

ECONOMIC INDICATORS

National

	Q3 14	Q3 15	12-Month Forecast
GDP Growth	2.4%	2.5%	▲
CPI Growth	1.6%	0.2%	▲
Consumer Spending Growth	2.7%	3.3%	▲
Retail Sales Growth	3.8%	2.5%	▲

Regional

	Q3 14	Q3 15	12-Month Forecast
Household Income	\$63,273	\$65,110	▲
Population Growth	1.0%	1.2%	▲
Unemployment	3.7%	3.1%	▼

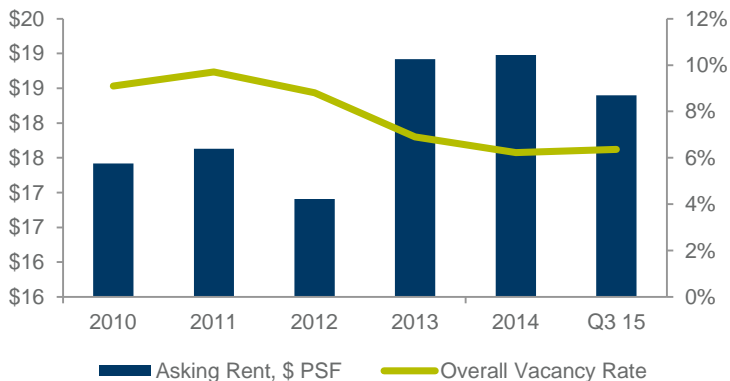
Source: Moody's Analytics

Economy

The U.S. economy continued to recover from a weak first quarter with anticipated GDP growth of 2.5% for Q3 2015. Job growth remained robust as nearly 2.9 million new jobs were added over the past 12 months. This job growth of 2.1% has pushed the overall unemployment rate to just 5.1%. Excluding gasoline stations, retail sales are up by 4.9% on a year-over-year basis. Low gasoline prices continued to be a drag on overall Retail Sales, which increased by just 0.1% over the prior month. Despite a slowdown in gasoline sales, other categories such as motor vehicle sales and restaurants saw more robust growth showing strength in discretionary spending.

As strong as the U.S. job recovery has been, Utah recorded job growth nearly double the national average at 4.0%, equating to 52,800 new jobs. The unemployment rate ticked up slightly to 3.7% and remained at full employment. Leisure & Hospitality reported the largest growth adding 13,700 jobs while Professional/ Business Services increased by 11,700.

Rental Rate vs. Overall Vacancy

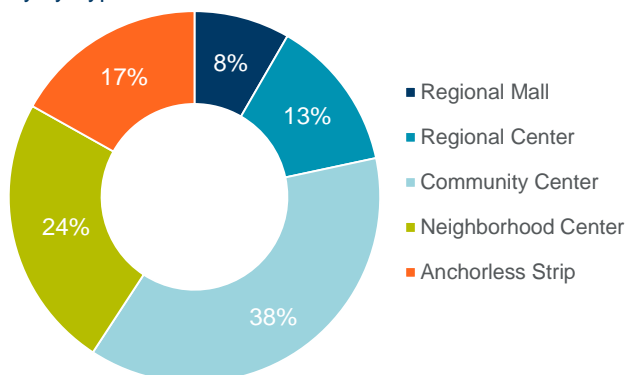


Market Overview

The retail market continued to expand as 268,511 square feet (sf) of space was absorbed year-to-date. The majority of absorption occurred in new centers with the Southwest attracting the most attention. An example of this growth is The Highlands which is anchored by a Smith's Marketplace.

Several new projects are underway or in early phases of development or renovation. The largest of these is CenterCal's proposed project at 13400 S and the Mountain View Corridor. The lifestyle center will be similar to Station Park in Farmington. The South Towne Mall is also undergoing renovations with new rustic modern designs. A new anchor is expected to be announced shortly. Fashion Place Mall is also adding 50,000 sf at the center's north end and Macy's will be returning to the mall in their more traditional larger format. A new Walmart Neighborhood Market is also expected to be completed by year-end in the Southwest.

Availability by Type



Outlook

The outlook for Salt Lake remains strong as underlying fundamentals such as job growth and residential construction will continue to be among the top in the nation. Overall vacancy is expected to remain near its current levels as new construction keeps pace with absorption. As newer product becomes available, lease rates will move higher.

MARKETBEAT

Retail Snapshot Q3 2015

SALT LAKE



SUBMARKET	INVENTORY	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	YTD COMPLETED CONSTRUCTION	AVERAGE ASKING RENT (NNN)
Northeast	5,663,911	6.6%	125,517	92,897	85,000	\$22.78
Northwest	892,089	0.6%	1,489	6,200	0	\$12.00
Central East	6,266,157	8.6%	39,840	6,313	0	\$18.54
Central West	7,674,738	12.1%	76,264	47,277	136,000	\$16.00
Southeast	9,881,092	4.1%	(39,186)	12,868	13,013	\$18.01
Southwest	9,369,166	2.9%	77,653	102,956	112,900	\$18.76
SUBMARKET TOTALS	39,747,153	6.4%	281,577	268,511	346,913	\$18.40

*Rental rates reflect NNN asking \$psf/year

TYPE	INVENTORY	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	YTD COMPLETED CONSTRUCTION	AVERAGE ASKING RENT (NNN)
Regional Mall	3,972,316	5.3%	(15,681)	112,690	0	\$36.75
Regional Center	6,969,112	4.8%	(19,309)	59,378	0	\$29.96
Community Center	16,136,889	5.9%	217,145	122,990	197,900	\$17.52
Neighborhood Center	7,985,792	7.6%	103,666	45,831	149,013	\$19.24
Anchorless Strip	4,683,044	9.1%	(4,244)	(72,378)	0	\$15.62
TYPE TOTALS	39,747,153	6.4%	281,577	268,511	346,913	\$18.40

Key Lease Transactions Q3 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
4 th South Market	17,290	Natural Grocers	Neighborhood Center	Central East
West Jordan Town Center	13,200	Bold, Inc	Community Center	Central West
Dixie Valley	9,000	Dollar Tree Stores, Inc.	Neighborhood Center	Central West

Key Sales Transactions Q3 2015

PROPERTY	SF	SELLER/BUYER	PRICE	SUBMARKET
Dillard's	212,000	Dillard's/Pacific Retail Capital Partners	Not Disclosed	Central East
Springwood Retail Center	28,889	Not Disclosed	\$3,750,000	Central East
Walgreens	14,293	Cole WG/Spataru VI, LLC	\$9,000,000	Northwest

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