



# IPG INFORMER

COMMERCIAL REAL ESTATE REPORT | AUGUST 2011

## THE LAST LOOK 2011 MID-YEAR UTAH INDUSTRIAL REVIEW

Activity, Supply, and Lease Rates are all up in industrial space increments over 50,000 SF in Salt Lake County at Mid Year 2011.

Forbes Magazine continues to gush over Salt Lake City, most recently ranking the city as one of the top 15 spots for business in their nationwide poll out last month.

### INDUSTRIAL ACTIVITY

#### Leasing

- Up 10% from Q2 2010.
- 100% increase in increments from 20-100,000 SF.
- Currently negative net absorption with addition of 850,000 SF Kraftmaid building coming to market.
- Expecting strong positive net absorption by Q4 with current leases out for signature.

#### Sales

- Activity more than double Q2 2010.
- Some freeing of capital for owner occupied deals.
- Limited supply and pricing expectations continue to restrict activity.

#### Inventory and Vacancy Rates

- Vacancy up 20% from Q1 2011 due to Kraftmaid facility and two additional speculative projects. Current vacancy approximately 9%.
- Large space class A&B inventory over 100,000 SF continues to be constrained. Supply of for sale product is still tight.
- Small Box and Mid Box space from 10,000-50,000 SF showing improvement. Supply is down from 2 years to 18 months.

#### Asking Rates & Achieved Prices

- Asking lease rates remain consistent with year end 2010, but achieved rates on larger increments

### HIGHLIGHTED PROPERTIES

#### FOR SALE

Xpedx Building  
Office/Warehouse



134,250 SF 7 Acres,  
Salt Lake City, UT  
[download brochure>](#)

#### FORECLOSURE

Medical Facility



8,464 SF 1.7 Acres,  
Durham, NC  
Make Offer  
[Contact IPG REO Dept. >](#)

VIEW A COMPLETE LIST OF  
FORECLOSED PROPERTIES

[www.ipgassetservices.com](http://www.ipgassetservices.com)

### MARKET AT A GLANCE

Salt Lake County  
Industrial Market  
2011 Q2

VACANCY ↑

LEASE RATES ↑

SALES PRICES ↑

ACTIVITY ↑

above 50,000 SF are up between 5-10%. Smaller increment space below 20,000 SF has shown softness with a 12% reduction in finished deal pricing.

- Asking sale prices have remained flat but achieved prices have increased by 12% reflecting the low interest rate loans that are available and the slight increase of liquidity by lenders.

### Construction

- 5 speculative big box projects are currently under construction for a total of over 1,500,000 square feet, of which over 600,000 square feet have been pre-leased.
- 1 speculative big box project is planned to break ground later this year for another 500,000 square feet of space.

### 2011 FORECAST

- Lease rates will continue to improve as large increments of space are absorbed.
- User sales activity will increase from last year as additional product becomes available and buyers take advantage of newly available sources of capital.
- Investment Sales activity will increase over 2010, but will be constrained by a lack of available product.
- Capitalization rates on investment transactions will decrease due to the lack of supply and the large amounts of capital seeking investments.

CONSTRUCTION ↑

## NEWLY LISTED PROPERTIES

FOR SALE		FOR LEASE
<p>846,216 SF MANUFACTURING BLDG \$38,000,000 Salt Lake City, UT <a href="#">Request Info &gt;</a></p>	<p>33,976 SF INDUSTRIAL WHSE \$1,890,000 West Jordan, UT <a href="#">Request Info &gt;</a></p>	<p>6,000-275,000 SF INDUSTRIAL FACILITY \$0.35/SF/Mo Salt Lake City, UT <a href="#">Request Info &gt;</a></p>
<p>78,000 SF DISTRIBUTION FACILITY \$4,050,000 Salt Lake City, UT <a href="#">Request Info &gt;</a></p>	<p>22,874 SF INDUSTRIAL WAREHOUSE \$2,131,100 Salt Lake City, UT <a href="#">Request Info &gt;</a></p>	<p>17,900-58,909 SF HIGH IMAGE OFFICE/WHSE \$0.60/SF/Mo Salt Lake City, UT <a href="#">Request Info &gt;</a></p>

## RECENTLY COMPLETED TRANSACTIONS

194,510 SF SALE

76,452 SF SALE

41,844 SF SALE

ADVANCED H2O BUILDING	DSI BUILDING	1775 S REDWOOD BLDG
Buyer: Del Mar Partnership Salt Lake City, UT <a href="#">Request Comp &gt;</a>	Buyer: B&C Norton Leasing Salt Lake City, UT <a href="#">Request Comp &gt;</a>	Buyer: Peck Striping Salt Lake City, UT <a href="#">Request Comp &gt;</a>
277,000 SF LEASED LANDMARK 8	173,539 SF LEASED LANDMARK 8	173,040 SF LEASED LANDMARK 2
Lessee: International Paper Salt Lake City UT Confidential Comp	Lessee: Core-Mark Int., Inc. Salt Lake City, UT <a href="#">Request Comp&gt;</a>	Lessee: Handstands, Inc. Salt Lake City, UT <a href="#">Request Comp &gt;</a>

#### VIEW OUR CURRENT LISTINGS

[Industrial >](#)

[Land >](#)

[Office >](#)

[Download All Listings >](#)

#### REGISTER WITH IPG

Receive regular updates on listings that fit your needs.

[Register Now >](#)

#### ABOUT IPG

IPG Commercial Real Estate (IPG) is a boutique commercial real estate firm specializing in industrial properties, and national asset management. We are committed to long-term relationships, and use innovation, technology, and "green" strategies to enhance value for owners, buyers, and tenants.



[www.ipgcre.com](http://www.ipgcre.com)

Sent to \*|EMAIL|\*: [unsubscribe](#) | [update profile](#) | [forward to a friend](#)