

MARKETBEAT INVESTMENT SNAPSHOT



STATE OF UTAH

A Cushman & Wakefield Alliance Research Publication

Q3 2012

ECONOMIC OVERVIEW

While the U.S. economy continues to grow at a lack-luster pace, Utah remains at the forefront of the economic recovery with an unemployment rate of 5.8% compared to the nation's rate of 7.8%. Additionally, Utah's economy has experienced a net increase of 24,300 jobs over the past 12 months. To further emphasize the diversity of this recovery, all industrial sectors added jobs during the past month. Utah's economic growth will continue to outpace the national average as the State continues to be an attractive option for businesses looking to expand and invest.

SALES AND PRICING

Overall sales volume for investment commercial properties in the Utah market is up a whopping 89% year-over-year. All categories experienced growth in sales volume, indicating an increase in investor confidence. Capitalization (cap) rates are down in all categories except for industrial which is reflective of an improving and robust market. Price per square foot also saw an increase in all categories with the exception of retail.

TRENDS

The fundamentals of the local economy continue to remain strong which positions Utah as a regional appeal to outside investors. Apartments are an attractive option for investment due to low vacancy rates, increasing rents, limited supply, and available financing opportunities.



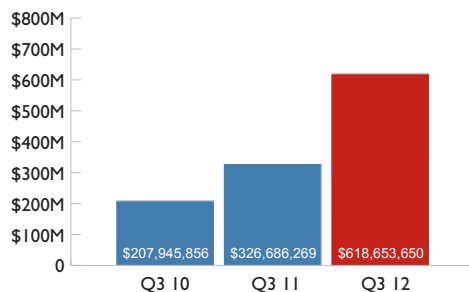
Low interest rates are driving the majority of the transactions with class A product which is garnering top demand and dollar. These higher quality products are a safe investment when considering the weaknesses in several national indices, as well as the political and fiscal headwinds that are creating uncertainty in the market.

The Utah market is experiencing a return of traditional financing, reversing the trend of mostly all cash deals. Investment vehicles such as 1031 exchanges are re-entering the market and expected to grow. In addition, short term interest rates will most likely remain relatively low throughout the remainder of the year and well into next year.

INVESTMENT OVERVIEW

Total Sales Volume	\$618,653,650
Total SF and Units	4,461,656
Total Number of Transactions	129

SALES VOLUME - Q3 2012



FORECAST

Market activity will continue to move forward, thanks in part to increasing availability of financing and attractive interest rates for investment real estate. Utah has once again become a robust market with activity levels beginning to normalize to sustainable levels.

TOTAL COMMERCIAL INVESTMENT SALES VOLUME

CATEGORY	Q3 2010	Q3 2011	Q3 2012
Apartment	\$45,073,500	\$69,533,000	\$160,952,649
Industrial	\$82,928,556	\$89,527,587	\$125,273,348
Office	\$17,318,050	\$50,237,909	\$188,619,275
Retail	\$58,865,750	\$103,895,773	\$118,668,378
Other*	\$3,760,000	\$13,492,000	\$25,140,000
Total	\$207,945,856	\$326,686,269	\$618,653,650

* Other includes storage units / mobile home sales / hotel & motel

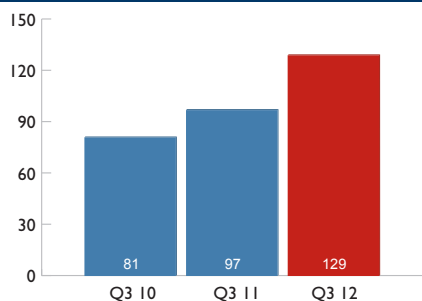
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TRANSACTION VOLUME - Q3 2012

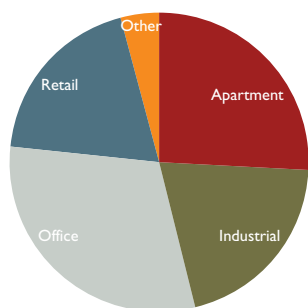


TOTAL INVESTMENT TRANSACTION

CATEGORY	Q3 2010	Q3 2011	Q3 2012
Apartment	21	24	44
Industrial	19	21	23
Office	11	16	16
Retail	26	30	37
Other*	4	6	9
Total	81	97	129

