

Overall Market Information 3Q 2017


Average Lease Rates

\$.50 NNN 

Net Absorption

+2.5M SF 

Average Vacancy Rates

4.74% 

Under Construction

2.7M SF 

Arrows indicate changes based on year-over-year 3Q

Market Overview

The vacancy rate for industrial buildings fell to 4.74 percent in the third quarter, down from an already low 5.08 percent. Vacancy rates will stay low as the limited and shrinking inventory of quality buildings is quickly absorbed by a motivated pool of tenants.

The average asking lease rate, which incorporates all size ranges and markets throughout Salt Lake County, is \$0.50 NNN per square foot per month, a \$0.05 per square foot increase from last quarter and a \$0.03 per square foot increase from a year ago.

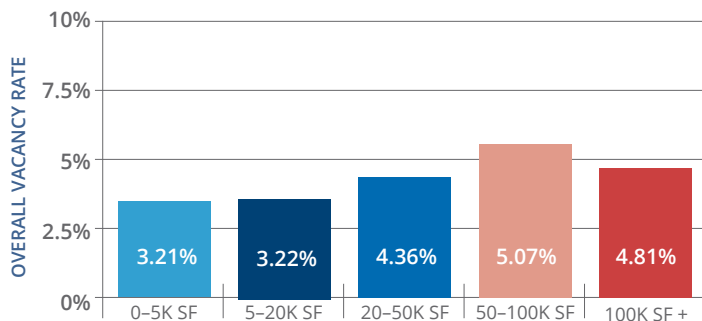
The Salt Lake County industrial market's average asking sales price at the end of the third quarter came in at just under \$93 per square foot. While sale prices vary greatly depending on the size of the building and an average sale price doesn't tell the entire story, this represents a \$5 increase from the third quarter of 2016. As interest rates

move up there will be more modest levels of appreciation in 2018. The industrial market continues to look strong during this period of prolonged expansion. Consumer spending in autos, building materials and electronics has been better than anticipated.

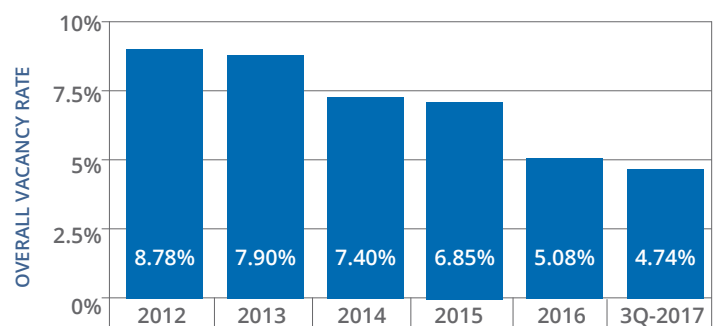
With limited options available to tenants, they are likely to renew contracts. Market indicators show that lease rates will continue to inch upward over the remainder of the year. With continued growth of large big-box space, the industrial market continues to increase supply steadily with demand. Smaller tenants will continue to struggle to find ideal industrial product.

Strong growth continues to be focused in the South Valley and the North-West quadrant which has benefited from the announcements of new buildings for Stradler Rail, Amazon, The construction of the prison and the expansion of the Salt Lake Airport.

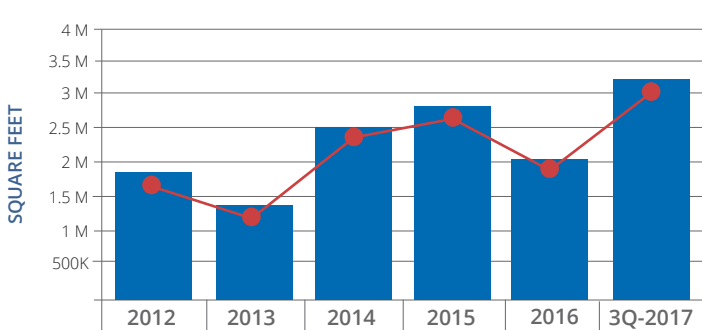
Vacancy by Size



Overall Historical Vacancy Rates



Historical Construction SF

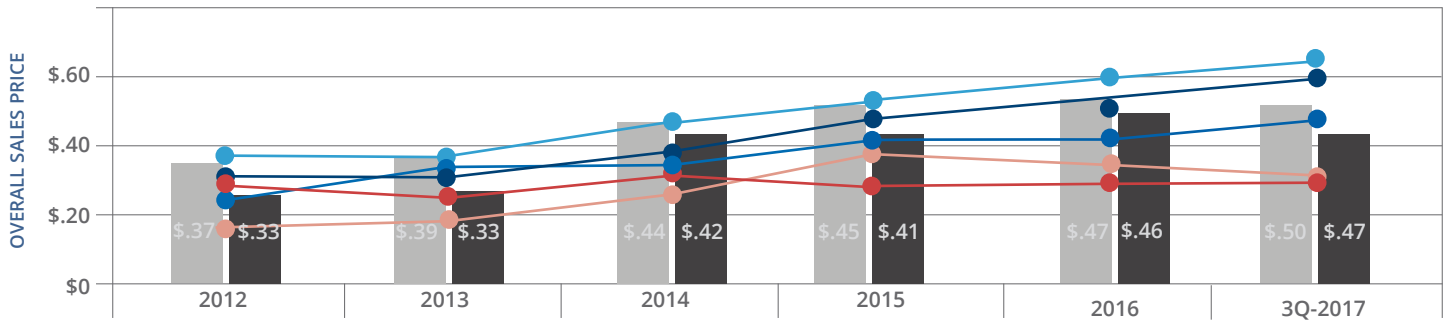


Industrial Notable Lease Activity

TENANT	QUADRANT	SIZE (SF)	LEASE TYPE
Excel Inc	NW	185,796	New
Alpha Plastics of Utah, LLC	CW	159,924	New
East Penn Manufacturing	NW	159,201	New
VMI Nutrition, Inc.	NW	136,000	New
Dal Tile	NW	132,051	New

