

# MARKETBEAT INDUSTRIAL SNAPSHOT



## SALT LAKE CITY, UT

A Cushman & Wakefield Alliance Research Publication

Q1 2012

### OVERVIEW

- The overall vacancy rate has slightly increased to 9.10% from 8.60% last quarter even as market activity increased suggesting other companies are still downsizing and giving up space.
- The Salt Lake market has seen a 76% increase in lease activity in the first quarter of 2012 compared to the same period last year. Sales slowed in activity, bringing the total market increase to 66%.
- Overall lease rates are flat. Rents in the 50,000 – 100,000 square feet are going up and the spread between asking lease rates and actual lease rates have remained constant. Landlords will continue to offer concession such as free rent as incentives to keep their properties leased.
- Construction remains sluggish for buildings under 100,000 square feet with both developers and users still starving for commercial real estate debt capital. No speculative construction of consequence is expected for user buildings accommodating tenants smaller than 100,000 square feet.



Total Market Square Footage:

113,842,862

### STATS ON THE GO

	CURRENT	CHANGE SINCE:	
		Q4 2011	Q1 2011
Industrial Vacancy	9.10%	▲	▲
Average Market Lease Rate	\$0.35	◄	◄
Completed Construction	624,242	▲	▼

### INDUSTRIAL MARKET OVERVIEW

SQUARE FEET	AVAILABLE SF	TOTAL MARKET SF	VACANCY TOTAL MARKET	VACANCY INCREMENT
0-5,000	434,079	4,667,461	0.38%	9.30%
5,001-20,000	2,169,991	22,401,136	1.91%	9.69%
20,001-50,000	2,175,084	25,670,621	1.91%	8.47%
50,001-100,000	1,774,657	18,945,045	1.56%	9.37%
100,000+	3,803,475	42,158,599	3.34%	9.02%
<b>Total</b>	<b>10,357,286</b>	<b>113,842,862</b>	<b>9.10%</b>	<b>-</b>

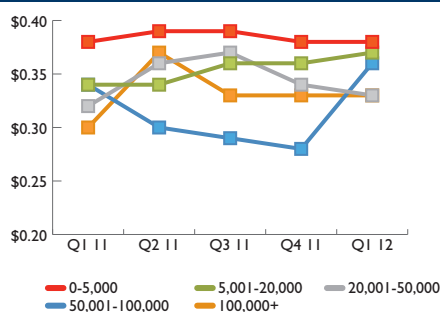
### INDUSTRIAL LEASE RATES (NNN) / SQ. FT. / MONTH

SQUARE FEET	AVERAGE 2012 ASKING RATE	NUMBER OF Q1 TRANSACTIONS	AVERAGE 2011 ACTUAL RATE	AVERAGE 2012 ACTUAL RATE
0-5,000	\$0.44	37	\$0.38	\$0.38
5,001-20,000	\$0.45	17	\$0.36	\$0.37
20,001-50,000	\$0.40	7	\$0.34	\$0.33
50,001-100,000	\$0.39	3	\$0.28	\$0.36
100,000+	\$0.34	3	\$0.33	\$0.33
<b>Total</b>	<b>\$0.39</b>	<b>67</b>	<b>\$0.35</b>	<b>\$0.35</b>

## INDUSTRIAL SALES PRICES / SQ. FT.

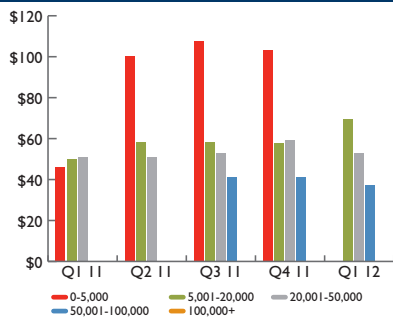
SQUARE FEET	AVERAGE 2012 ASKING PRICE	NUMBER OF Q2 TRANSACTIONS	AVERAGE 2011 SALES PRICE	AVERAGE 2012 SALES PRICE
0-5,000	\$89.15	0	\$103.09	\$0.00
5,001-20,000	\$71.66	5	\$57.60	\$69.40
20,001-50,000	\$66.91	2	\$59.31	\$52.74
50,001-100,000	\$51.28	2	\$41.43	\$37.34
100,000+	\$42.54	0	\$0.00	\$0.00
<b>Total</b>	<b>\$55.06</b>	<b>9</b>	<b>\$57.02</b>	<b>\$46.12</b>

