



City of South Salt Lake

Industrial Land Market Analysis

July 10, 2019

Outline

- Goals / Objectives
- Approach
- Key Findings
- Market Comps
- Available Property

Goals and Objectives

- Assess the current state of the real estate market within South Salt Lake and surrounding communities
- Review comparable land sales (improved and unimproved) for industrial properties to understand value per acre
- Identify available land parcels in South Salt Lake and surrounding communities to understand current asking rates

Approach

- Examined economic and demographic market dynamics
- Analyzed industrial and multifamily market data including:
 - Inventory / product delivered
 - Absorption / Vacancy
 - Rental rates
 - Future deliveries
- Identified comparable improved and unimproved land sales and analyzed sales trends
- Identified large parcels of land for sale and analyzed listing trends

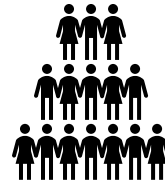
Key Findings

Key Findings - Economic and Demographic

A strong economy in the Salt Lake and South Salt Lake markets are driving demand for commercial and residential real estate.

South Salt Lake is well positioned for future development of all kinds due to location within the valley, proximity to public transit, and favorable zoning.

Salt Lake County



1.16 M

Population



13%

Population Growth
2010-2019



2.8%

Unemployment Rate

South Salt Lake

26,256

Population

11%

Population Growth
2010-2019

2.8%

Unemployment Rate

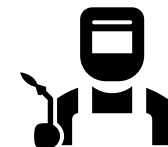
3rd

Fastest Growing Market in
the United States



27,000+

New Jobs Created in 2018



9%

Of Job Growth is in
Manufacturing

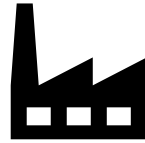
Key Findings - Industrial Market

The industrial and multifamily real estate markets have been strong for the last five years as demand continues to outpace new supply.

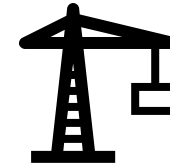
Sustained demand has prompted speculative development for industrial and warehouse space.

Many commercially zoned properties have been converted to residential use which command a higher sales price.

Salt Lake County



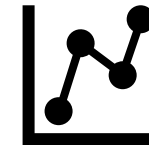
3.3 million
SF of Industrial Space
Delivered in 2018



4.5 million
SF Under Construction in
Salt Lake County

4.2%

Salt Lake County Vacancy



3.1%

South Salt Lake Vacancy

\$362,000

Avg. Sale Price Per Acre
(Land)



\$949,000

Avg. Sale Price Per Acre
(Land with Improvements)

Key Findings - Multifamily Market

Strong population growth and healthy economic fundamentals have driven up rents and kept vacancy low

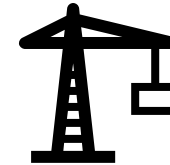
South Salt Lake is well positioned for future residential growth due to location within the valley, proximity to public transit, and favorable zoning

