

COMMERCIAL REAL ESTATE
SOUTHERN, UTAH

2024 OUTLOOK

MARKET RESEARCH | VOLUME 33

NAIExcel

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

2024 Outlook

The recent twelve months have been significant for NAI Excel and our clients. Investors and business owners placed significant capital into commercial real estate, and the economy fared better than many analysts expected. As we reflect on accomplishments in the recent year, we look forward to opportunities to work with you in 2024.

NAI Excel Awarded Office of the Year Worldwide

NAI Excel was named the office of the year among 300+ NAI Global offices worldwide. The award recognizes NAI Excel for leadership, as well as performance and growth. The award was announced at the NAI Global Convention.

NAI Vegas Rebranded to NAI Excel

NAI Vegas and NAI Excel have operated jointly since 2017. NAI Vegas recently rebranded its operations to NAI Excel to create further alignment between the organizations as part of the company's continued expansion.

Rohde Ottmers Joined NAI Excel

In October, Rohde Ottmers Commercial and Investment Realtors joined NAI Excel in San Antonio, Texas. Founded in 1908, Rohde Ottmers is the oldest and most trusted commercial real estate company in the region. The San Antonio team of more than twenty commercial real estate professionals, property managers, and support staff have developed, transacted, and managed some of the most significant projects in central and south Texas.

The Aldrich-Thomas Group Joined NAI Excel

Located north of Austin in Temple, TX and founded in 1962, the Aldrich-Thomas Group is one of the most experienced commercial real estate companies in the region. NAI Aldrich-Thomas Group joined NAI Excel, completing a single commercial real estate brand along I-35 between San Antonio, Austin, and Temple.

Clients Completed More than 600 Real Estate Transactions

Collectively, we operate from five office locations in Utah, Nevada, and Texas. In 2023, NAI Excel agents closed over \$600 million in real estate and supported clients through more than 600 commercial real estate transactions. Additionally, we manage more than 2.5 million square feet of commercial real estate, supporting hundreds of additional owners and tenants.

Real Estate Outlook

In 2023, the economy exceeded many analysts' expectations with 2.7 million jobs added and 2.5% GDP growth. Inflation as measured by the Consumer Price Index ended the year at 3.4% annualized, down from 6.5% for the prior 12-month period. Even so, higher interest rates impacted real estate investing and the general economy. To begin 2024, the Dow Jones Industrial Average and S&P 500 achieved new record highs, and the Federal Reserve is signaling that it may hold, and then ease monetary policy. While interest rates are high relative to recent years, many analysts' near-term outlook is positive. For commercial real estate, cash investors and owner-occupied facilities are driving new acquisitions and development. Regardless of the actual short-term conditions, we look to the long-term future of the markets we serve with a positive outlook.

As time passes and markets change, we reflect on how relationships and commercial real estate are long term investments. Team members at NAI Excel include first, second, and third-generation real estate professionals. These professionals have multiple decades of experience in commercial real estate and are some of the most experienced practitioners in the region. We have developed many of our most valued friendships working in commercial real estate and we remain committed to supporting your long-term real estate objectives in the years to come.

Jon Walter
President
Principal Broker, Utah

Todd Manning
Principal Broker, Nevada

Neil Walter
Chief Executive Officer

Tom DeWine
Principal Broker, Texas



SOUTHERN UTAH



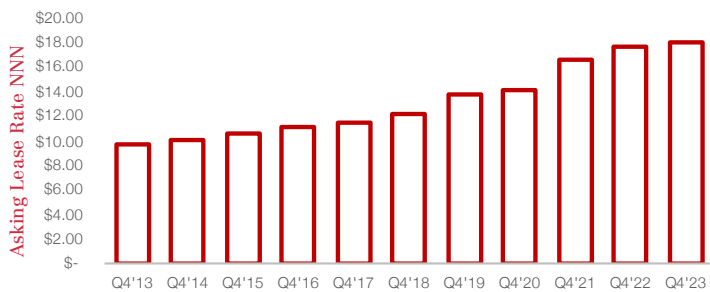
Office

WASHINGTON COUNTY

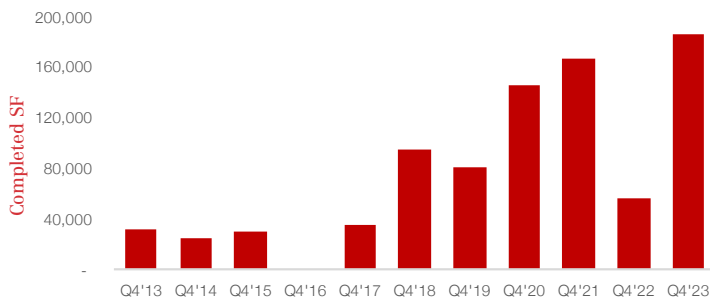
The average vacancy rate for the office market increased to 3.3% in 2023 up from 1.5% at the end of 2022. Completed construction of 186,000 square feet in 2023 is the largest realized in the recent decade. The class-A vacancy rate, which includes many newer properties, rose the furthest among all classes in 2023 to 4.5%.

The average asking lease rate increased from \$17.00 NNN at the end of 2022 to \$18.00 NNN at year end 2023. Riverfront Medical Phase II, Commerce Pointe Office Building, Fields Professional Office, Seint Building, and the Newby Building were among the significant office projects completed in 2023.

