

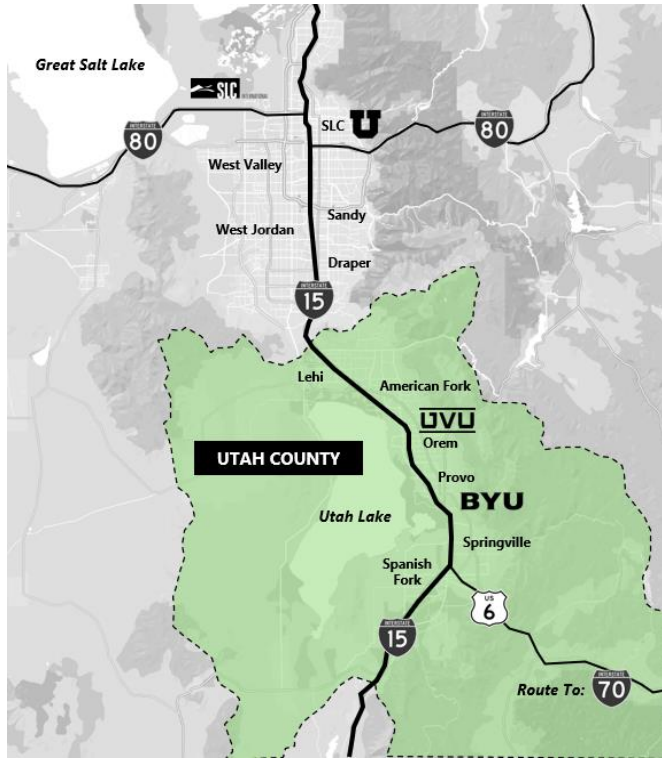
SPRING 2024



MARKET WHITE PAPER

# UTAH COUNTY INDUSTRIAL

# EXECUTIVE SUMMARY



## UTAH COUNTY IS AN ESTABLISHED LOGISTICAL CORRIDOR (“THE CROSSROADS OF THE WEST”)

- Utah County is located within a **1-day drive to 21.2% of the U.S. population** and **41.6% of U.S. maritime port volume**
- Utah highways have the **highest percentage of truck traffic** in both rural and urban settings in the U.S. (29.2% and 17.1%, respectively), 2x the national average
- The Utah County industrial market is **gaining Wasatch Front leasing market share** (increased by 76% in 2023 over 8-yr avg.) from Salt Lake County (declined by 18% in 2023 over 8-yr avg.) due to land scarcity, labor availability, and logistical advantages

## UTAH COUNTY IS THE EPICENTER OF CURRENT AND FUTURE STATE GROWTH

- **#10 Largest-Growing County** in the U.S.
- Utah County represents the **largest component of state population growth** (39.2% of total state population growth 2022-2023)
- Utah County is **projected to 2x its population by 2040**, becoming 82% as large as Salt Lake County

## THE UTAH COUNTY INDUSTRIAL MARKET IS UNDERSUPPLIED RELATIVE TO DEMAND

- Utah County has the **7<sup>th</sup> lowest industrial SF per capita** among MSAs with populations >500,000
  - Salt Lake County has the 7<sup>th</sup> highest industrial SF per capita in the U.S. – emphasizing Utah’s role as a national logistics hub
- Utah County has the **4<sup>th</sup> lowest** amount of new supply relative to its existing inventory in the U.S., with **250k SF under construction** across three buildings
  - There is 3 years of planned new supply behind the current pipeline that is expected to deliver over the next 4.5 years
  - All of the developers who created Salt Lake City’s Northwest Quadrant (“NWQ”) submarket are in Spanish Fork, replicating the same successes, including Colmena, Wadsworth, Ritchie, and Boyer.
- Utah County has **2.0 million SF of tenants in the market** with only **1.9 million SF of vacancy (4.0%)**
- Since 2018, **Utah County has absorbed ~100% of all new deliveries** and only has 15 available suites for tenants seeking >50,000 of contiguous space
- **Utah County’s industrial labor index and labor growth rates exceed Salt Lake County** in 69% of key metrics. The Utah County industrial workforce headcount is on par with other regional industrial markets such as Boise and Reno.

## UTAH COUNTY INDUSTRIAL FUNDAMENTALS

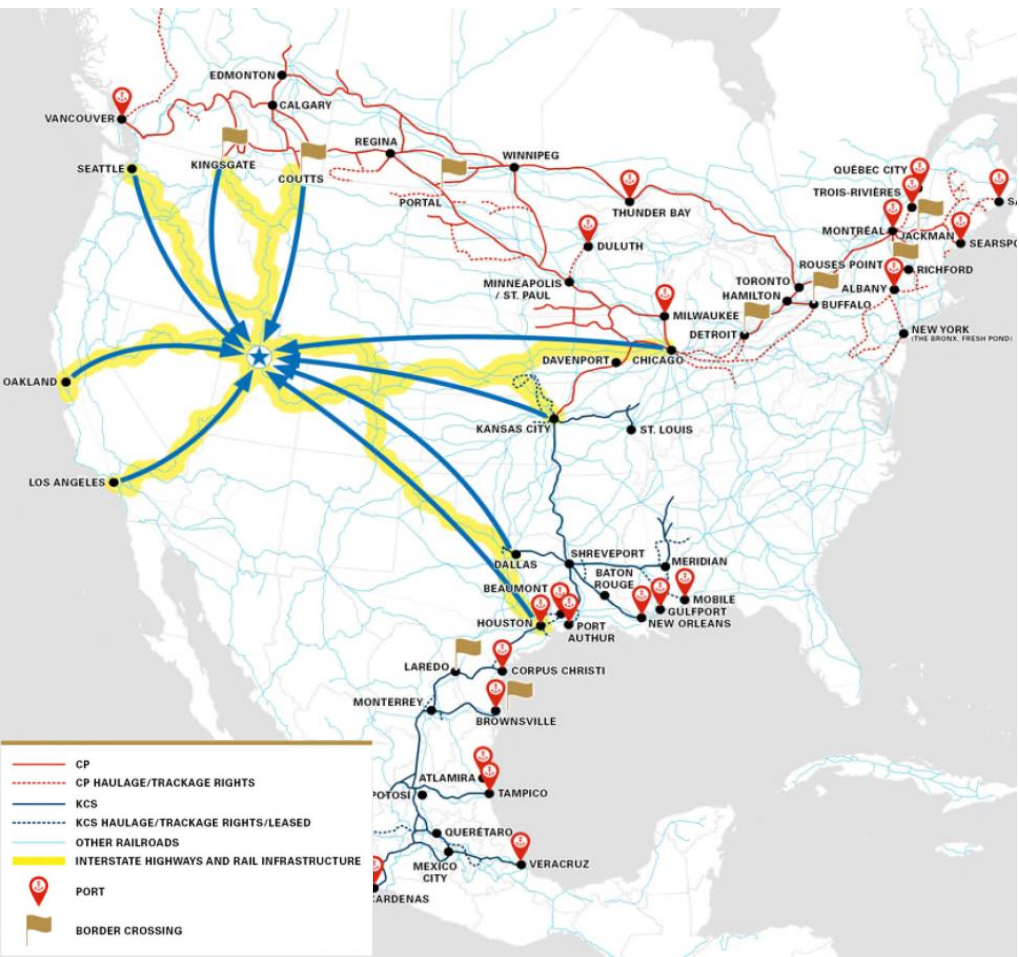
<b>Market Rent Growth</b>	<b>5.7%</b> (12.0% 5-Yr Avg.)
<b>Vacancy</b>	<b>4.0%</b> (Has never exceeded 5.0% in last 10 years)
<b>Total Inventory</b>	<b>47.7 MSF</b>
<b>2023 Absorption</b>	<b>1.7 MSF</b> (22.6% higher than 2019)
<b>2023 New Deliveries</b>	<b>2.5 MSF</b>
<b>Construction Pipeline</b>	<b>0.3 MSF</b> (3 buildings)
<b>Tenants in the Market</b>	<b>2.0 MSF</b> (All Utah County Specific)

An aerial photograph of an industrial facility. The top half shows a large, modern warehouse with a corrugated metal roof and several loading docks. Below the warehouse is a paved area with a curved driveway and a parking lot. The bottom half of the image shows a different part of the facility, featuring a large open-sided structure, possibly a loading dock or a covered area, and a parking lot with several cars parked. The overall scene is industrial and well-maintained.

# NATIONAL INDUSTRIAL TRENDS

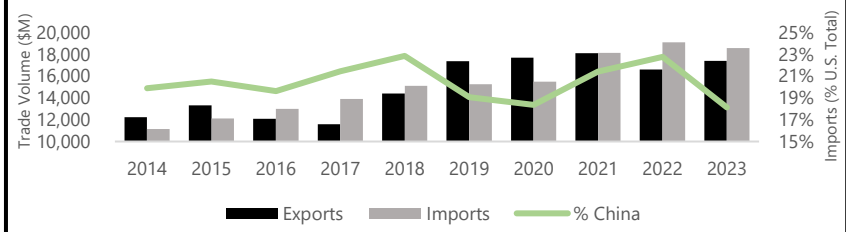
# UTAH'S SUPPLY CHAIN RESILIENCE

Utah has benefited and demonstrated resilience from geopolitical trade, onshoring, and port dispute variables due to its strategic geographical and infrastructure advantages in pushing goods both east and west.



## UTAH / CHINA TRADE BY YEAR<sup>(1)</sup>

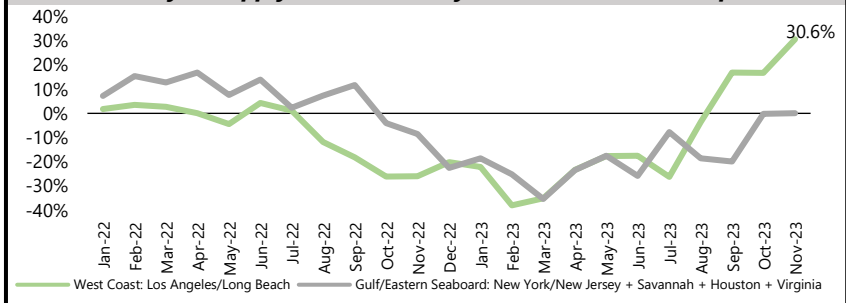
*There is no correlation between decreasing Chinese trade exposure and Utah's trade growth*



	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
<b>Utah Change in Imports (% YOY)</b>	8.7%	7.2%	7.1%	8.8%	0.8%	1.6%	17.0%	5.4%	-2.7%	<b>54.0%</b>
<b>China Imports as a % of Total (YOY Change)</b>	3.1%	-4.3%	9.2%	6.6%	-16.6%	-3.7%	16.6%	6.3%	-20.3%	<b>-3.0%</b>

## MAJOR U.S. SEAPORTS: ANNUAL CHANGE IN LOADED IMPORTED TEUs<sup>(2)</sup>

*Between 2021-2023, Utah's imports increased by 3.0%, demonstrating resiliency to supply chain volatility in East or West Coast ports*

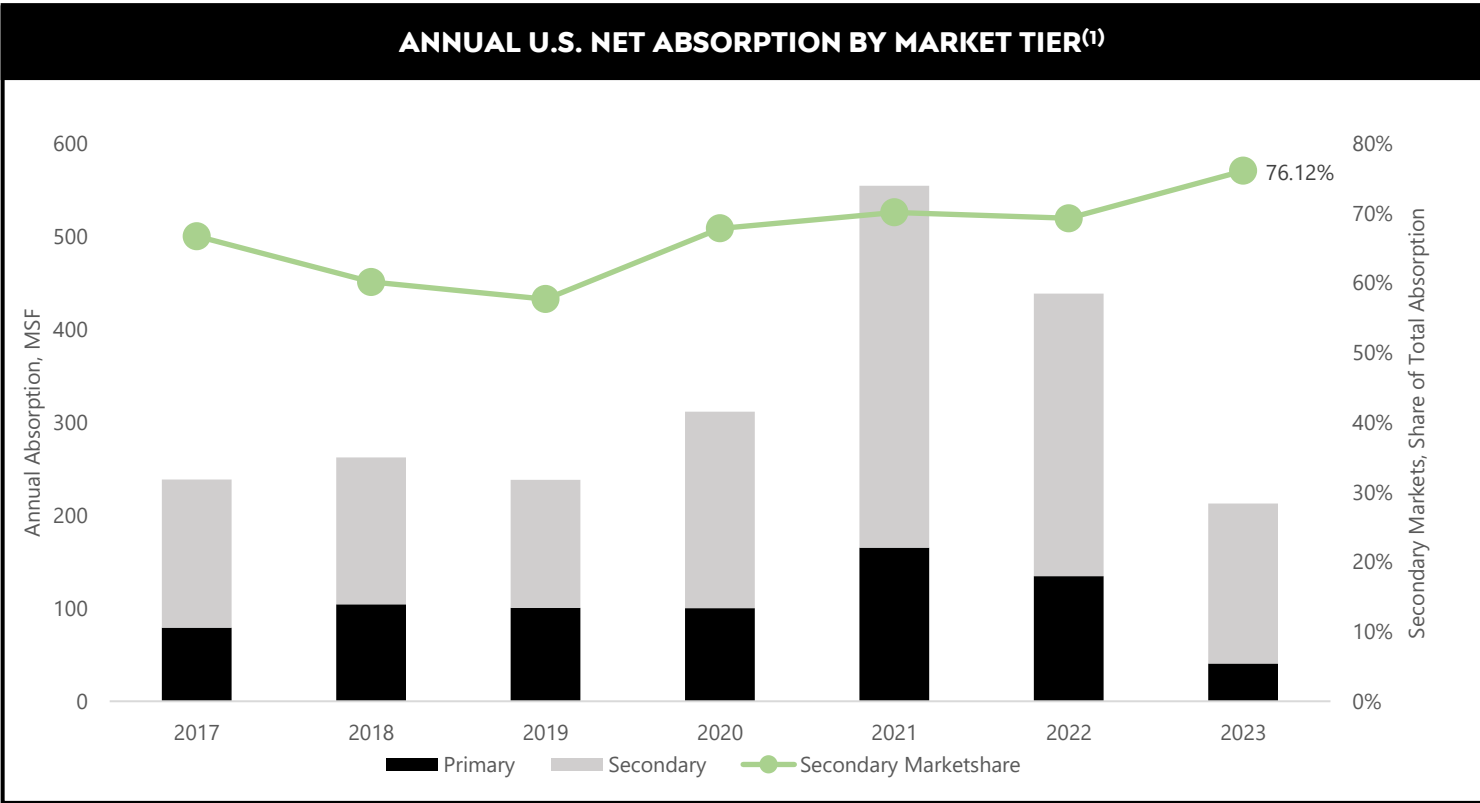


(1) U.S. Census Bureau, Q1 2024  
(2) Newmark, Q4 2023

# NATIONAL LEASING DEMAND – MARKET

Secondary and Less Expensive Markets Absorb Larger Share of Demand

The Big Five – Atlanta, Chicago, DFW, SoCal and North Jersey – make up about a third of total U.S. industrial inventory and typically account for 35% to 40% of total U.S. annual net absorption. In 2023, that share dropped below 25% as secondary markets (such as Utah) took the greatest share of total U.S. net absorption, climbing to over 75%. Looking at markets on a cost basis, the difference is even more striking; approximately 80% of net absorption was in markets posting average asking rents less than the national average, up from 74% in 2022 (SLC average \$0.85/mo vs US average \$0.91/mo – 6.2% discount).

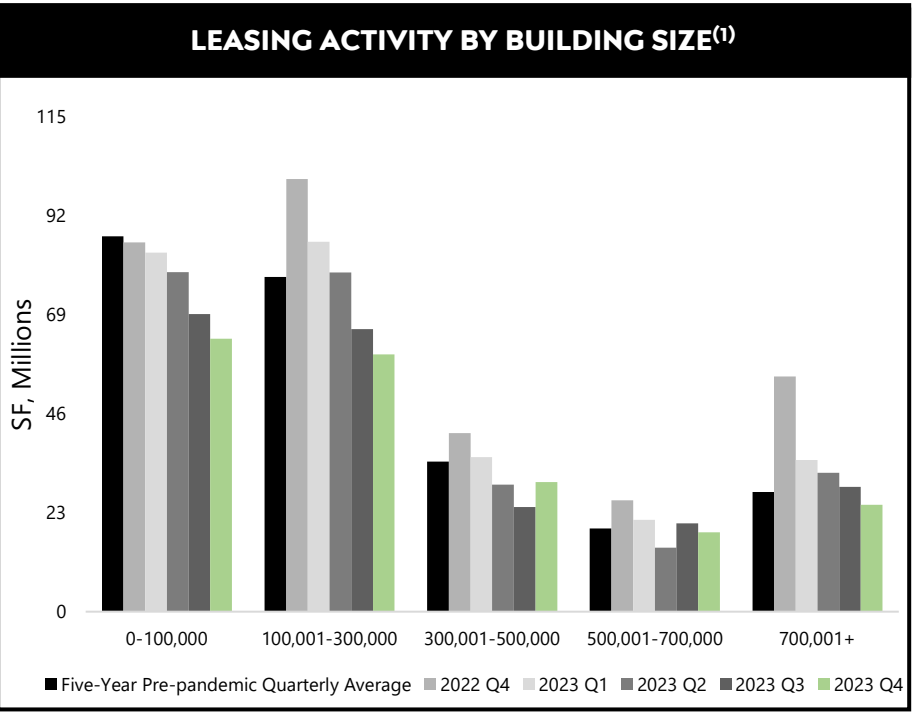


# NATIONAL LEASING DEMAND – BUILDING SIZE

Nationally, Buildings <300k SF Have the Highest Tenant Demand and Lowest Vacancy

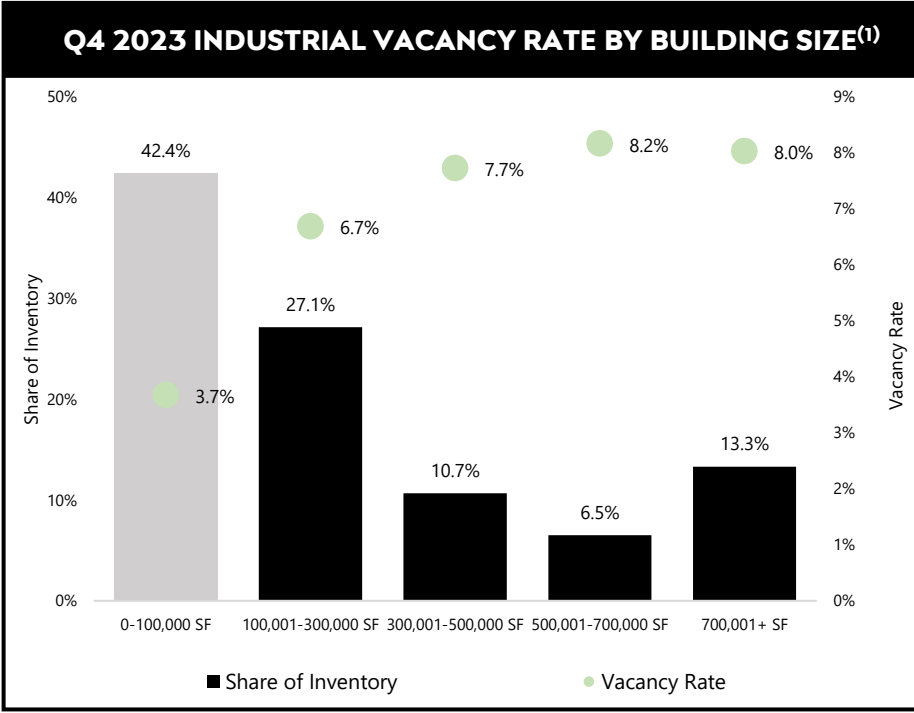
## Buildings Under 300,000 SF Account for the Largest Share of Leasing Volume

Leasing activity in buildings sub-300,000 SF accounted for 63% of total activity in Q4 2023, an unsurprising conclusion since the average industrial tenant is well below 100,000 SF. Leasing volume for smaller spaces continues to soften quarter over quarter and remains below pre-pandemic norms. Demand for mid-size to larger space (>300k) has stabilized and is in-line with pre-pandemic averages.