Salt Lake County



2,480

Avg. Units Delivered Per Year Since 2014

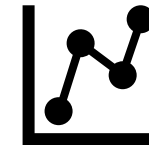


2,800

Units Permitted in 2019

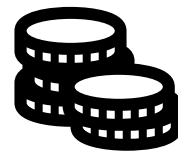
4.0%

Salt Lake County Vacancy



3.4%

South Salt Lake Vacancy



\$1,112

Avg. Rent Per Month



4.2%

Avg. Year-Over-Year Rent Increase Since 2014

Market Comps

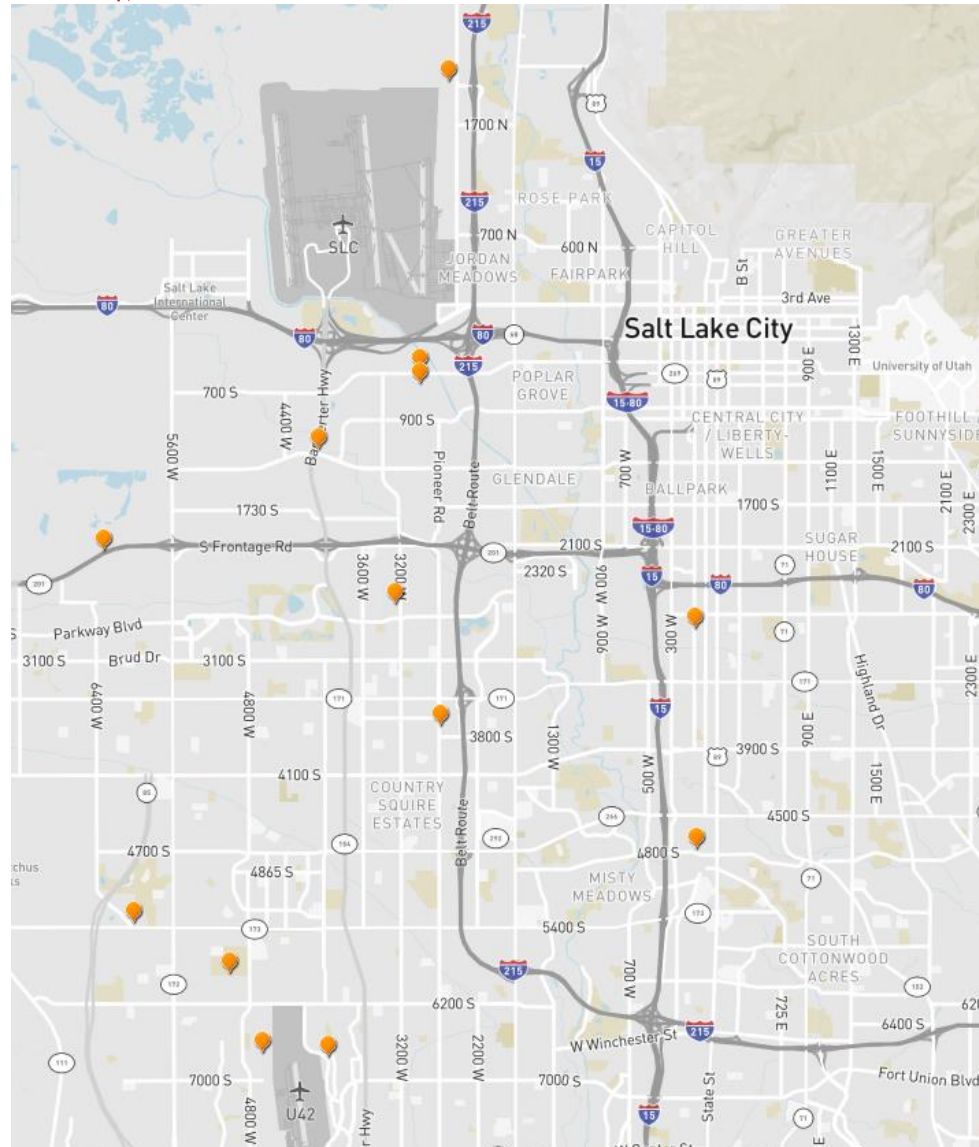
Unimproved Industrial Land Sales

Process

- Identified 20 recent transactions
- Sales were between Q3 2017 and Q1 2019
- Parcels are between 1.0 to 19.3 acres
- Zoned for mixed-use, industrial, light manufacturing

Key Findings

- Average sales price is **\$8.31 / square foot** or **\$361,983 / acre**



4+ Acres

Avg. Size: **11.1 Acres**
Avg. Price: **\$4,085,000**
\$/SF: **\$8.49**
\$/Acre: **\$370,000**

2-4 Acres

Avg. Size: **2.9 Acres**
Avg. Price: **\$928,000**
\$/SF: **\$7.35**
\$/Acre: **\$320,000**

