

# Office Market Activity Report

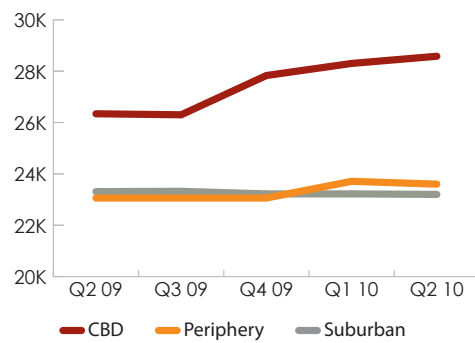
Salt Lake County | **Second Quarter 2010**

## Office Market Overview - Q2 2010

	Current	Change since:	
		Q1 10	Q4 09
Direct Office Vacancy	15.97%	↓	↑
Sublease Vacancy	1.49%	↓	↑
Average Lease Rate	\$20.58	↔	↔
Completed Construction	150,000	↑	↓

- Direct vacancy rates in the second quarter declined slightly to 15.97% down from 16.20% at the end of first quarter 2010.
- Lease rates remained unchanged over the last six months and landlords are continuing to offer concessions to lure new tenants.
- Direct absorption was a positive 106,326 SF for the year resulting from -76,373 SF during the first quarter and 182,699 in the second quarter.
- Three buildings totaling 218,000 SF have been added to the market this year with 60% pre-leased.
- The office market will continue to be a tenant driven market through the balance of 2010.

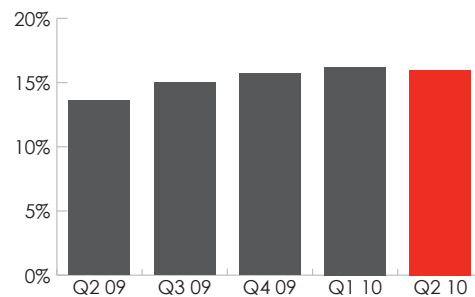
## Class A Quoted Rents



## Class A Quoted Rents\*

	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
CBD	\$26.34	\$26.30	\$27.83	\$28.30	\$28.58
Periphery	\$23.06	\$23.06	\$23.06	\$23.71	\$23.60
Suburban	\$23.31	\$23.32	\$23.22	\$23.22	\$23.20

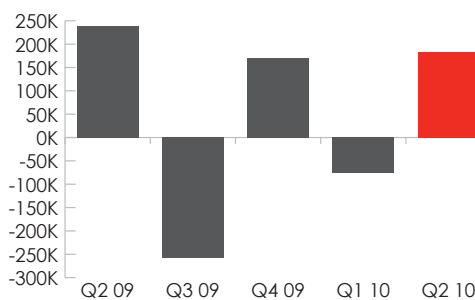
## Direct Market Vacancy



## Office Market Direct Vacancy\*\*

	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
CBD	11.34%	12.88%	18.18%	18.35%	15.14%
Periphery	9.09%	8.91%	8.67%	10.53%	10.95%
Suburban	15.16%	16.80%	16.11%	16.44%	17.15%
<b>Overall</b>	<b>13.61%</b>	<b>15.01%</b>	<b>15.72%</b>	<b>16.20%</b>	<b>15.97%</b>

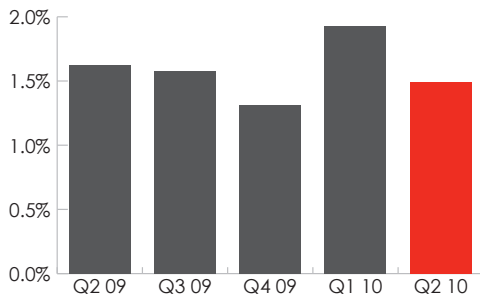
## Direct Market Absorption



## Office Market Direct Absorption\*\*

	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
CBD	-59,594	-102,727	-9,780	58,219	227,427
Periphery	1,100	6,681	8,541	-67,412	-15,226
Suburban	296,410	-161,336	171,129	-67,180	-29,502
<b>Overall</b>	<b>237,916</b>	<b>-257,382</b>	<b>169,890</b>	<b>-76,373</b>	<b>182,699</b>

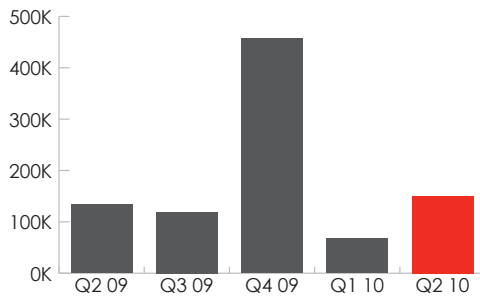
## Sublease Vacancy



## Office Market Sublease Vacancy

	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
CBD	2.28%	2.82%	2.42%	1.90%	1.94%
Periphery	0.67%	0.86%	0.77%	1.45%	1.66%
Suburban	1.58%	1.29%	1.02%	2.02%	1.30%
<b>Overall</b>	<b>1.62%</b>	<b>1.58%</b>	<b>1.31%</b>	<b>1.93%</b>	<b>1.49%</b>

## Construction



## Office Market Construction

	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10
CBD	0	0	420,904	0	0
Periphery	0	0	0	0	0
Suburban	133,585	119,500	36,000	68,000	150,000
<b>Overall</b>	<b>133,585</b>	<b>119,500</b>	<b>456,904</b>	<b>68,000</b>	<b>150,000</b>

### Notes:

\* Weighted full service asking lease rates.

\*\* Sublease space is not included in these figures.

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

**Commerce Real Estate Solutions**

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## Notable Second Quarter Transactions

Property	Tenant	Size	Class
222 South Main Street	The Goldman Sachs Group	154,505 SF	A
Time Square	Marriott Worldwide Reservations	128,832 SF	C
Cottonwood Corporate Center 9	Dyno Nobel	39,373 SF	A
Key Bank Tower	Tanner	28,787 SF	A
Millrock Park South	Coldwell Banker Commercial NRT	23,653 SF	A