

2024

MIDYEAR

COMMERCIAL REAL ESTATE
NORTHERN UTAH

volume 34

OFFICE

INDUSTRIAL

RETAIL

MULTIFAMILY

NAIExcel
COMMERCIAL REAL ESTATE SERVICES, WORLDWIDE

2024 Midyear

This 2024 midyear publication provides an overview of more than twenty commercial real estate market segments in Utah, Nevada, and Texas. While market trends vary between asset class and location, the following is a general overview of some of the market areas we cover.

Limited Inventory “For Sale”

Business owners and investors seeking to purchase existing buildings are continuing to experience limited inventory available for sale. Although cap rates have increased, they are still lower than interest rates for many offerings, making investment purchases more difficult to finance. Some increased availability is occurring for large institutional assets in major markets. Cash buyers and owner users are driving demand, especially for quality assets priced below \$10 million.

More Availability “For Lease”

Tenants are experiencing more availability of space for lease. New construction is finally outpacing absorption for many industrial, multifamily, and office properties lifting average vacancy rates from recent years. Construction of major retail centers has remained limited, keeping retail vacancy rates low. Tenant demand continues across all segments and availability is rising where significant construction has taken place.

New Construction Constraints

The economics of new construction has become increasingly challenging, slowing the pipeline of future projects. While labor and materials are slightly less constrained, higher interest rates and high construction costs are making it more difficult for end users to pay the lease rates required for projects to be viable.

Higher Prices Long-Term

Inflation is expected to be present in the future economy. The consumer price index declined to 3.0% annualized in June 2024, nearing the congressional target of 2% inflation. Looking forward, the Federal Reserve is signaling a reduction of the federal funds rate from its held position at 5.25-5.5%, which is expected to result in lower interest rates. The economies of Utah, Nevada, and Texas continue to experience business expansion and strong population growth. We expect long-term prices to be higher in the future, where inflation, available capital, business expansion, and population growth are present.

As we look forward to the future, we see great opportunity for business growth and real estate investing long-term along the I-15 and I-35 corridors of Utah, Nevada, and Texas.

Jon Walter
President
Principal Broker, Utah

Todd Manning
Principal Broker, Nevada

Neil Walter
Chief Executive Officer

Tom DeWine
Principal Broker, Texas

NORTHERN UTAH



Office

NORTHERN UTAH

While major markets are experiencing challenges in the office sector, the asking lease rate and vacancy trend remained somewhat flat in northern Utah. The average asking full-service lease rate inched up to \$25.07 per square foot annually, mostly in line with the year end rates of 2022 and 2023. The average vacancy rate rose slightly from 9.7% at year end 2023 to 10.0% at mid-year 2024.

In the first six months of 2024, net absorption of nearly 350,000 square feet, and completed construction of almost one million square feet in six months evidence growth, albeit slower than in recent years. While there are office sector contractions, net growth continues to drive business and the office sector in the greater Salt Lake region.

