



# *The Utah Industrial Market and Supply Chain Trends*

**“Lunch & Learn” Event**  
Salt Lake City | October 8<sup>th</sup>, 2015

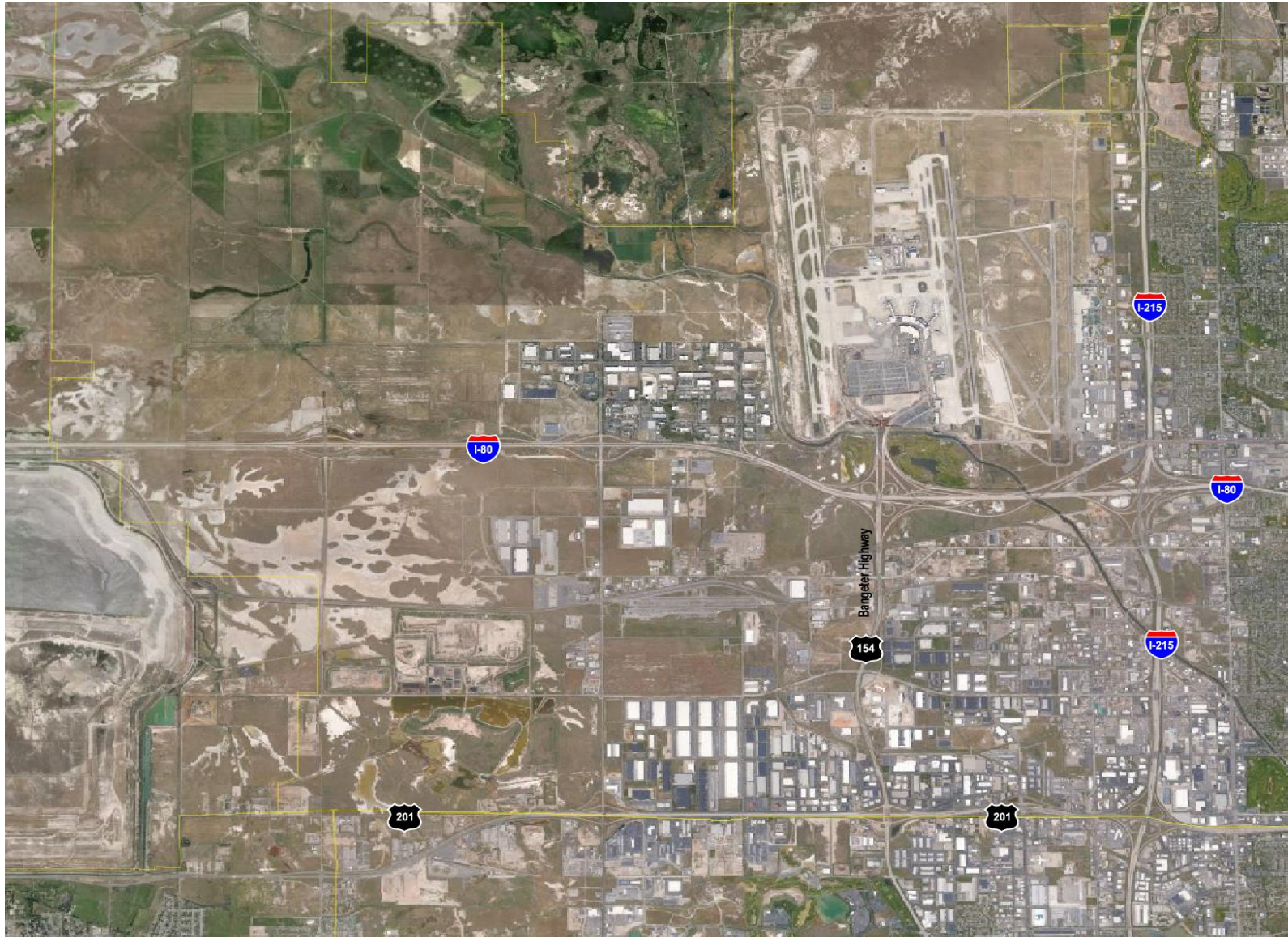
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# Land Constraint

