



THE LAST LOOK 2011 UTAH INDUSTRIAL REVIEW

The sentiment in the market is clear: "2011 is a good year to see behind us!" In the search for a return to better times, it is safe to say that no one will miss the passing of the last twelve months. However, upon a closer examination, the year 2011 exceeded expectations for the Utah industrial marketplace.

INDUSTRIAL ACTIVITY

Leasing

- Up 13 % from 2010
- 230% increase in increment from 50-100,000 SF
- Positive net absorption at year end
- Activity near record levels at over 5,000,000 SF

Sales

- Increase of 10% from 2010, but still only half of historic high in 2007
- Increased supply in 10-50,000 SF increment aided activity
- No activity over 100,000 SF in 2011
- Financing requirements continue to hamper deal flow

Inventory and Vacancy Rates

- Activity is matching increased supply, specifically in large space class A buildings .
- Vacancy remains healthy at 8.6%
- 50,000+ SF for lease inventory less than 12 month supply
- Small box and Mid box supply hovering at 20 month supply

Asking Rates & Achieved Prices

- Excepting 395,000 SF ITT lease, achieved rates up slightly overall
- Asking lease rates for 50,000 SF and up increased

HIGHLIGHTED PROPERTIES

FOR LEASE

Pacific Landing III
Office/Warehouse



345,710 SF 7 Acres,
Salt Lake City, UT

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FORECLOSURE

Industrial Warehouse



11,488 SF
Las Vegas, NV
Make Offer

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VIEW A COMPLETE LIST OF
FORECLOSED PROPERTIES

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MARKET AT A GLANCE

Salt Lake County
Industrial Market
2012

VACANCY ↓

LEASE RATES ↔

SALES PRICES ↑

ACTIVITY ↑

5%

- Asking sale prices remain flat
- Achieved sale prices up 12%

CONSTRUCTION ↑

Construction

- Of the 6 speculative big box projects started last year, totalling over 2,000,000 SF all but one have had significant leasing activity. Tenants include:
International Paper - 277,000 SF
Boeing - 100,000 SF
Boart Longyear 83,000 SF
Coremark 173,000 SF
- 2 additional speculative warehouse projects have been slated for construction already in 2012, for another 500,000 SF. Both have significant pre-leasing, including Fed-Ex Ground committing to 150,000 SF

2012 FORECAST

- Leasing incentives will diminish, and landlords will gain control as demand increases
- User purchase demand will increase as capital flow loosens.
- Investment sales demand will increase, putting additional downward pressure on cap rates
- Quality investment assets will continue to be rare as alternative investments are scarce

NEWLY LISTED PROPERTIES

FOR SALE		FOR LEASE
197,513 SF INDUSTRIAL WAREHOUSE \$7,950,000 Salt Lake City, UT Request Info >	45,000 SF INDUSTRIAL WHSE \$1,250,000 Salt Lake City, UT Request Info >	500,000 SF NEW DISTRIBUTION \$0.38/SF/Mo Salt Lake City, UT Request Info >
69,000 SF SF MANUFACTURING BLDG \$3,000,000 Salt Lake City, UT Request Info >	26,355 SF MANUFACTURING BLDG \$950,000 West Jordan, UT Request Info >	100,000-200,000 SF HIGH IMAGE DISTRIBUTION \$0.35/SF/Mo Salt Lake City, UT Request Info >

RECENTLY COMPLETED TRANSACTIONS

395,000 SF SALE PROLOGIS PORTFOLIO	95,000 SF SALE ST. GEORGE INDUSTRIAL	35,000 SF SALE SUMMIT BLDG
Buyer: Clarion Partners	Buyer: LDS Czar, Inc.	Buyer: Desert Tactical Arms

Salt Lake City, UT Request Comp >	Salt Lake City, UT Request Comp >	Salt Lake City, UT Request Comp >
395,000 SF LEASED BONNEVILLE	144,210 SF LEASED CONTEMPO TILE	100,000 SF LEASED AIRPORT DC CENTER
Lessee: ITT Salt Lake City UT Request Comp>	Lessee: TD Williams Salt Lake City, UT Request Comp>	Lessee: Boeing Salt Lake City, UT Request Comp >

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