

ECONOMIC INDICATORS

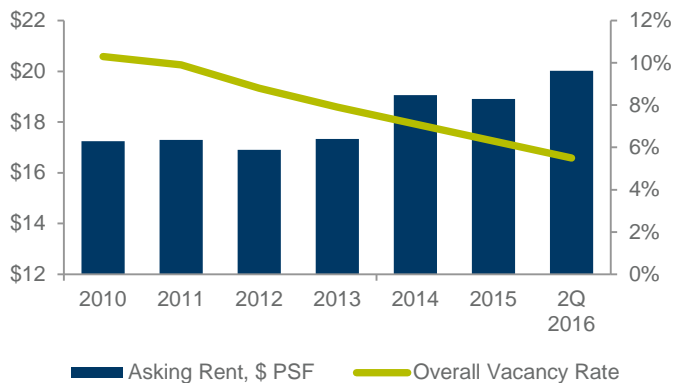
National	2Q 15	2Q 16	12-Month Forecast
GDP Growth	2.7%	1.8%*	▲
CPI Growth	0.0%	1.1%	▲
Consumer Spending Growth	3.3%	2.8%*	▲
Retail Sales Growth	2.1%	2.6%	▲

*Based on Moody's baseline estimates

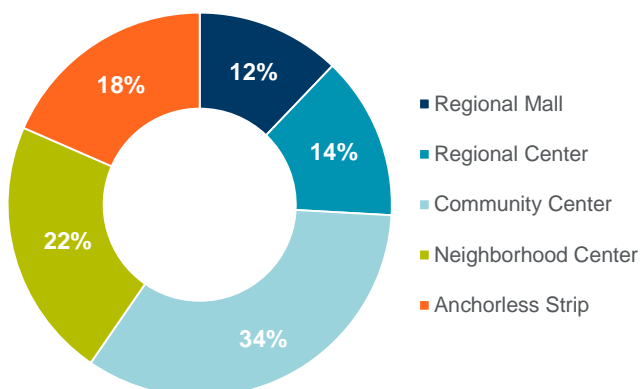
Regional	2Q 15	2Q 16	12-Month Forecast
Household Income	\$64,879	\$67,414	▲
Population Growth	1.8%	1.6%	▲
Unemployment	3.4%	3.4%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Vacancy by Type



Economy

Job growth across the U.S. remained modest as year-to-date growth trailed the same period in 2015. This combined with light growth in GDP caused the Fed to once again hold off on pushing its benchmark interest rates any higher.

Utah, CNBC's "Top State for Business in 2016", added 44,400 net new jobs as job growth increased by 3.2% on a year-over-year basis. Unemployment remained low settling at 3.4%; meanwhile household income jumped nearly 4% year-over-year. In addition, Utah's population is growing at roughly double the national rate.

Market Overview

Salt Lake's retail market accelerated in pace during second quarter 2016, positioning itself for another strong year. Overall vacancy fell by 70 basis points (BPS) on a year-over-year basis, while average asking rates rose more than 6%. Absorption surpassed 200,000 square feet (SF) year-to-date, a 24% increase over mid-year 2015. Central submarkets are performing particularly well, accounting for over 80% of positive absorption activity year-to-date.

Neighborhood and Anchorless Strip Centers continue to report wider gaps in achieved rental rates between newly constructed spaces and second-or-later generation spaces. This trend validates the notion that smaller centers, often lacking the draw of larger retail developments, are especially susceptible to the addition of newer, nicer or more conveniently located retail options. For reference, new Neighborhood and Anchorless Strip Centers commanded \$30.14 per square foot (PSF) and \$28.58 PSF in average rent respectively, while second-generation spaces pulled in rents at \$15.25 PSF and \$14.26 PSF - a disparity of approximately 100% in both cases.