## Buildings Under 100,000 SF Have the Lowest Vacancy of Any Size Segment

The sub-100,000 building tranche is the largest in terms of share of inventory and lowest in vacancy and contains a significant portion of the industrial buildings built before 2000. This segment is growing the slowest, as most industrial developers are building for larger warehouse and distribution users, requiring more space for efficient operations.



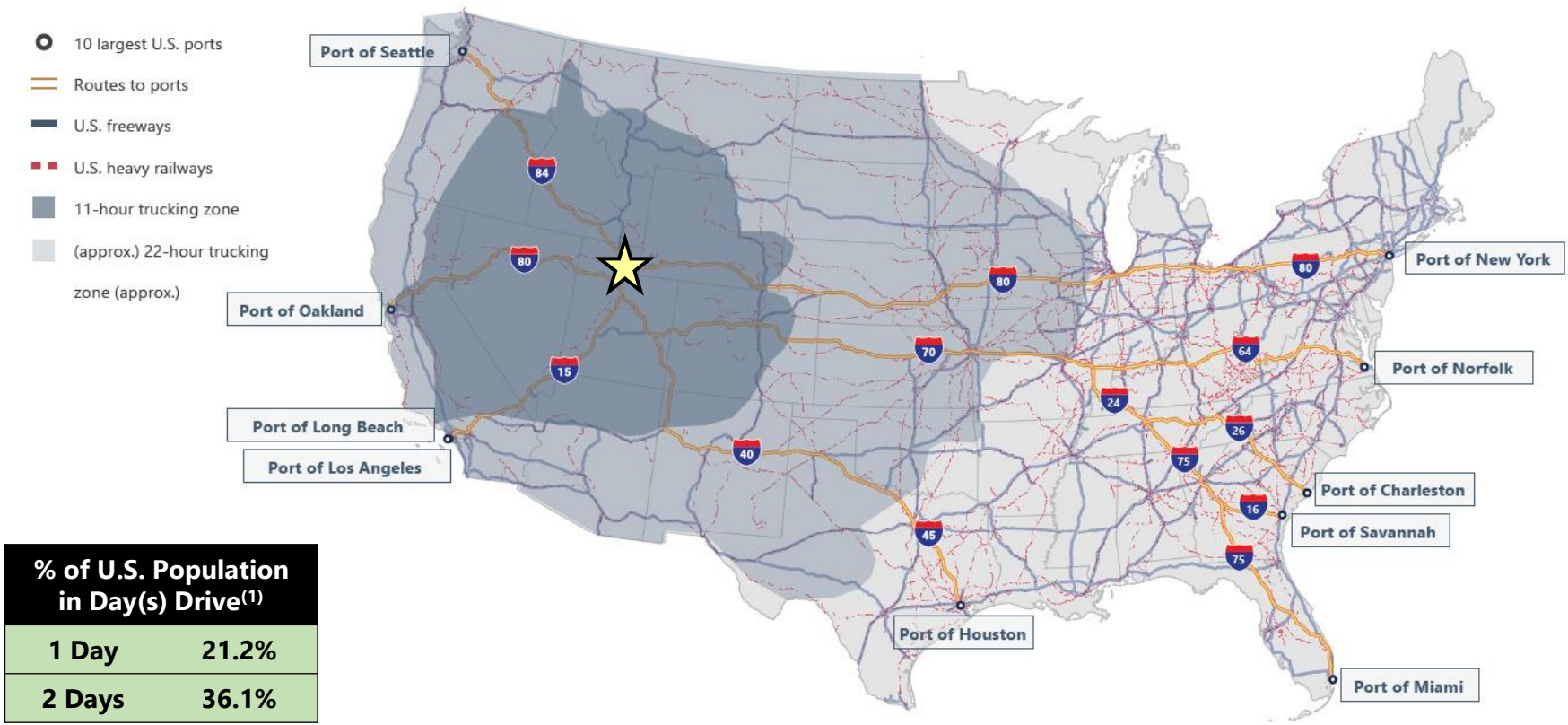


# UTAH INDUSTRIAL MARKET

# UTAH – THE CROSSROADS OF THE WEST

Geographic Location Makes Utah a Strategic Logistical Hub for the Western United States

Aptly nicknamed “The Crossroads of the West,” Utah is strategically located in the center of the Western United States, with major interstate, rail, and airport connections. The state is connected to and serves as a key logistics relief valve for Western U.S. ports with proximity to I-80, I-84, and I-70 (East/West access) and I-15 (North/South access) providing compelling regional accessibility.



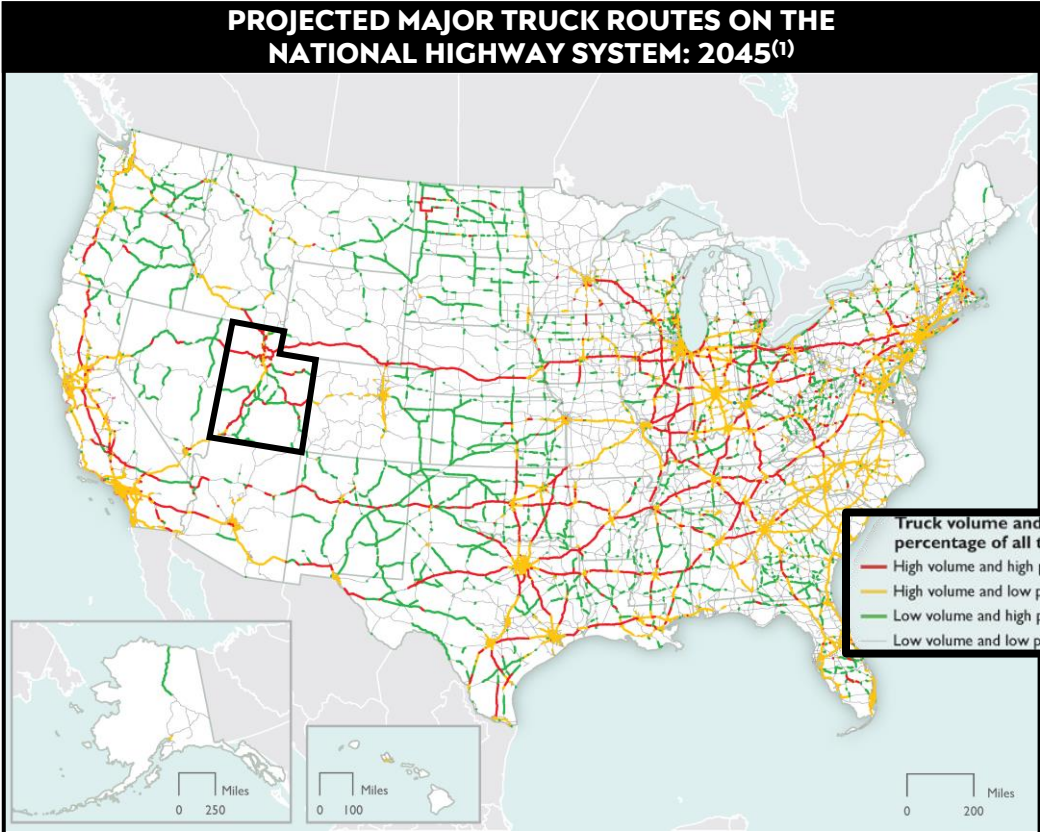
% of U.S. Population in Day(s) Drive <sup>(1)</sup>	
1 Day	21.2%
2 Days	36.1%



# MAJOR TRUCK ROUTES

Utah's Highway System Expected to Remain the #1 Most Dense Major Commercial Trucking Corridor in the U.S.

TRUCK % OF HIGHWAY TRAFFIC <sup>(1)</sup>				
Rank	State	Rural	State	Urban
1	Utah	29.2%	Utah	17.1%
2	North Dakota	25.5%	Delaware	14.8%
3	Texas	22.8%	Kentucky	13.7%
4	Wyoming	22.6%	West Virginia	13.7%
5	Arizona	21.6%	Louisiana	13.6%
6	Illinois	21.4%	Arkansas	13.0%
7	Oklahoma	20.0%	California	11.3%
8	Indiana	19.8%	Wyoming	11.1%
9	Iowa	19.7%	Missouri	11.0%
10	Nevada	19.0%	Arizona	11.0%
11	Oregon	18.9%	Tennessee	10.9%

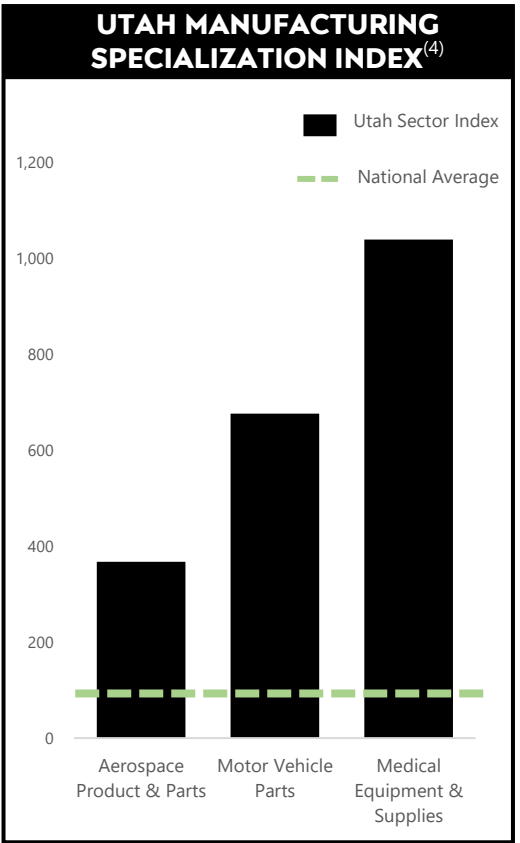
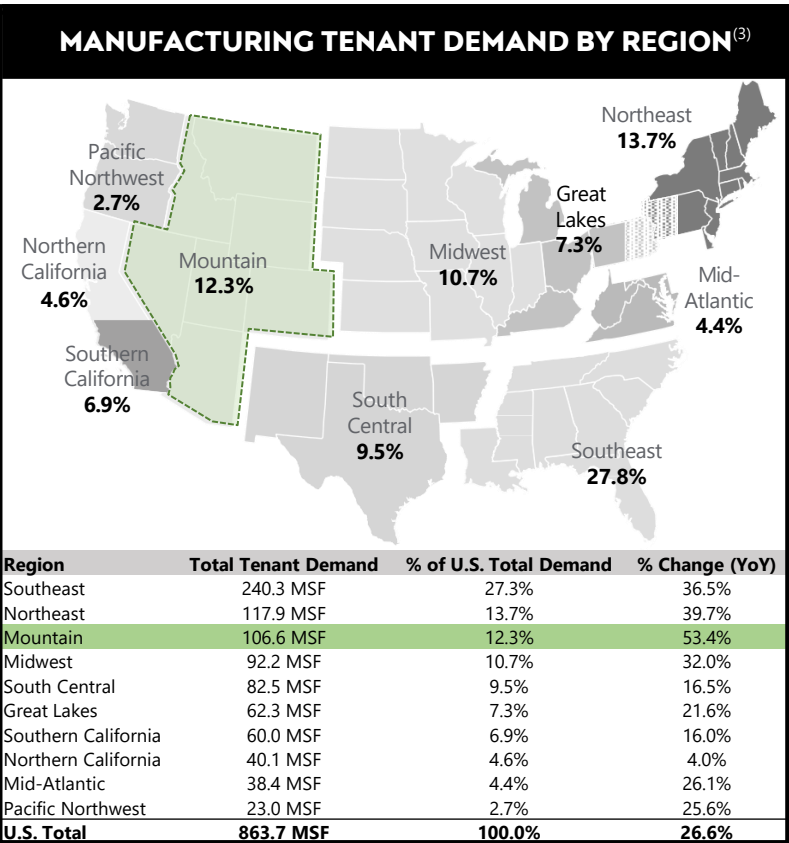
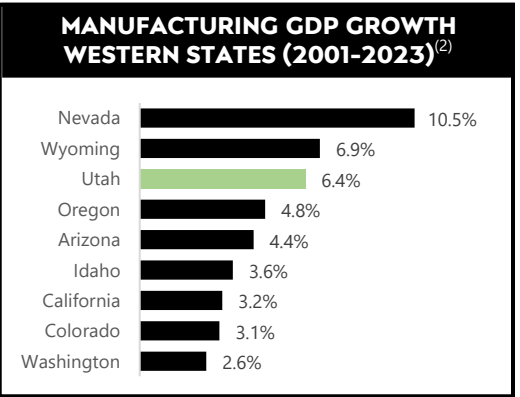
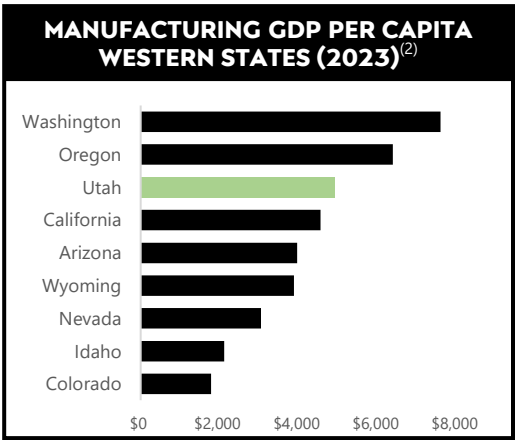


Notes: Average annual daily truck traffic (AADTT) includes all freight-hauling and other trucks with six or more tires and includes all motor vehicles.

# SUPPLY CHAIN DIVERSIFICATION

Utah's Existing and Growing Manufacturing Base Leverages its Central Location, Pro-Business Environment, and Abundant Employment Base

The recent onshoring shift to domestic manufacturing positions Utah as both a manufacturing base and intermodal hub for goods moving to and from the West Coast. Manufacturing is Utah's 5<sup>th</sup> largest industry, representing \$44 billion in GDP<sup>(1)</sup>, and has grown by 6.4% per year since 2001<sup>(2)</sup>, nearly twice the national average. Demand for manufacturing space in the Mountain West region represents the third-highest region in the country, with 107 million SF of tenants in the market, a 53.4% increase year over year (the highest in the U.S.)<sup>(3)</sup>.



(1) Kem C. Gardner Policy Institute (2022)  
 (2) US Census Bureau (2023); Kem C. Gardner Policy Institute (2022)  
 (3) JLL (2022)  
 (4) Bureau of Labor Statistics (2023)

# LOGISTICS INFRASTRUCTURE

Utah is Committed to Expanding Supply Chain Infrastructure Including Multi-Modal Transportation

## RAIL

Since the completion of the first transcontinental railroad within Utah's borders in 1869, Utah remains a strategic rail hub for Union Pacific and BNSF, with over 1,500 miles of rail infrastructure across the state.

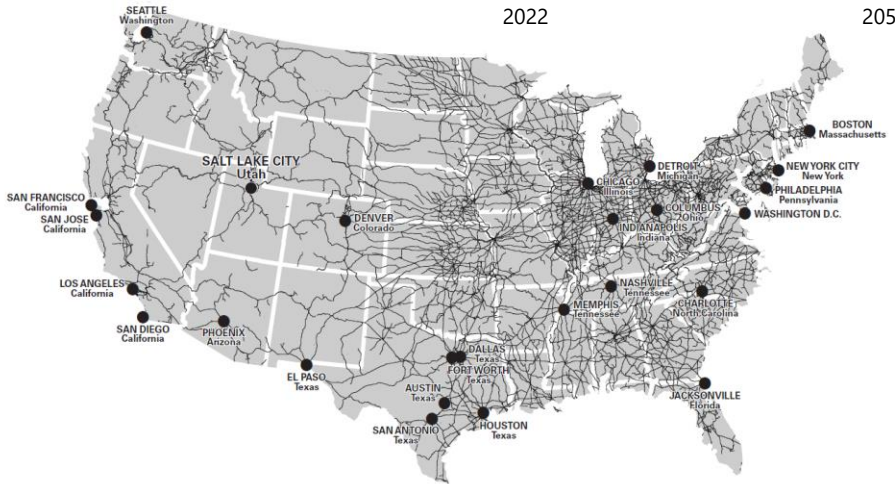
### Rail Cars Originated in Utah<sup>(1)</sup>

2018	259,178
2019	260,241
2020	240,254
2021	258,543
2022	253,901

### Rail Cars Terminated in Utah<sup>(1)</sup>

2018	210,731
2019	209,775
2020	222,078
2021	204,765
2022	205,536

*Utah is a regional manufacturing hub as evidenced by its 21% average net rail export over the past 5 years*



## UTAH INLAND PORT AUTHORITY

The Utah Inland Port Authority ("UIPA") is a state government-funded entity created to pioneer and implement strategic and sustainable logistics-backed economic solutions that establish Utah as a global industry connector.

