

MARKETBEAT RETAIL SNAPSHOT



SALT LAKE CITY, UT

A Cushman & Wakefield Alliance Research Publication

Q2 2012

OVERVIEW

- Discount retailers are hot, the expansion plans of retailers like Ross, Marshall's, TJ Maxx, Jo-Ann Fabrics, Shoe Carnival and Rue 21 has been very aggressive over the past 6 months. Ross alone is in the process of adding 2-4 new stores in the first quarter of 2013.
- The opening of City Creek at the beginning of 2012 has inevitably had a negative impact on the Gateway, which has already seen many of its tenants lost to the new development. The future of Gateway is still uncertain but it does make for a unique opportunity to rebrand and reposition itself in the market.
- Due to overwhelming demand for liquor licenses in the state of Utah, 90 new licenses were made available recently with 1/3 of those already spoken for. Moving forward this will remain a hot button issue as a number of national restaurants continue to evaluate the feasibility of opening new locations in the market.
- Trader Joe's is making an entrance into the Utah market with a new 12,000 square foot store opening later this year in the heart of Salt Lake City.

- The main concern for landlords in the Utah market is the aggressive sales kick-outs and co-tenancy clauses that tenants use. Banks are also starting to push back on these types of transactions. It will be interesting to watch over the next year if banks leverage their positions to remove these clauses.
- Employment in Utah is projected to grow 2.5% as compared to 0.6% for the US during 2012. Utah's economy is expected to continue growing through 2012 at more than double the national average, as it has since 2010.
- Salt Lake City will be getting a new performing arts theatre downtown, slated to be called the *Main Street Grand Theatre*, it is to be located on 100 South Main Street and will include retail and office components.

Total Market Square Feet: 38,423,971

STATS ON THE GO

	CURRENT	CHANGE SINCE:	
		Q1 2012	Q4 2011
Retail Vacancy	9.53%	▲	▼
Average Market Lease Rate	\$16.93	▼	▼

RETAIL MARKET OVERVIEW BY SUB-MARKET

WITH MALLS	MARKET SF	VACANT SF	VACANCY
Northeast	5,887,230	542,477	9.21%
Central East	6,213,412	896,297	14.43%
Southeast	9,528,489	756,422	7.94%
Northwest	876,650	90,921	10.37%
Central West	7,217,908	988,247	13.69%
Southwest	8,700,282	388,229	4.46%
Total	38,423,971	3,662,593	9.53%

RETAIL MARKET OVERVIEW BY SUB-MARKET

WITHOUT MALLS	MARKET SF	VACANT SF	VACANCY
Northeast	4,790,616	237,137	4.95%
Central East	5,010,262	878,883	17.54%
Southeast	8,259,803	732,922	8.87%
Northwest	876,650	90,921	10.37%
Central West	6,535,042	868,366	13.29%
Southwest	8,700,282	388,229	4.46%
Total	34,172,655	3,196,458	9.35%

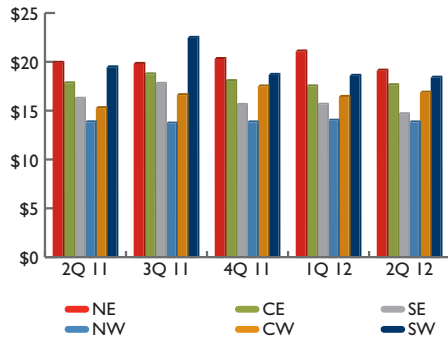
RETAIL MARKET OVERVIEW BY TYPE

WITH MALLS	MARKET SF	VACANT SF	VACANCY
Mall	4,251,316	466,135	10.96%
Regional	6,739,067	631,128	9.37%
Community	15,347,572	1,173,545	7.65%
Neighborhood	7,613,587	680,771	8.94%
Strip	4,472,429	711,014	15.90%
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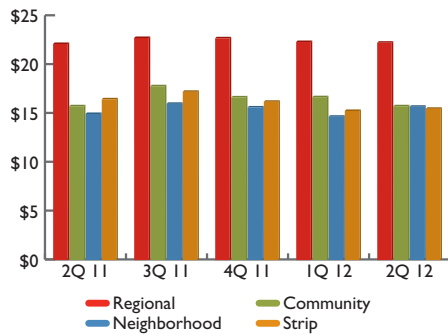
LEASE RATES BY SUB-MARKET