<2 Acres

Avg. Size: **1.2 Acres**
Avg. Price: **\$277,000**
\$/SF: **\$5.51**
\$/Acre: **\$240,000**

Unimproved Industrial Land Sales

	Address	City	State	Zip Code	Acres	SF	Sales Price	\$/Acre	\$/SF	Zoning
1	2842 South West Temple	South Salt Lake	UT	84115	19.3	839,837	\$ 8,925,000	\$ 462,915	\$ 10.63	MPMU/TOD
2	500 S. Fulton St.	Salt Lake City	UT	84104	18.0	784,080	\$ 3,136,320	\$ 174,240	\$ 4.00	M-2
3	2210 W. 2100 N.	Salt Lake City	UT	84105	17.3	755,330	\$ 3,965,500	\$ 228,691	\$ 5.25	BP
4	6822 S Center Park Dr	West Jordan	UT	84084	15.1	657,320	\$ 4,075,386	\$ 270,072	\$ 6.20	M-1
5	3747 S 2700 W	Salt Lake City	UT	84119	13.0	567,587	\$ 10,439,000	\$ 801,151	\$ 18.39	C-2
6	6123 W 5400 S	Salt Lake City	UT	84118	9.8	426,452	\$ 2,900,500	\$ 296,272	\$ 6.80	M
7	5928 S Park Wood Dr	Kearns	UT	84118	8.9	387,684	\$ 1,203,000	\$ 135,169	\$ 3.10	N/A
8	9150 S 500 W	Sandy	UT	84070	7.8	341,075	\$ 4,367,565	\$ 557,799	\$ 12.81	ID
9	118 W 4800 S	Salt Lake City	UT	84107	6.4	280,091	\$ 2,856,926	\$ 444,312	\$ 10.20	M-1
10	6301 W 2100 S	Salt Lake City	UT	84128	6.1	264,409	\$ 1,230,000	\$ 202,636	\$ 4.65	M-1
11	9150 S 500 W	Sandy	UT	84070	5.4	236,966	\$ 4,976,015	\$ 914,709	\$ 21.00	ID
12	4035 W. California Ave.	Salt Lake City	UT	84104	5.4	235,224	\$ 950,000	\$ 175,926	\$ 4.04	M-1
13	6761 S Navigator Dr	West Jordan	UT	84084	4.0	173,804	\$ 950,000	\$ 238,095	\$ 5.47	M-1(ZC)
14	630 S. Fulton St.	Salt Lake City	UT	84104	3.8	166,835	\$ 540,000	\$ 140,992	\$ 3.24	M-2
15	9957 S. Prosperity Rd. W.	West Jordan	UT	84088	2.3	101,930	\$ 611,000	\$ 261,111	\$ 5.99	M-1
16	5647 West Dannon Way	West Jordan	UT	84088	2.2	97,138	\$ 689,685	\$ 309,276	\$ 7.10	M-1
17	2595 S. 3270 W.	Salt Lake City	UT	84104	2.1	91,476	\$ 1,850,000	\$ 880,952	\$ 20.22	M-1
18	9450 S. 6400 W., Lot 1	West Jordan	UT	84081	1.5	63,598	\$ 350,000	\$ 239,726	\$ 5.50	M-1
19	9573 South 6400 W., Lot 4	West Jordan	UT	84081	1.0	43,692	\$ 240,306	\$ 240,306	\$ 5.50	M-1
20	9573 South 6400 W., Lot 5	West Jordan	UT	84081	1.0	43,560	\$ 240,306	\$ 240,306	\$ 5.52	M-1
				Average	7.5	327,904	\$ 2,724,825	\$ 361,983	\$ 8.31	