^ **3.3%**
VACANCY
^ **\$18.00**
ASKING RENT
^ **5.5-6.5%**
CAP RATE



Asking Lease Rates (Annual PSF NNN)	Class A	Class B	Class C
Low	\$15.00	\$15.00	\$11.00
High	\$25.00	\$21.00	\$16.00
Average	\$21.00	\$18.00	\$13.50
Vacancy	4.5%	3.9%	1.5%
Total Vacancy	3.3%		
2022 Year End Inventory	3,885,000		
Built in 2023	186,000		
2023 Year End Inventory	4,071,000		
Land Value PSF	\$14-24		
CAP Rates	5.5-6.5%		
Under Construction	160,000		
YTD Absorption	116,000		



3000 E & Mall Dr | Leased by NAI Excel

🏢 Office
📊 30,000
✓ Completed 2023

Office	Q4'13	Chart	Q4'23
All	10.8%		3.3%
A	8.0%		4.5%
B	12.4%		3.9%
C	10.4%		1.5%
CBD	11.9%		4.5%
Downtown	8.8%		2.4%
Suburban	16.3%		4.8%
Medical	5.3%		1.9%



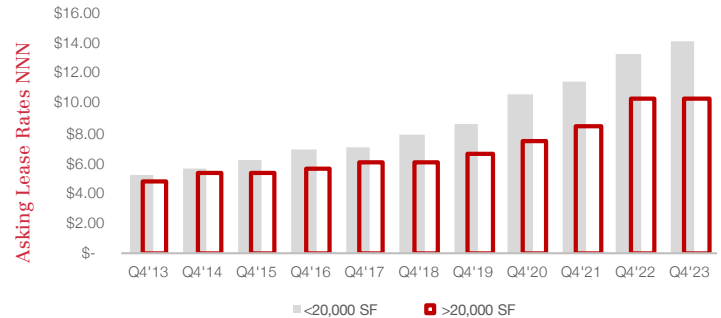
Industrial

WASHINGTON COUNTY

Industrial space remained in high demand throughout 2023. The industrial vacancy rate ended the year below 1.0% and the average asking rent for all industrial properties rose to \$11.40 NNN. Approximately 456,000 square feet of space was completed in 2023 including many small buildings of 10,000 square feet or less. The 2024 year commenced with approximately 796,000 square feet under construction.

The Fort Pierce, Quail Creek, and old Hwy 91 industrial areas continue to see growth and expansion. Phases 8 & 9 in Fort Pierce and Phases V and VI in Quail Creek have been announced with buildings under construction or commencing construction soon. Additionally, the new Sunrise Valley Industrial Park is adding multiple smaller buildings.

Asking Lease Rates (Annual PSF NNN)	< 20k SF	> 20K SF
Low	\$12.00	\$9.00
High	\$16.00	\$12.00
Average	\$14.00	\$10.20
Vacancy	1.9%	<1.0%
Total Vacancy	<1.0%	
2022 Year End Inventory	12,308,000	
Built in 2023	456,000	
2023 Year End Inventory	12,764,000	
Land Value PSF	\$7-14	
CAP Rates	5.0-6.5%	
Under Construction	796,000	
YTD Absorption	419,000	



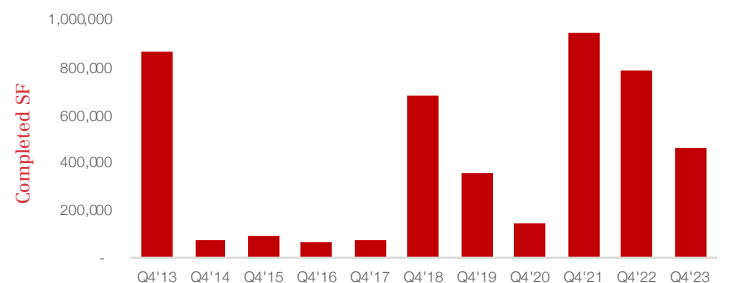
Industrial	Q4'13	Chart	Q4'23
All	4.9%		<1.0%
Fort Pierce	6.8%		<1.0%
Mill Creek	6.4%		<1.0%
Rio Virgin	3.0%		<1.0%
STG	5.4%		<1.0%
Gateway	1.4%		<1.0%
Riverside	3.8%		<1.0%
Sunset	4.8%		<1.0%

1177 E Venture Dr

Industrial 127,000 Under Construction



<1.0% VACANCY **\$11.40** ASKING RENT **5-6.5%** CAP RATE



Base Inventory, Project Info, Construction, Vacancy, and Lease Rates courtesy of NAI Excel.

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Retail

WASHINGTON COUNTY

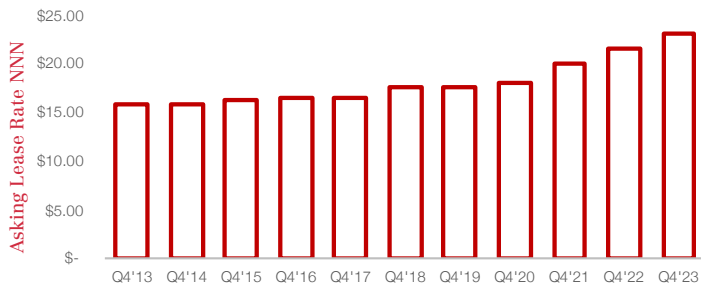
The average lease rate for anchored and unanchored space rose to \$26.00 and \$21.00 per square foot NNN respectively, in 2023. The average vacancy rate moved from 2.1% at the end of 2022 to 1.6% at year end 2023.

