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Retail Real Estate



National Retail Market

- CMBS (Commercial Mortgage Backed Securities)
- CMBS delinquency rates increased to 3.14% in July, more than six times the level a year earlier.
- Office/Retail Vacancy Rates are the highest they have been all decade.

- Source: Wall Street Journal. August 31, 2009, pg. A2



Utah Retail Market

- Vacancy has increased 12% since Q2 2008
- Lease Rates have decreased 10% since Q2 2008
- Retail Rates have fallen from \$19.50 psf NNN to \$17.50 psf NNN Since Q2 2008
- Lease Activity has decreased 68% since Q2 2008
- Lease activity has generally been isolated to regional and local retailers who have taken advantage of falling lease rates and higher vacancy rates.
- Source: NAI Utah Mid-Year Market Report 2009



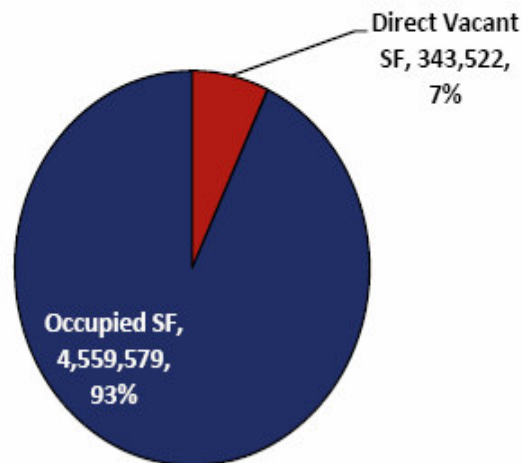
Regional Retail Market

- Activity in the retail segment outperformed industrial and office. Almost 26,000 square feet of retail space has been leased in the first half of the year.
- Vacancy is a modest 7% at midyear and only nominally higher than a year ago.
- Lease Rates are \$13.82 psf NNN ending Q2 2009
- Source: NAI Utah Mid-Year Market Report 2009

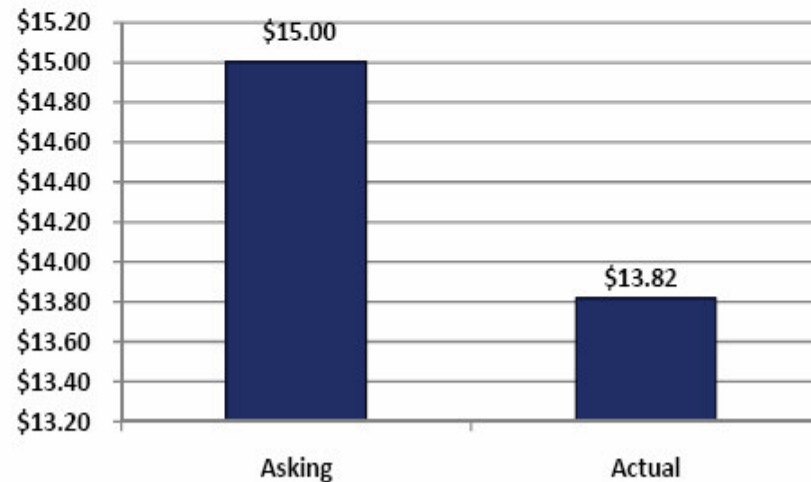


Cache County Retail Market - Q2 2009

Vacancy



Lease Rates



* Rates reported are weighted average NNN. Asking rates are current. Actual rates include all deals closed over the last year.