



# Wasatch Front Retail Market

The Wasatch Front Retail Market Experienced Moderate Activity Amidst Lasting Impacts of COVID-19

## Lease Summary

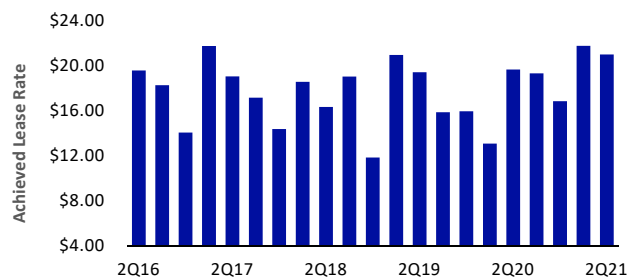
Leases 0 – 9,999 SF	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Number of Transactions	50	44	34	↑
Average Achieved Actual Lease Rate (NNN)	\$26.70	\$26.88	\$22.48	↑
Total Leased SF	132,879	97,278	76,511	↑
Leases 10,000+ SF	Current Quarter	Prior Quarter	Year Ago Period	12-Month Forecast
Number of Transactions	4	4	1	↑
Average Achieved Actual Lease Rate (NNN)	\$8.44	\$13.75	\$15.80	↑
Total Leased SF	60,188	61,857	55,000	↑

## Current Conditions

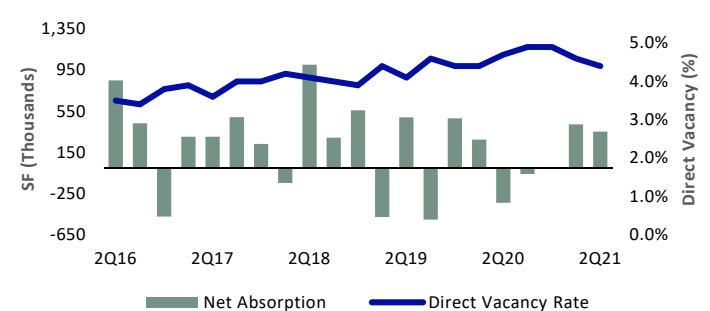
- Direct vacancy increased slightly in the second-quarter of 2021 to 4.4% from 4.6% in the first quarter of 2021.
- The total square footage under construction was 402,983 in the second-quarter of 2021. Activity has decreased significantly in the last ten-years and is expected to continue for the foreseeable future.
- Small, take-out restaurants, furniture, and discounted good stores were the bright spots for the Wasatch Front. Expanding restaurateurs are seeking space with outdoor patio seating or drive thru capacity.

## Market Analysis

ACHIEVED AVERAGE LEASE RATES PSF (YEARLY NNN)



NET ABSORPTION AND DIRECT VACANCY RATE



## Select Lease Transactions

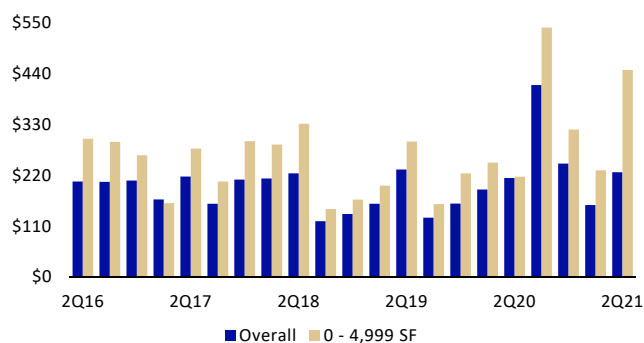
Tenant	City	Building	Type	Square Feet
Dick's Sporting Goods	Layton	Layton Hills Mall	Direct	46,555
AutoZone	Orem	The Family Center at Orem	Direct	20,873
Caliber Collision	Springville	237 South 2200 West	Direct	16,100
Waller's Furniture	Salt Lake City	I-15 Marketplace	Direct	12,000
Aaron Rents	Taylorsville	5670 South Redwood Road	Direct	10,500

## Select Sale Transactions

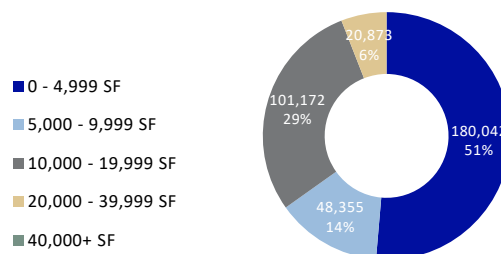
Buyer	City	Building	Type	Square Feet
The Grace Company	West Jordan	6748 South Redwood Road	Owner-User	121,956
Seoul Trading USA	West Jordan	1442 West 9000 South	Owner-User	108,303
C-A-L Ranch Stores	Bountiful	535 South Main Street	Owner-User	50,000
Allis Communicet XXI Trust	Salt Lake City	5684 South 900 East	Owner-User	35,680
7-Eleven	Ogden	2012 Harrison Boulevard	Investment	2,000

