

# MARKETBEAT REGIONAL SNAPSHOT



## UTAH COUNTY

A Cushman & Wakefield Alliance Research Publication

Q3 2012



### OVERVIEW

- Positive absorption in all markets shows promise.
- There are a large amount of new Retail and Office buildings planned in the North Lehi area some of which have moved into the construction stages.
- Class A vacancy rates continue to decline.
- Industrial vacancy rates have dipped as low as 3% in some areas of the county.
- Retail vacancy has declined by about 1% overall. Rates are remaining stable.

### RETAIL MARKET OVERVIEW

	TOTAL SF	AVAILABLE SF	VACANCY
Orem	4,398,354	402,061	9.14%
Provo	2,408,770	260,499	10.81%
UC North	3,309,828	207,396	6.27%
UC South	953,363	34,620	3.63%
<b>Total</b>	<b>11,070,315</b>	<b>904,576</b>	<b>8.17%</b>
Anchorless Strip	2,404,327	207,790	8.64%
N. Center	2,407,628	117,442	4.88%
Com. Center	4,080,519	297,488	7.29%
Mail Space	2,177,841	281,856	12.94%
<b>Total</b>	<b>11,070,315</b>	<b>904,576</b>	<b>8.17%</b>

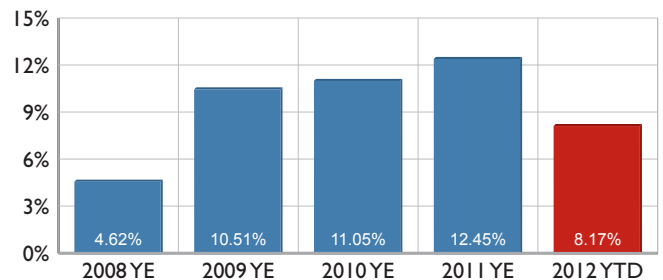
### RETAIL MARKET ABSORPTION

Orem	(86,938)
Provo	146,156
UC North	305,789
UC South	33,698
<b>Total</b>	<b>398,705</b>
Anchorless Strip	292,928
N. Center	168,487
Com. Center	72,823
Mail Space	(135,533)
<b>Total</b>	<b>418,557</b>

### RETAIL MARKET INDICATORS

Retail Inventory SF	11,070,315
Retail Lease Rate PSF	\$16 NNN (\$9 - \$29)
Retail Vacancy	8.17%
Retail Cap Rate	8.26%
Land Values	\$7 NNN (\$5 - \$11)

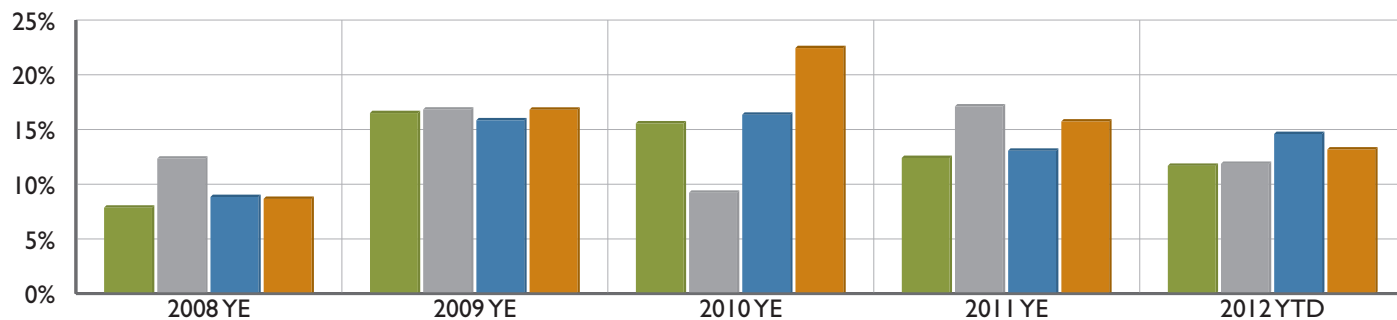
### OVERALL RETAIL VACANCY - 5 YEAR HISTORY



### OFFICE MARKET INDICATORS

Total Office Inventory (SF)	10,465,271
Office Lease Rates PSF	\$13 FS (\$8 - \$20)
Office Vacancy	12.73%
Office Cap Rate	8.50%
Office Land Values PSF	\$7 (\$3 - \$14)

## 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%	11.70%
Provo	12.45%	16.93%	9.33%	17.22%	11.88%
Utah County North	8.94%	15.95%	16.46%	13.17%	14.61%
Utah County South	8.77%	16.92%	22.55%	15.84%	13.19%