**Northwest Quadrant:** A major transload facility adjacent to the Union Pacific Intermodal Hub in Salt Lake City's northwest quadrant is currently under development with the UIPA, which will help alleviate congestion at the West Coast Ports and further cement Salt Lake's position as a significant logistics player. In January 2023, UIPA bonded for \$150 million to fund infrastructure costs across the 16,000-acre project area.

**Spanish Fork:** In July 2023, UIPA expanded its scope to also include 2,200 acres in Spanish Fork (Utah County) where it will fund up to \$136 million in infrastructure costs to improve freight movement, optimize logistical assets and create new opportunities throughout the region.



— Moving Utah Forward —

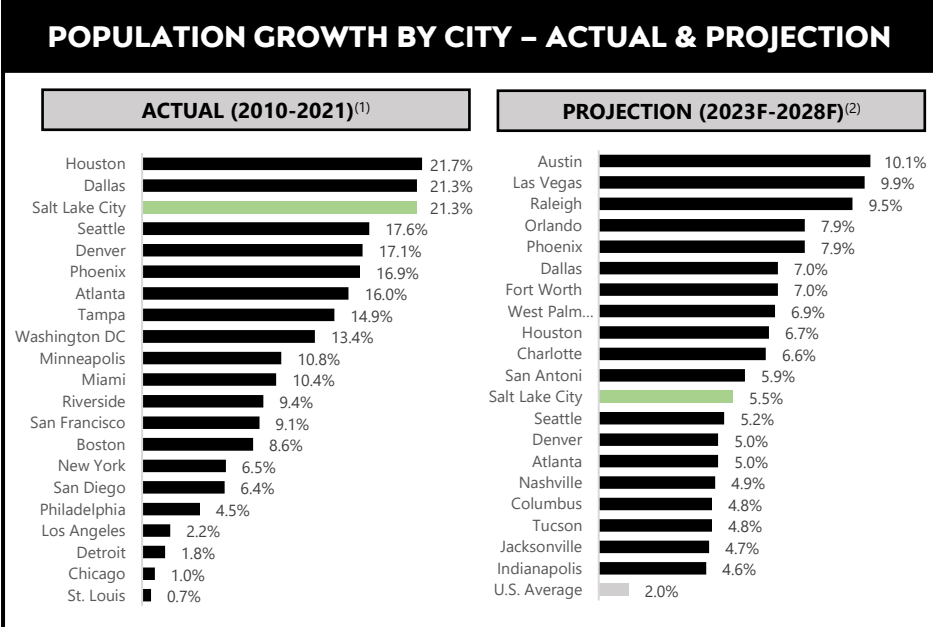
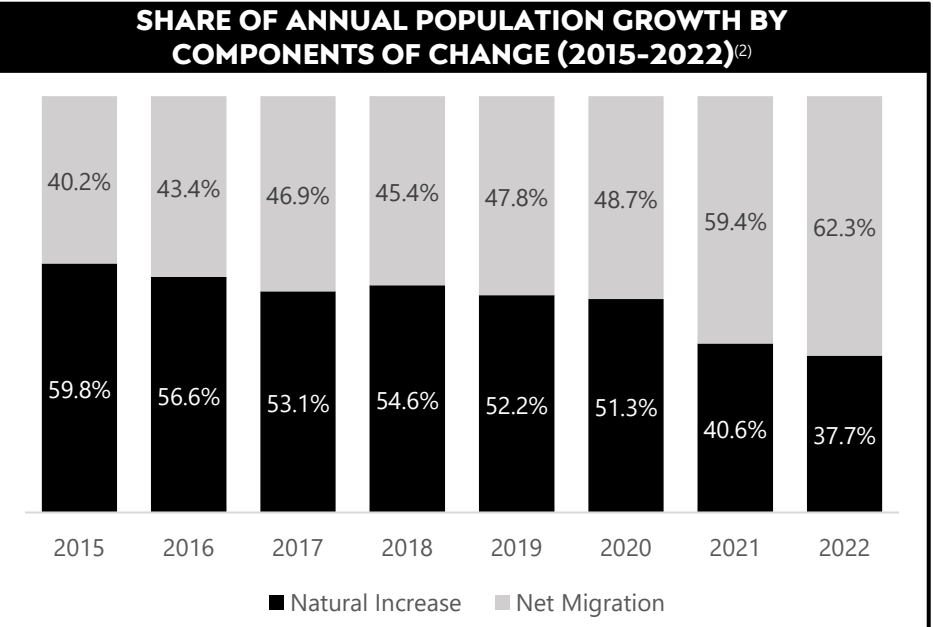
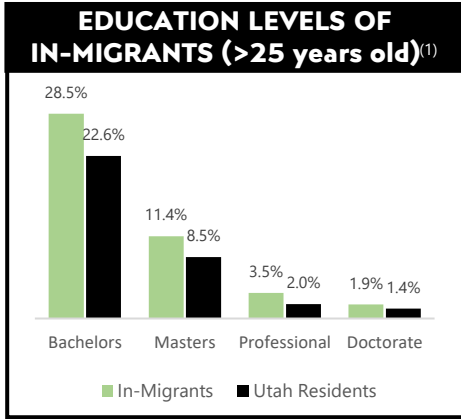
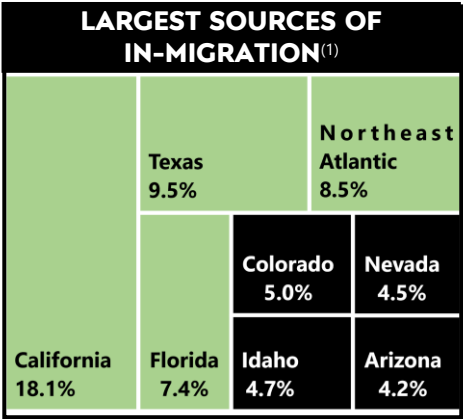
(1) Union Pacific Annual Report, 2023  
 (2) Utah Inland Port Authority, 2023

# UTAH POPULATION GROWTH

In-Migration of Young, Educated Talent is the Main Driver of State Population Growth

Once driven predominantly by a high internal population growth rate - Utah still has the highest birth rate in the nation - in-migration has surpassed natural increase for the most significant component of population growth for the last two years. Utah had the highest population growth in the U.S. since 2010<sup>(1)</sup>.

The median age for these in-migrants is 25, approximately 43.5% of the in-migrants move from primary markets, and the in-migrants are 32.7% more educated on average, continuing to make Utah's workforce/renter base younger and more educated<sup>(1)</sup>.

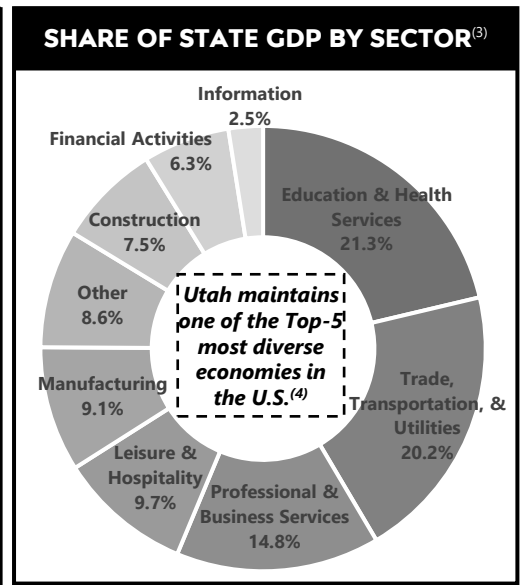
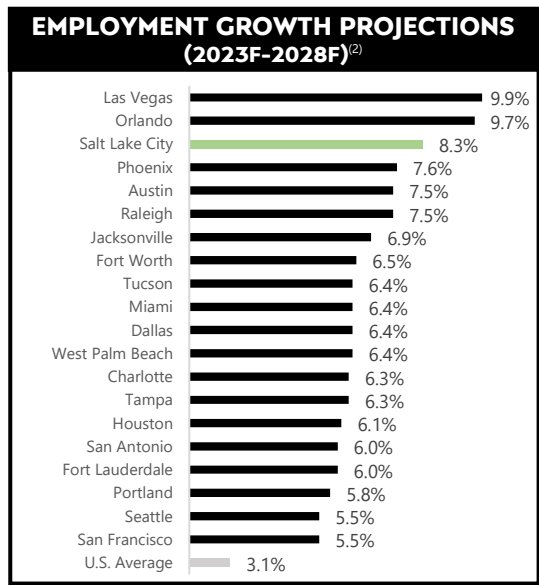
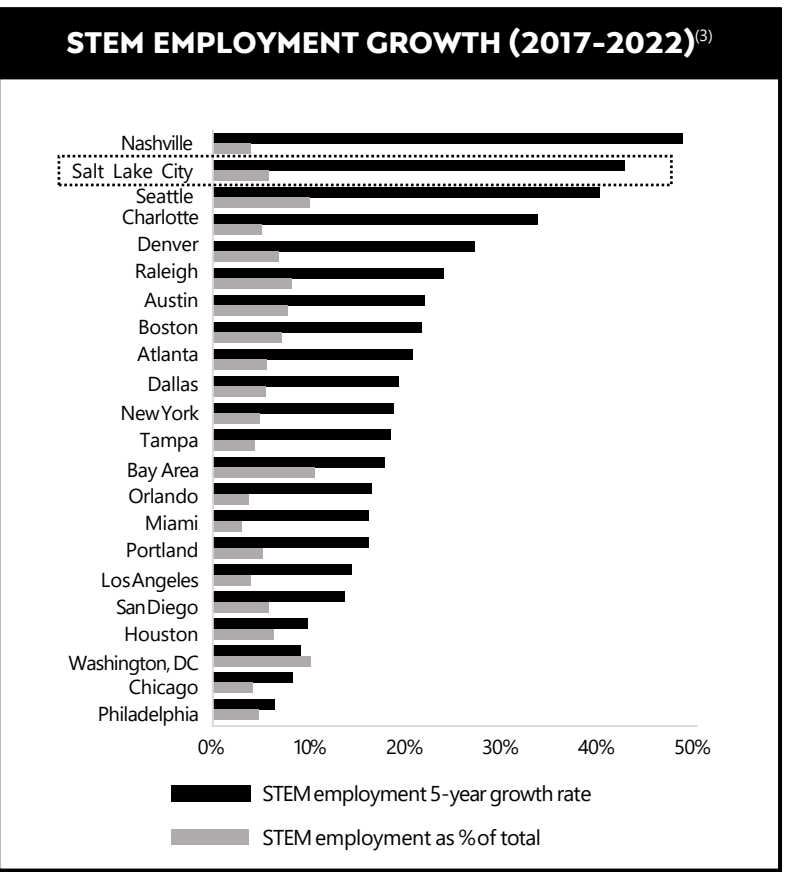
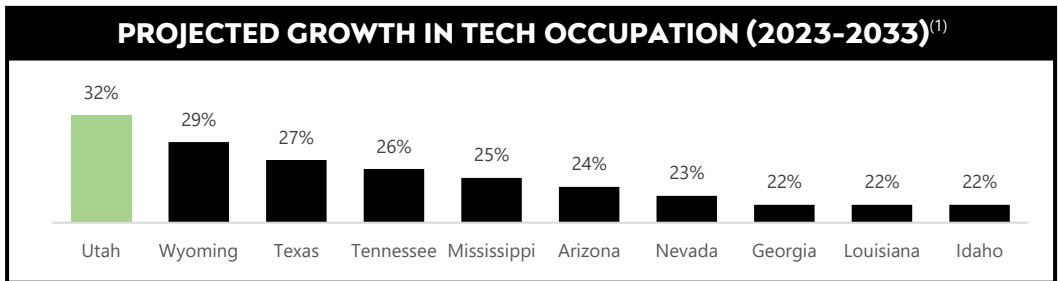


(1) Kem C. Gardner Policy Institute; US Census Bureau, 2022  
 (2) Utah Population Committee; Kem C. Gardner Policy Institute  
 (3) Moody's Analytics, Q1 2023

# EMPLOYMENT GROWTH

Tech and STEM Employment will Continue to Drive Growth for the Nation's Most Diverse Economy

In addition to leading the nation in post-pandemic job gain, economic diversity, and STEM employment growth, Utah is expected to continue to attract a young and educated workforce, projecting to lead the nation in tech employment growth over the next decade and rank #3 in total employment growth over the next five years.

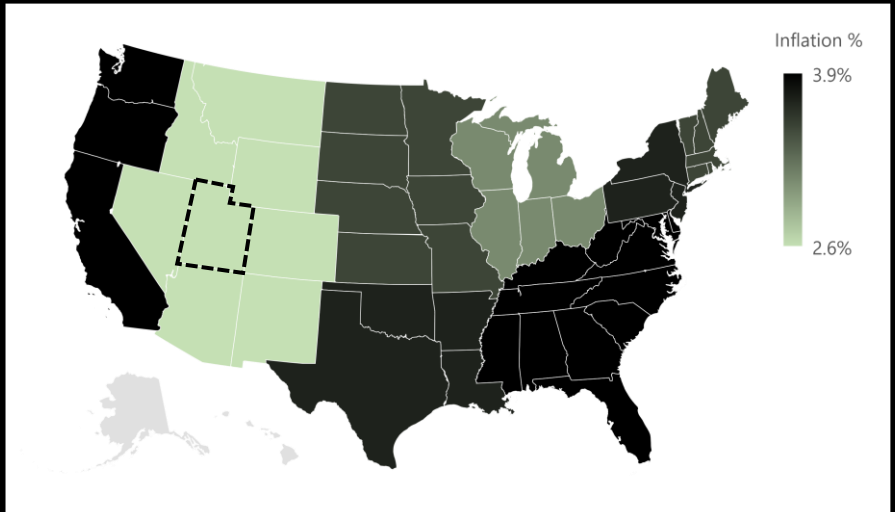


(1) CompTIA's State of the Tech Workforce 2023  
 (2) Moody's Analytics, Q1 2023  
 (3) U.S. Bureau of Labor Statistics, 2021  
 (4) Hatchman Index, 2021

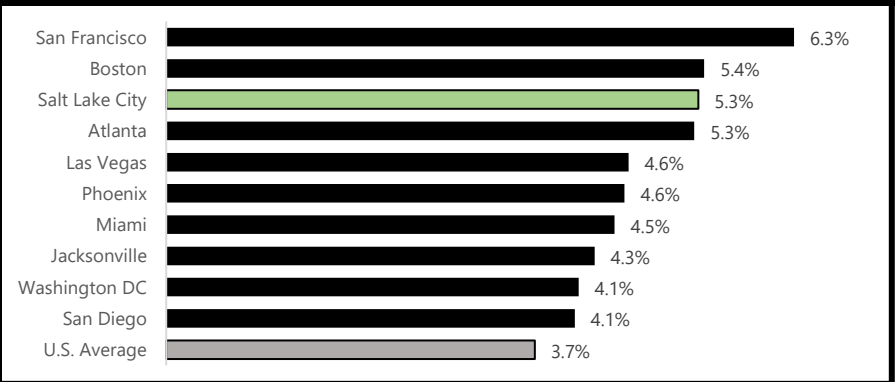
# INFLATION RESISTANCE

Utah Has Maintained Low Inflation While Also Achieving High Income Growth and Job Creation

**U.S. INFLATION BY REGION<sup>(1)</sup>**



**MEDIAN HOUSEHOLD INCOME GROWTH<sup>(2)</sup>**



**2023 JOB MARKET RANKINGS<sup>(3)</sup>**

Metropolitan Area	Overall Rank	Unemployment Rate Rank	Labor Force Participation Rank	Payroll Change Rank	Change in Labor Force Size Rank	Change in Average Weekly Wages Rank
Salt Lake City	1	4	2	12	5	5
Jacksonville	2	6	32	2	1	14
Orlando	3	6	29	9	7	5
Tampa	4	10	41	6	3	1
Oklahoma City	5	10	30	24	9	3
Miami	6	3	40	13	22	2
Austin	7	29	1	4	6	42
Nashville	7	6	8	6	31	31
Seattle	9	33	7	13	17	13
Dallas	10	42	4	3	3	32

(1) Bloomberg; Bureau of Labor Statistics (March 2024 vs March 2023)  
 (2) John Burns Research & Consulting; Moody's Analytics (February 2024 vs February 2023)  
 (3) Wall Street Journal; Moody's Analytics (2023; Published April 2024)

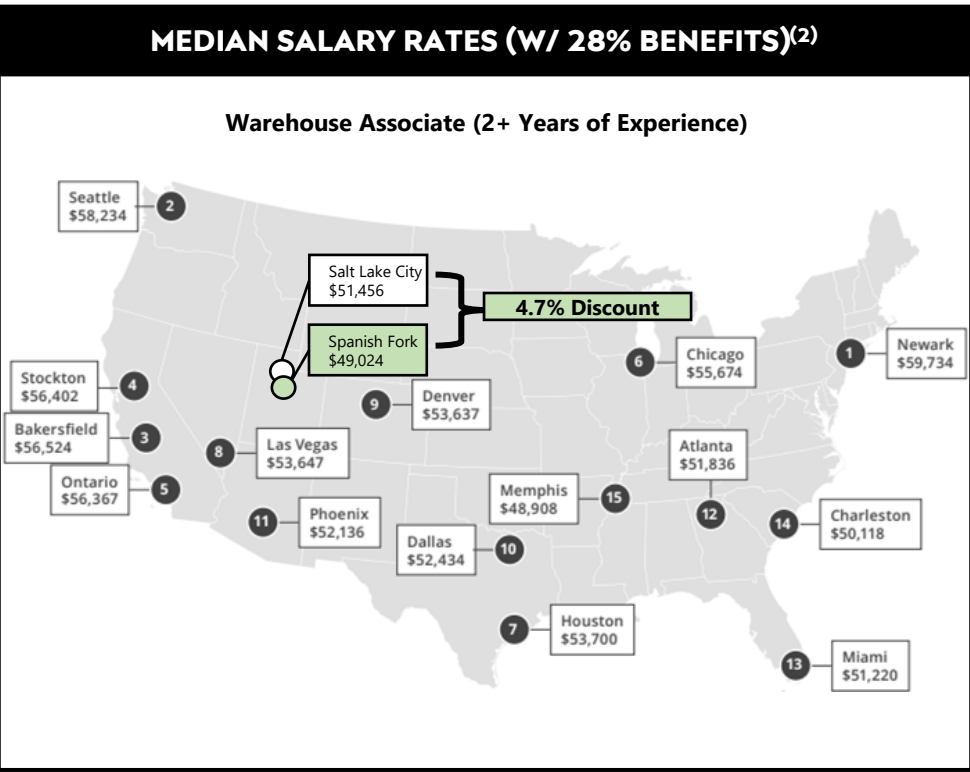
# OPERATING / EMPLOYMENT COST COMPARISON