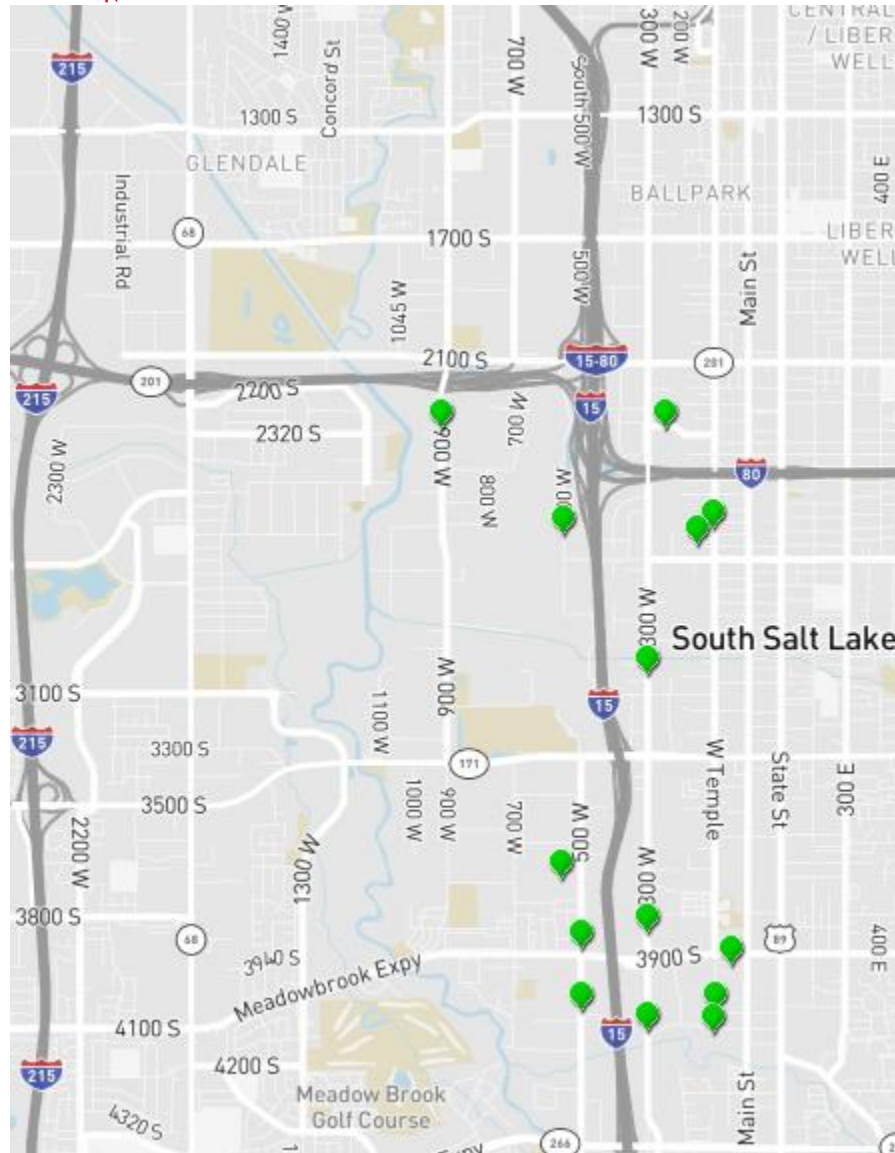
Improved Industrial Land Sales

Process

- Identified 14 recent transactions
- Sales were between Q1 2016 and Q1 2019
- Parcels are between 0.9 and 7.9 acres and include improved buildings
- Zoned for mixed-use, industrial, light manufacturing

Key Findings

- Average sales price is **\$69.27 / square foot** or **\$948,509 / acre**



4+ Acres

Land Size:	5.4 Acres
Building Size:	53,400 SF
Avg. Price:	\$4,031,000
\$/SF w/Building:	\$75.45
\$/Acre:	\$744,000

2-4 Acres

Land Size:	2.1 Acres
Building Size:	38,900 SF
Avg. Price:	\$3,187,000
\$/SF w/Building:	\$81.83
\$/Acre:	\$1,503,000

