$56.88

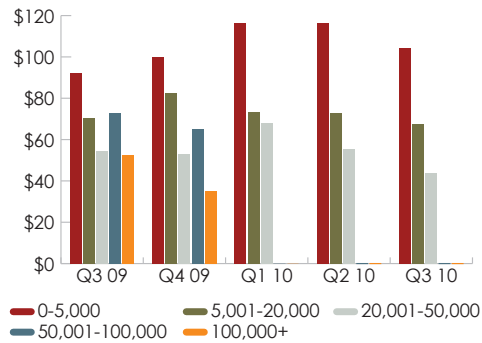
Average Lease Rates



Average Lease Rates *^

Square Feet	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
0-5,000	\$0.42	\$0.43	\$0.36	\$0.35	\$0.37
5,001-20,000	\$0.43	\$0.43	\$0.40	\$0.39	\$0.38
20,001-50,000	\$0.38	\$0.38	\$0.39	\$0.38	\$0.35
50,001-100,000	\$0.52	\$0.50	\$0.26	\$0.27	\$0.26
100,000+	\$0.30	\$0.38	\$0.32	\$0.31	\$0.39
Total	\$0.38	\$0.38	\$0.35	\$0.35	\$0.37

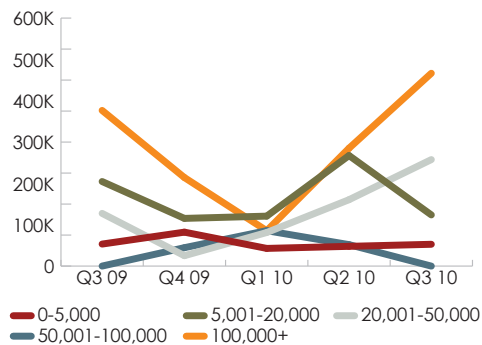
Average Sale Prices



Average Sale Prices

Square Feet	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
0-5,000	\$92.16	\$100.00	\$116.52	\$116.52	\$104.43
5,001-20,000	\$70.45	\$82.39	\$73.38	\$72.67	\$67.33
20,001-50,000	\$54.47	\$53.10	\$67.86	\$55.55	\$44.00
50,001-100,000	\$72.85	\$65.29	-	-	\$0.00
100,000+	\$52.36	\$35.28	-	-	\$0.00
Total	\$59.07	\$59.57	\$73.91	\$66.36	\$56.88

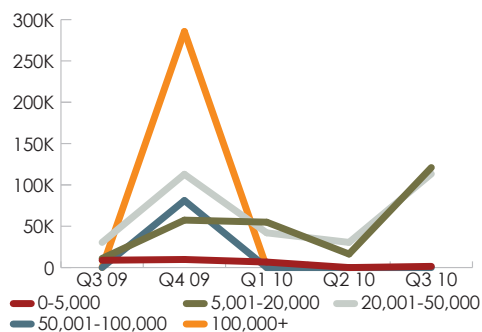
Leasing Activity



Leasing Activity

Square Feet	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
0-5,000	70,995	109,445	57,011	63,685	70,301
5,001-20,000	272,783	153,813	161,103	356,637	165,046
20,001-50,000	169,989	33,504	108,291	214,131	343,484
50,001-100,000	0	59,326	114,258	69,300	0
100,000+	502,148	285,545	114,161	380,153	622,000
Total	1,015,915	641,633	554,824	1,083,906	1,200,831

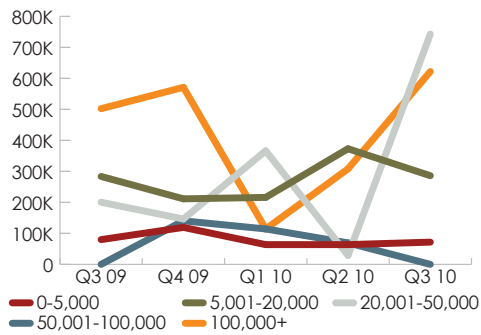
Sales Activity



Sales Activity

Square Feet	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
0-5,000	8,835	9,777	6,647	0	1,440
5,001-20,000	11,040	57,380	54,920	16,360	120,957
20,001-50,000	30,435	112,840	42,000	30,453	113,330
50,001-100,000	0	81,099	0	0	0
100,000+	0	285,545	0	0	0
Total	50,310	546,641	103,567	46,813	235,727

Total Activity



Total Activity

Square Feet	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10
0-5,000	79,830	119,222	63,658	63,685	71,741
5,001-20,000	283,643	211,373	216,023	372,997	286,003
20,001-50,000	200,424	146,344	366,314	28,561	742,817
50,001-100,000	0	140,425	114,258	69,300	0
100,000+	502,148	571,090	114,161	308,153	622,000
Total	1,066,045	1,188,454	874,414	914,696	1,436,558

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	19	442,257	6,996,050	6.32%
Commerce Park	0	0	980,283	0.00%
Decker Lake	27	219,801	4,320,727	5.09%
Metro Business Park	13	138,440	842,066	16.44%
Ninigret	7	331,204	3,576,296	9.26%
Landmark	7	377,048	5,825,488	6.47%
Pioneer	4	92,556	1,145,570	8.08%
SL International Center	8	442,612	5,249,488	8.43%
Sorenson Tech.	8	129,077	2,677,817	4.82%
Wagner	13	315,131	5,261,957	5.99%

Notable Third Quarter Transactions

Property	Location	Size
Metro Logics Inc.	3907 West Ninigret Dr., Salt Lake City	427,000 SF
The Sun Products Corp	1137 South 3800 West, Salt Lake City	195,000 SF
Creminelli Fine Meats	4745 W. Amelia Earhart Dr., Salt Lake City	46,891 SF
PODS	1420 South 4800 West, Salt Lake City	46,500 SF