## OFFICE MARKET OVERVIEW - Q3 12

	DIRECT OFFICE SPACE			SUBLEASE	
	TOTAL SF	AVAILABLE SF	VACANCY	AVAILABLE SF	VACANCY
<b>Orem</b>					
Class A	1,703,240	175,345	10.29%	18,646	1.09%
Class B	978,674	132,462	13.53%	3,753	0.38%
Class C	600,378	76,228	12.70%	2,100	0.35%
Overall	3,282,292	384,035	11.70%	24,499	0.75%
<b>Provo</b>					
Class A	1,644,940	282,817	17.19%	6,858	0.42%
Class B	1,445,411	123,361	8.53%	19,386	1.34%
Class C	382,857	6,363	1.66%	—	0.00%
Overall	3,473,208	412,541	11.88%	26,244	0.76%
<b>Utah County North</b>					
Class A	1,387,607	193,818	13.97%	95,450	6.88%
Class B	1,727,600	256,280	14.83%	1,035	0.06%
Class C	164,919	29,021	17.60%	—	0.00%
Overall	3,280,126	479,119	14.61%	96,485	2.94%
<b>Utah County South</b>					
Class A	6,400	—	0.00%	—	0.00%
Class B	305,036	33,491	10.98%	2,467	0.81%
Class C	118,209	23,160	19.59%	—	0.00%
Overall	429,645	56,651	13.19%	2,467	0.57%
<b>Totals</b>					
Class A	4,742,187	651,980	13.75%	120,954	2.55%
Class B	4,456,721	545,594	12.24%	26,641	0.60%
Class C	1,266,363	134,772	10.64%	2,100	0.17%
<b>Total Market</b>	<b>10,465,271</b>	<b>1,332,346</b>	<b>12.73%</b>	<b>149,695</b>	<b>1.43%</b>



## OFFICE MARKET ABSORPTION

### Orem

Class A	374,805
Class B	(42,146)
Class C/Condo	121,952
<b>Overall</b>	<b>454,611</b>

### Provo

Class A	(42,692)
Class B	(44,291)
Class C/Condo	65,448
<b>Overall</b>	<b>(21,535)</b>

### UC North

Class A	102,901
Class B	35,495
Class C/Condo	84,154
<b>Overall</b>	<b>222,550</b>

### UC South

Class A	—
Class B	3,438
Class C/Condo	(12,600)
<b>Overall</b>	<b>(9,162)</b>

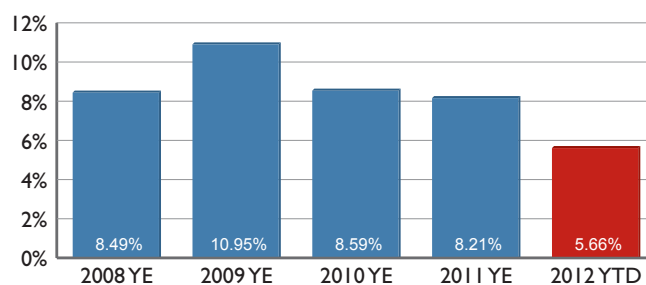
### Totals

Class A	435,014
Class B	(47,504)
Class C/Condo	258,954
<b>Total Market</b>	<b>646,464</b>

## NOTABLE THIRD QUARTER TRANSACTIONS

PROPERTY	LOCATION	SIZE (SF)
Riverwoods III	Provo	11,261
Stratford Park # 4	Orem	12,684
In The Paint	Springville	43,050
Zip Local	Orem	26,368
University Crossing	Orem	206,035

## OVERALL INDUSTRIAL VACANCY - 5 YEAR HISTORY



## INDUSTRIAL MARKET INDICATORS

Industrial Total Inventory SF	30,703,961
Industrial Lease Rate SF	\$0.35 NNN (\$0.25 - \$0.40)
Industrial Vacancy	5.66%
Industrial Cap Rate	8.24%
Industrial Land Values PSF	\$3 (\$1 - \$7 psf)

## INDUSTRIAL OVERVIEW

	TOTAL SF	AVAILABLE SF	VACANCY
Orem	5,767,773	226,919	3.93%
Provo	4,526,143	105,026	2.32%
UC North	9,304,224	742,226	7.98%
UC South	11,105,821	663,117	5.97%
<b>Total</b>	<b>30,703,961</b>	<b>1,737,288</b>	<b>5.66%</b>

## INDUSTRIAL ABSORPTION

Orem	147,669
Provo	69,433
UC North	86,438
UC South	426,120
<b>Total</b>	<b>729,660</b>

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

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