Counter to this trend, Regional Centers experienced a much smaller margin between newer and older construction with average achieved rates of \$33.19 PSF and \$27.03 PSF respectively - a 22% difference. Regional Centers achieve more stability in rents, as well as lower vacancies, by providing customers a true destination experience. Many Regional Centers now offer gathering areas and family entertainment venues, in addition to housing numerous anchor tenants in one location. This shift gives larger shopping centers the advantage as local and national trends are seeing retailers alter their strategies from competing on access alone to providing a full consumer experience.

Entertainment options continue to expand in the market. Topgolf opened its first Utah location at the Riverwalk in Midvale. The three-story, 65,000-SF venue offers food, drinks and a unique sports and entertainment concept to customers. Utah is also scheduled to see its first Regal theater open in Taylorsville before year-end.

ABSORPTION SURPASSED 200,000 SQUARE FEET YEAR-TO-DATE, A 24% INCREASE OVER MID-YEAR 2015.

More than 100,000 SF of construction was completed during second quarter 2016; all within the Central West and Southwest submarkets. Meanwhile, Downtown development progressed at Regent Street where a row of restaurants and shops are planned to accompany the soon-to-be-completed George S. and Dolores Doré Eccles Theater. Additionally, The Gateway is moving forward with extensive redevelopment plans to better compete with other Regional Centers and Malls by providing a more comprehensive entertainment and shopping experience to its patrons.

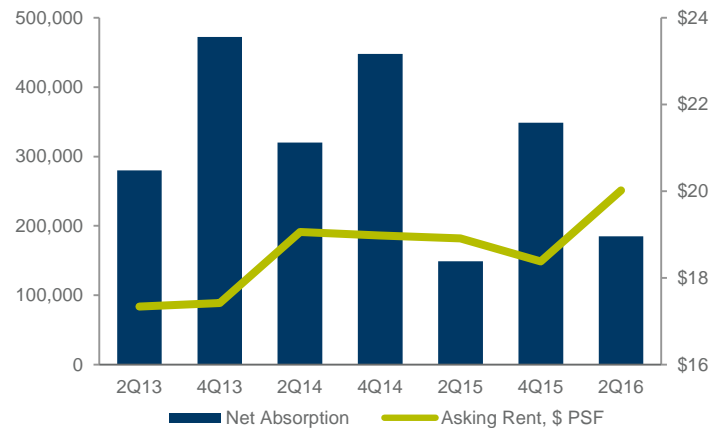
eCommerce, while dominating revenue growth, has not altogether halted brick-and-mortar expansion or retail-related hiring in Utah. Tenants in many industries are finding that physical locations remain the expectation among customers who value the convenience of a storefront when assessing products prior to purchase, as well as during returns and exchanges. Some companies have begun adjusting to this by concentrating on customer counts in addition to in-store sales. Locations are considered necessary so long as foot traffic remains strong - even if online purchases are driving revenue.

Outlook

- Local job growth and residential construction will remain among the highest in the nation.
- Vacancy rates are expected to stay well below historical averages.
- Absorption and leasing activity will maintain healthy levels throughout 2016 and into 2017.
- Grocery anchored centers will drive future development and landlords will continue to prelease new construction as opposed to building spec space.

