Office Market Overview
Salt Lake County

COLDWELL BANKER COMMERCIAL | ADVISORS

OFFICE

Overall Market Information 3Q 2017

Average Lease Rates	Net Absorption	Average Vacancy Rates	Under Construction
$24.03	14K SF	10.85%	1.2M SF

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

Market Overview

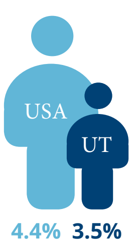
Construction activity remained strong during the third quarter of 2017 in the Salt Lake County office market. Over 1.2 million square feet of additional Class A space is scheduled to reach completion by mid-2018, including Sandy Center Plaza at just over 327,000 square feet and 136 Center 1 located in Draper city at 162,823 square feet, and the redevelopment at Sugarhouse adding 150,000 square feet of office space.

Vacancy rates increased slightly with the continued development of office space throughout Salt Lake. Vacancy rates in the Union Park/ Cottonwood submarket experienced the largest increase as several tenants relocated to office space along the I-15 interchange. The CBD/Periphery submarket also saw vacancy rates increase, mainly due to new completed construction and tenants who moved from Class B to new Class A space.

The bulk of leasing activity in 2017 took place within Class A office space in the South submarket. This year, more office tenants looking for 5,000 - 15,000 square feet have flooded the market while larger sized tenants have been more strategic about relocating or expanding.

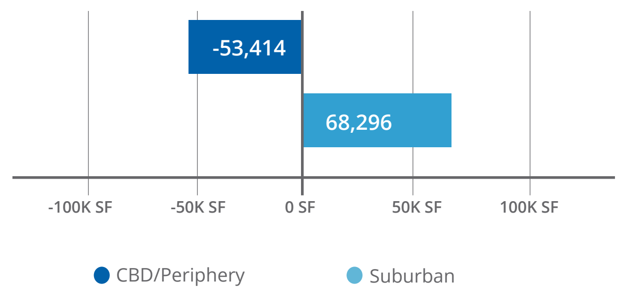
The amount of available sublease space also continued to tick upward from 345,000 square feet at year-end 2016 to 426,000 square feet currently, allowing tenants who are looking for immediate options to make economic decisions.

Unemployment



Utah's economy remains one of the strongest in the nation. The office market is shifting to accommodate the record amount of construction that reached completion. All indications are the Salt Lake County market will continue to thrive at a steady pace throughout the remainder of the year.

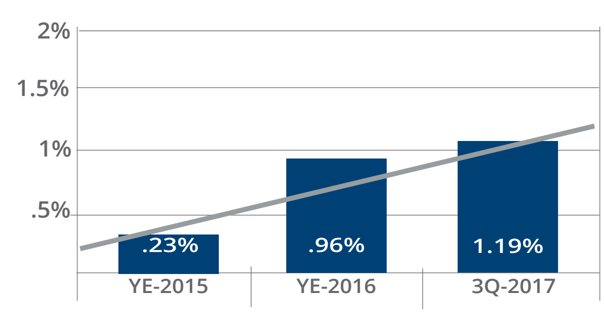
YEAR TO DATE NET ABSORPTION: 14,882 SF



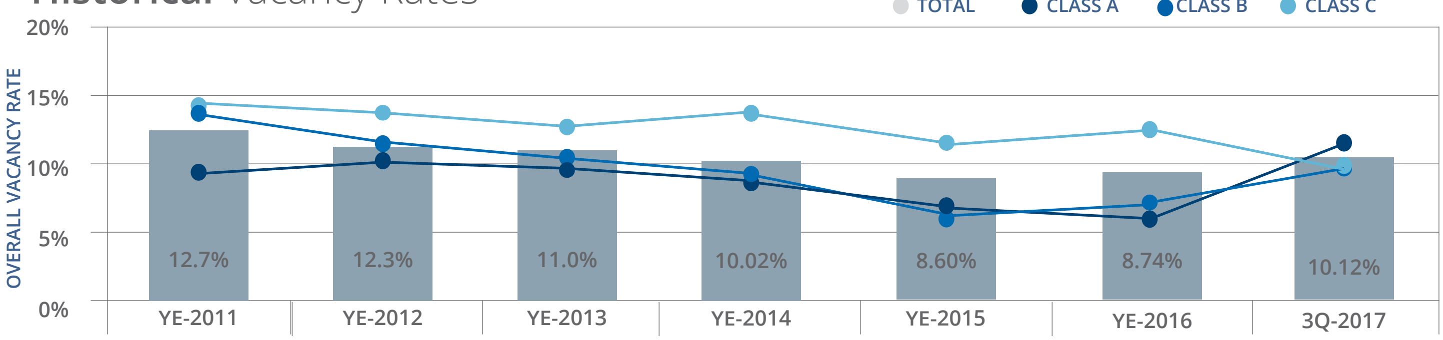
Significant Lease Activity 2017

SUBMARKET	TENANT	SIZE SF
North East	U of U Healthcare	170,000
CBD/Periphery	CenturyLink	70,369
CBD/Periphery	Holland & Hart (renewal)	74,584
CBD/Periphery	Stoel Rives, LLP	69,080
South Valley	Unishippers	45,000

