



Overall Market Information 3Q 2017

Average Lease Rates

\$18.75



Net Absorption

303K SF



Average Vacancy Rates

4.57%



YTD Under Construction

744K SF



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

Market Overview

The Salt Lake retail real estate market is robust with supply, while many areas of the market are seeing above-average rental rates. Net absorption has reached more than 300,000 square feet year to date. The majority of leasing activity occurred in the Central West and South East quadrants. Omni-channel retailing is enhancing brick-and-mortar stores as 48 percent of consumers who order online want to pick up, return or research a product in person.

Vacancy rates finished the quarter near a five-year low of 4.57 percent, decreased from last year's 6.57 percent. The overall average asking lease rate decreased from \$19.86 at this time last year to a current rate of \$18.75, mainly due to a lack of available space. Class A retail space was absorbed quickly during the first part of 2017, and the remainder of available space is in less desirable locations that have not been upgraded over the last few years, affecting the overall average asking lease rate.

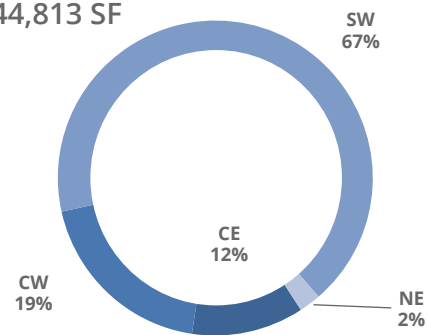
The states year-over-year employment growth was the fourth highest in the nation at 2.6 percent, up from 2.5 percent in July. The unemployment rate was 3.4 percent in August 2017, and Utah's nonfarm payroll employment for September 2017 grew by an estimated 2.4 percent, adding 35,100 jobs to the economy since September 2016. Utah's labor market remains robust, and wages continue to rise with the state's consumer confidence index, which was at 116.4 in September.

As market fundamentals exhibited positive growth through the first three quarters of 2017, the Salt Lake retail market continues to improve. To this point, the increase in construction this year has not caused a significant increase in availability. Overall, the Salt Lake retail property sector is strong and remains on solid footing.

Under Construction

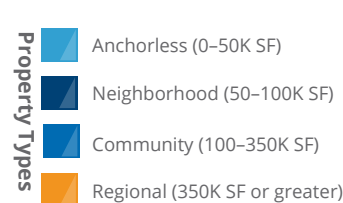
Percent by Quadrant

Total: 744,813 SF



Notable Under Construction

PROPERTY NAME	QUADRANT	SIZE (SF)	COMPLETION
Riverton CenterCal Phase 1	SW	406,654	1Q2018
Legacy Plaza @54th	SW	128,000	4Q2017
Winco	CE	86,000	1Q2018
Jordan Landing	SW	62,000	4Q2017