Completed projects in 2023 include Snow Canyon Commercial Center, Summit Athletic Club, and US Foods Chef'Store. Small retail concepts and restaurants make up a significant portion of completed projects. Significant retail development underway includes the Smith's Grocery at SunRiver, River Crossing, I-15 retail pads in Washington, and Buck's Ace Hardware in Hurricane.

✓ **1.6%**
VACANCY

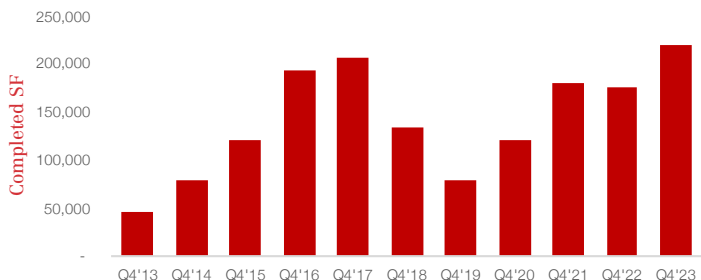
^ **\$23.00**
ASKING RENT

^ **5-6.5%**
CAP RATE



Asking Lease Rates (Annual PSF NNN)	Anchor	No Anchor
Low	\$17.00	\$14.00
High	\$54.00	\$44.00
Average	\$26.00	\$21.00
Vacancy	1.8%	1.1%

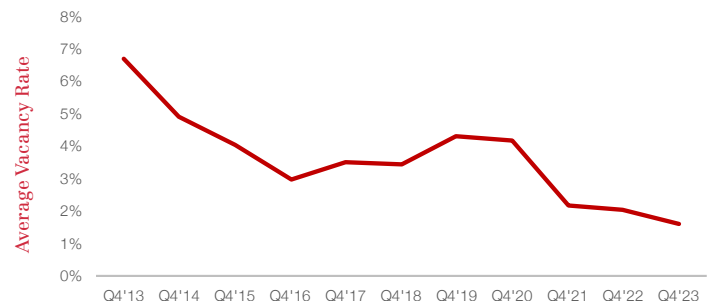
Total Vacancy	1.6%
2022 Year End Inventory	7,555,000
Built in 2023	219,000
2023 Year End Inventory	7,774,000
Land Value PSF	\$16-35
CAP Rates	5.0-6.5%
Under Construction	337,000
YTD Absorption	227,000



1687 W Sunset Blvd | Sold by NAI Excel

🏠 Retail 🏠 3,000 ✓ Completed 2023

Retail	Q4'13	Chart	Q4'23
All	6.7%		1.6%
Anchored	5.6%		1.8%
Unanchored	10.8%		1.1%
Free Standing	3.8%		4.1%



Multifamily

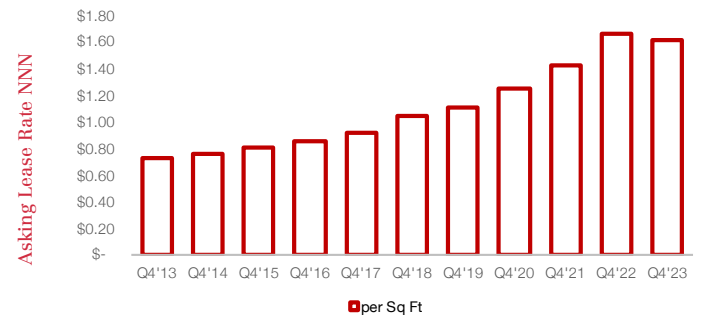
WASHINGTON COUNTY

The multifamily vacancy rate increased from 4.4% at the beginning of 2023 to 5.6% at year end. Not included in the vacancy report are the Grandview and Bloomington Apartments that collectively added 310 doors at year end but have not had time to realize absorption in the market. If included, the year end vacancy rate would represent 12.4% across the county.

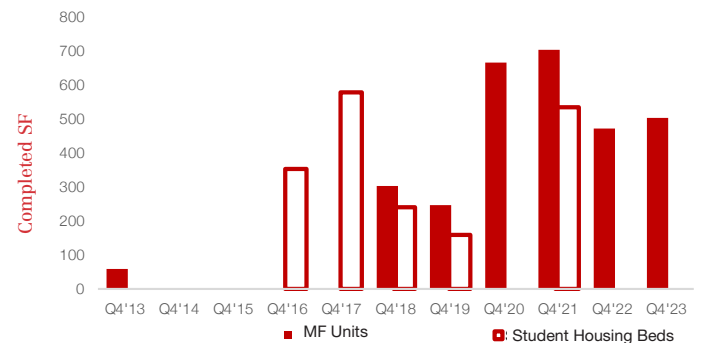
The average lease rate declined at year end by 2.4% to \$1.62 per square foot per month after increasing 16.9% the prior year. Though small, this represents the first reported year-over-year decline in more than a decade.