Percent of Available Sublease Space

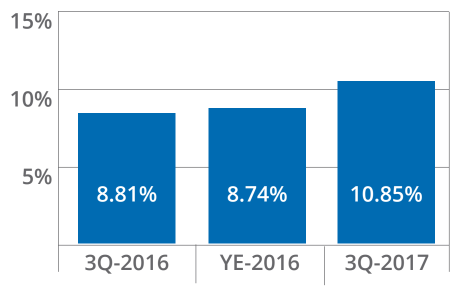


Historical Vacancy Rates



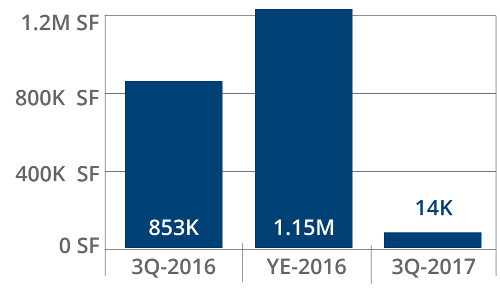
Salt Lake County Office Overview Comparison

Overall Vacancy Rates



Overall Asking Lease Rates

Overall Absorption



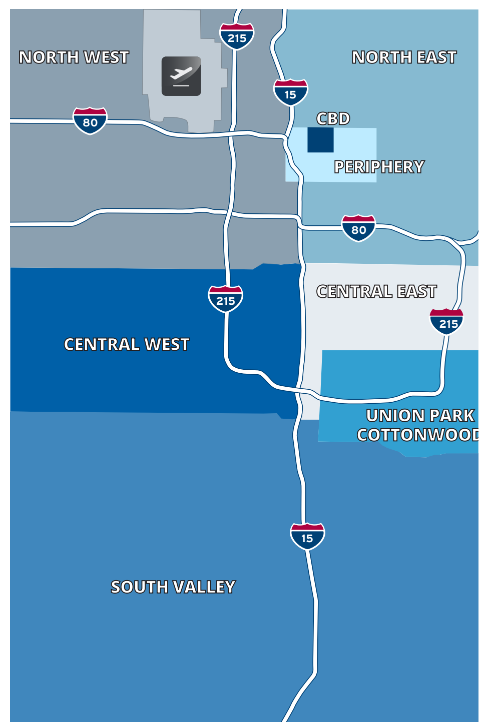
Salt Lake County Lease Rates

The weighted average asking full-service gross (FSG) lease rate per year per square foot in the Salt Lake County office market was $24.03 at the end of the third quarter, a slight increase from last year's rate of $22.98. Class A lease rates continue to increase from $28.32 third quarter 2016 to a current rate of $30.27 FSG. Class B space went from $20.99 to a current rate of $22.39, and Class C space decreased from $17.98 to a current rate of $16.42 FSG.

Market Statistics

SUBMARKET	CLASS	INVENTORY SF	VACANCY RATE	NET ABS SF	LEASE RATE
CBD/Periphery	A	4,486,014	9.36%	(5,371)	$32.71
CBD/Periphery	B	4,761,663	18.55%	(71,469)	$24.91
CBD/Periphery	C	2,812,701	9.20%	23,426	$20.31
TOTAL		12,060,378	12.95%	(53,414)	$25.98
North East	A	659,047	3.58%	41,104	$28.55
North East	B	939,055	11.49%	(96,178)	$24.70
North East	C	566,098	12.87%	(35,313)	$12.36
TOTAL		2,164,200	9.44%	(90,387)	$20.59
North West	A	411,980	0.00%	43,354	N/A
North West	B	2,184,352	6.76%	120,212	$19.08
North West	C	1,579,779	7.02%	(46,998)	$17.07
TOTAL		4,176,111	6.19%	116,568	$18.97
Central East	A	80,000	100.00%	(55,056)	$27.39
Central East	B	1,265,782	17.75%	2,266	$20.02
Central East	C	866,848	8.74%	(1,314)	$14.57
TOTAL		2,212,630	17.19%	(54,104)	$20.66
Central West	A	481,663	0.00%	(7,687)	N/A
Central West	B	1,407,559	10.04%	(19,096)	$19.97
Central West	C	391,510	25.65%	43,750	$17.96
TOTAL		2,280,732	10.60%	16,967	$18.74
UP/Cottonwood	A	2,421,464	19.59%	(75,011)	$32.42
UP/Cottonwood	B	1,719,166	12.42%	(24,945)	$21.70
UP/Cottonwood	C	181,210	27.03%	(15,986)	$16.96
TOTAL		4,321,840	17.05%	(115,942)	$28.30
South Valley	A	5,451,514	6.42%	112,121	$29.16
South Valley	B	2,345,570	4.71%	118,466	$23.93
South Valley	C	799,513	5.05%	4,408	$17.27
TOTAL		8,596,597	5.83%	234,995	$24.79
Overall Market	A	13,991,682	9.63%	53,653	$30.27
Overall Market	B	14,623,147	12.51%	(10,744)	$22.39
Overall Market	C	7,197,659	9.84%	(28,027)	$16.42
TOTAL		35,812,488	10.85%	14,882	$24.03

Salt Lake County Map



COLDWELL BANKER COMMERCIAL | ADVISORS

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

www.cbcadvisors.com