

ECONOMIC INDICATORS

National

	Q1 15	Q1 16	12-Month Forecast
GDP Growth	2.9%	2.1%	▲
CPI Growth	-0.1%	1.1%	▲
Consumer Spending Growth	3.3%	2.8%	▲
Retail Sales Growth	2.7%	2.8%	▲

Regional

	Q1 15	Q1 16	12-Month Forecast
Household Income	\$63,953	\$66,835	▲
Population Growth	1.1%	1.3%	▲
Salt Lake Unemployment	3.4%	3.1%	■

Source: Moody's Analytics

Economy

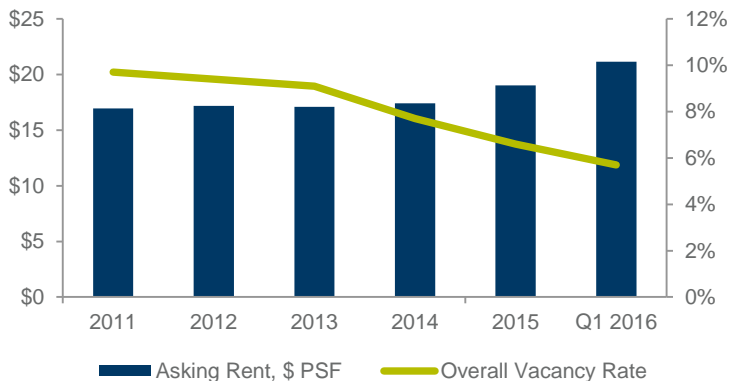
Job growth has been strong, pushing the unemployment rate down to 4.9%, nationally. However, economic expansion remained modest due to flat wage growth and inflation.

Utah's unemployment ticked slightly lower to 3.4%, as the state's year-over-year job growth of 3.3% continued to be among the strongest in the nation. The addition of 44,700 jobs during the past year demonstrated that even at full employment, Utah's friendly business environment is able to provide employment opportunities for skilled workers.

Market Overview

Overall vacancy decreased by one percentage point (pp) on a year-over-year basis, while average asking rates rose more than 11%. Absorption was positive during first quarter, with Community and Regional Centers performing the strongest, indicating a continued demand for quality space in newer, anchored projects.

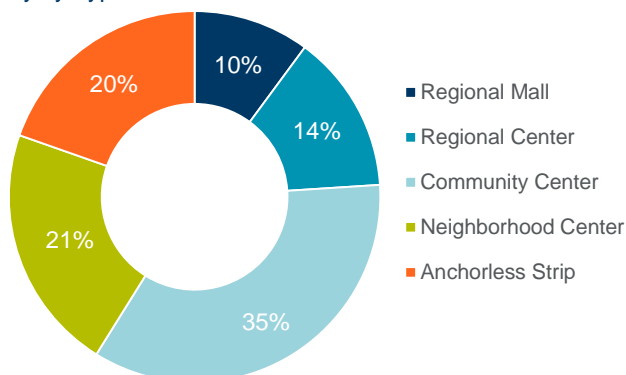
Rental Rate vs. Overall Vacancy



New tenants to the market include a pair of outdoor retailers - locally-based Cotopaxi, which will open its first ever brick-and-mortar store at the Crandall Building in downtown Salt Lake; and Sierra Trading Post, which is scheduled to open later this year at the Park Centre project in Fort Union.

Downtown has become a focus for redevelopment; including the recently announced renovation of the Historic Peery Hotel into a boutique-style project complete with two street-level restaurants. New owners of The Gateway plan to make the mall more competitive by investing \$30 million into new entertainment options, restaurants, and providing a unique mix of local and national retailers. The transformation of downtown's Regent Street into a retail and art district is also underway, which will complement the new George S. and Dolores Doré Eccles Theater opening later this year.

Availability by Type



Outlook

Salt Lake's outlook remains extremely positive as underlying fundamentals such as job growth and residential construction rank among the top in the nation. Lowering oil prices and increasing wage growth in 2016 will be key drivers for consumer spending, which is expected to grow throughout the year with the largest gains in luxury and discount segments.

MARKETBEAT

Retail Snapshot Q1 2016

SALT LAKE



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SUBMARKET	INVENTORY	VACANCY RATE	CURRENT NET ABSORPTION	YTD NET ABSORPTION	YTD COMPLETED CONSTRUCTION	AVERAGE ASKING RENT (NNN)
Northeast	5,663,911	6.8%	(4,331)	(4,331)	0	\$25.25
Northwest	892,089	2.2%	(8,640)	(8,640)	0	\$12.29
Central East	6,266,157	7.7%	40,867	40,867	0	\$22.09
Central West	7,674,738	10.3%	(2,431)	(2,431)	0	\$20.31
Southeast	9,881,092	3.0%	12,291	12,291	0	\$20.16
Southwest	9,369,166	3.1%	(22,287)	(22,287)	0	\$17.92
SUBMARKET TOTALS	39,747,153	5.7%	15,469	15,469	0	\$21.14

*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	5.8%	(5,257)	(5,257)	0	\$31.41
Regional Center	6,969,112	4.4%	46,748	46,748	0	\$29.50
Community Center	16,136,889	4.9%	42,576	42,576	0	\$18.31
Neighborhood Center	7,985,792	6.1%	(14,016)	(14,016)	0	\$18.82
Anchorless Strip	4,683,044	9.5%	(54,582)	(54,582)	0	\$17.60
TYPE TOTALS	39,747,153	5.7%	15,469	15,469	0	\$21.14

Key Lease Transactions Q1 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
The Shoppes at Lake Park	50,001	Burlington Coat Factory	Community Center	Central West
Van Winkle Shopping Center	42,197	Extra Space Storage	Community Center	Central East
Park Centre	27,000	Sierra Trading Post	Regional Center	Central East

Key Sales Transactions Q1 2016

PROPERTY	SF	SELLER/BUYER	PRICE	SUBMARKET
The Gateway	628,315	Retail Properties of America, Inc. / Vestar Development, Inc.	\$75,000,000 / \$119	Northeast
Colt Plaza III	8,163	Undisclosed	\$2,460,000 / \$301	Central West
Red Robin	6,575	Camden, LC / PRC "B", LLC	\$2,515,000 / \$383	Central East

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