Net Absorption vs. Asking Rents

ABSORPTION AND RENTS TRENDING UP YEAR-OVER-YEAR



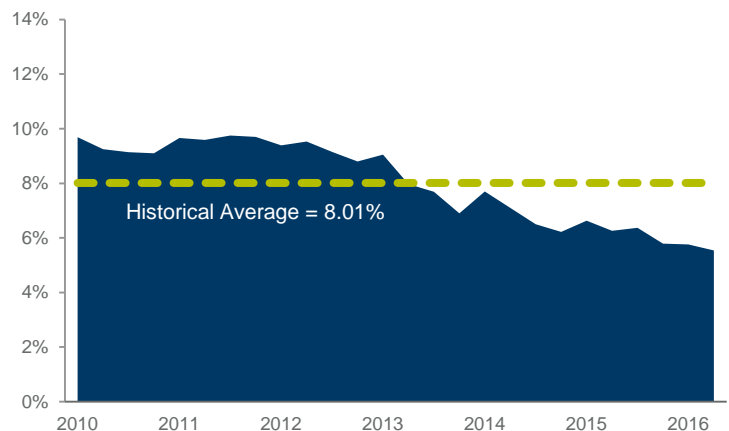
Retail Tenant Categories

GROCERS AND FAST CASUAL RESTAURANTS LEAD EXPANSION

New to Market/Expanding	Downsizing/Consolidating
Grocery/Specialty Food	Sporting Goods
Fast Casual Restaurants	Office Supplies
Entertainment Concepts	Department Stores
Drug Stores	Bookstores
Auto Supply/Repair	Consumer Electronics
Discount/Dollar Stores	Mid-Priced Apparel

Overall Vacancy

VACANCY SITS CONSIDERABLY BELOW THE HISTORICAL AVERAGE



MARKETBEAT

Retail Snapshot 2Q 2016

Salt Lake



SUBMARKETS	INVENTORY	VACANCY RATE	YTD NET ABSORPTION	YTD CNSTR COMPLETIONS	ACHIEVED RENTS (NEW)		ACHIEVED RENTS (2 ND GEN)		AVERAGE ASKING RENTS
					MIDBOX	SHOPS	MIDBOX	SHOPS	
Northeast	5,663,911	6.6%	11,658	0	\$15.75	\$34.20	\$24.96	\$20.81	\$25.34
Northwest	892,089	1.4%	(1,640)	0	NA	NA	NA	\$15.25	\$20.63
Central East	6,266,157	7.1%	78,636	0	NA	\$27.33	\$7.73	\$19.95	\$20.24
Central West	7,754,091	10.5%	82,850	79,353	\$12.66	\$28.51	\$6.23	\$17.81	\$12.23
Southeast	9,881,092	3.0%	15,635	0	NA	\$31.60	8.77	\$16.37	\$18.16
Southwest	9,395,504	3.0%	13,312	26,338	\$12.00	\$30.53	NA	\$15.83	\$17.51
TYPES									
Regional Mall	3,972,316	6.8%	33,423	0	\$13.02	\$34.95	NA	\$35.35	\$31.34
Regional Center	6,969,112	4.4%	52,986	0	NA	\$33.19	\$13.00	\$27.03	\$28.79
Community Center	16,235,433	4.6%	119,203	98,544	\$13.48	\$28.73	\$8.97	\$20.87	\$15.11
Neighborhood Center	7,992,939	6.1%	13,105	7,147	\$12.00	\$30.14	\$6.81	\$15.25	\$18.57
Anchorless Strip	4,683,044	8.7%	(18,266)	0	NA	\$28.58	\$6.09	\$14.26	\$16.77
TOTALS	39,852,844	5.5%	200,451	105,691	\$13.11	\$30.16	\$8.26	\$17.93	\$20.02

*Rental rates reflect \$psf/year/NNN *Achieved rents are 12 month rolling averages *Shops – 5,000 sf and under, Midbox – 15,000 to 50,000 sf *New – recent construction with no previous tenants

Key Lease Transactions 2Q 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
300 West Town Center	21,657	Cash & Carry Stores, LLC	Community Center	Northeast
Riverwalk Shopping Center	15,000	D1 Sports Training of Salt Lake City, LLC	Community Center	Central West
Marketplace at 18 th	7,175	5.11 Inc.	Anchorless Strip	Northeast

Key Sales Transactions 2Q 2016

PROPERTY	SF	SELLER/BUYER	PRICE / \$ PSF	SUBMARKET
Oquirrh Mountain Marketplace Pad	14,350	Undisclosed	Confidential	Southwest
Lone Peak Retail	9,084	Undisclosed	\$2,300,000 / \$253.19	Southwest