Northwest Quadrant of Salt Lake City





# Land Constraint - **Unavailable**

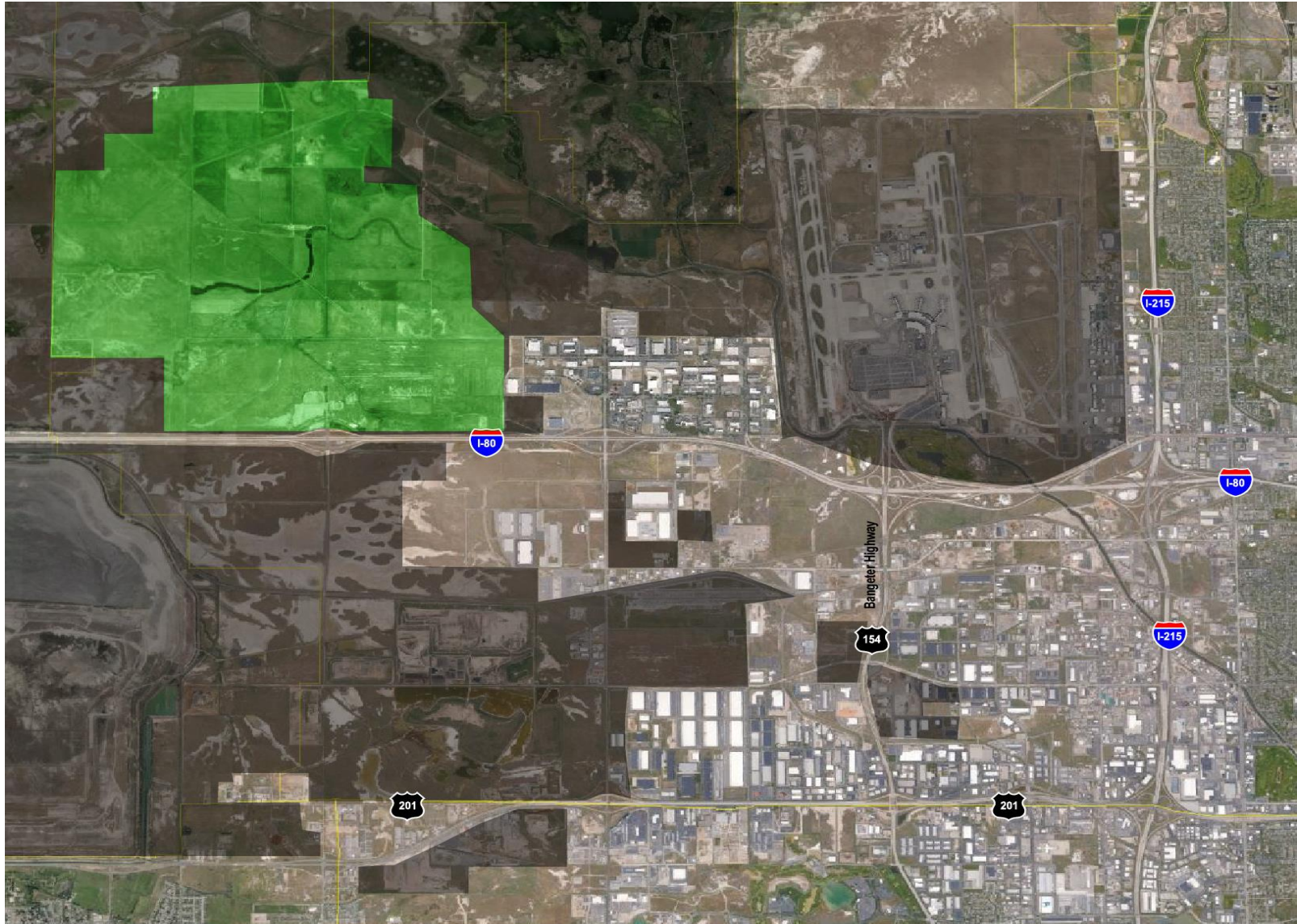
Northwest Quadrant of Salt Lake City





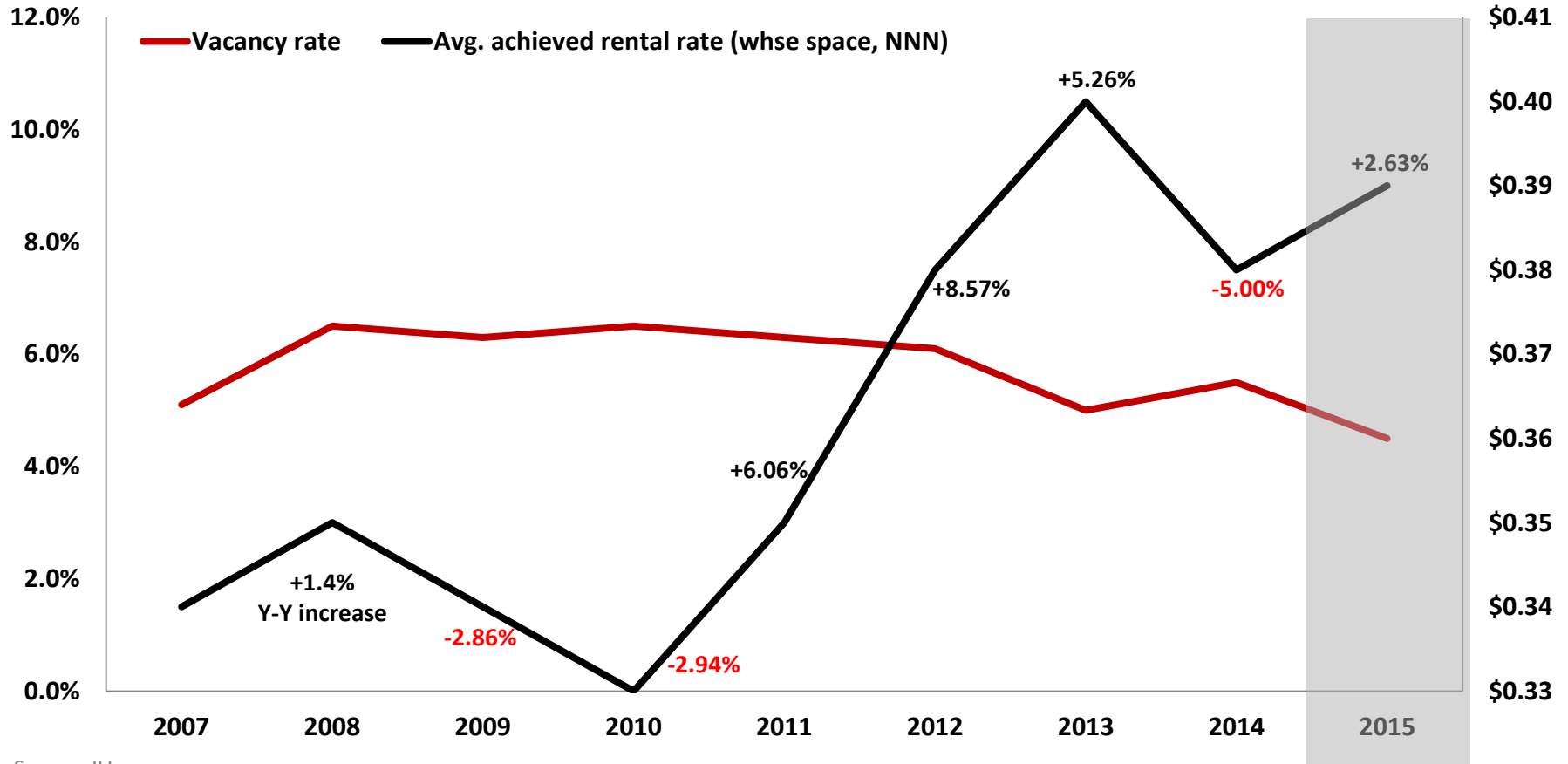
# Land Constraint

Northwest Quadrant of Salt Lake City – **Utah State Prison**



# Steady Lease Rates in 2016

However, new spec deliveries will moderate upticks



Source: JLL

# Two Sale Comparables

A closer look



## **Alpha Packaging**

Transaction date: September 2015

City: Salt Lake City, Utah

Facility size: 159,995 sf

Built in 1996

Tenant: Alpha Packaging

**Lease term: 10 years**

Buyer: LBA Realty

Sellers: Alere Property Group

**Price: \$74.00 p.s.f. / Cap rate: 5.67%**



## **Unisource**

Transaction date: April 2015

City: Salt Lake City, Utah

Facility size: 220,500 sf

Built in 1997

Tenant: Unisource

**Lease term: 5 years**

Buyer: LBA Realty

Seller: International Center Properties (Bond)

