

# MARKETBEAT REGIONAL SNAPSHOT



## UTAH COUNTY

A Cushman & Wakefield Alliance Research Publication

Q2 2012



### OVERVIEW

- Vacancy rates and leasing activity are showing significant improvements in most markets.
- Industrial vacancy is at its lowest point in years and users are now more willing to buy land and start building their own projects.
- Retail market activity is slower than desired but new construction projects and vacancy rates show promise.
- Office landlords continue to offer low rates and concessions to curb vacancy, however there are signs of improvement.
- Banks are more willing to lend making deals easier to do, but caution in the market is extending the time needed to complete deals.

### RETAIL MARKET OVERVIEW

	TOTAL SF	AVAILABLE SF	VACANCY
Orem	4,595,675	451,480	9.82%
Provo	2,352,285	272,620	11.59%
UC North	3,177,126	278,189	8.76%
UC South	953,157	56,585	5.94%
<b>Total</b>	<b>11,078,243</b>	<b>1,058,874</b>	<b>9.56%</b>
Anchorless Strip	2,391,113	303,912	12.71%
N. Center	2,379,564	169,336	7.12%
Com. Center	4,131,223	302,730	7.33%
Mail Space	2,176,343	282,896	13.00%
<b>Total</b>	<b>11,078,243</b>	<b>1,058,874</b>	<b>9.56%</b>

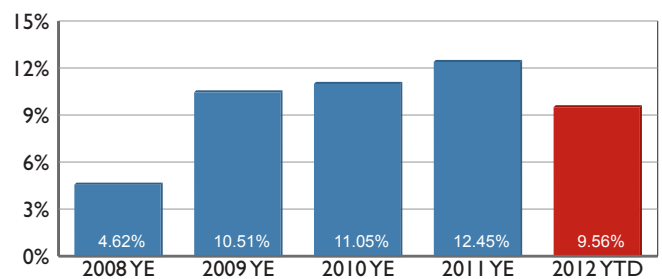
### RETAIL MARKET INDICATORS

Retail Inventory SF	11,078,243
Retail Lease Rate PSF	\$14 NNN (\$4 - \$31)
Retail Vacancy	9.56%
Retail Cap Rate	8.26%
Land Values	\$8 NNN (\$7 - \$9)

### RETAIL MARKET ABSORPTION

Orem	77,296
Provo	77,550
UC North	105,814
UC South	11,527
<b>Total</b>	<b>272,187</b>
Anchorless Strip	214,369
N. Center	94,529
Com. Center	101,360
Mail Space	(138,071)
<b>Total</b>	<b>272,187</b>

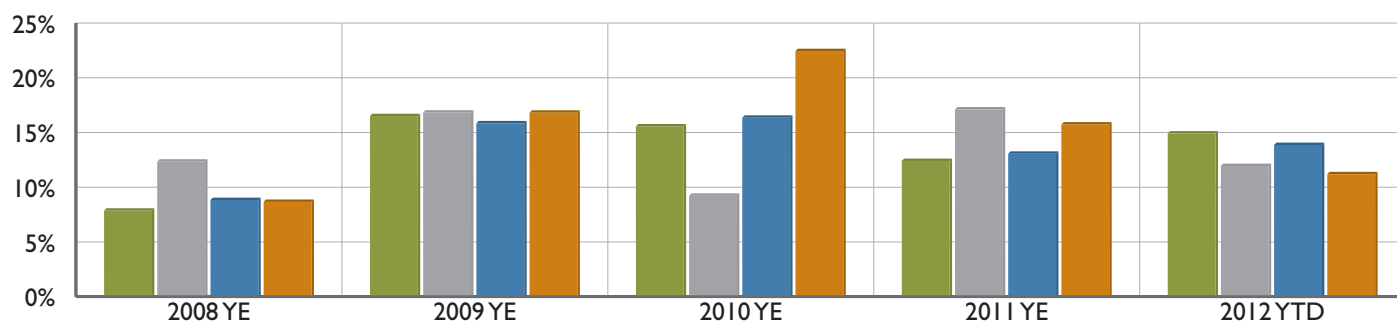
### OVERALL RETAIL VACANCY - 5 YEAR HISTORY



### OFFICE MARKET INDICATORS

Total Office Inventory (SF)	9,828,502
Office Lease Rates PSF	\$11 NNN (\$5 - \$16)
Office Vacancy	13.47%
Office Cap Rate	8.47%
Office Land Values PSF	\$8 (\$4 - \$10)

## OVERALL OFFICE VACANCY - 5 YEAR HISTORY



	2008 YE	2009 YE	2010 YE	2011 YE	2012 YTD
Orem	7.97%	16.61%	15.67%	12.51%	15.02%
Provo	12.45%	16.93%	9.33%	17.22%	12.05%
Utah County North	8.94%	15.95%	16.46%	13.17%	13.97%
Utah County South	8.77%	16.92%	22.55%	15.84%	11.33%