MARKETBEAT

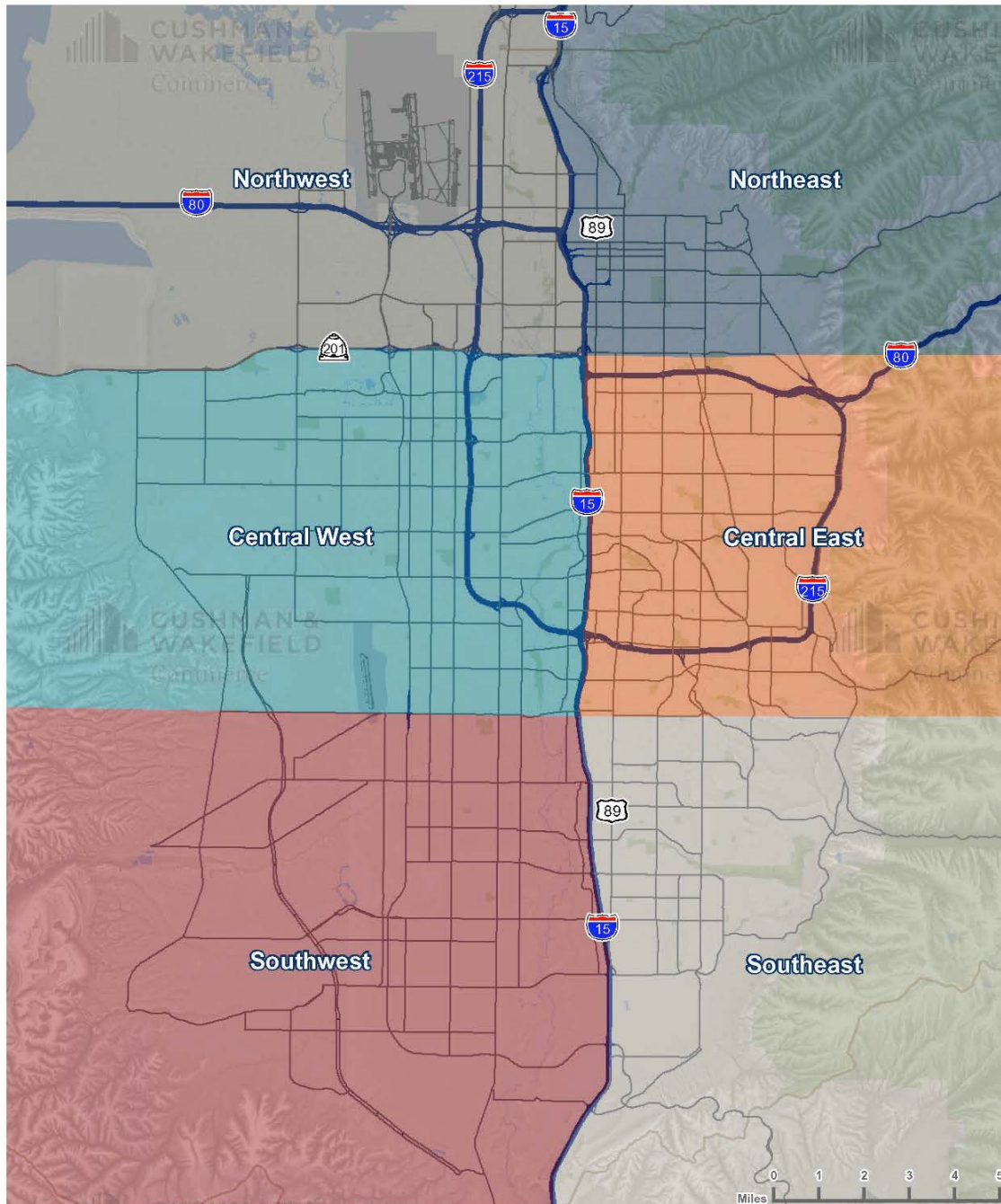
Retail Snapshot 2Q 2016

Salt Lake



RETAIL SUBMARKETS

SALT LAKE COUNTY



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