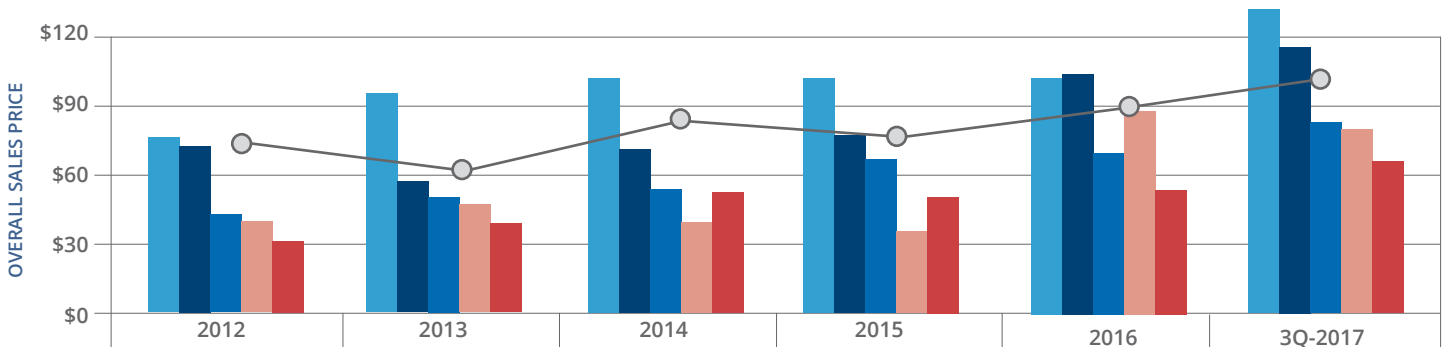
Historical Asking vs. Achieved Lease Rates

● ASKING ● ACHIEVED



Historical Asking Sales SF

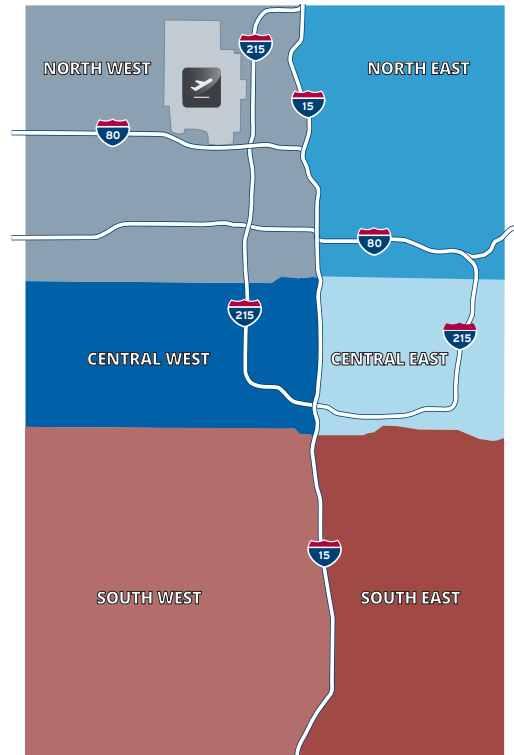
● OVERALL ● 0-5K SF ● 5-20K SF ● 20-50K SF ● 50-100K SF ● 100K+ SF



Industrial Market Overview

OVERALL	INVENTORY (SF)	VACANT RATE	ASKING SALE PRICE	ASKING LEASE RATE
0-5K	4,680,738	3.21%	\$133.71	\$0.68
5-20K	22,392,559	3.22%	\$111.67	\$0.62
20-50K	29,759,120	4.36%	\$82.06	\$0.51
50-100K	21,620,379	5.07%	\$80.91	\$0.40
100K+	61,553,306	4.81%	\$62.21	\$0.35
OVERALL	140,006,102	4.74%	\$93.24	\$0.50

Industrial Market Area



COLDWELL BANKER COMMERCIAL | **ADVISORS**

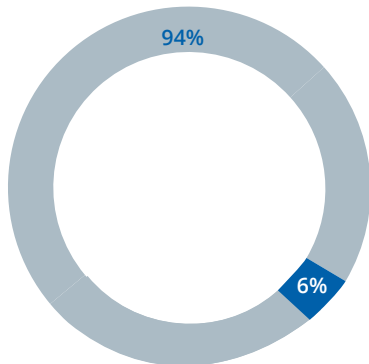
6550 South Millrock Drive, Suite 200
Salt Lake City, UT 84121 | 801.947.8300



www.cbcaadvisors.com

Current Construction Location

TOTAL UNDER CONSTRUCTION:
2,773,948 SF



NORTHWEST
CENTRALWEST