<2 Acres

Land Size:	1.2 Acres
Building Size:	28,200 SF
Avg. Price:	\$1,578,000
\$/SF w/Building:	\$55.95
\$/Acre:	\$1,335,000

Improved Industrial Land Sales

	Address	City	Zip Code	Building SF	Acres	SF	Sales Price	\$/Acre	\$/SF Building	\$/SF Acre
1	2265-2323 S. 900 W.	South Salt Lake	84115	121,750	7.9	343,253	\$ 5,899,200	\$ 748,629	\$ 48.45	\$ 17.19
2	575 W. 3615 S.	South Salt Lake	84115	27,878	5.0	216,493	\$ 2,050,000	\$ 412,475	\$ 73.53	\$ 9.47
3	3003 S. 300 W.	South Salt Lake	84115	13,743	4.9	214,751	\$ 766,720	\$ 155,521	\$ 55.79	\$ 3.57
4	4050 S. 500 W.	South Salt Lake	84115	20,412	4.7	205,603	\$ 4,700,000	\$ 995,763	\$ 230.26	\$ 22.86
5	3855 S. 500 W.	South Salt Lake	84115	83,328	4.6	200,376	\$ 6,737,902	\$ 1,464,761	\$ 80.86	\$ 33.63
6	2625 S. 600 W.	South Salt Lake	84115	42,000	2.2	96,268	\$ 3,043,308	\$ 1,377,062	\$ 72.46	\$ 31.61
7	250 W. Crossroad Square	South Salt Lake	84115	35,890	2.0	88,427	\$ 3,330,792	\$ 1,640,784	\$ 92.81	\$ 37.67
8	2544-2550 S. West Temple	South Salt Lake	84115	50,218	1.9	83,200	\$ 2,500,000	\$ 1,308,901	\$ 49.78	\$ 30.05
9	4026 S. West Temple	South Salt Lake	84115	18,000	1.4	58,806	\$ 1,520,000	\$ 1,125,926	\$ 84.44	\$ 25.85
10	3791 S. 300 W.	South Salt Lake	84115	30,740	1.3	55,757	\$ 2,100,000	\$ 1,640,625	\$ 68.31	\$ 37.66
11	50 W. 3900 S.	South Salt Lake	84107	49,553	1.0	44,431	\$ 1,450,000	\$ 1,421,569	\$ 29.26	\$ 32.63
12	4098 S. 300 W.	South Salt Lake	84115	16,000	0.9	40,511	\$ 1,562,500	\$ 1,680,108	\$ 97.66	\$ 38.57
13	145 W. Crystal Avenue	South Salt Lake	84115	19,582	0.9	39,204	\$ 800,000	\$ 888,889	\$ 40.85	\$ 20.41
14	4100 S. West Temple	South Salt Lake	84115	13,285	0.9	38,333	\$ 1,110,000	\$ 1,261,364	\$ 83.55	\$ 28.96
			Average	38,741	2.8	123,244	\$ 2,683,602	\$ 948,509	\$ 69.27	\$ 21.77