**Price: \$65.31 p.s.f. / Cap rate: 6.40%**

# Two Lease Comparables

A closer look



## **Wesport DC Phase III**

Transaction date: March 2015

City: Salt Lake City, Utah

Leased Square Footage: 227,430 sf

Built in 2014

Tenant: Exel, Inc

Landlord: IIT

**Lease term: 120 months**

**Base Lease Rate: \$0.38 NNN**

**Comments: 3% annual increase**



## **Landmark 12**

Transaction date: June 2015

City: Salt Lake City, Utah

Facility size: 71,078 sf

Built in 2015

Tenant: Stryker

Landlord: Freeport West

**Lease term: 168 years**

**Base Lease Rate: \$0.41 NNN**

**Comments: 3% annual increase**



# 2015 Delivered New Construction



Address	Project Name	Developer	Building Size	Divisible	% Leased	Delivery
350 North John Glen Road Salt Lake City	I-80 Logistics Center #1	Seefried	305,760	32,988	50%	July 2015
350 North John Glen Road Salt Lake City	I-80 Logistics Center #2	Seefried	285,149	32,988	25%	July 2015
4325 West Commercial Way Salt Lake City	Meridian Commerce Center #1	IDI	231,830	25,140	12%	May 2015
4333 West 2100 South West Valley City	201 Commerce Center #6	Clarion	307,935	30,000	90%	January 2015
1555 South Gramercy Road Salt Lake City	Price Bangerter	Price	251,612	24,960	61%	January 2015
2100 South 4800 West Salt Lake City	Landmark #12	Freeport West	199,393	50,000	75%	July 2015
2100 South 7200 West West Valley City	ARA Building B	Freeport West	497,632	100,000	0	Q4 2015
3505 West Ninigret Drive Salt Lake City	Price Gladiola A	Price	307,559	30,000	0	August 2015
<b>Total</b>			<b>2,386,870 SF</b>		<b>40%</b>	



# 2016 Under Construction



Address	Project Name	Developer	Building Size	Divisible	% Leased	Delivery
210 North Ace Yeager Court Salt Lake City	Exeter International I	Exeter	105,511	25,000	0	Q2 2016
210 North Ace Yeager Court Salt Lake City	Exeter International II	Exeter	116,526	25,000	0	Q2 2016
1220 North 2200 West Salt Lake City	Pacific Landing V	Scott Nielsen	186,188	16,420	0	Q1 2016
14600 South 950 West Bluffdale	ICO South Valley	Ivory Commercial	200,000	20,000	0	Q2 2016
351 West 12800 Draper, Utah	White Mountain	Kimball	192,170	8,316	5%	Q1 2016
4333 West 2100 South West Valley City	201 Commerce Center #5	Clarion	197,100	25,000	0	Q2 2016
1525 South 5200 West Salt Lake City	Landmark #10	Freeport West	139,662	25,000	0	Q3 2016
1730 South 5200 West Salt Lake City	Landmark #11	Freeport West	83,102	20,000	0	Q3 2016
<b>Total</b>			<b>1,220,259 SF</b>		<b>0%</b>	

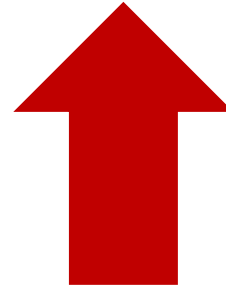
# Planned Construction



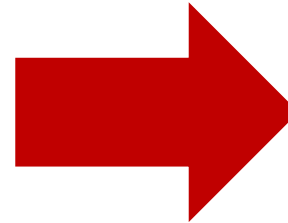
Address	Project Name	Developer	Building Size	Divisible	% Leased	Delivery
4400 West Commercial Way Salt Lake City	Meridian IDI #2	IDI	303,010	37,795	0	TBD
4333 West 2100 South West Valley City	201 Commerce Center #7	Clarion	211,095	25,000	0	TBD
350 North John Glenn Road Salt Lake City	I-80 Logistics Center	Seefried / USAA	500,000	100,000	0	TBD
3505 West Ninigret Drive Salt Lake City	Price Gladiola Bldg. B	Price Realty	307,559	25,000	0	TBD
2450 South 6755 West Salt Lake City	ARA Freeport West Bldg. C	Freeport West	633,000	100,000	0	TBD
1730 South 5600 West Salt Lake City	SITLA Building A	Freeport West	452,298	50,000	0	TBD
1730 South 5600 West Salt Lake City	SITLA Building B	Freeport West	1,012,938	100,000	0	TBD
<b>Total</b>			<b>3,419,900 SF</b>		<b>0%</b>	

# What to expect in 2016

Vacancy rates



Lease rates





# What to expect going forward

- Landlord's are becoming more creative to win Tenants with TI's and abated rent.
- Improved land will average from \$4.75-\$5.50 PSF
- Every local market is **unique**—SLC has a lot of conflicts of interest. Do your best to avoid dual representation!



Thank you!