Vacancy	Q4'13	Q4'23
1 Bed 1 Bath	<1.0%	5.4%
2 Bed 1 Bath	4.4%	3.5%
2 Bed 2 Bath	4.4%	6.2%
3 Bed 2 Bath	4.3%	6.0%
Average	3.8%	5.6%

Rent/SF	Q4'13	Q4'23
1 Bed 1 Bath	\$0.93	\$1.92
2 Bed 1 Bath	\$0.69	\$1.39
2 Bed 2 Bath	\$0.73	\$1.59
3 Bed 2 Bath	\$0.68	\$1.39
per Sq Ft	\$0.73	\$1.62



Rent	Q4'13	Q4'23
1 Bed 1 Bath	\$604	\$1,411
2 Bed 1 Bath	\$674	\$1,263
2 Bed 2 Bath	\$741	\$1,633
3 Bed 2 Bath	\$881	\$1,703
Average	\$710	\$1,523



3061 S Bloomington Dr

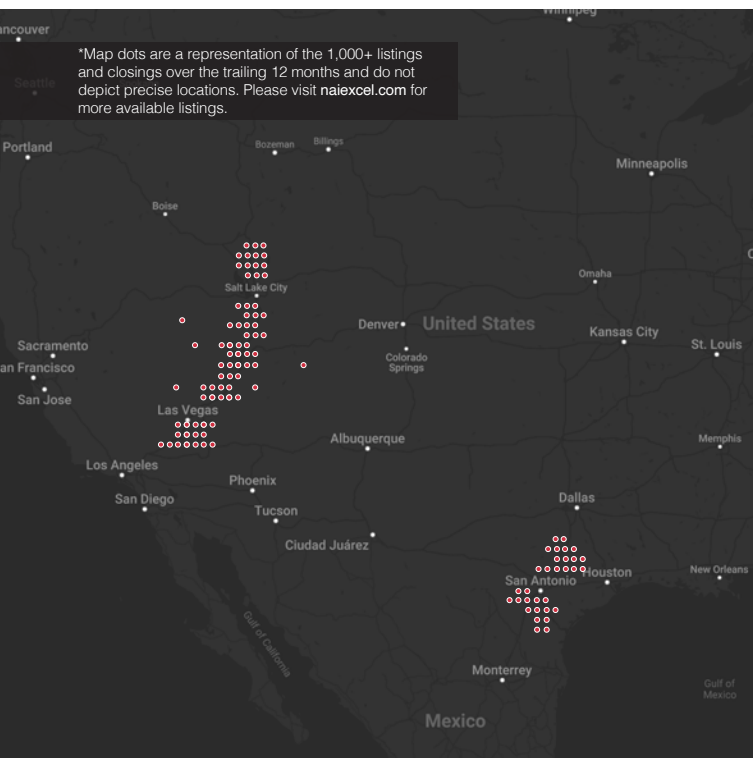
Multifamily 118 Units Complete 2023



5.6% VACANCY
 \$1.62 ASKING RENT
 4.5-6% CAP RATE



Select 2023 Transactions



550+

Active Listings



648

Closings 2023



\$700M

Listing Volume

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NAIExcel

COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE



OFFERED AT \$43,240,000
±135 ACRES

AGENT: Tom Rohde

SOLD

LAND



OFFERED AT \$25,500,000
±174,847SF

AGENTS: Erik Sexton,
Camila Rosales

SOLD

INDUSTRIAL



±84,881 SF

AGENTS: Eric Larkin, Mike Kenny,
Leslie Houston, Zach McClenahan

LEASED

INDUSTRIAL



OFFERED AT \$12,275,000
±46,681 SF

AGENTS: Erik Sexton, Camila Rosales

SOLD

INDUSTRIAL



±56,636 SF

AGENTS: Eric Larkin, Mike Kenny,
Leslie Houston, Zach McClenahan

LEASED

INDUSTRIAL

RIO PLAZA

OFFERED AT \$7,950,000
±32,231 SF

AGENT: Jason Griffith

SOLD

RETAIL

100 E INDUSTRIAL RD

OFFERED AT \$5,517,818
±24.40 ACRES

AGENT: Wes Davis

SOLD

LAND



±50,000 SF

AGENT: Cristina Martinez

LEASED

RETAIL

SR9 & 6300 W

OFFERED AT \$7,520,677
±17 ACRES

AGENT: Greg Whitehead

SOLD

LAND






±12,000 SF

AGENTS: Zach Hatch, Stan Perkins,
Jay Blacker

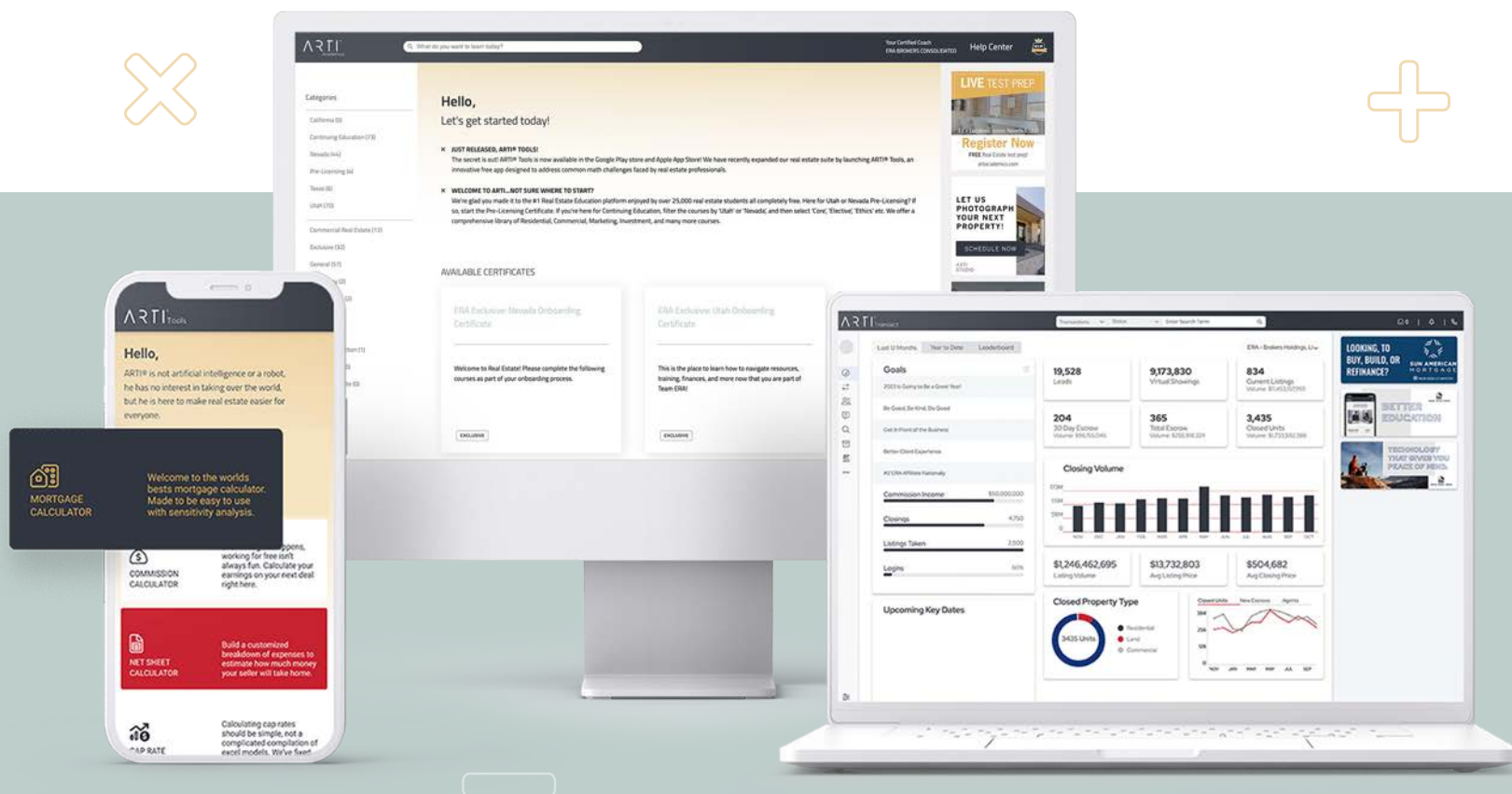
LEASED

RETAIL

*Logos represent the property name, buyer, seller, tenant or most recent occupant of the property transacted.
Logos are intellectual property of their respective owners.

