

GLOBAL SPOTLIGHT

Salt Lake City, Utah



Known as the "Crossroads of the West" for its central geography in the western United States, the modern economy of Salt Lake City is service-oriented.

- The Salt Lake City office market remains strong and vibrant. Over a one-year period, Class A buildings have increased almost \$1.00 per SF. Class B buildings increased by \$1.70 per SF. Rising rents are attributed to declining in vacancy rates and the increasing costs of new construction.
- The retail market is experiencing dramatic growth as retailers pursue their expansion plans in Salt Lake County. Vacancy rates are at their lowest point in five years, and rental rates remain strong. Rents are highest in the southwest quadrant of the valley where most of the retail product is new and reflects higher land and construction costs.
- Industrial Demand continues to exceed supply with values and rates on the rise. Available land is under increasing pressure and migration patterns are being reinforced. The valley is filling up. With new belt routes and light rail lines under construction, forward-thinking users and investors are staking out positions.
- Investment activity is strong in all product types, although sales are slightly less than the previous two record-breaking years. There remains far more demand than available quality supply of investment properties. Investors are now faced with low cap rates and rising interest rates. This will force property values to stabilize or decrease for the present.
- The Multi-Family market is the strongest rental market the Wasatch Front has seen in over 10 years. Home prices along the Wasatch Front are rising at a far greater pace than in any of the Mountain West markets. In some local markets, double-digit rent increases are occurring, and in every market rental concessions are non-existent.

Salt Lake City At A Glance

Population	181,743 (2000)
Location	Capital and the most populous city of Utah
Interest	4.53% (US 10yr Treasury Note)
Unemployment	2.7% (Utah)

Property	Rent/SF/Year Low	High	Effective Avg.	Vacancy Rate
Downtown Office Class A	\$20	\$30	\$23.64	1.36%
Suburban Office Class A	\$16.50	\$26.50	\$21.35	11.73%
Industrial Bulk Warehouse	\$3.48	\$7.56	\$4.24	13.07%
Retail Downtown	\$10	\$36	\$18.78	2.10%

NAI Utah Commercial Real Estate serves clients throughout the state of Utah.

About NAI Global:

NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

350	Offices
45	Countries
5,000	Professionals
\$40 billion	Annual Transaction Volume
200	MSF of Property Management

For more information about NAI Global please visit www.naiglobal.com or call 609.945.4000

September 2007



Commercial Real Estate Services, Worldwide.

Build on the power of our network.™