* Other includes storage units / mobile home sales / hotel & motel

SALES VOLUME - Q3 2012



TOTAL INVESTMENT SALES SF OR UNITS

CATEGORY	Q3 2010	Q3 2011	Q3 2012
Apartment	663 UNITS	993 UNITS	1739 UNITS
Industrial	1,867,751	1,669,813	2,291,210
Office	232,793	627,221	1,176,171
Retail	409,775	631,309	994,275
Other*	68/56/47	281/246/167	3271/47/95
Total	2,510,319	2,928,343	4,461,656

* Other includes storage units / mobile home sales / hotel & motel

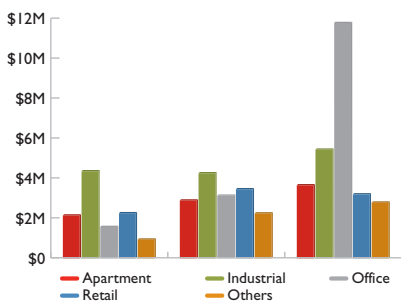
AVERAGE PSF / UNIT

CATEGORY	Q3 2010	Q3 2011	Q3 2012
Apartment	\$67,984.16	\$70,023.16	\$92,554.71
Industrial	\$44.40	\$53.62	\$54.68
Office	\$74.39	\$80.10	\$160.37
Retail	\$143.65	\$164.57	\$119.35

COMPARISON OF CAP RATES TO PRIOR YEARS

CATEGORY	Q3 2010	Q3 2011	Q3 2012
Apartment	7.99%	7.35%	6.57%
Industrial	8.27%	8.35%	8.63%
Office	8.27%	9.13%	8.60%
Retail	8.96%	8.28%	7.97%
Other	8.70%	10.97%	8.50%
Combined	8.39%	8.33%	7.71%

SALES SIZES - Q3 2012



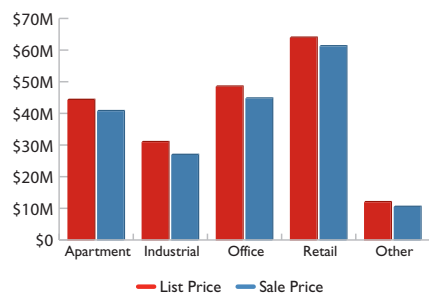
AVERAGE SALES SIZE

CATEGORY	Q3 2010	Q3 2011	Q3 2012
Apartment	\$2,146,357.00	\$2,897,208.00	\$3,658,014.75
Industrial	\$4,364,661.00	\$4,263,218.00	\$5,446,667.30
Office	\$1,574,368.00	\$3,139,869.00	\$11,788,704.69
Retail	\$2,264,067.00	\$3,463,192.00	\$3,207,253.46
Other*	\$940,000.00	\$2,248,667.00	\$2,793,333.33
Total	2,257,890.60	3,202,430.80	4,795,764.73

* Other includes storage units / mobile home sales / hotel & motel



LIST PRICE VS. SALES PRICE



LIST PRICE VS. SALES PRICE

CATEGORY	LIST PRICE	SALE PRICE	%
Apartment	\$44,445,700	\$40,899,549	92%
Industrial	\$31,107,000	\$27,070,000	87%
Office	\$48,642,000	\$44,888,775	92%
Retail	\$64,100,451	\$61,390,831	96%
Others	\$12,125,000	\$10,640,000	88%
Total	\$200,420,151	\$184,889,155	92%

* Calculated where sufficient information available

NOTABLE THIRD QUARTER TRANSACTIONS

PROPERTY	CATEGORY	LOCATION	PRICE
Legends At River Oaks	Apartment	9425 South Riverside Drive	\$ 46,300,000
1998 South 5070 West	Industrial	1998 South 5070 West	\$ 29,464,112
1800 South Novell Place	Office	1800 South Novell Place	\$ 83,168,000
University Crossing	Retail	State Street & University Pkwy	\$ 30,157,456
Watchman Self Storage	Others	1450 West 800 North	\$ 8,450,000

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