 <p>±24,924SF</p> <p>AGENT: Cal Ivey</p>	<p>BENGALIS MONIS 8 LLC</p> <p>±12,000 SF</p> <p>AGENTS: Ernest Brown, Jorge Rodriguez, Juan Carlos Flores</p>	<p>600 E CHEYENNE AVE</p> <p>±43,822 SF</p> <p>AGENTS: Eric Larkin, Mike Kenny, Leslie Houston, Zach McClenahan</p>	 <p>±37,249 SF</p> <p>AGENTS: Eric Larkin, Mike Kenny, Leslie Houston, Zach McClenahan</p>
SOLD OFFICE	SOLD OFFICE	LEASED INDUSTRIAL	LEASED INDUSTRIAL
 <p>OFFERED AT \$3,000,000</p> <p>AGENTS: Wes Davis, Jon Walter, Kevin O'Brien</p>	 <p>OFFERED AT \$1,830,000 ±17,250 SF</p> <p>AGENT: Dhan Dhalwal</p>	 <p>AGENT: Scott Cummings</p>	<p>3687 PIONEER PKWY</p> <p>OFFERED AT 4,200,000</p> <p>AGENT: Meeja McAllister</p>
SOLD OFFICE	LEASED RETAIL	LEASED RETAIL	SOLD RETAIL
<p>HWY 56 & 3700 W</p> <p>OFFERED AT \$2,423,740 ±77.2 ACRES</p> <p>AGENTS: Meeja McAllister, Jon Walter, Kevin O'Brien</p>	 <p>OFFERED AT \$1,830,000 ±12,250 SF</p> <p>AGENT: Maria Herman</p>	 <p>GROUND LEASE</p> <p>AGENT: Bryan Ottmers</p>	 <p>±4,425 SF</p> <p>AGENTS: Neil Walter, Roy Barker</p>
SOLD LAND	SOLD INDUSTRIAL	SOLD RETAIL	LEASED RETAIL
 <p>OFFERED AT \$2,998,000 8,492 SF</p> <p>AGENT: Tina Taylor</p>	 <p>OFFERED AT \$2,350,000</p> <p>AGENT: Curren Christensen</p>	 <p>OFFERED AT \$2,600,000 8,907 SF</p> <p>AGENTS: Bryan Houser, Tina Taylor</p>	<p>369 N 100 W</p> <p>OFFERED AT \$1,882,000</p> <p>AGENTS: Jason Griffith, Twila Davis</p>
SOLD OFFICE	SOLD RETAIL	SOLD INDUSTRIAL	SOLD INDUSTRIAL
 <p>OFFERED AT \$5,066,000</p> <p>AGENT: Zach Hatch</p>	<p>GATEWAY COMMONS</p> <p>OFFERED AT \$1,330,000</p> <p>AGENTS: Curren Christensen, Aaron Edgley</p>	<p>3711 S 1700 E</p> <p>OFFERED AT \$2,800,000 ±12,600 SF</p> <p>AGENTS: Grace Hayes, Eric Hatch</p>	<p>412 N 5500 W</p> <p>OFFERED AT \$3,990,000 ±11 ACRES</p> <p>AGENTS: Brandon Price, Gregg McArthur, Greg Whitehead</p>
SOLD LAND	SOLD LAND	SOLD INDUSTRIAL	SOLD LAND