Salt Lake City Offers Lower Business Costs Than Peer Cities

**Salt Lake is competitive in all the cost metrics that impact businesses, including lower energy, tax, and wage rates than its peer markets.**

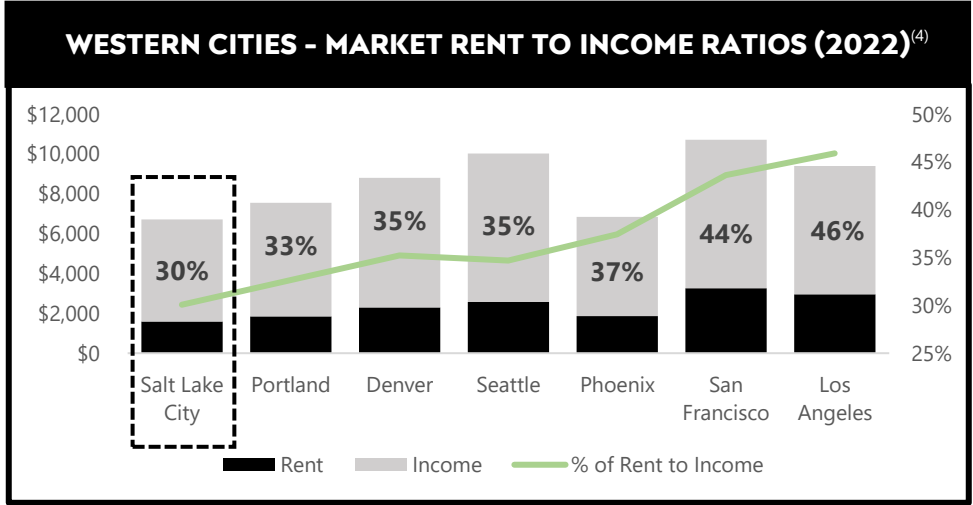
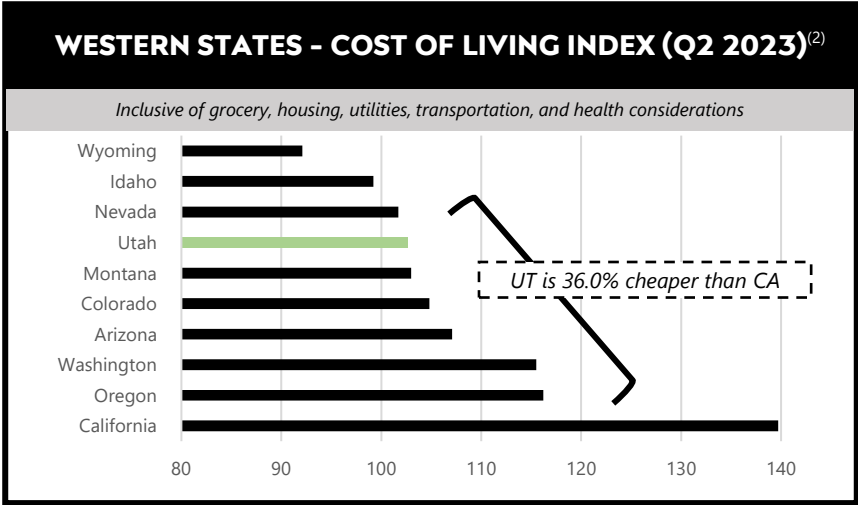
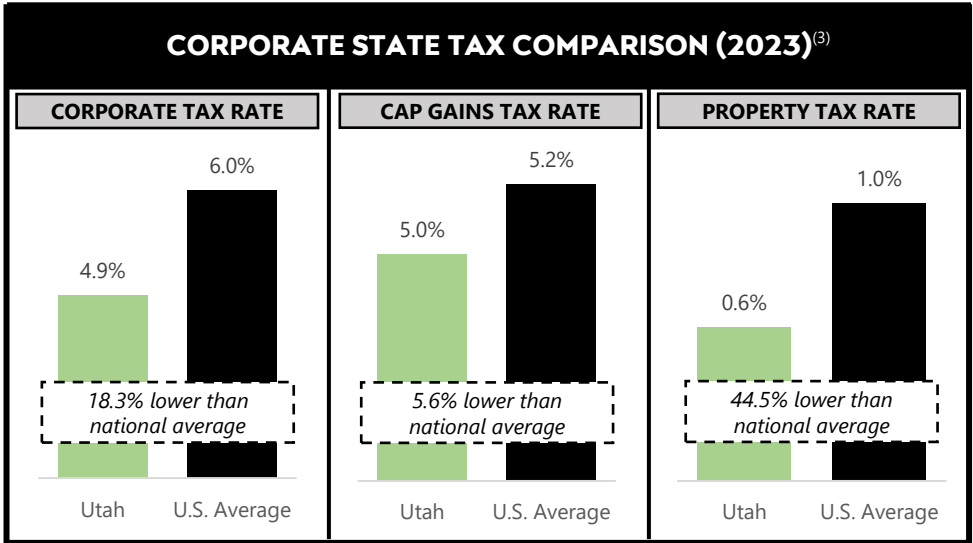
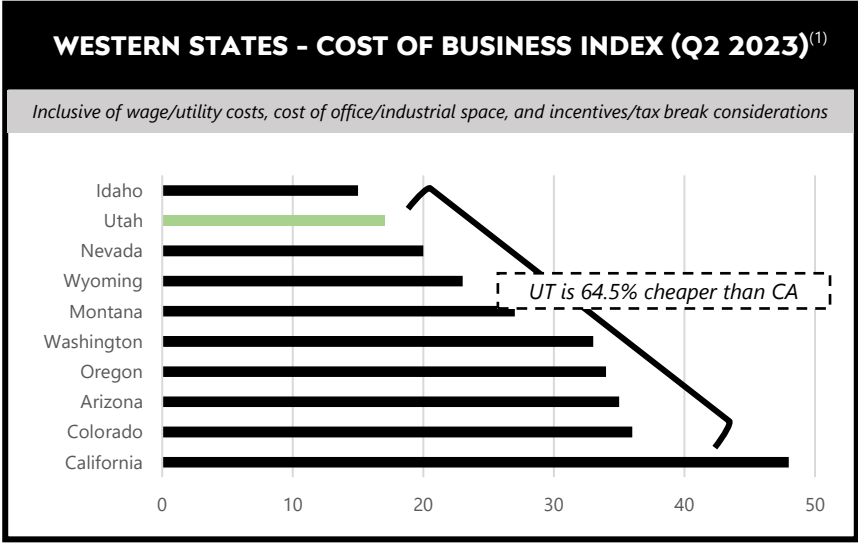
Operating Cost <sup>(1)</sup>	Salt Lake City	Austin	Denver	Reno	San Francisco	Seattle
Office Construction (\$/SF)	\$165.85	\$154.39	\$166.64	\$180.97	\$214.58	\$188.90
Industrial Construction (\$/SF)	\$139.21	\$129.58	\$139.86	\$151.89	\$180.10	\$158.55
Office Lease (\$/SF/Year)	\$25.60	\$43.99	\$29.12	\$24.18	\$57.08	\$38.03
Industrial Lease (\$/SF/Year)	\$10.87	\$14.24	\$11.97	\$9.06	\$27.34	\$14.32
Commercial Electricity (cents/kWh)	8.3	8.9	11.18	11.54	21.62	10.1
Industrial Electricity (cents/kWh)	6.93	6.4	8.36	9.59	16.84	6.29
Commercial Natural Gas (\$/MCF)	11.9	9.36	9.69	12.29	13.51	12.06
Industrial Natural Gas (\$/MCF)	\$9.78	\$2.08	\$7.21	\$10.39	\$11.51	\$11.54
Corporate Income Tax Rate	4.85%	GRT*	4.40%	GRT*	8.84%	GRT*
Average State & Local Sales Tax Rate	7.19%	8.20%	7.78%	8.23%	8.82%	8.86%
Property Tax (Collections per Capita)	\$1,209	\$2,216	\$1,995	\$1,153	\$1,955	\$1,727
Cost of Living Index	108.3	98.1	108.4	1.054	158.5	143.7
Healthcare Innovations Average Annual Wage	\$73,216	\$80,897	\$72,023	\$51,959	\$171,662	\$156,129
Manufacturing Average Annual Wage	\$74,571	\$121,332	\$86,415	\$79,370	\$136,292	\$102,106

\*GRT=Gross Receipts Tax



# AFFORDABILITY

Utah Maintains a Substantial Affordability Advantage for both Businesses and Individuals



(1) CNBC, 2023  
 (2) Council for Community & Economic Research Survey, 2023  
 (3) Wise Voter, 2023  
 (4) CBRE, Q1 2023



# EDUCATION INFRASTRUCTURE

Utah's Dense Student Base and Strong State Commitment Provides Employers a Deep Talent Pool

## STATE RANKINGS

- **#1 - Youngest population (31.3 years old)<sup>(1)</sup>**
- **#1 - Highest proportion of households with a computer<sup>(2)</sup>**
- **#1 - Higher education state expenditures per capita (83.1% higher than national average)<sup>(3)</sup>**
- **#3 - Highest education attainment (13.8% higher than national average)<sup>(4)</sup>**
- **#4 - Highest SAT scores (12.6% higher than national average)<sup>(5)</sup>**
- **#5 - College students per capita – 150,000+ full time students along the Wasatch Front (17.4% above the national average)<sup>(5)</sup>**
- **#5 - Cheapest college tuition for in-state students<sup>(5)</sup>**
- **#5 - Best public education (U.S. News, 2022)**
- **#6 - Highest concentration of bachelor's degrees in science and engineering (43.5% higher than national average)<sup>(4)</sup>**

## UNIVERSITY TECHNOLOGY TRANSFER AND COMMERCIALIZATION INDEX RANKINGS<sup>(7)</sup>

Rank	Institution	Indexed Score
1	University of Utah	100.0
2	Columbia University	97.8
3	University of Florida	97.7
4	Brigham Young University	97.6
5	Stanford University	95.6
6	University of Pennsylvania	95.4
7	University of Washington	95.1
8	Massachusetts Institute of Technology	94.3
9	California Institute of Technology	94.1
10	Carnegie Mellon University	93.5



- **#43 Best College in the U.S. 2023 – Wall Street Journal**
- Established in 1850 and is Utah's oldest institution of higher education
- 24,485 undergraduate students and 8,333 graduate students
- Second largest public university in the state
- Spent \$552 million on research and development in 2018, ranking it 45th in the nation
- Healthcare system includes four hospitals and twelve community clinics and specialty centers
- The University of Utah College of Pharmacy is 4th in the nation for NIH research grants
- Committed \$65 million for new fintech program



- **#20 Best College in the U.S. 2023 – Wall Street Journal**
- Brigham Young University is a private research university in Provo, Utah sponsored by The Church of Jesus Christ of Latter-day Saints
- The Wall Street Journal and Times Higher Education ranked BYU No. 1 "Worth the Cost" college
- Forbes rated BYU No. 1 on its list of "America's Best Value Colleges 2023"
- Over three quarters of the student body has some proficiency in a second language
- BYU spent \$41 million on research and development in 2018

## SELECT OTHER STATE UNIVERSITIES



**WEBER STATE UNIVERSITY**



**WESTMINSTER UNIVERSITY**



(1) U.S. Census Bureau, 2023  
 (2) American Community Survey (2017-2019)  
 (3) US Tax Policy Center, 2021

(4) National Center for Education Statistics, 2022  
 (5) College Boards, 2022  
 (6) College Board and the United States Census Bureau, 2023  
 (7) Milken Institute, 2017

An aerial photograph of a mountain range at dusk. The mountains are rugged and brown, with some snow patches. In the foreground, a city is visible, with buildings and roads. The sky is dark with some clouds. The text "UTAH COUNTY INDUSTRIAL MARKET" is overlaid in white, bold, sans-serif font.

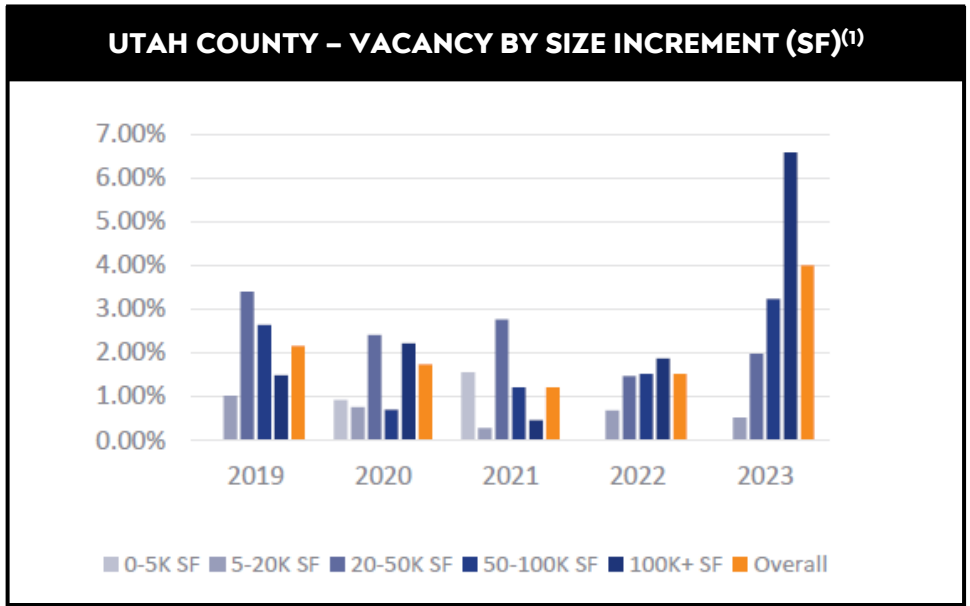
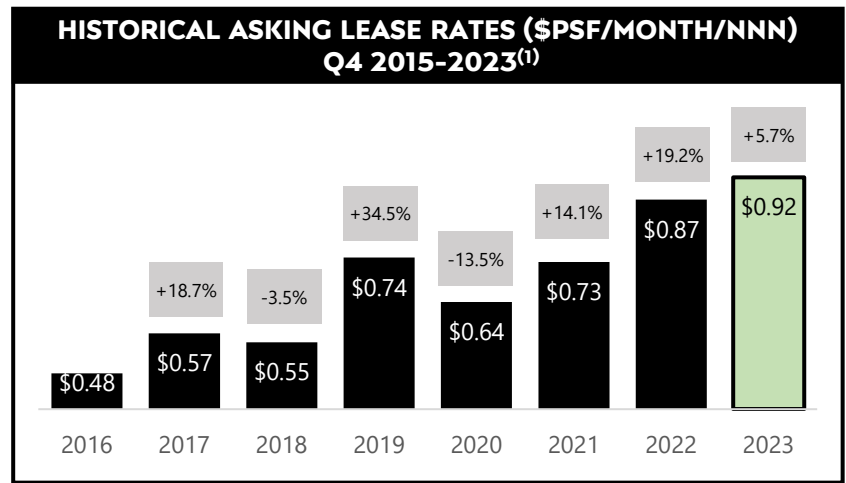
# UTAH COUNTY INDUSTRIAL MARKET

# UTAH COUNTY INDUSTRIAL MARKET

Utah County's industrial market continues to outperform as evidenced by 4.0% vacancy, 5.7% year-over-year rent growth, and 1.7 million SF of positive net absorption in 2023. With only 252k SF of new product under construction, the largest of which is 120k SF, vacancy is expected to compress while rents are expected to continue to grow throughout 2024 and 2025.