## OFFICE MARKET OVERVIEW - Q2 12

	DIRECT OFFICE SPACE			SUBLEASE	
	TOTAL SF	AVAILABLE SF	VACANCY	AVAILABLE SF	VACANCY
<b>Orem</b>					
Class A	1,281,372	229,299	17.89%	18,646	1.46%
Class B	981,472	127,981	13.04%	10,907	1.11%
Class C	565,948	67,464	11.92%	2,100	0.37%
Overall	2,828,792	424,744	15.02%	31,653	1.12%
<b>Provo</b>					
Class A	1,643,040	271,239	16.51%	6,858	0.42%
Class B	1,464,669	135,338	9.24%	19,386	1.32%
Class C	382,857	13,863	3.62%	-	0.00%
Overall	3,490,566	420,440	12.05%	26,244	0.75%
<b>Utah County North</b>					
Class A	1,314,511	187,284	14.25%	50,681	3.86%
Class B	1,595,389	213,543	13.39%	11,035	0.69%
Class C	161,919	28,296	17.48%	-	0.00%
Overall	3,071,819	429,123	13.97%	61,716	2.01%
<b>Utah County South</b>					
Class A	6,400	-	0.00%	-	0.00%
Class B	305,036	22,791	7.47%	2,467	0.81%
Class C	125,889	26,740	21.24%	-	0.00%
Overall	437,325	49,531	11.33%	2,467	0.56%
<b>Totals</b>					
Class A	4,245,323	687,822	16.20%	76,185	1.79%
Class B	4,346,566	499,653	11.50%	43,795	1.01%
Class C	1,236,613	136,363	11.03%	2,100	0.17%
<b>Total Market</b>	<b>9,828,502</b>	<b>1,323,838</b>	<b>13.47%</b>	<b>122,080</b>	<b>1.24%</b>



## OFFICE MARKET ABSORPTION

### Orem

Class A	(134,338)
Class B	228,503
Class C/Condo	(336,215)
<b>Overall</b>	<b>(242,050)</b>

### Provo

Class A	116,956
Class B	222,802
Class C/Condo	(169,823)
<b>Overall</b>	<b>169,935</b>

### UC North

Class A	130,092
Class B	260,753
Class C/Condo	(414,446)
<b>Overall</b>	<b>(23,601)</b>

### UC South

Class A	-
Class B	57,975
Class C/Condo	36,729
<b>Overall</b>	<b>94,704</b>

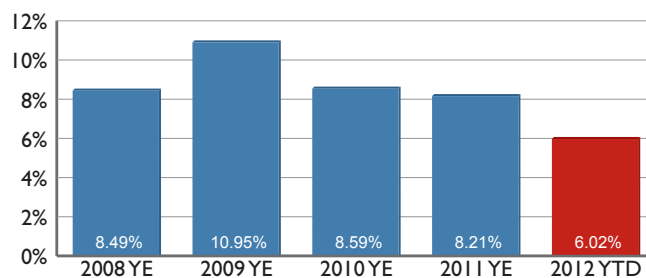
### Totals

Class A	112,710
Class B	770,033
Class C/Condo	(883,755)
<b>Total Market</b>	<b>(1,012)</b>

## NOTABLE SECOND QUARTER TRANSACTIONS

PROPERTY	LOCATION	SIZE (SF)
Canyon River Corp Center	Orem	20,535
North Park	Provo	5,134
Pleasant Grove Business Park	Pleasant Grove	7,920
Wasatch Point	Lindon	12,000
West Point Business Park	Orem	8,798

## OVERALL INDUSTRIAL VACANCY - 5 YEAR HISTORY



## INDUSTRIAL MARKET INDICATORS

Industrial Total Inventory SF	30,654,733
Industrial Lease Rate SF	0.45 NNN (\$0.20 - \$0.72)
Industrial Vacancy	6.02%
Industrial Cap Rate	8.24%
Industrial Land Values PSF	\$3.50 (\$2 - \$8 psf)

## INDUSTRIAL OVERVIEW

	TOTAL SF	AVAILABLE SF	VACANCY
Orem	5,767,773	341,685	5.92%
Provo	4,521,143	106,826	2.36%
UC North	9,276,996	706,284	7.61%
UC South	11,088,821	690,087	6.22%
<b>Total</b>	<b>30,654,733</b>	<b>1,844,882</b>	<b>6.02%</b>

## INDUSTRIAL ABSORPTION

Orem	32,903
Provo	62,633
UC North	95,152
UC South	382,150
<b>Total</b>	<b>572,838</b>

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