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Asset Management Services



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Managed Since 2023

\$1BIL
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MANAGEMENT*

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5 STAR SERVICE

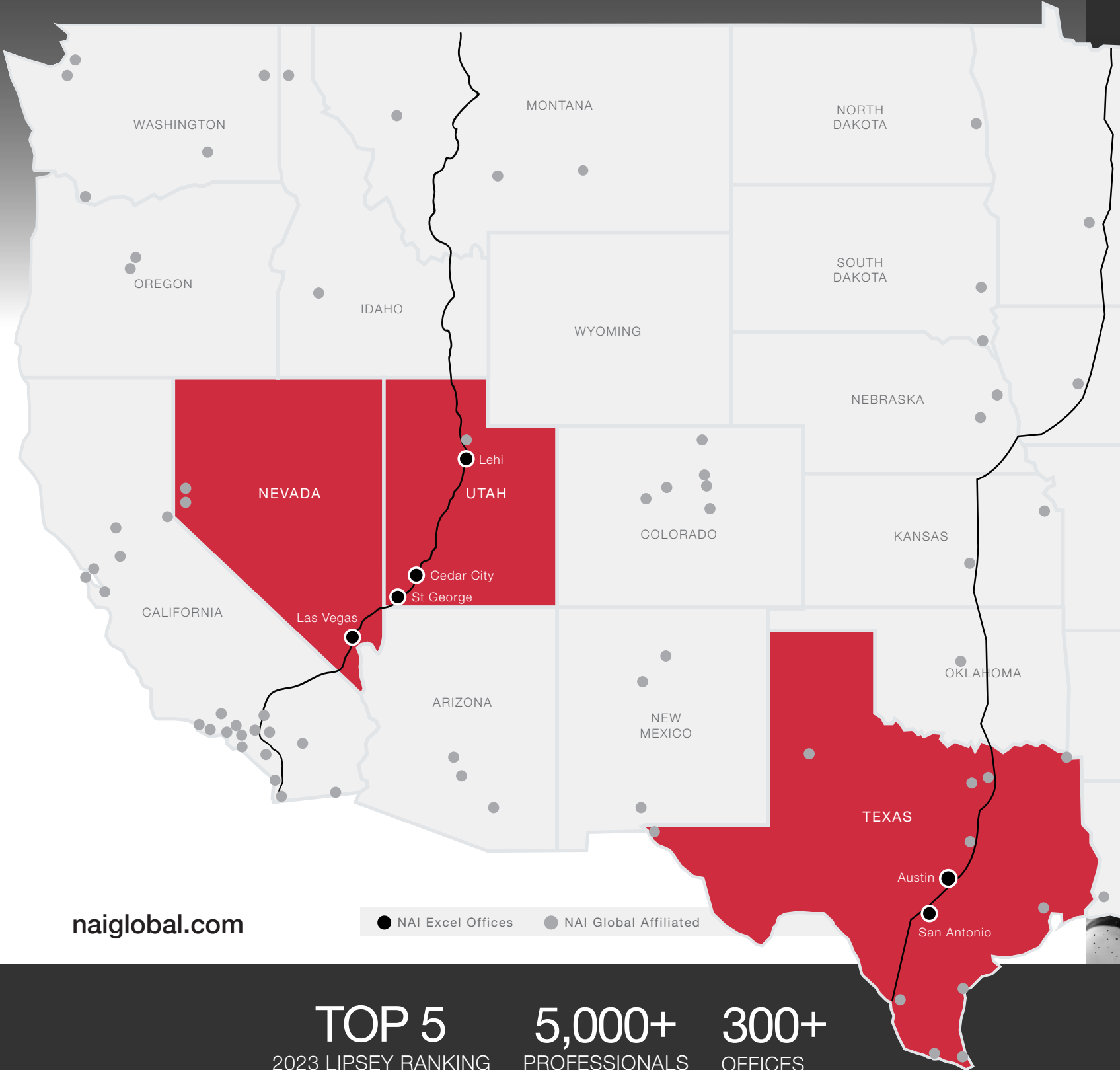
3,500+
TENANTS*

naiexcel.com

* NAI Excel & its affiliates.