- Direct vacancy increased 82 basis points quarter-over-quarter from 3.2% to 4.0% due to 3.0 MSF of new deliveries in 2023.<sup>(1)</sup>
- Average asking lease rates as of Q4 2023 have increased 5.7% year over year and have seen 9.4% average rent growth per annum since 2018<sup>(1)</sup>
- Most recent deliveries and product under construction is either bulk or medium distribution. However, there are only two projects >50k SF currently under construction – a 120k SF rear-load building in Spanish Fork and a 96k SF rear-load building in American Fork, which will compress vacancy over the next several quarters. <sup>(1)</sup>

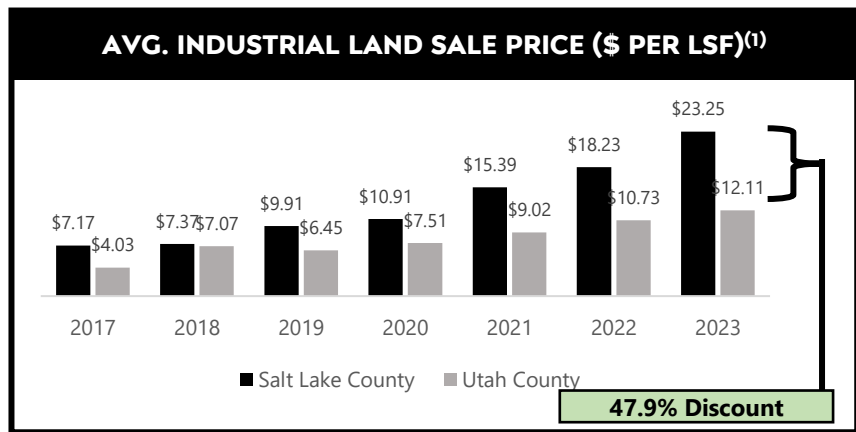
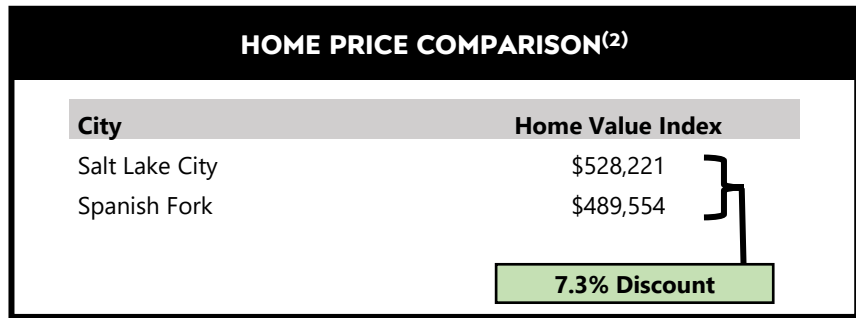
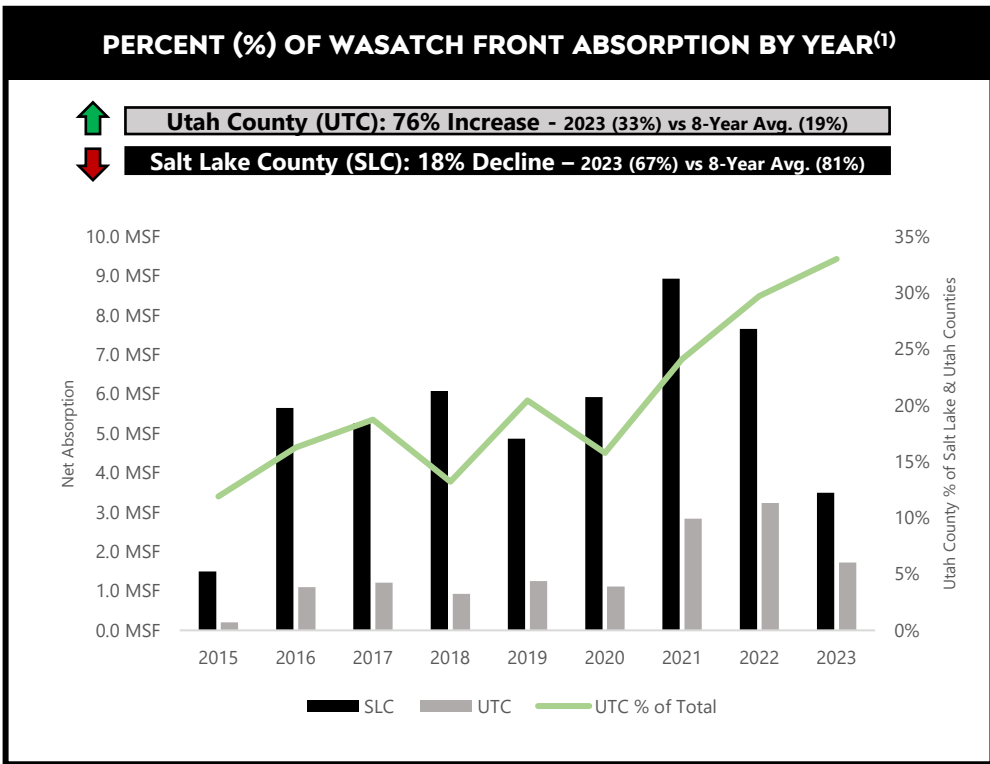
UTAH COUNTY - INDUSTRIAL MARKET SUMMARY <sup>(1)</sup>			
	Q4 2022	Q3 2023	Q4 2023
Inventory (SF)	44.8 MSF	46.6 MSF	47.7 MSF
Direct Vacancy Rate	1.74%	3.18%	4.00%
Quarterly Net Absorption (SF)	0.8 MSF	0.3 MSF	0.7 MSF
Average Asking Rent PSF	\$0.87	\$0.95	\$0.92
Under Construction (SF) <sup>(2)</sup>	2.9 MSF	1.8 MSF	0.3 MSF
Deliveries (SF)	0.9 MSF	0.7 MSF	0.9 MSF



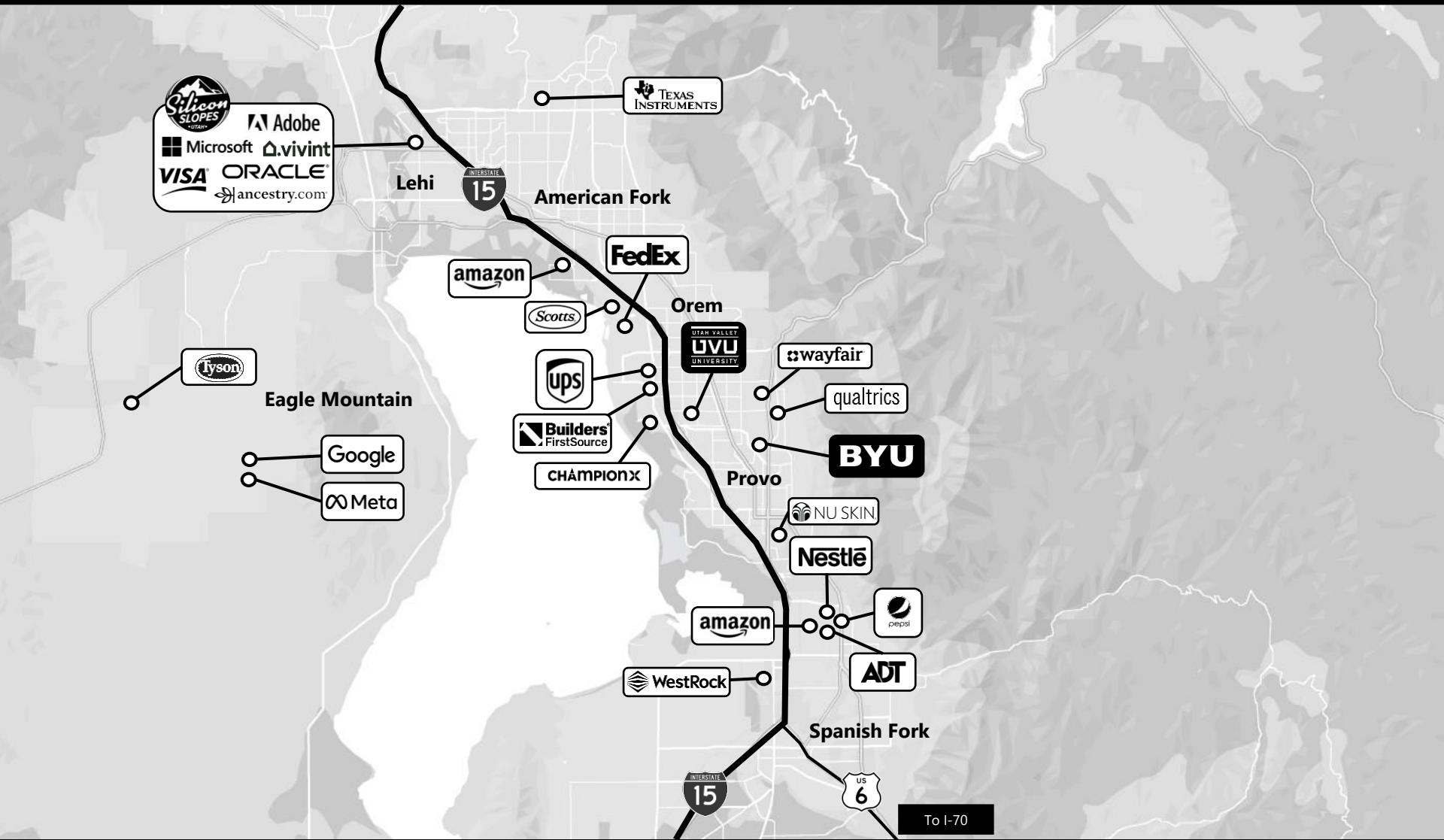
<sup>(1)</sup> Source: Colliers; Q4 2023

# INDUSTRIAL DEMAND SHIFTING SOUTH

- As demand and land scarcity continue to drive land pricing upward in Salt Lake County (47.9% premium to Utah County), tenants seeking industrial space along the Wasatch Front are increasingly leasing space in Utah County over Salt Lake County
  - This is evidenced by Salt Lake County's industrial market share as a percent of Wasatch Front net absorption declining by 18% through 2023 over the 8-year historical average, with Utah County increasing by 76% through 2023 over its 8-year historical average.
- The industrial labor force is also flocking south as a respite from Salt Lake County's cost of living – Spanish Fork's home prices are discounted to Salt Lake City by 7.3% as of March 2023.



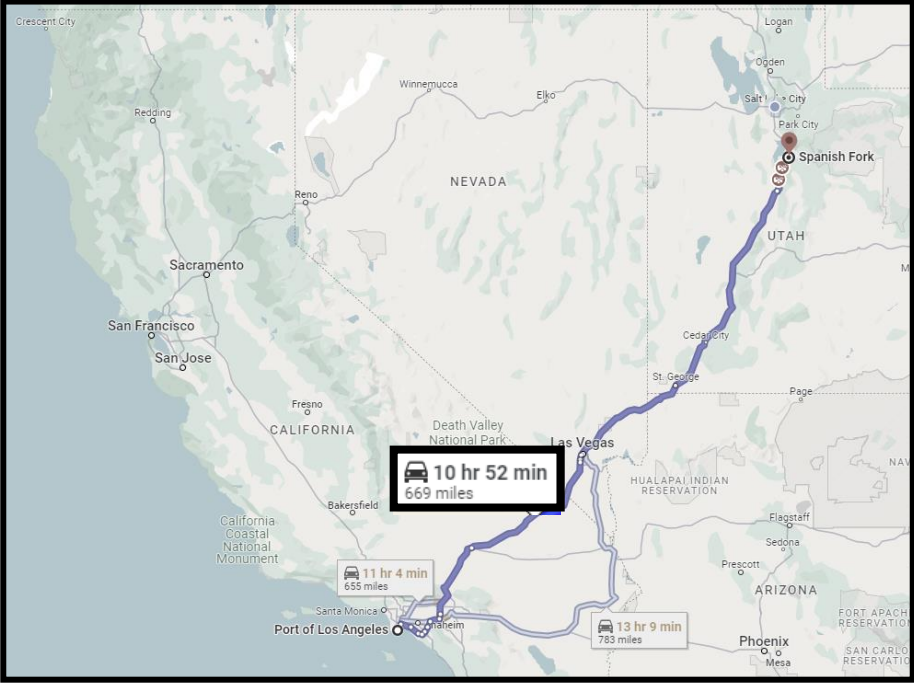
# UTAH COUNTY MAJOR OCCUPIERS



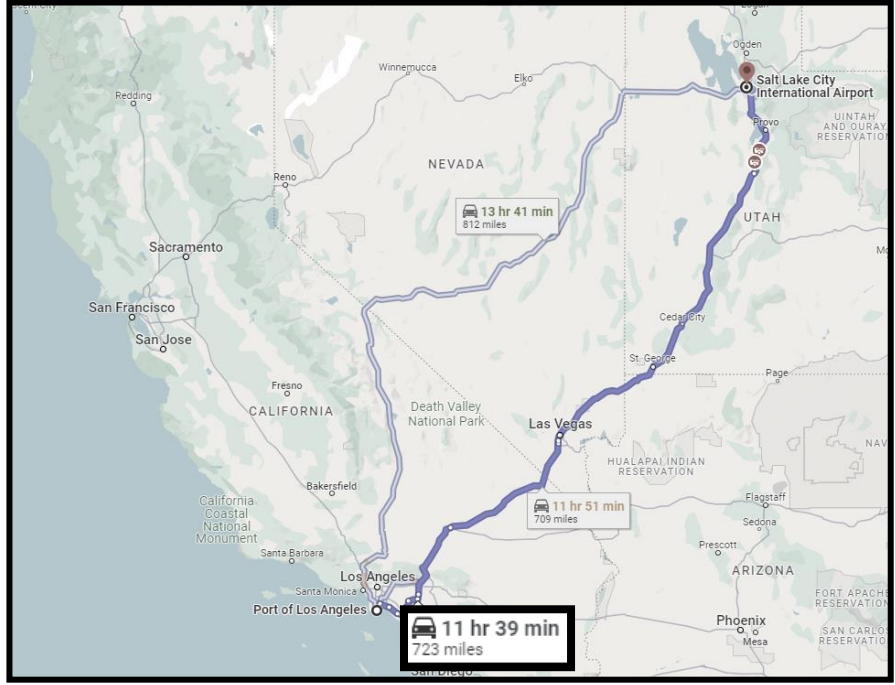
# GUARANTEED ONE DAY DRIVE FROM LA PORTS

**11-Hour Driving Limit (Truck Drivers):** May drive a maximum of 11 hours after 10 consecutive hours off duty.  
- Federal Motor Carrier Safety Administration (FMCSA)

## SPANISH FORK: <11 HOURS FROM LA PORTS



## SALT LAKE: >11 HOURS FROM LA PORTS

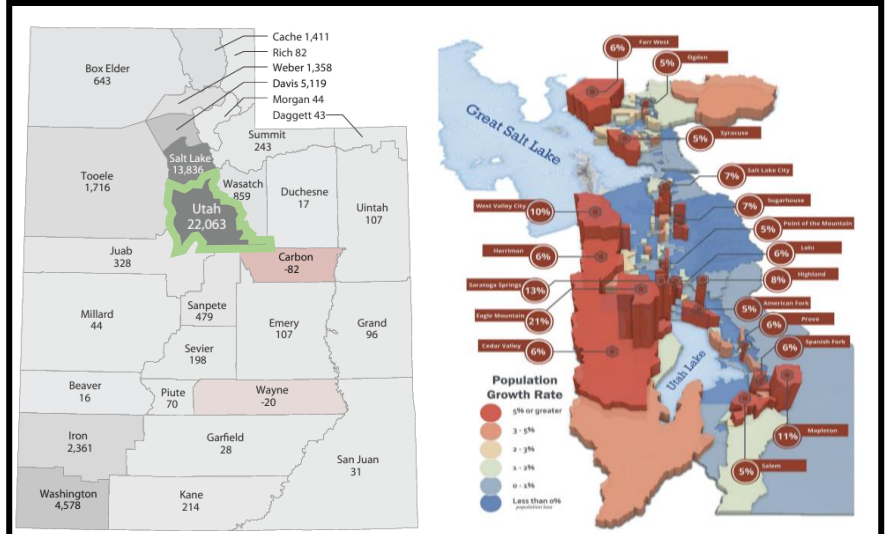


# UTAH COUNTY POPULATION GROWTH

Utah County is the Fastest-Growing County in one of the Country's Fastest Growing States

- Utah was the fastest-growing state in the U.S. between 2010 and 2020<sup>(1)</sup>
- Utah was ranked #10 in numerical population growth in 2023<sup>(1)</sup>
  - Utah County is the largest contributor to that growth, accounting for 39.2% of Utah's population gains (24.7% from Salt Lake County)
  - Utah County is the #10 fastest-growing county in the U.S. on a numerical basis
- Utah County is projected to lead the state in population growth over the next 16 years, with its population projected to nearly double over that period<sup>(1)</sup>

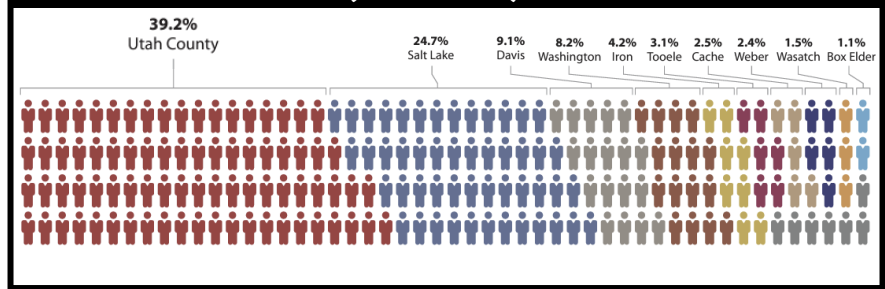
## ABSOLUTE AND PERCENTAGE CHANGES IN POPULATION (2022-2023)<sup>(2)</sup>



## POPULATION PROJECTIONS<sup>(2)</sup>

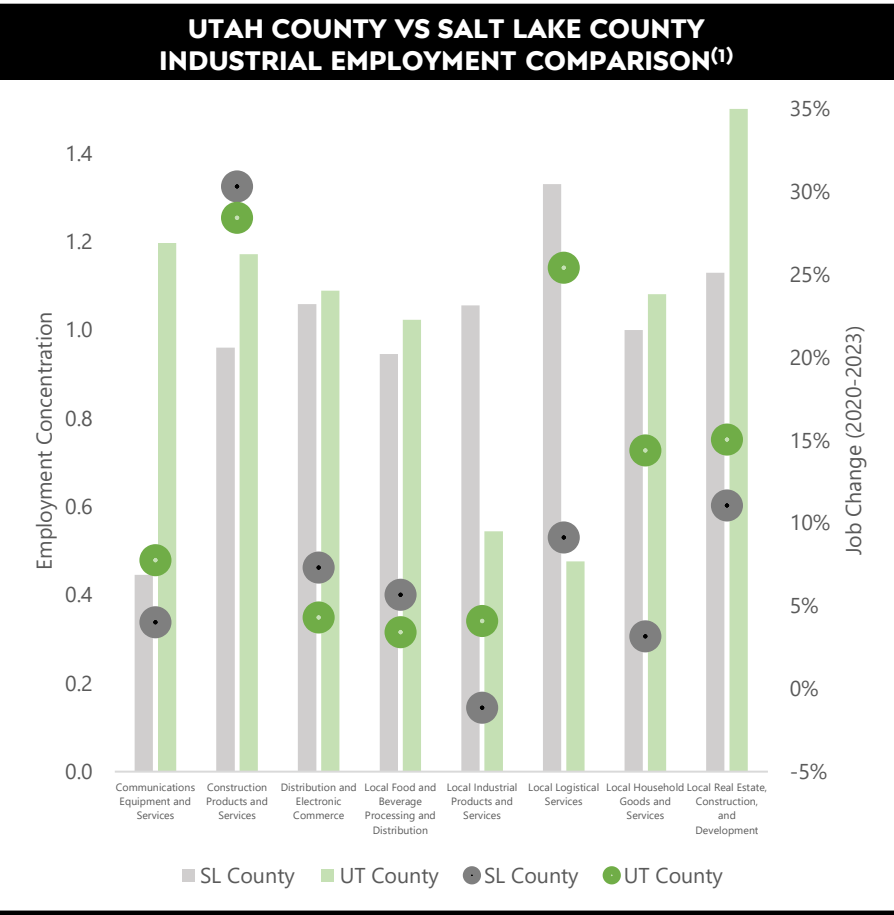
County	2024 (Current)	2040 (Projection)	Growth (#)	Growth (%)
Utah	702,434	1,376,398	673,964	96%
Salt Lake	1,186,257	1,670,146	483,889	41%
Washington	197,680	480,097	282,417	143%
Davis	369,948	586,684	216,736	59%
Weber	269,561	403,100	133,539	50%
Cache	140,173	232,514	92,341	66%
Tooele	79,934	155,675	75,741	95%