10.0%

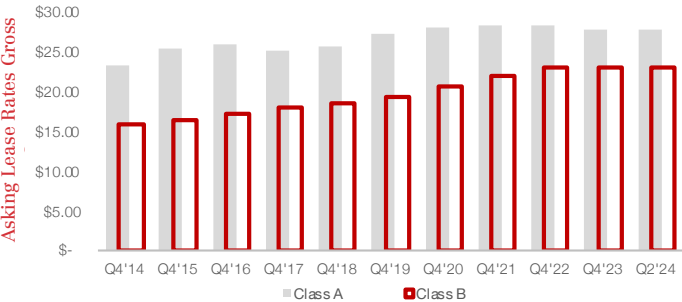
VACANCY

\$25.07

ASKING RENT

6-7.5%

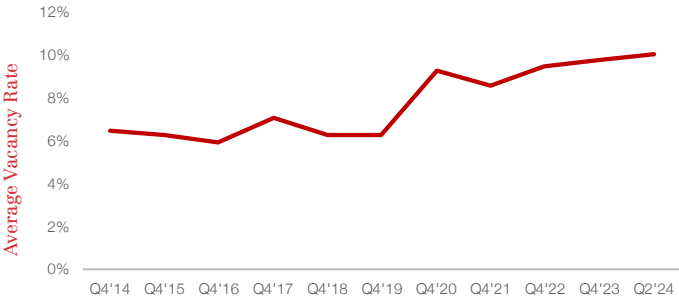
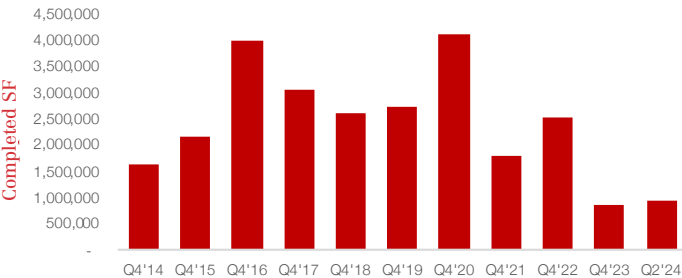
CAP RATE



134 W 131 S

Office 23,000 Completed 2024

Market	Total Inventory	% Vacant	YTD Net Absorption	SF Under Construction	Built YTD	Asking Gross Rent
Class A	37,383,128	15.8%	17,724	499,447	178,252	\$27.71
Class B	75,073,267	8.5%	276,647	292,739	743,785	\$22.81
Class C	15,419,479	4.0%	50,828	-	-	\$21.78
Utah County	27,386,870	11.9%	608,309	198,240	568,103	\$23.85
South Valley	21,095,826	10.8%	(34,477)	114,200	88,664	\$26.18
West Valley	10,446,251	15.9%	(11,732)	47,000	-	\$20.42
East Valley	6,590,779	4.8%	74,023	-	-	\$23.73
Central Valley	5,467,962	8.7%	(3,249)	-	-	\$22.16
Central Valley East	15,010,758	8.2%	(235,802)	242,546	4,500	\$25.33
CBD	22,668,728	12.5%	(469,766)	20,000	-	\$28.07
Davis / Weber Counties	15,176,789	4.6%	403,536	170,200	265,270	\$23.05
Cache County	1,949,451	3.1%	5,590	-	-	\$17.37
All Other	2,520,035	3.3%	10,897	-	-	\$32.47
Totals	128,313,449	10.0%	347,329	792,186	926,537	\$25.07

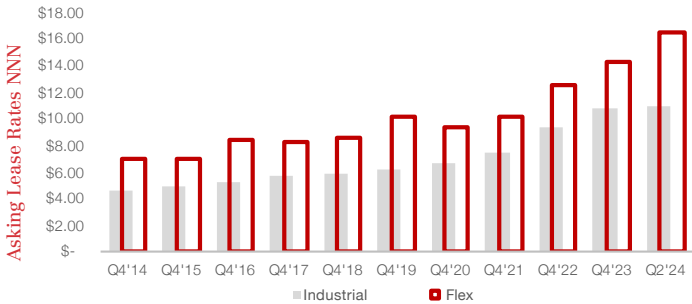


Industrial

NORTHERN UTAH

The northern Utah industrial market continued strong the first six months of 2024. The average asking lease rate at mid-year rose to \$11.63 per square foot NNN for industrial and flex space combined. Of significant note, flex space increased 15.1% to \$16.46, at mid-year 2024. The average vacancy rate held constant at 6.2% from year end 2023 to mid-year 2024.

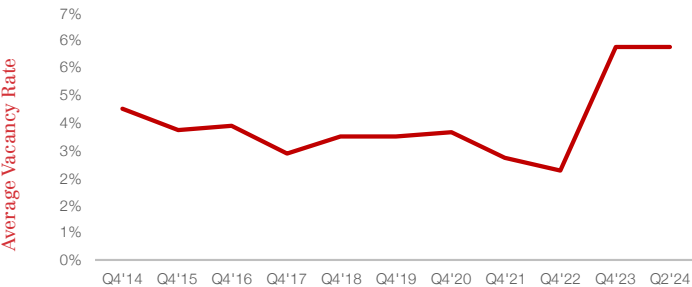
Despite over 16 million square feet being built in 2023, the most in the last decade, the northern Utah industrial market saw another 3.8 million square feet of new construction added and positive net absorption of just over 3.5 million square feet in the first six months of 2024.