Available Land

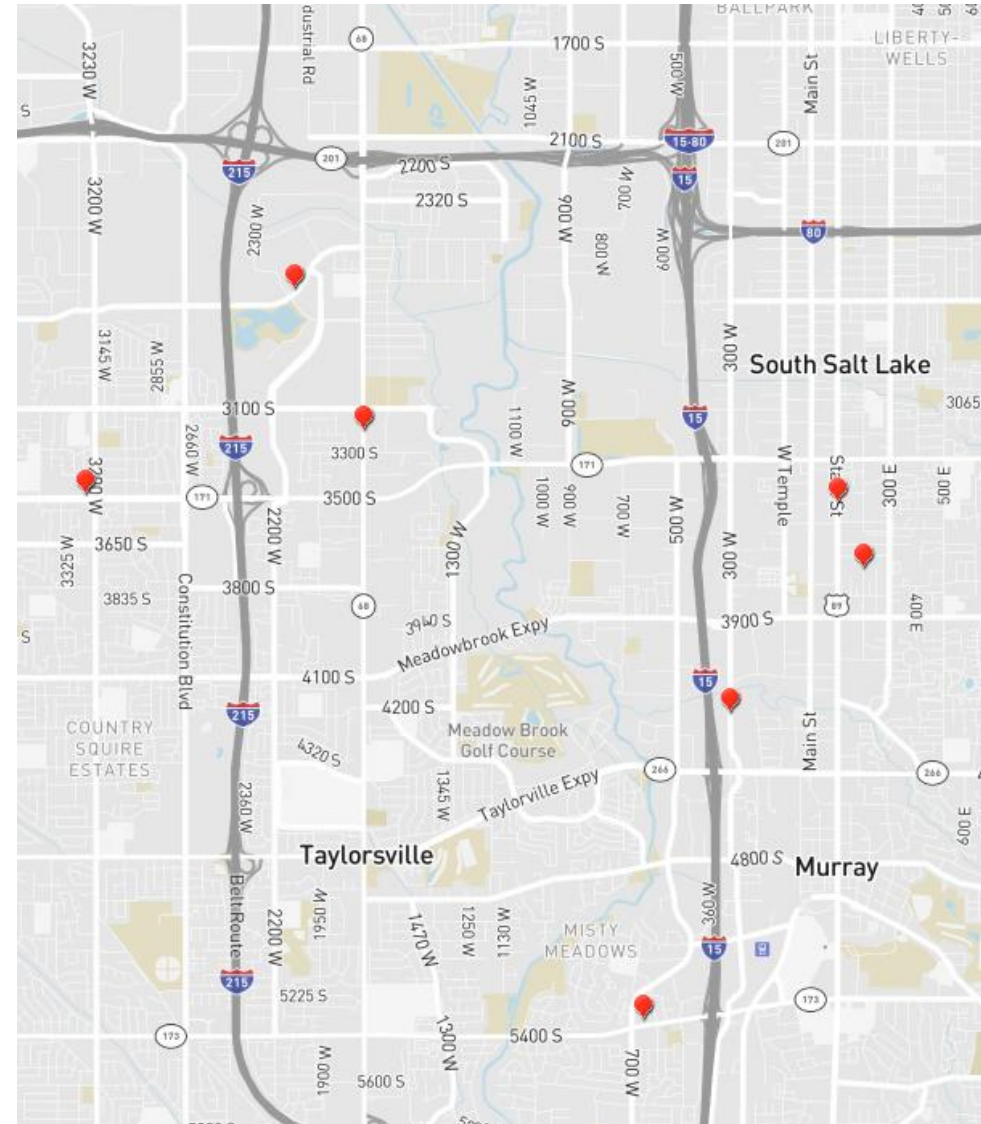
Available Unimproved Industrial Land

Process

- Identified 7 properties currently on the market
- All parcels > 3.5 acres
- Zoning is a mix of commercial, mixed-use, manufacturing

Key Findings

- Limited supply of large vacant parcels of land currently on the market
- Average list price is \$18.26 / square foot or \$795,510 / acre