## COUNTY SHARE OF STATE POPULATION GROWTH (2022-2023)<sup>(2)</sup>



# INDUSTRIAL EMPLOYMENT COMPARISON

- Utah County's industrial labor index and growth rates exceed Salt Lake County in most metrics
- Total Utah County industrial jobs are in line with other regional industrial hubs such as Boise and Reno



INDUSTRIAL-RELATED JOBS	Denver	Las Vegas	Phoenix	Reno	Boise	Salt Lake County	Utah County
<b>Communications Equipment and Services</b>							
Job Change % (2020-2023)	-13%	45%	-11%	24%	128%	4%	<b>8%</b>
Jobs (2023)	6,545	1,698	8,082	12,019	1,130	1,220	<b>1,277</b>
Employment Concentration (2023)	1.17	0.45	1.01	13.55	0.84	0.45	<b>1.20</b>
<b>Construction Products and Services</b>							
Job Change % (2020-2023)	1%	28%	32%	24%	30%	30%	<b>28%</b>
Jobs (2023)	8,906	4,317	12,924	976	2,449	4,808	<b>2,286</b>
Employment Concentration (2023)	0.87	0.62	0.88	0.60	1.00	0.96	<b>1.17</b>
<b>Distribution and Electronic Commerce</b>							
Job Change % (2020-2023)	7%	6%	14%	13%	7%	7%	<b>4%</b>
Jobs (2023)	98,058	47,755	157,132	25,176	20,566	48,790	<b>19,546</b>
Employment Concentration (2023)	1.04	0.75	1.16	1.69	0.91	1.06	<b>1.09</b>
<b>Local Food and Beverage Processing and Distribution</b>							
Job Change % (2020-2023)	3%	10%	-1%	4%	7%	6%	<b>3%</b>
Jobs (2023)	61,996	47,821	100,832	9,394	17,461	34,011	<b>14,337</b>
Employment Concentration (2023)	0.84	0.96	0.96	0.81	0.99	0.95	<b>1.02</b>
<b>Local Industrial Products and Services</b>							
Job Change % (2020-2023)	5%	-5%	6%	16%	7%	-1%	<b>4%</b>
Jobs (2023)	4,911	2,880	7,552	913	1,298	3,454	<b>693</b>
Employment Concentration (2023)	0.73	0.63	0.79	0.86	0.81	1.06	<b>0.54</b>
<b>Local Logistical Services</b>							
Job Change % (2020-2023)	7%	30%	8%	15%	56%	9%	<b>25%</b>
Jobs (2023)	35,724	21,278	49,979	8,326	11,919	21,888	<b>3,052</b>
Employment Concentration (2023)	1.06	0.93	1.04	1.56	1.48	1.33	<b>0.48</b>
<b>Local Household Goods and Services</b>							
Job Change % (2020-2023)	4%	2%	-1%	3%	10%	3%	<b>14%</b>
Jobs (2023)	29,175	20,903	46,866	5,130	9,238	14,895	<b>6,274</b>
Employment Concentration (2023)	0.96	1.01	1.07	1.06	1.27	1.00	<b>1.08</b>
<b>Local Real Estate, Construction, and Development</b>							
Job Change % (2020-2023)	5%	17%	12%	14%	16%	11%	<b>15%</b>
Jobs (2023)	171,098	116,012	255,915	31,833	50,157	77,186	<b>39,931</b>
Employment Concentration (2023)	1.22	1.22	1.28	1.44	1.50	1.13	<b>1.50</b>



# UTAH COUNTY SUPPLY PIPELINE

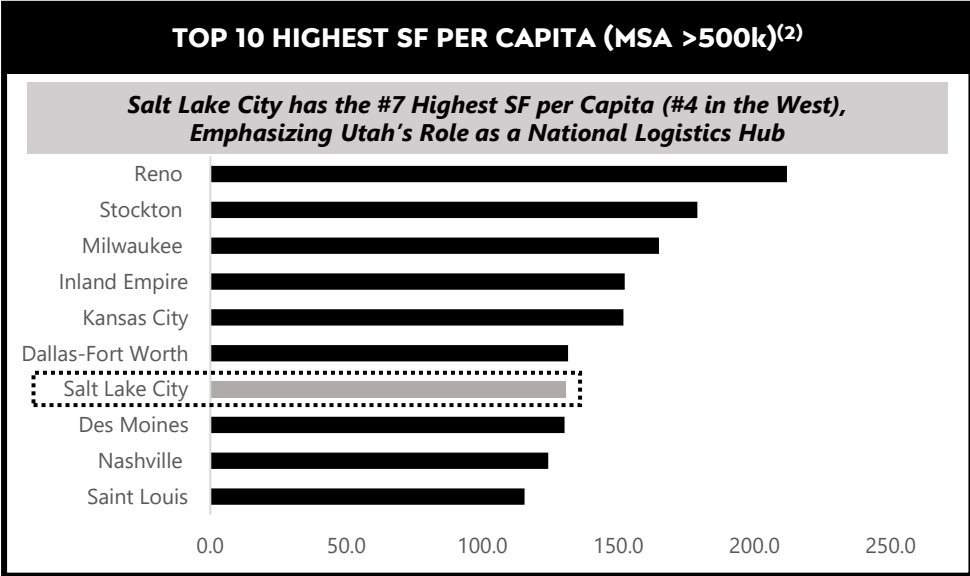
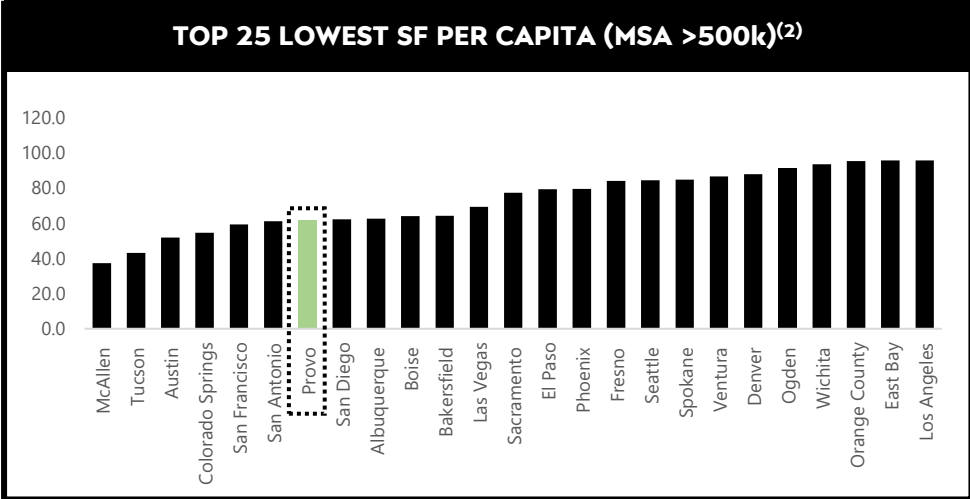
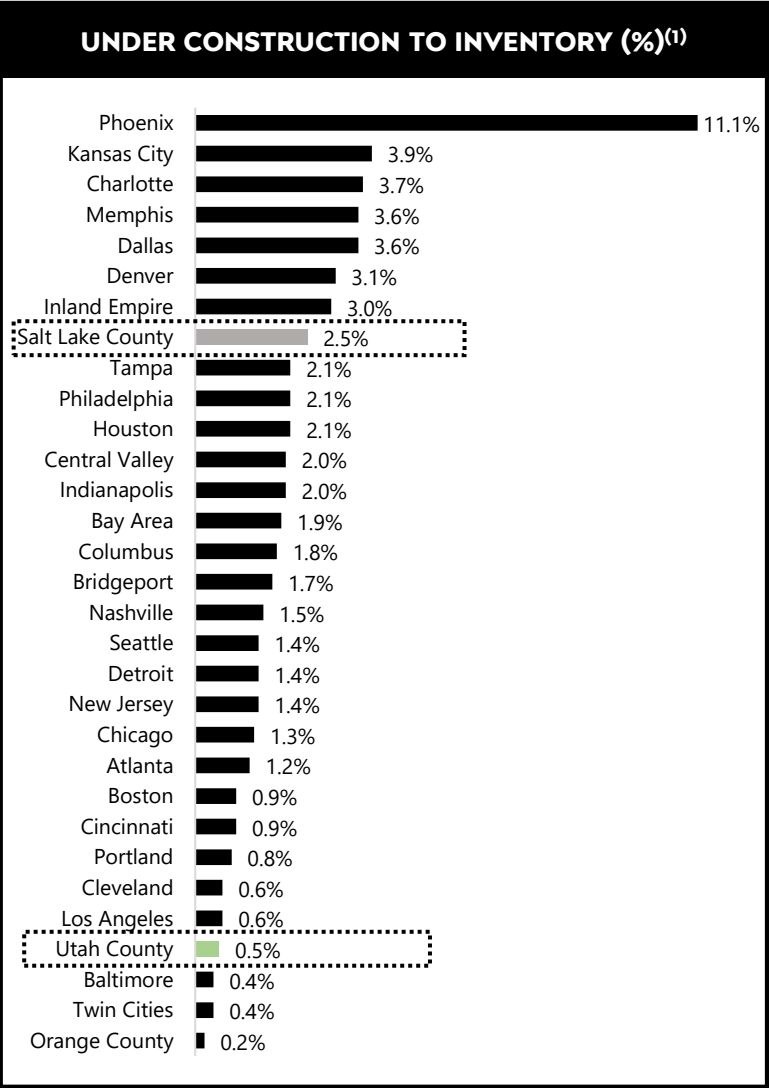
~250k SF of New Product Under Construction With ~3 Years of Planned New Supply Over the Next ~4.5 Years

Status	Project Name	Address	City	Submarket	SF	Notes
UC	El Tenedor Building B	1111 N 300 W	Spanish Fork	UC South	120,169	Q1 2024
UC	Lakeview Parkway	652 S Lakeview Parkway	Provo	UC Central	36,000	Q2 2024
UC	American Fork Industrial	837-851 E 930 S	American Fork	UC North	96,023	Q4 2024
<b>Total UC</b>					<b>252,192</b>	
<b>Years of Absorption</b>					<b>0.1 Years</b>	
Planned	Payson Tech Park	429 S American Way	Payson	UC South	17,490	2024 Start
Planned	Spring Pointe Exchange Building D	633 N 2250 W	Springville	UC South	19,800	2024 Start
Planned	Northern Frontier	2300 N Redwood Rd	Saratoga Springs	UC West	52,419	2024 Start
Planned	Westridge Business Park #1, #2 & #3	3800 N 650 W	Spanish Fork	UC South	66,258	2024 Start
Planned	Catalyst Business Park Building 2	1551 S 400 E	American Fork	UC North	136,436	2024 Start
Planned	Global Logistics Headquarters Bldgs 1 - 8	2100 N 700 W	Spanish Fork	UC South	1,948,089	2024 Start; Phase Delivery
Planned	Spanish Fork Skypark	1300 N 900 W	Spanish Fork	UC South	2,048,076	2024 Start; Phase Delivery
Planned	Spring Pointe Exchange Building E	633 N 2250 W	Springville	UC South	36,522	2025 Start
Planned	Spanish Springs Industrial Park Bldg F	2700 N Main St	Spanish Fork	UC South	94,080	2025 Start
Planned	Spanish Springs Industrial Park Bldg C	2700 N Main S	Spanish Fork	UC South	147,840	2025 Start
Planned	Hamilton/Day Spanish Fork Industrial	1262 Depot Rd	Spanish Fork	UC South	680,160	2025 Start; Phase Delivery
Planned	Westridge Business Park #4, #5 & #6	3800 N 650 W	Spanish Fork	UC South	140,347	2026 Start
Planned	Boyer/Asilia Spanish Fork Industrial	801 W 4000 S	Spanish Fork	UC South	2,515,590	TBD; Phase Delivery
Planned	Klune/Colmena Spanish Fork Industrial	609 W 1900 N	Spanish Fork	UC South	401,808	TBD; Phase Delivery
<b>Total Planned</b>					<b>8,304,915</b>	
<b>Years of Absorption</b>					<b>3.2 Years</b>	

\*Based on Trailing 3 Years of Net Absorption

# INVENTORY / SUPPLY IN CONTEXT

Utah County has One of the Lowest Inventory & Construction Pipeline per Capita in the U.S.



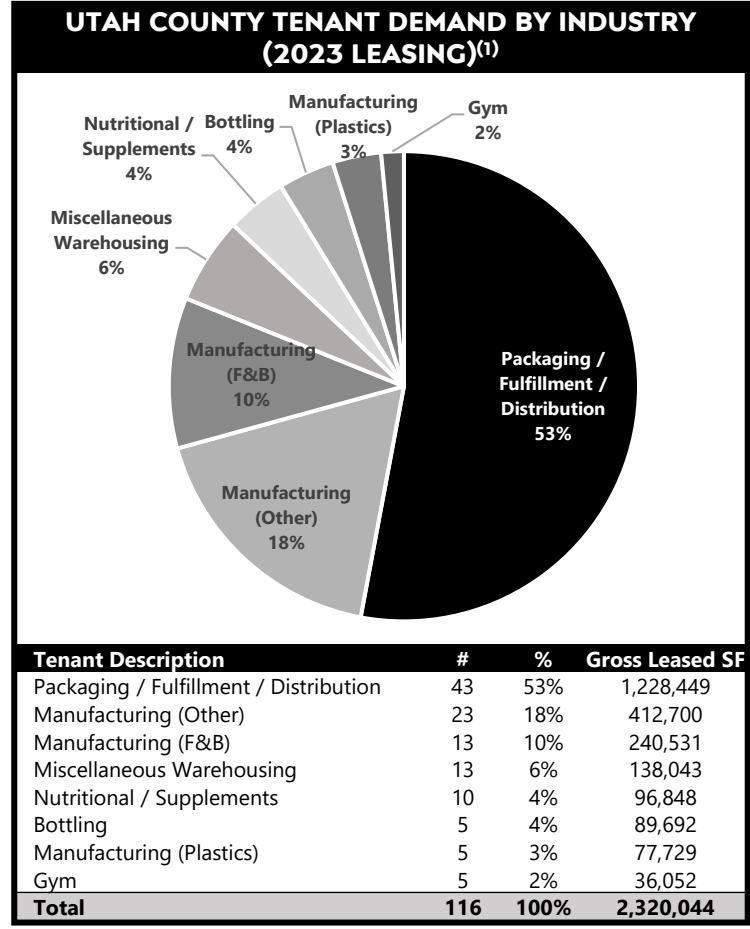
# TENANT DEMAND

- There is 2.0 million SF of tenants in the market evaluating Utah County industrial space with only 1.9 million SF of market vacancy. The number of large tenant requirements has increased, with 74.1% of tenant demand seeking >100k SF.
- In 2023, 52.9% of tenant demand derived from distribution users, with the average lease size being 20k SF across all tenant types.