WEIGHTED AVERAGE ASKING RATES BY SUB-MARKET

	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12
Northeast	\$20.00	\$19.89	\$20.39	\$21.16	\$19.20
Central East	\$17.90	\$18.82	\$18.13	\$17.59	\$17.71
Southeast	\$16.32	\$17.85	\$15.69	\$15.71	\$14.74
Northwest	\$13.91	\$13.78	\$13.90	\$14.08	\$13.90
Central West	\$15.36	\$16.69	\$17.58	\$16.51	\$16.94
Southwest	\$19.54	\$22.56	\$18.77	\$18.67	\$18.48
Total	\$17.08	\$18.40	\$17.63	\$17.17	\$16.93

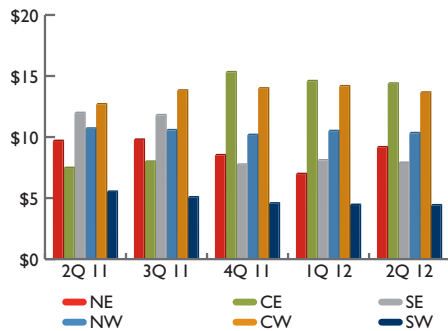
LEASE RATES BY TYPE



WEIGHTED AVERAGE ASKING LEASE RATES BY TYPE

	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12
Regional	\$22.14	\$22.75	\$22.72	\$22.34	\$22.27
Community	\$15.76	\$17.81	\$16.67	\$16.69	\$15.76
Neighborhood	\$14.97	\$16.01	\$15.64	\$14.69	\$15.71
Strip	\$16.47	\$17.24	\$16.22	\$15.28	\$15.50
Total	\$17.08	\$18.40	\$17.63	\$17.17	\$16.93

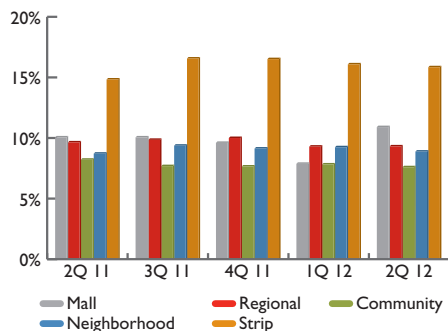
VACANCY BY SUBMARKET



VACANCY BY SUBMARKET

	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12
Northeast	9.73%	9.83%	8.56%	7.02%	9.21%
Central East	7.52%	8.03%	15.36%	14.63%	14.43%
Southeast	12.02%	11.84%	7.79%	8.14%	7.94%
Northwest	10.74%	10.61%	10.22%	10.54%	10.37%
Central West	12.73%	13.86%	14.03%	14.21%	13.69%
Southwest	5.57%	5.11%	4.61%	4.49%	4.46%
Total	9.59%	9.75%	9.66%	9.39%	9.53%

VACANCY BY TYPE



VACANCY BY TYPE

	Q2 11	Q3 11	Q4 11	Q1 12	Q2 12
Mall	10.11%	10.11%	9.66%	7.93%	10.96%
Regional	9.70%	9.91%	10.06%	9.35%	9.37%
Community	8.27%	7.74%	7.71%	7.88%	7.65%
Neighborhood	8.77%	9.43%	9.19%	9.30%	8.94%
Strip	14.89%	16.62%	16.57%	16.14%	15.90%
Total	9.59%	9.75%	9.66%	9.39%	9.53%

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