## AVERAGE LEASE RATES \*\*^



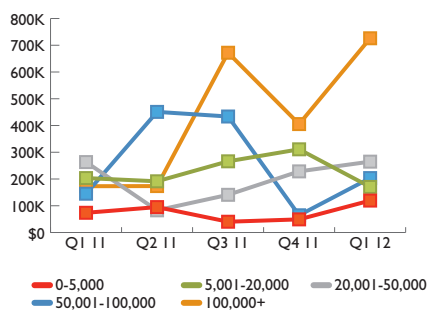
	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
0-5,000	\$0.38	\$0.39	\$0.39	\$0.38	\$0.38
5,001-20,000	\$0.34	\$0.34	\$0.36	\$0.36	\$0.37
20,001-50,000	\$0.32	\$0.36	\$0.37	\$0.34	\$0.33
50,001-100,000	\$0.34	\$0.30	\$0.29	\$0.28	\$0.36
100,000+	\$0.30	\$0.37	\$0.33	\$0.33	\$0.33
<b>Total</b>	<b>\$0.34</b>	<b>\$0.34</b>	<b>\$0.34</b>	<b>\$0.35</b>	<b>\$0.35</b>

## AVERAGE SALES PRICES



	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
0-5,000	\$46.02	\$100.08	\$107.64	\$103.09	\$0.00
5,001-20,000	\$50.20	\$58.14	\$58.13	\$57.60	\$69.40
20,001-50,000	\$50.85	\$51.08	\$53.02	\$59.31	\$52.74
50,001-100,000	\$0.00	\$0.00	\$41.43	\$41.43	\$37.34
100,000+	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total</b>	<b>\$50.47</b>	<b>\$57.63</b>	<b>\$55.10</b>	<b>\$57.02</b>	<b>\$46.12</b>

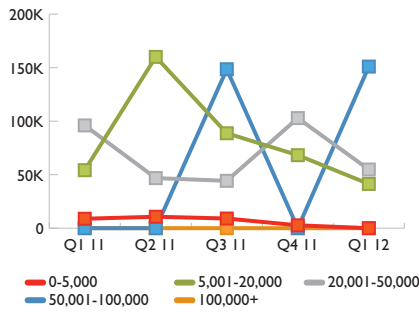
## LEASING ACTIVITY



SQUARE FEET	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
0-5,000	73,714	94,962	40,274	49,063	119,317
5,001-20,000	203,446	191,430	266,091	310,967	170,391
20,001-50,000	263,263	82,891	140,875	228,495	264,874
50,001-100,000	145,000	450,882	433,627	64,399	203,435
100,000+	173,040	173,539	672,000	405,329	726,093
<b>Total</b>	<b>858,463</b>	<b>993,704</b>	<b>1,407,867</b>	<b>1,203,253</b>	<b>1,484,110</b>

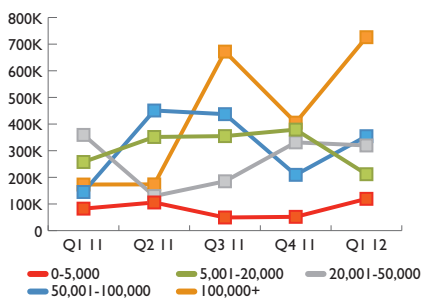


## SALES ACTIVITY



	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
0-5,000	8,800	10,685	9,024	2,666	0
5,001-20,000	54,195	160,073	88,706	68,227	41,338
20,001-50,000	96,039	46,790	44,260	102,872	54,800
50,001-100,000	0	0	148,542	0	151,038
100,000+	0	0	0	0	0
<b>Total</b>	<b>159,034</b>	<b>217,548</b>	<b>290,528</b>	<b>173,765</b>	<b>247,176</b>

## TOTAL ACTIVITY



	Q1 11	Q2 11	Q3 11	Q4 11	Q1 12
0-5,000	82,514	105,647	49,298	51,729	119,317
5,001-20,000	257,641	351,503	354,793	379,198	211,729
20,001-50,000	359,302	129,681	185,135	331,267	319,674
50,001-100,000	145,000	450,882	437,169	209,399	354,473
100,000+	173,040	173,539	672,000	405,329	726,093
<b>Total</b>	<b>1,017,497</b>	<b>1,211,252</b>	<b>1,698,395</b>	<b>1,376,922</b>	<b>1,731,286</b>

## INDUSTRIAL PARKS

PARK	BUILDINGS AVAILABLE	AVAILABLE SF	TOTAL SF	VACANCY
Bonneville	1	127,442	768,482	16.58%
Centennial	21	468,966	6,996,050	6.70%
Commerce Park	0	0	980,283	0.00%
Decker Lake	27	315,301	4,320,727	7.30%
Metro Business	11	124,405	842,066	14.77%
Ninigret	4	125,692	3,576,296	3.51%
Landmark	9	349,116	6,835,660	5.11%
Pioneer	9	174,815	1,145,570	15.26%
Salt Lake International Center	12	747,507	5,249,488	14.24%
Sorenson Technology Park	19	1,526,881	3,386,915	45.05%
Wagner	11	294,965	5,261,957	5.61%

### 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+.

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

## NOTABLE FIRST QUARTER TRANSACTIONS

PROPERTY	TENANT	SIZE (SF)	CLASS
1525 South 5070 West	Sun Products	505,086	A
7036 South 185 West	e-Replacement Parts	114114	C
1730 South 5200 West	On Trac	106,890	A
3687 West California Avenue	Berlin Packaging	80,671	A
2620 South Decker Lake Blvd.	Taipan	56,760	B