Property Details



1

2097 Parkway Blvd. West Valley City
4.0 Acres
\$1,999,999
\$502,261



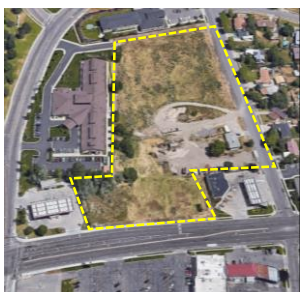
2

3201 S. Redwood, West Valley City
3.8 Acres
\$2,100,000
\$555,556



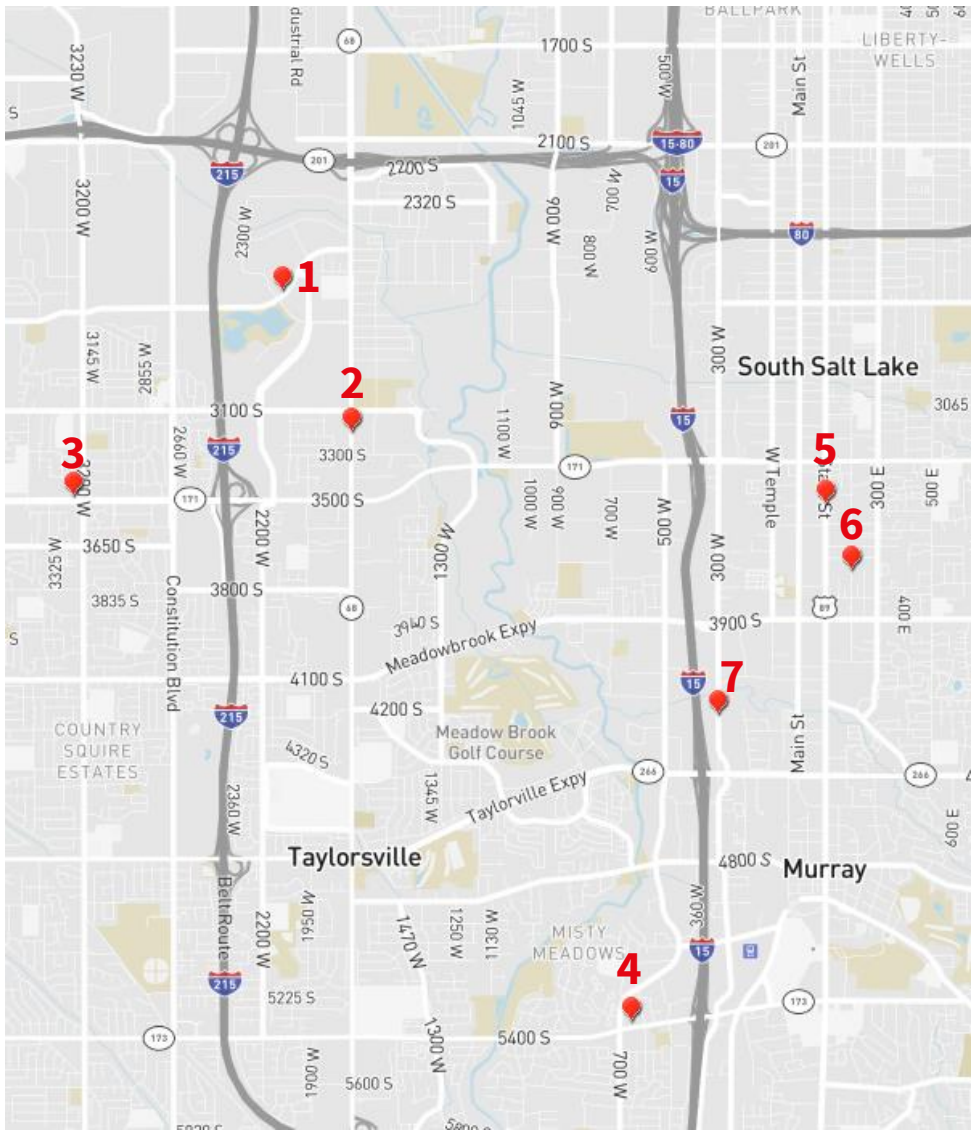
3

3249 W. 3500 S., West Valley City
3.6 Acres
\$1,881,792
\$522,720



4

666 W. 5300 S., Murray
5.7 Acres
\$3,100,000
\$545,775 / AC



5



3469 S. State, South Salt Lake
3.7 Acres
\$3,706,956
\$1,001,880 / AC

6



3680 S. 200 E., South Salt Lake
3.5 Acres
\$4,563,000
\$1,300,000 / AC

7



4255 S. 300 W., Murray
9.9 Acres
\$9,800,000
\$991,903 / AC

Thank You