COMMITTED **LOCALLY.** CONNECTED **WORLDWIDE.**



TOP 5
2023 LIPSEY RANKING

5,000+
PROFESSIONALS

300+
OFFICES

Learn. Earn. Invest.

The people we surround ourselves with are our greatest assets.

Marketing and technology are critical requirements in real estate today, but education and relationships are still what drive outcomes.

naiexcel.com



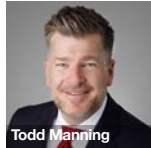
NAI Excel was named **Office of The Year** at the 2023 NAI Global Convention.

The award recognizes NAI Excel for its leadership, strategic vision, performance and growth in the NAI Global network of over 300 member offices across the world.

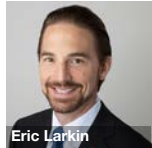


Our Team

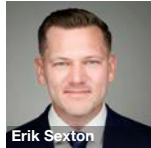
Las Vegas



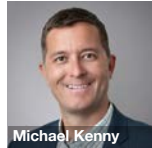
Todd Manning
Managing Broker
B.1001879-LLC



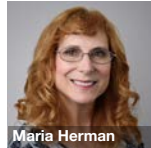
Eric Larkin
Executive Vice President
MBA, CCIM, SIOR
BS.0073906



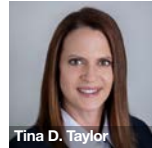
Erik Sexton
Senior Vice President
SIOR
S.0067183-PLLC



Michael Kenny
Senior Vice President
SIOR
S.0178188



Maria Herman
Senior Vice President
Retail
BS.0027640



Tina D. Taylor
Senior Vice President
Investments
S.0053184-PC



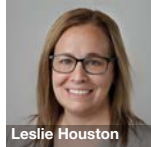
Bryan Houser
Senior Vice President
Industrial/Office
S.0038030



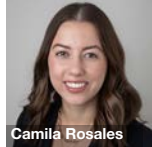
Nick Till
Senior Vice President
Land & Investments
S.0060723



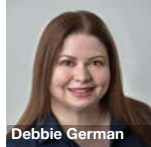
Anders Graciano
Senior Vice President
Hospitality
S.0179938-LLC



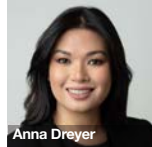
Leslie Houston
Director
Larkin Industrial Group
S.0187921



Camila Rosales
Senior Associate
S.0183916



Debbie German
Senior Associate
S.0045532-LLC



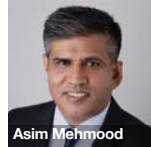
Anna Dreyer
Senior Associate
S.0185947



John Y. Lee
Senior Advisor
BS.1002266



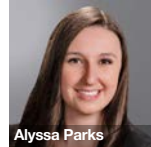
Billy Lane
Senior Associate
S.0195383-LLC



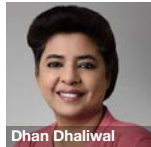
Asim Mehmood
Associate, CPA
S.01897000



Zach McClenahan
Associate
Larkin Industrial Group
S.0198177



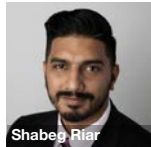
Alyssa Parks
Associate
S.0182581



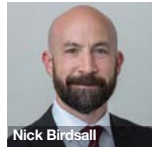
Dhan Dhaliwal
Associate, Retail
S.0065105



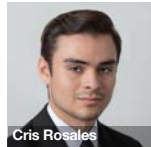
Cristina Martinez
Associate, Retail
S.0174886



Shabeg Riar
Associate
S.0198008



Nick Birdsell
Associate
S.0199582



Cris Rosales
Associate
S.0199961



Curren Christensen
Executive Vice President
S.0173246



Gregg McArthur
Director of Hospitality
S.0183447



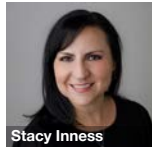
Neil Walter
Chief Executive Officer
MBA, CFA
BS.1001167



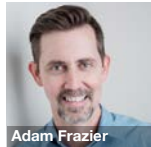
Jon Walter
President
MBA, CCIM
BS.0145791



Maria McGuire
Office Manager



Stacy Inness
Senior Asset Manager
CPM
S.0168159 | PM.0164236



Adam Frazier
Lead Photographer



Jim Oberg
Photographer



McKenna Stanger
Graphic Designer

Southern Utah



Wes Davis
Executive Vice President
MBA, MCRE
5502820-SA00



Curren Christensen
Executive Vice President
6431250-SA00



Jason Griffith
Executive Vice President
CCIM
5478665-SA00



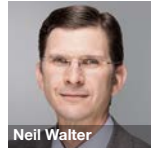
Brandon Vandermyle
Senior Vice President
6258108-SA00