Q1 2024 TENANTS IN THE MARKET <sup>(1)</sup>		
Industry	Location	Target Size From (SF)
Distribution	UC South	1,000,000
Manufacturing	UC (All)	200,000
Distribution	UC (All)	130,000
Manufacturing	UC South	100,000
Manufacturing	UC South	100,000
Distribution	UC South	90,000
Warehousing	UC South	60,000
Distribution	UC North	50,000
Distribution	UC Central	50,000
Warehousing	UC South	50,000
Warehousing	UC Central	45,000
Manufacturing	UC Central	35,000
Distribution	UC South	35,000
Warehousing	UC Central	30,000
Distribution	UC Central	30,000
Warehousing	UC South	30,000
Distribution	UC South	30,000
<b>Total</b>		<b>2,065,000</b>
<b>Count</b>		<b>17</b>

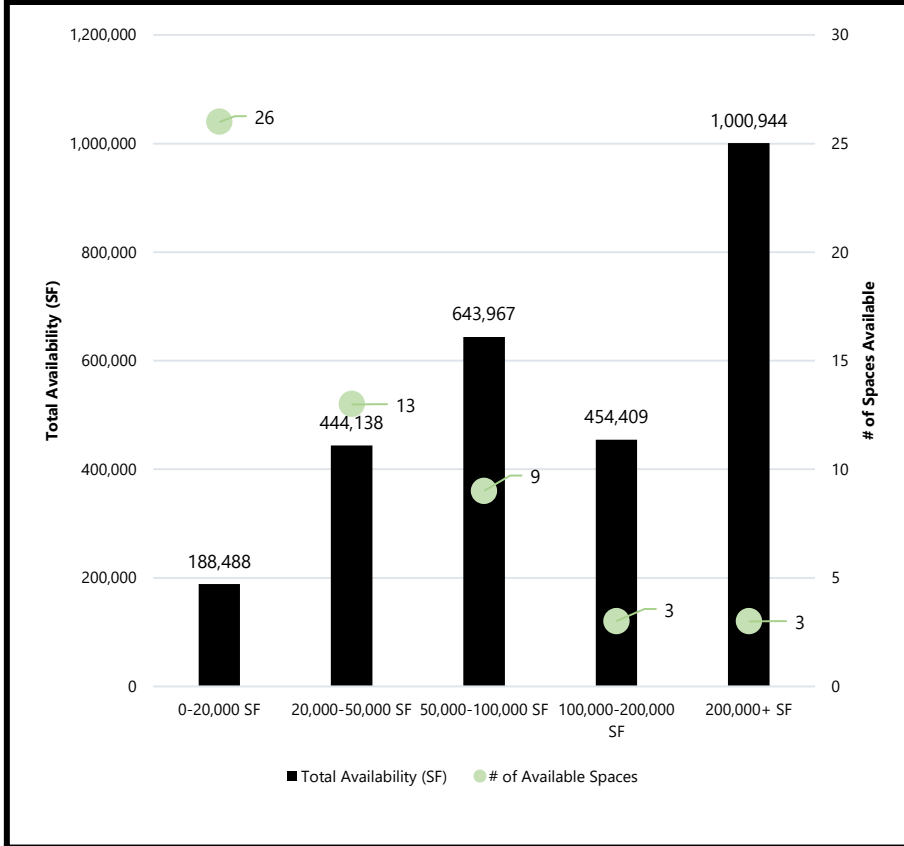
Size Category	#	Total
<100K SF	12	535,000
100K-200K	3	530,000
>200K SF	2	1,000,000



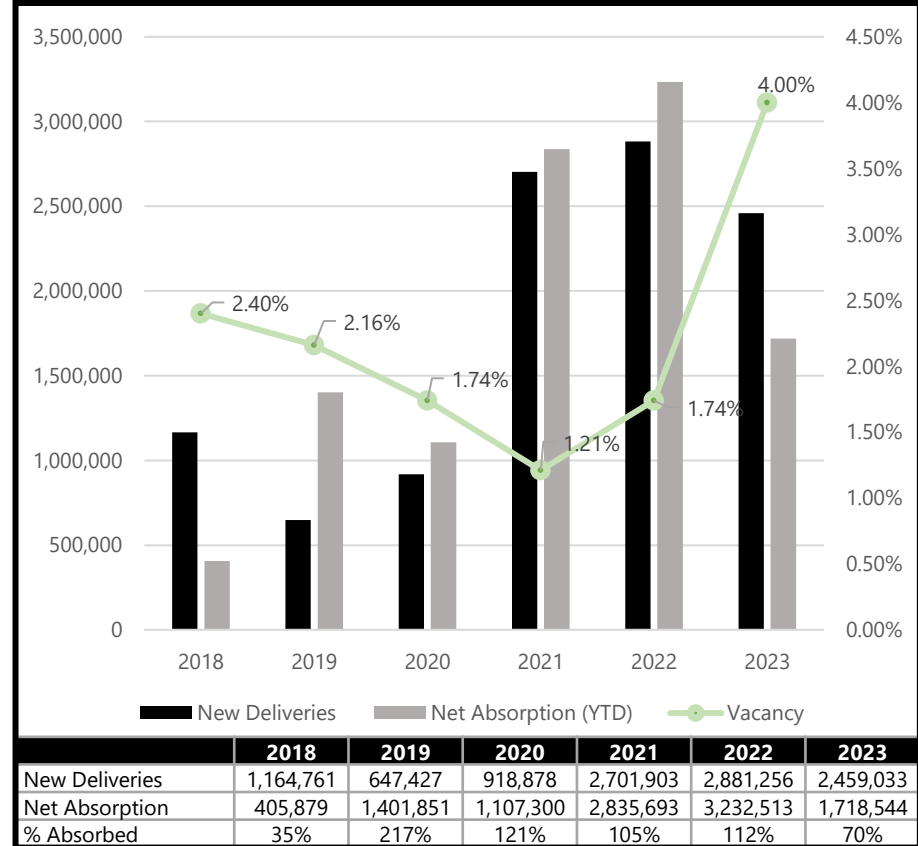
# AVAILABILITY AND ABSORPTION

Since 2018, Utah County has absorbed all new deliveries and only has 15 available suites for tenants seeking >50,000 of contiguous space.

### AVAILABLE SPACE IN UTAH COUNTY<sup>(1)</sup>



### ABSORPTION & DELIVERIES BY YEAR<sup>(1)</sup>



# UTAH COUNTY LEASE COMPS

Utah County Industrial Lease Comps								
Property Name	City	Tenant	Closing Date	SF	Lease Term	Initial Rate	Lease Escalations	TI
Orem Tech Center Building 6	Orem	Lakanto	Q3 2022	136,836	120	\$0.83	N/A	N/A
Holbrook Industrial Park Bldg 2	Lehi	Primo Golf, LLC	Q4 2022	109,572	63	\$1.00	3.00%	N/A
Power House Industrial Building 2	Springville	Strategic Retail Partners	Q3 2022	107,125	12	\$0.71	N/A	N/A
5th North Industrial Bldg 2	Springville	The Candy Company	Q4 2022	105,462	120	\$0.89	2.50%	N/A
Power House Industrial Building 1	Springville	ADT, LLC	Q4 2022	91,773	127	\$0.69	3.00%	\$9.99
Holbrook Industrial Park Bldg 3	Lehi	US Cabinet Depot	Q4 2023	87,438	86	\$0.85	3.00%	N/A
Provo Craft Building	Spanish Fork	Specialized Bicycle Components, Inc.	Q1 2023	79,200	60	\$0.75	N/A	N/A
Scanell New Vista South Bldg 3	Provo	Vox Fulfillment, LLC	Q2 2024	70,600	87	\$0.92	3.00%	N/A
Hobble Creek Business Park Bldg 2	Springville	Launch Fulfillment	Q1 2023	70,476	124	\$0.88	3.50%	N/A
Westfield Commerce Center Bldg 2	Spanish Fork	Lastmile Logistix, LLC	Q3 2022	46,368	60	\$0.90	3.00%	N/A
Westfield Commerce Center Bldg 1	Spanish Fork	American Spec, ESG	Q4 2022	46,368	61	\$0.93	3.00%	N/A
Vineyard Industrial Building B	Vineyard	Allied Electric Sign & Awning	Q4 2022	46,216	42	\$1.00	4.00%	N/A
Deer Park Industrial Bldg 2	American Fork	Gustave A. Larson	Q1 2024	45,921	68	\$0.89	3.50%	N/A
Deer Park Industrial Bldg 2	American Fork	Old Mill Brick, LLC	Q1 2024	45,205	86	\$0.90	3.50%	N/A
E15 Commerce Park Bldg 1	Pleasant Grove	G2G Bar, Inc.	Q4 2022	44,914	63	\$0.91	3.00%	N/A
E15 Commerce Park Bldg 1	Pleasant Grove	Dragonsteel Entertainment	Q4 2022	43,103	86	\$1.05	3.00%	N/A
Legacy Park Bldg A	Springville	Nutra Connection	Q4 2023	40,000	13	\$0.80	3.00%	N/A
PowerHouse Industrial Park	Springville	Pyvott, LLC	Q3 2022	38,172	90	\$0.86	3.00%	N/A
Blackhurst Business Park	Lindon	Grit Marketing, LLC	Q3 2022	37,490	120	\$0.98	2.00%	N/A
Orem Tech Center Building 7	Orem	Studies Weekly, LLC	Q1 2024	35,901	75	\$0.90	3.00%	N/A
American Fork Industrial	American Fork	The Training Room, LLC	Q2 2024	33,283	90	\$0.85	3.50%	N/A
Qualtry	Lindon	Q2 Investments, LLC	Q3 2022	32,148	64	\$1.05	3.50%	N/A
Payson Tech Center Buildings C & D	Payson	Atiy, LLC	Q1 2024	27,440	63	\$0.85	3.00%	N/A
Holbrook Industrial Park Bldg 3	Lehi	Lit Joy, LLC	Q3 2022	26,440	61	\$1.00	3.00%	N/A

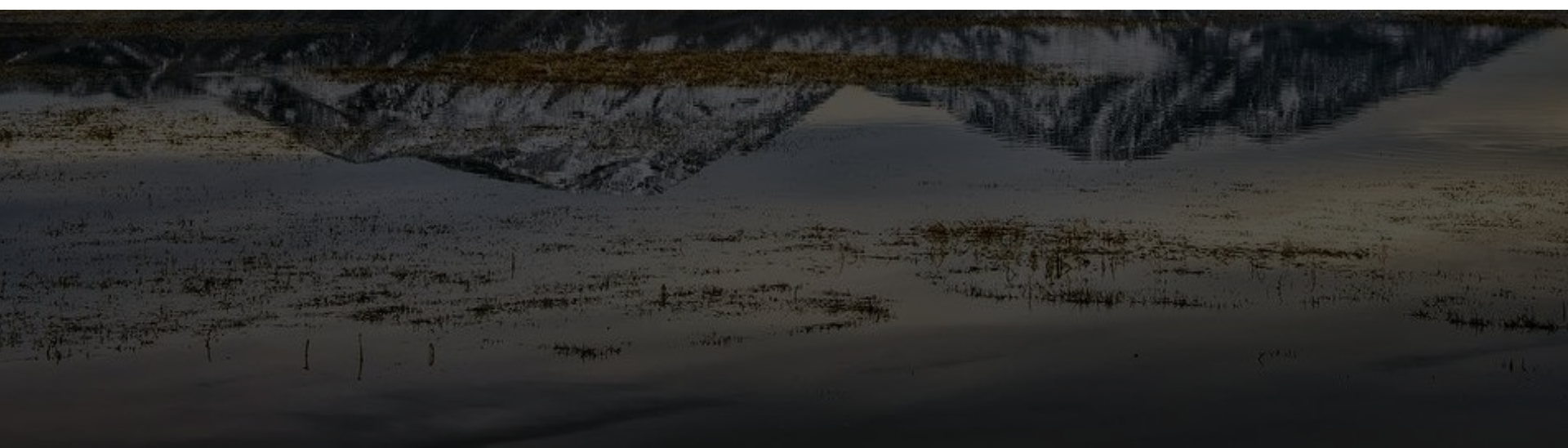
# INSTITUTIONAL OWNERSHIP

Utah County has a history of institutional industrial ownership and development, including firms such as:





**SOUTH UTAH COUNTY**



# LAND USE ANALYSIS – SOUTH UTAH COUNTY

Across the South Utah County cities of Springville, Spanish Fork, Mapleton, and Salem there are 1,385 acres of undeveloped land in industrial zoned areas. Land in South Utah County is restricted due to wetlands, annexation, zoning/general plan, and access to utilities, infrastructure, and/or power.



**Springville (Zone 1): 147 acres of undeveloped industrial zoned land.**

- Average parcel size is 10.5 acres
- Largest parcel is 21.4 acres
- Parcels are irregularly shaped, not adjacent, and owned by several local farmers



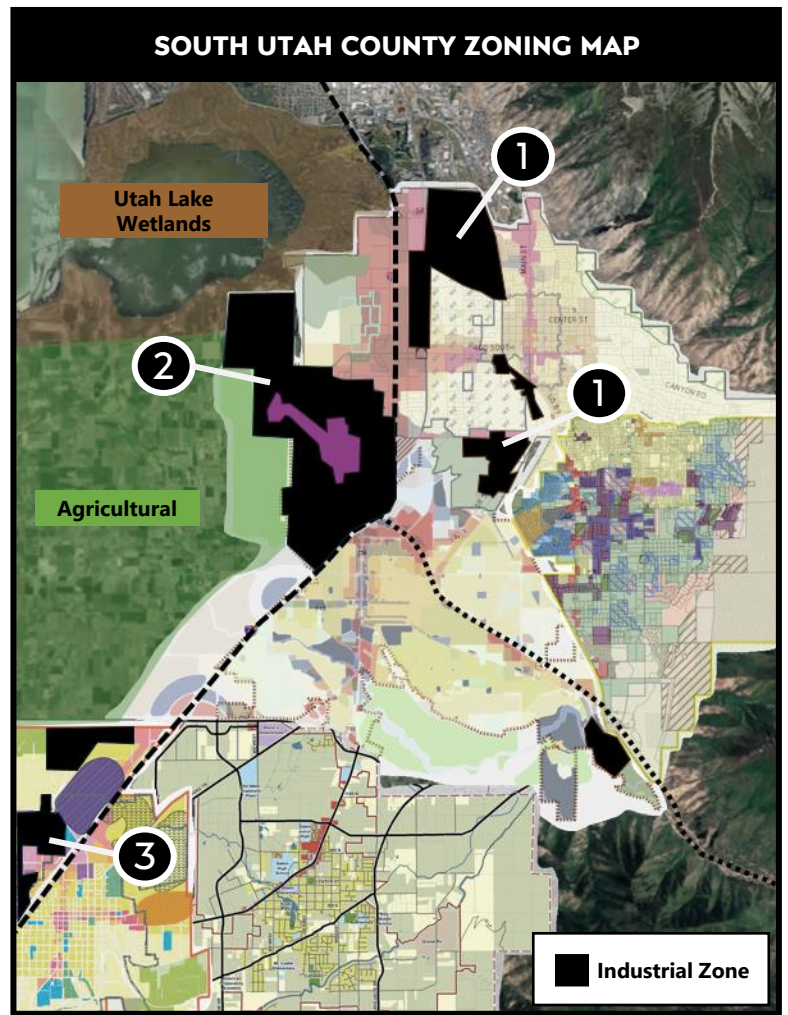
**Verk Industrial Park (Zone 2): 1,106 acres of undeveloped industrial zoned land. See additional details on next page.**

- Based on developer/city conversations:
  - 45% (493 acres) is owned by farmers or likely residential developers
  - 19% (215 acres) is earmarked for BTS uses
  - 36% (397 acres) will be spec industrial development



**Salem (Zone 3): 132 acres of undeveloped industrial zoned land.**

- Average parcel size is 8.2 acres
- Largest parcel is 16.7 acres
- Parcels are irregularly shaped, not adjacent, and owned by several local farmers/religious institutions
- Part of a master plan that will focus on smaller/flex buildings

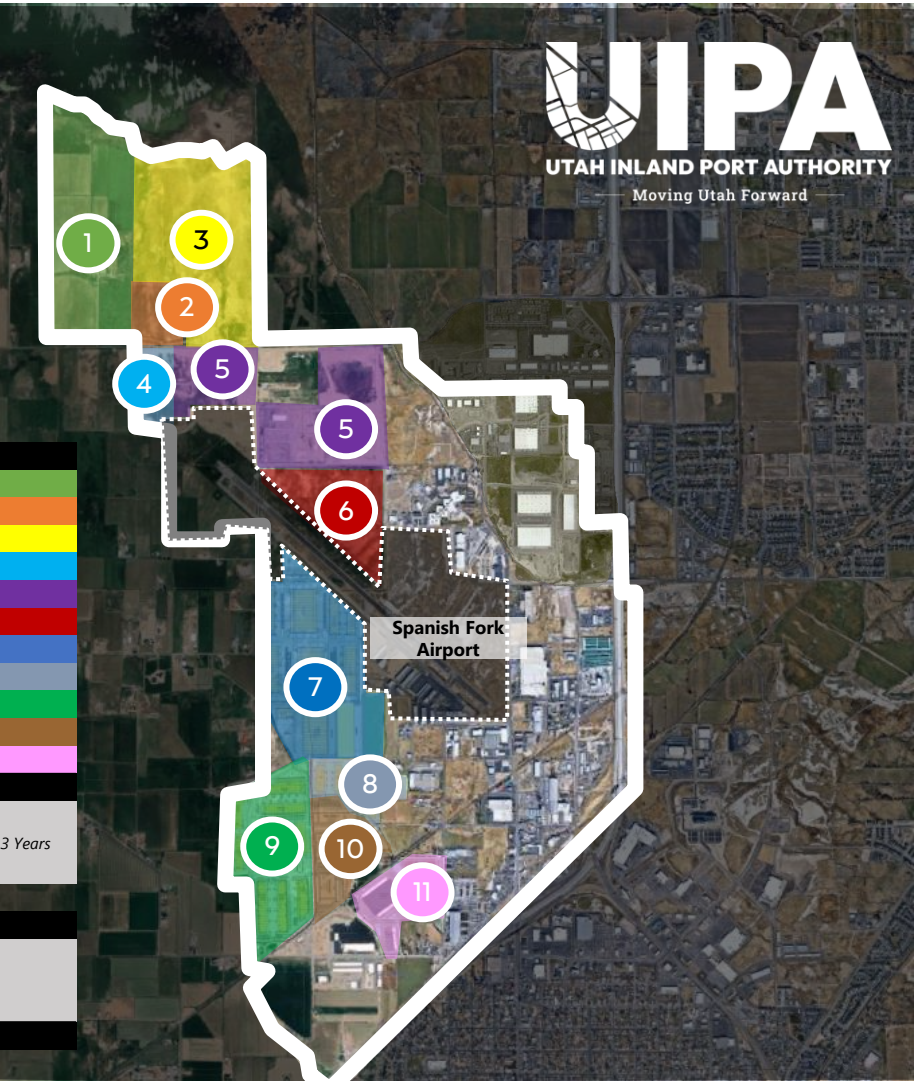




# LAND USE ANALYSIS – VERK INDUSTRIAL PARK

The Verk Industrial Park Represents the Largest As-of-Right Industrial Development Area in Utah County

Of the 2,200 acres included in Utah Inland Port Authority’s new “Verk Industrial Park”, about ~50% is existing public or private infrastructure, including the Spanish Fork Airport. Of the remaining 1,100 acres, 397 acres (36%) will likely be spec industrial development built over the next 4.5 years according to conversations with brokers, developers, and the city. Based on site plans, this results in ~5.4 MSF of spec industrial or 2.1 years of demand based on historic absorption averages.