## Transaction Analysis

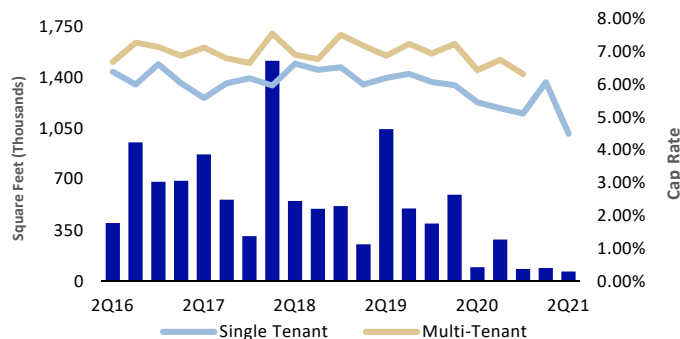
ACHIEVED AVERAGE OWNER-USER SALE PRICES PSF



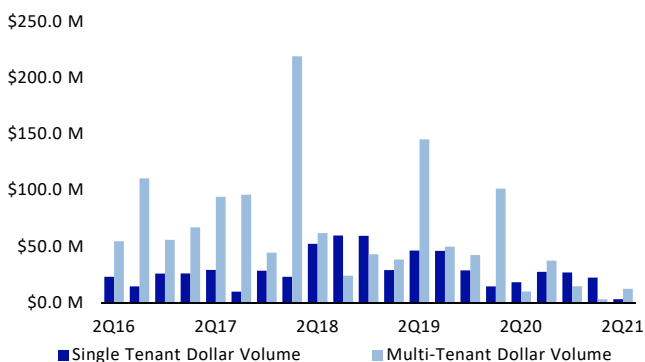
Q2 2021 LEASE OVERVIEW BY TRANSACTION SF



UTAH RETAIL INVESTMENT PRICE-WEIGHTED AVERAGE CAP RATES AND TOTAL TRANSACTION SF



UTAH RETAIL INVESTMENT TRANSACTION DOLLAR VOLUME

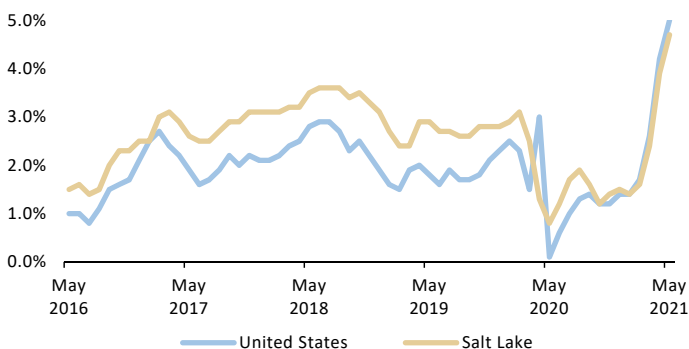


## Economic Overview

The unemployment rate for the Salt Lake City Metro has historically stayed below the national average by a full 1.0% to 2.0% for the past decade. Despite the unemployment rate increasing dramatically due to COVID-19 back in April 2020, Salt Lake City has continued to stay below the national average throughout 2020 and into 2021 by a significant amount, coming in at 2.8% in May 2021, compared to the national rate of 5.8%, coming in 300 basis points lower than the national rate and is the lowest in the nation for large metros. Job growth has bounced back well, with a total net increase of 68,000 jobs added back to the market since April 2020 with positive job growth year over year across all industry sectors. With just over half of the metro fully vaccinated, mask mandates lifted, and more employees returning to work, the Salt Lake metro now faces the struggle of finding employees for positions due to the low unemployment rate. Some openings are staying open longer as companies work hard to find candidates. As companies compete for quality candidates, the office sectors are expected to see an overall increase in employment incentives and movement.