Meeja McAllister
Senior Vice President
6081089-SA00



Jon Walter
President
MBA, CCIM
5640288-PB00



Neil Walter
Chief Executive Officer
MBA, CFA
5483438-BB00



Greg Whitehead
Senior Vice President
MBA
6510155-SA00



Gregg McArthur
Director of Hospitality
MBA
9895831-SA00



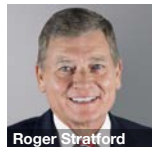
Aaron Edgley
Associate
MBA
10524076-SA00



Kevin O'Brien
Associate
Ph.D.
10894893-SA00



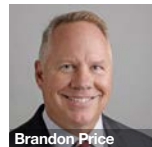
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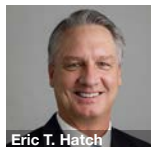
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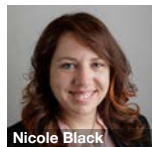
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Associate
12976216-AB00



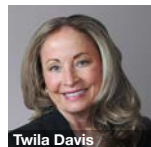
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MRED
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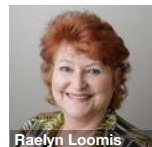
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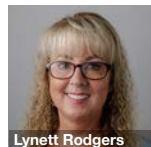
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Raelyn Loomis
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5480091-SA00



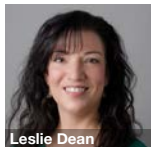
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Associate
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Office Manager



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Asset Management
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Leslie Dean
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David Stillman
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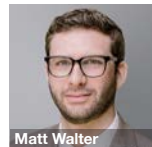
Trey Alfred
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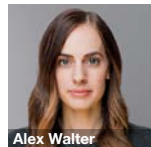
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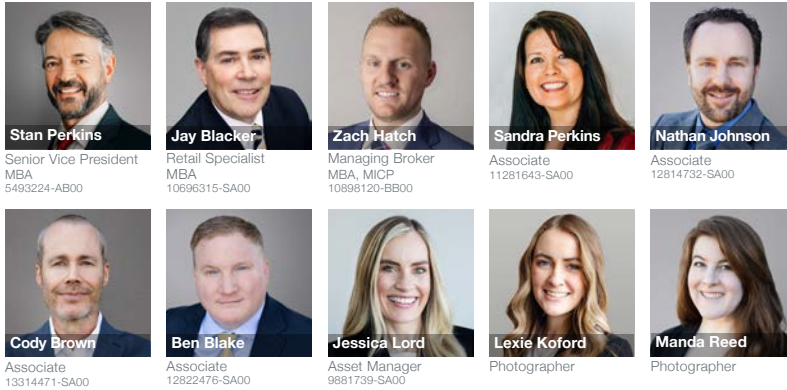


Dave Newman
Research Analyst

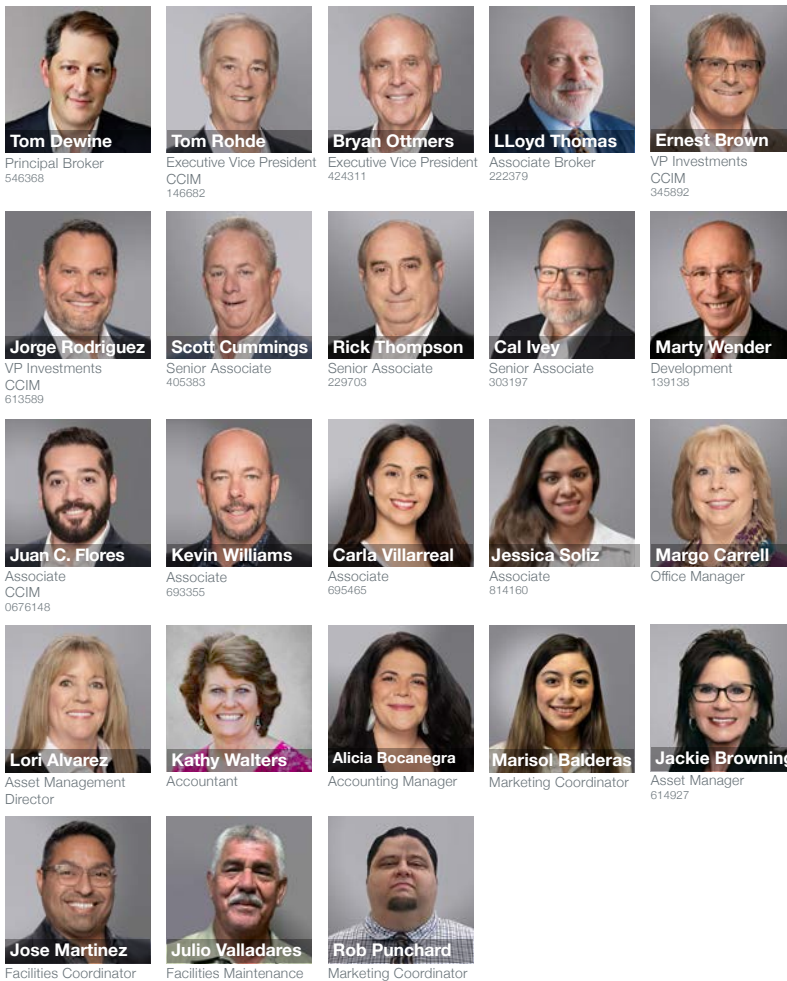


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