#	Owner	Acreage	Planned SF	Notes
1	Local Family Farmer	213.3	0	Still owned and farmed by local family
2	Clyde Companies	25.0	N/A	Will likely be a BTS for parent company
3	HNW Individual	205.0	0	May be residential
4	Old Dominion Freight	25.1	N/A	Will likely be a BTS for parent company
5	Boyer / Asilia*	165	2,515,590	Will likely be a BTS
6	San Miguel Valley Corporation	75.0	0	Residential
7	Ritchie Group*	143.1	1,948,089	Spec; ~700k SF Phase 1
8	Colmena*	24.7	401,808	Spec
9	Vesta / Gardner / BlackPine	126.0	2,048,076	Spec; ~630k SF Phase 1
10	Hamilton Partners*	50.2	680,160	Spec; ~330k SF Phase 1
11	Wadsworth*	53.2	350,200	Spec; 458k SF has already been delivered
<b>Total</b>		<b>1,105.6</b>	<b>7,943,923</b>	
<b>Total Spec</b>		397.2	5,428,333	Excluding BTS Development
<b>Years of Demand (Spec)</b>			2.1 Years	Based on Average Net Absorption for Trailing 3 Years
<b>Years to Activate Spec (Phasing)</b>			4.5 Years	Based on Developer/City Conversations

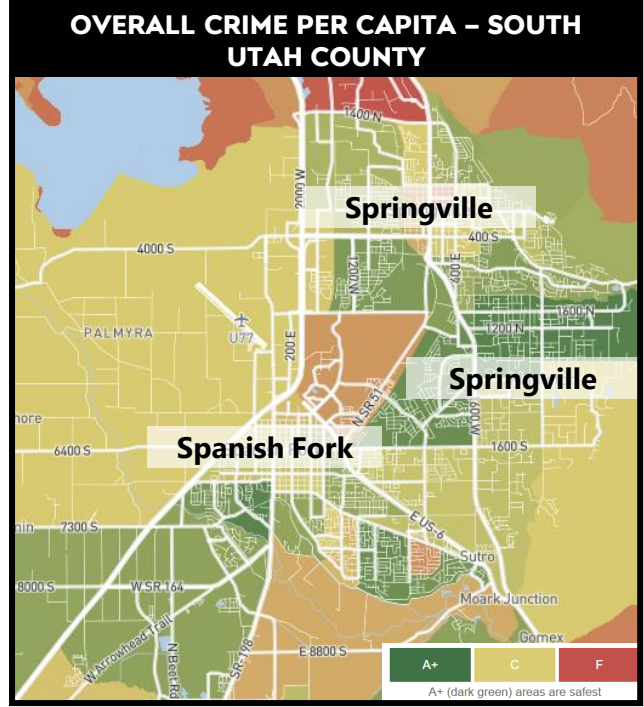
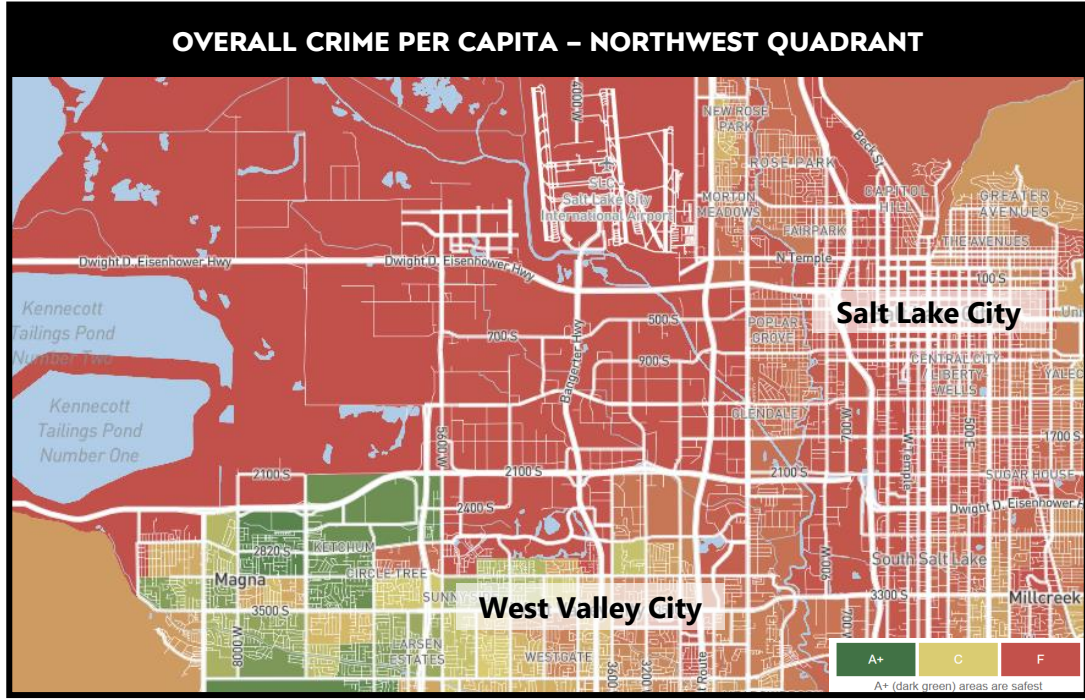
Category Totals	Acres	% of Total
Residential/Farming	493.3	45%
BTS	215.1	19%
Spec	397.2	36%
<b>Total</b>	<b>1,105.6</b>	<b>100%</b>

\*Indicates SLC Northwest Quadrant Developer

# CRIME - INDUSTRIAL SUBMARKET COMPARISON

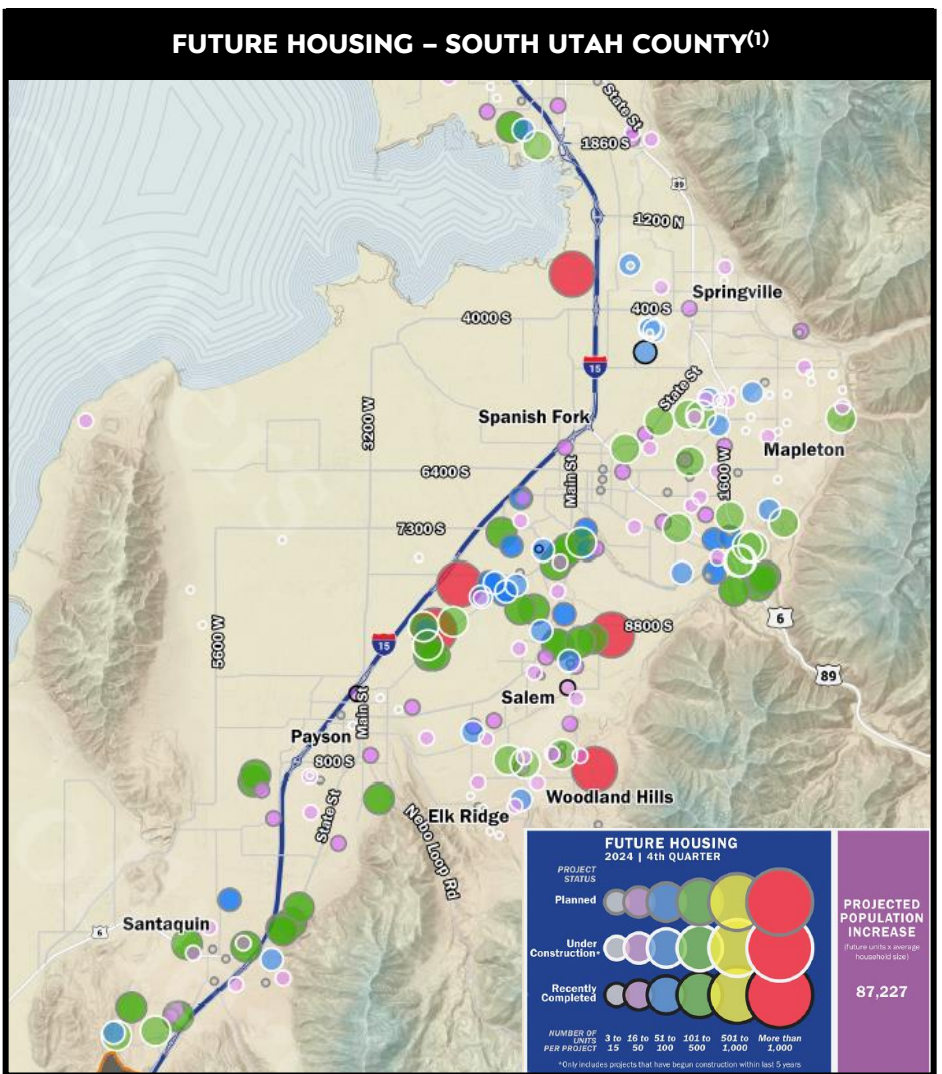
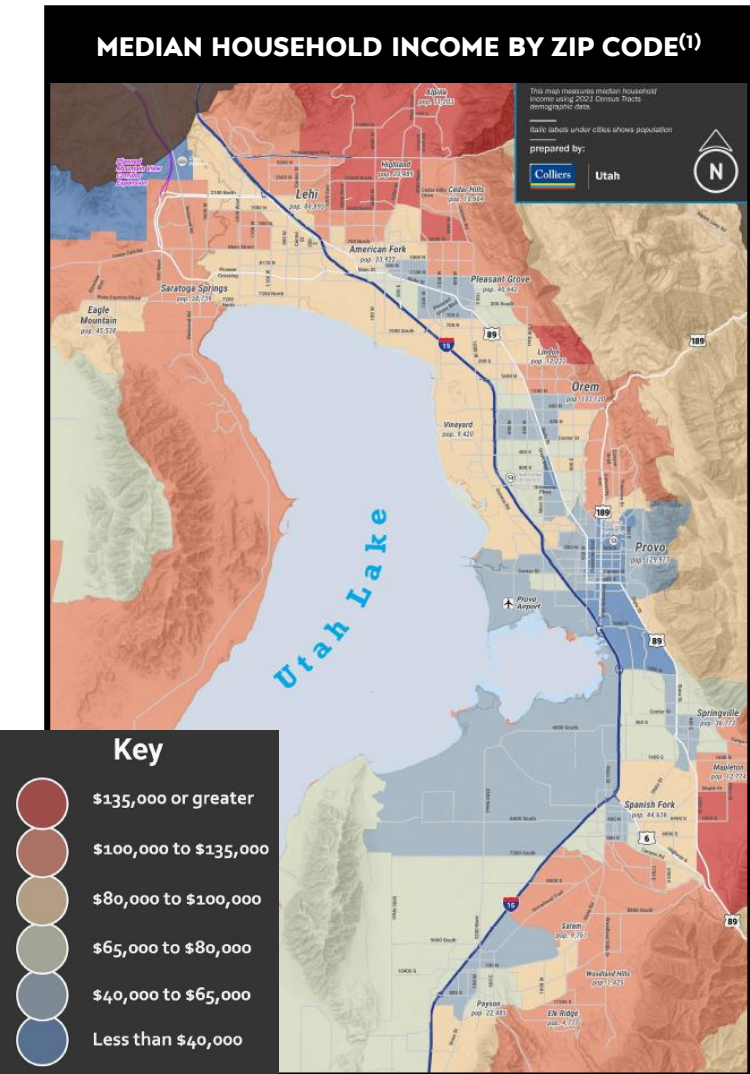
Businesses/Residents are ~7.0x Less Likely to Experience a Crime in South Utah County than the Northwest Quadrant

CRIME RATE (PER 1,000 RESIDENTS) <sup>(1)</sup>	VIOLENT	PROPERTY	TOTAL
Salt Lake City	9.79	66.32	<b>76.11</b>
Spanish Fork	0.91	10.23	<b>11.13</b>
Utah	2.42	18.95	<b>21.37</b>
United States (Average)	3.80	19.55	<b>23.35</b>



# HOUSEHOLD INCOME / FUTURE HOUSING

South Utah County Represents the Most Affordable and Fastest Growing Area of the County



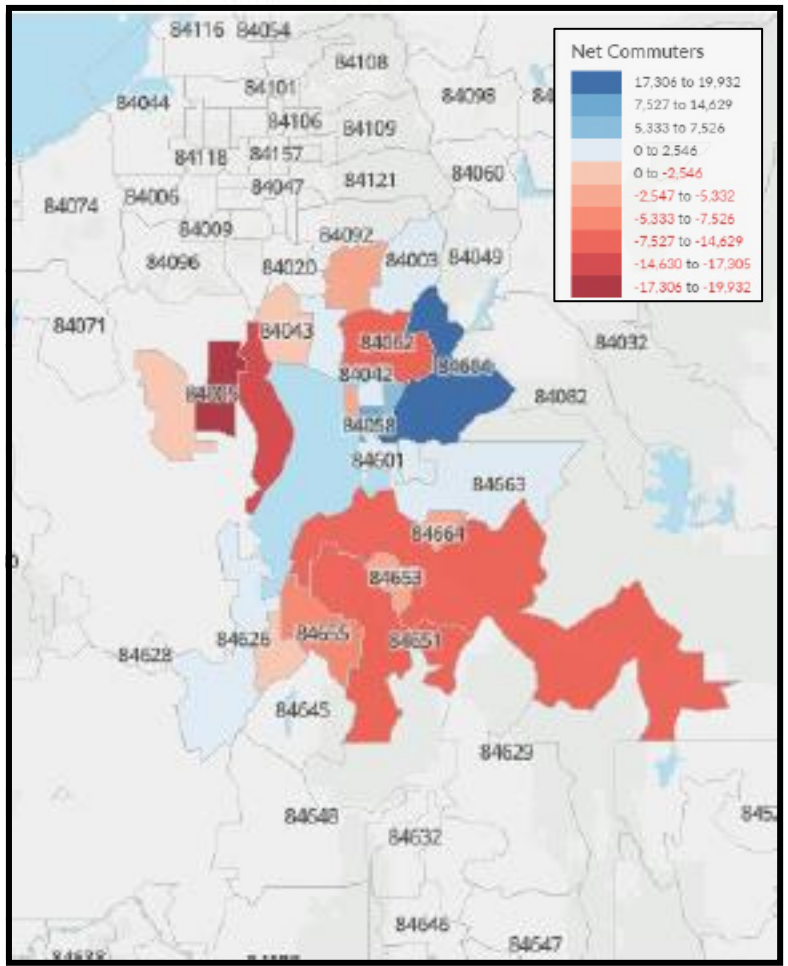
# EMPLOYEE COMMUTING

South Utah County is one of the highest net commuter areas in the county, with Spanish Fork and Springville housing the #2 and #5 largest employee concentrations in the county<sup>(1)</sup>.

WHERE TALENT WORKS		
ZIP	Name	2023 Employment
84043	Lehi, UT (in Utah county)	43,871
84604	Provo, UT (in Utah coun...)	41,686
84003	American Fork, UT (in U...)	29,341
84058	Orem, UT (in Utah coun...)	26,715
84663	Springville, UT (in Utah ...)	24,598

WHERE TALENT LIVES		
ZIP	Name	2023 Workers
84043	Lehi, UT (in Utah county)	44,620
84660	Spanish Fork, UT (in Uta...)	30,229
84003	American Fork, UT (in U...)	28,851
84062	Pleasant Grove, UT (in U...)	26,564
84663	Springville, UT (in Utah ...)	23,770



# RISKS AND MITIGANTS

INSTITUTIONAL OWNERSHIP & CREDIT TENANCY		
	RISK #1	RISK #2
<b>RISK</b>	<b>Institutional Trades:</b> Historically, Utah County has lagged behind Salt Lake County in institutional trade volume	<b>Credit Tenancy:</b> Historically, Utah County has lagged behind Salt Lake County in the number of credit industrial tenants
<b>MITIGANT</b>	<ul style="list-style-type: none"> <li>Only 28% of the market's square footage consists of buildings &gt;100,000 SF and built after 2004. Moving forward, this will shift to more institutional product as the current proposed pipeline averages 101k SF across 54 buildings.</li> <li>Over the last five years, Utah County has seen institutional ownership and development from groups such as Rialto, Fortress, Kennedy Wilson, WP Carey, Scannell, STAG, and Greenlaw among others. In April 2024, Exeter closed on the acquisition of Spanish Springs Buildings B &amp; E, totaling 451k SF for \$135 PSF (17% occupied).</li> </ul>	<ul style="list-style-type: none"> <li>Despite Utah County consisting of only 37 buildings &gt;200,000 SF (33% of total inventory), the market has attracted major industrial occupiers such as Amazon, UPS, FedEx, Nestle, Pepsi, Builders FirstSource, and ADT, among others</li> </ul>
LAND AVAILABILITY & OVERSUPPLY		
	RISK #3	RISK #4
<b>RISK</b>	<b>Land Availability:</b> The undeveloped land in the Utah County South submarket will create a significant new supply issue	<b>Latent Potential New Supply:</b> 8.3 Million SF of potential new industrial supply
<b>MITIGANT</b>	<ul style="list-style-type: none"> <li>Of the 1,385 acres of industrial zoned undeveloped land, 397 acres (29%) is expected to be competing spec product totaling ~5.4 million SF.</li> <li>Vacant land is restricted to near-term industrial development for the following reasons:               <ul style="list-style-type: none"> <li>Fragmented multi-generational ownership</li> <li>Zoning</li> <li>Power / Water</li> <li>Roads / Infrastructure</li> <li>Soil conditions (i.e. wetlands)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Of the 8.3 million SF of potential new supply, 7.6 million (91%) is not shovel-ready and will require significant infrastructure and power improvements to commence construction.</li> <li>The proposed industrial pipeline consists of local HNW/family office developers with a higher cost of capital and a track record of disciplined supply phasing (i.e. SLC's NWQ)</li> <li>Based on key stakeholder feedback, the estimated start dates and phasing of these projects (3.2 years of supply) are evenly distributed over the next 4.5 years</li> <li>Current tenants in the market (2.0 million SF) exceed current vacancy (1.9 million SF)</li> </ul>
LABOR MARKET & INFORMATION AVAILABILITY		
	RISK #5	RISK #6
<b>RISK</b>	<b>Labor Market:</b> Utah County's tight labor market (3.2% unemployment rate as of Feb. 2024) will restrict the number of employee-sensitive industrial users, such as manufacturers	<b>Information Availability:</b> Utah County is located in a non-disclosure state and experiences fewer trades than Salt Lake County
<b>MITIGANT</b>	<ul style="list-style-type: none"> <li>Manufacturing represented only 31% of Utah County's total leasing volume in 2023</li> <li>Between 2010-2020, the manufacturing workforce in Utah County grew by 24%, double that of Salt Lake County</li> <li>Utah County's unemployment rate (3.2%) is in line with Salt Lake (3.3%) and Davis Counties (3.0%)</li> </ul>	<ul style="list-style-type: none"> <li>Vesta is the largest industrial owner in the market and is able to gather data across brokerage houses, ownership groups, and third-party service providers</li> </ul>



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