## Consumer Price Index (CPI)

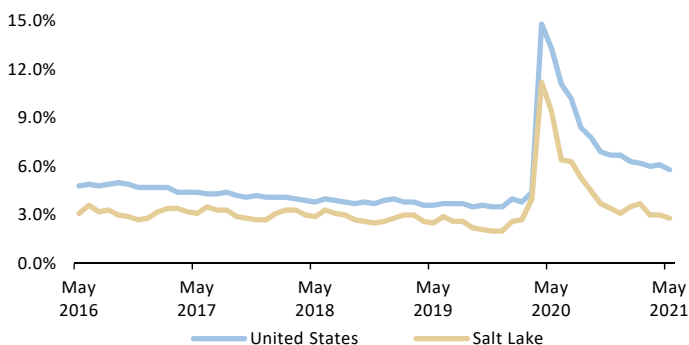
ALL ITEMS, NOT SEASONALLY ADJUSTED, 12-MONTH % CHANGE



Source: U.S. Bureau of Labor Statistics

## Unemployment Rate

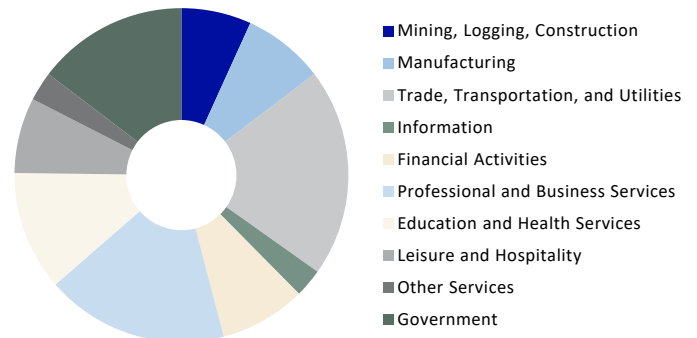
NOT SEASONALLY ADJUSTED



Source: U.S. Bureau of Labor Statistics

## Employment by Industry

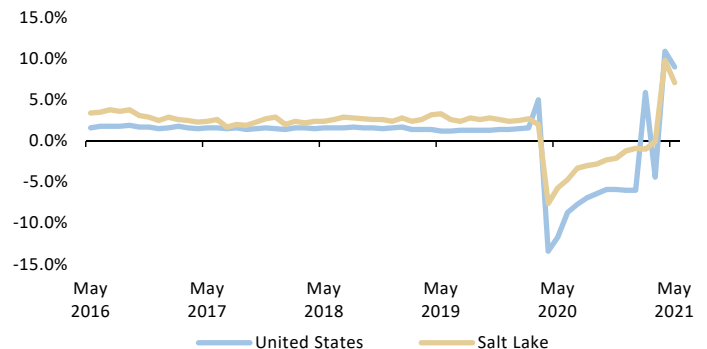
Salt Lake, 2020 Annual Average



Source: U.S. Bureau of Labor Statistics

## Payroll Employment

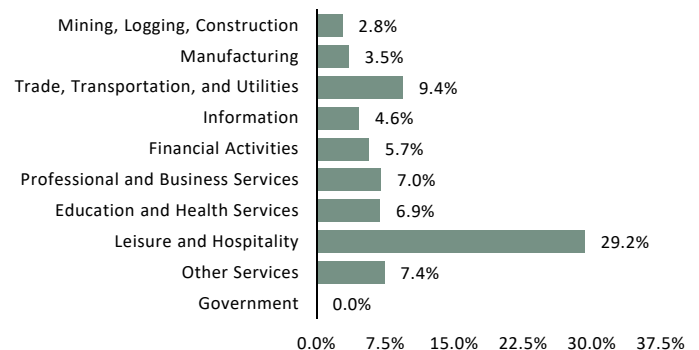
TOTAL NONFARM, NOT SEASONALLY ADJUSTED, 12-MONTH % CHANGE



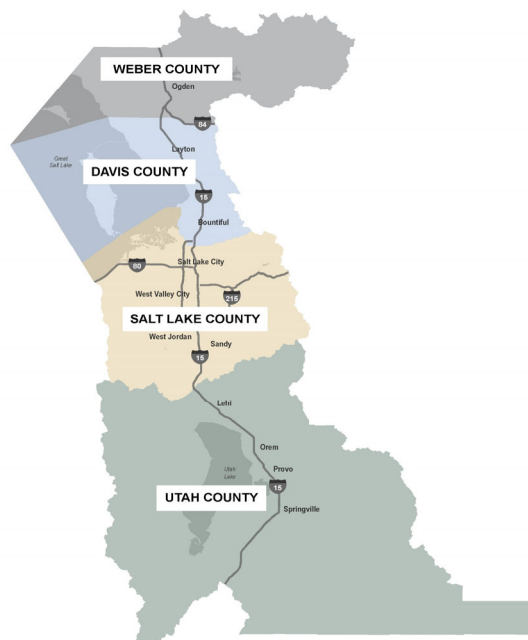
Source: U.S. Bureau of Labor Statistics

## Employment Growth by Industry

SALT LAKE, MAY 2021, 12-MONTH % CHANGE, NOT SEASONALLY ADJUSTED



Source: U.S. Bureau of Labor Statistics



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