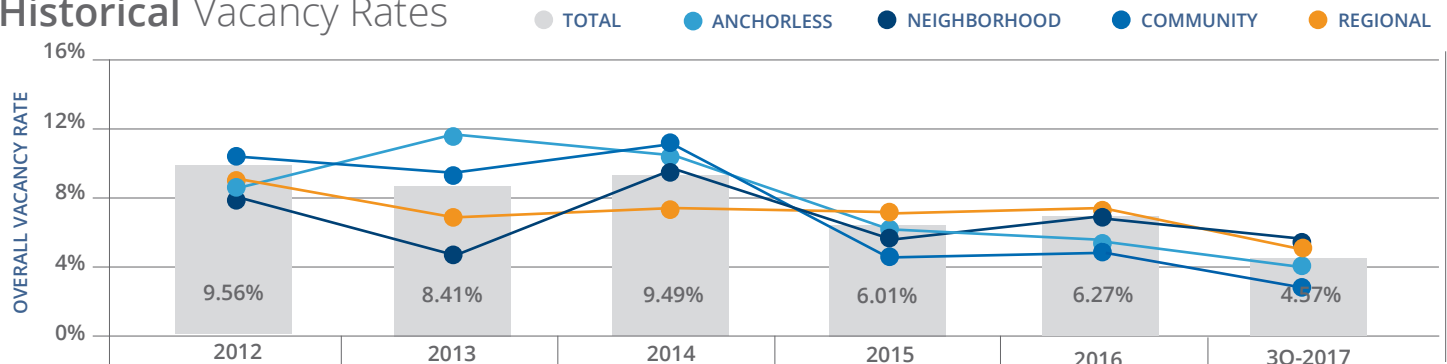


Unemployment



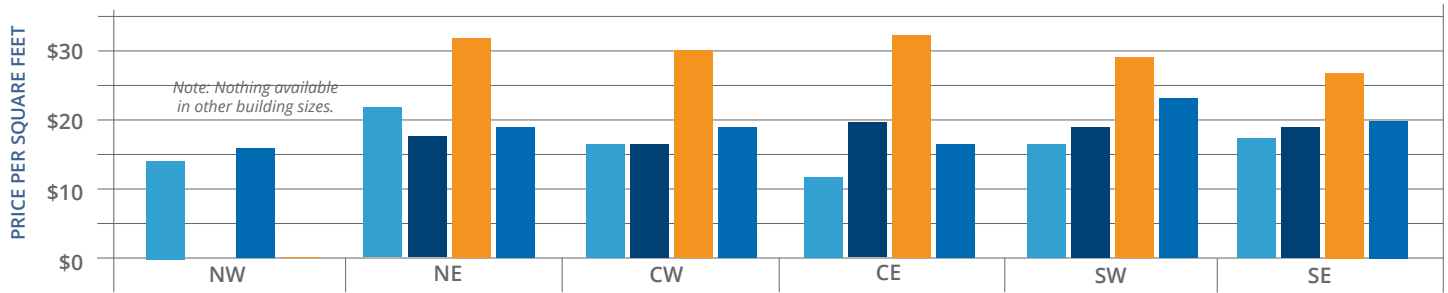
4.2% 3.4%

Historical Vacancy Rates

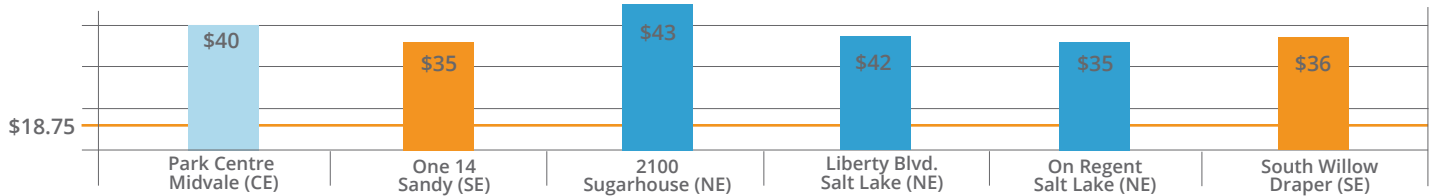


Average Asking Lease Rates by Property Type

● TOTAL ● ANCHORLESS ● NEIGHBORHOOD ● COMMUNITY ● REGIONAL



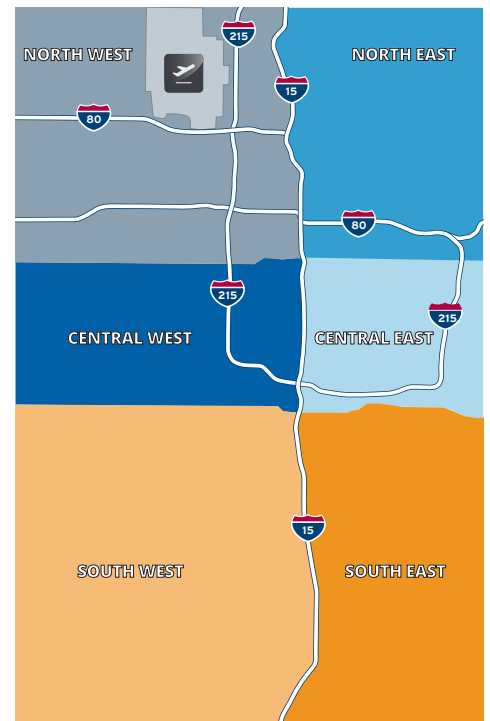
Above Average Asking Lease Rates by Map Location



Market Statistics

NORTHWEST	INVENTORY	AVAILABLE SF	VACANCY	ASKING LEASE RATE
Anchorless	334,114	1,680	0.50%	\$14.00
Neighborhood	463,647	0	0.00%	\$-
Community	734,674	22,900	0.00%	\$15.27
Regional	0	0	0.00%	\$-
TOTAL	1,532,435	24,580	0.11%	\$14.64
NORTHEAST	INVENTORY	AVAILABLE SF	VACANCY	ASKING LEASE RATE
Anchorless	1,405,877	105,404	6.79%	\$23.25
Neighborhood	440,078	63,208	14.36%	\$18.87
Community	1,772,895	108,210	6.10%	\$19.03
Regional	626,000	2,056	0.33%	\$32.72
TOTAL	4,244,850	278,878	6.33%	\$23.47
CENTRALWEST	INVENTORY	AVAILABLE SF	VACANCY	ASKING LEASE RATE
Anchorless	1,088,146	78,251	7.19%	\$16.07
Neighborhood	1,174,992	95,137	6.95%	\$16.63
Community	4,157,305	251,975	5.70%	\$18.02
Regional	1,583,503	61,514	3.88%	\$30.00
TOTAL	8,003,946	486,877	5.73%	\$20.18
CENTRALEAST	INVENTORY	AVAILABLE SF	VACANCY	ASKING LEASE RATE
Anchorless	1,375,651	12,826	0.93%	\$13.86
Neighborhood	1,465,734	68,416	4.67%	\$19.65
Community	1,892,554	159,070	0.00%	\$16.53
Regional	2,159,205	144,575	6.45%	\$32.79
TOTAL	6,893,144	384,887	3.20%	\$20.71
SOUTHWEST	INVENTORY	AVAILABLE SF	VACANCY	ASKING LEASE RATE
Anchorless	1,115,523	89,837	6.79%	\$16.34
Neighborhood	1,551,834	126,885	8.10%	\$18.08
Community	2,484,385	73,058	2.94%	\$17.04
Regional	3,517,876	190,012	5.40%	\$29.83
TOTAL	8,669,618	479,792	5.36%	\$20.32
SOUTHEAST	INVENTORY	AVAILABLE SF	VACANCY	ASKING LEASE RATE
Anchorless	1,136,797	54,780	3.48%	\$17.94
Neighborhood	1,775,284	57,646	3.25%	\$18.08
Community	3,984,123	150,945	3.79%	\$26.41
Regional	804,319	31,360	3.90%	\$19.60
TOTAL	7,700,523	294,731	3.63%	\$20.51
OVERALL	INVENTORY	AVAILABLE SF	VACANCY	ASKING LEASE RATE
Anchorless	6,456,108	342,778	4.70%	\$16.91
Neighborhood	6,871,569	411,292	5.77%	\$15.22
Community	15,025,936	766,158	3.79%	\$18.72
Regional	8,690,903	429,517	4.88%	\$24.16
TOTAL	37,044,516	1,949,745	4.57%	\$18.75

Salt Lake County Map



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