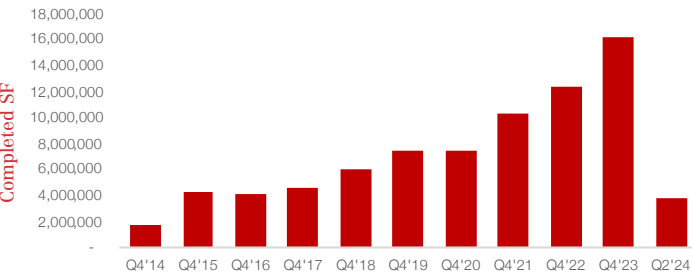
Market	Total Inventory	% Vacant	YTD Net Absorption	SF Under Construction	Built YTD	Asking NNN Rent
Industrial	287,005,773	6.4%	3,691,881	3,758,854	3,606,611	\$10.94
Flex	34,436,542	4.3%	(116,271)	388,130	224,439	\$16.46
Utah County	52,322,251	8.0%	627,547	1,137,131	252,793	\$12.28
South Valley	51,530,114	5.9%	(234,793)	453,388	790,420	\$13.21
West Valley	110,207,141	5.5%	1,264,007	1,135,857	1,500,662	\$10.01
Downtown	7,736,500	4.0%	(67,980)	-	-	\$8.21
Davis / Weber Counties	64,623,214	2.4%	893,349	527,683	509,928	\$13.83
Cache County	7,300,751	5.8%	32,997	330,013	57,181	\$10.50
Tooele County	7,036,780	12.4%	98,820	8,782	514,726	\$6.04
All Other	20,685,564	17.0%	961,663	554,130	205,340	\$22.17
Totals	321,442,315	6.2%	3,575,610	4,146,984	3,831,050	\$11.63

1380 W 2600 S

Industrial 156,000 Completed 2024



6.2% VACANCY \$11.63 ASKING RENT 5-7% CAP RATE



Retail

NORTHERN UTAH

The retail market remains vibrant in northern Utah as demand outpaces supply. The retail vacancy rate declined to a new low of 2.8% while the asking lease rate increased slightly to \$22.43 per square foot NNN at mid-year 2024.

The vacancy rate has continued below 5% over the last decade. A robust job market and population growth, combined with limited new construction, has supported low vacancy and strong rent growth.

✓

2.8%

VACANCY

^

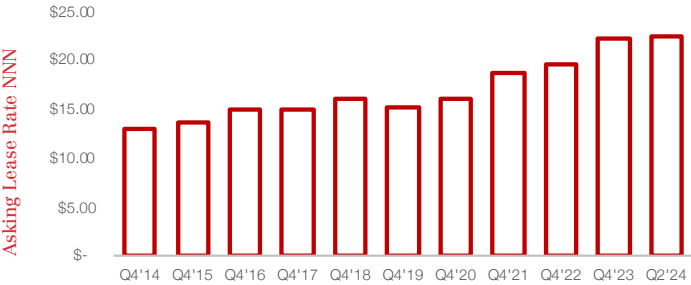
\$22.43

ASKING RENT

^

5-7%

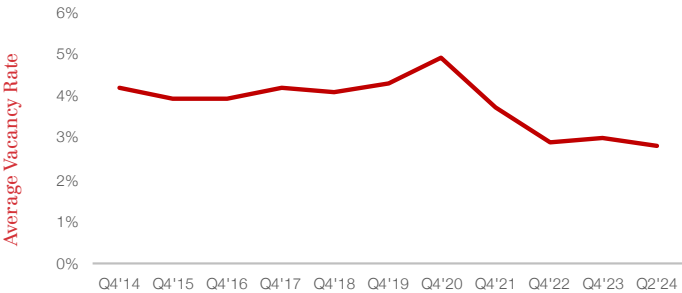
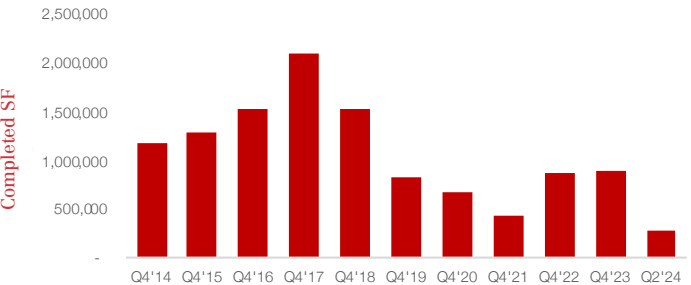
CAP RATE



711 Saratoga Rd | Land Sold by NAI Excel

Retail 1.08 Acres Completed 2024

Market	Total Inventory	% Vacant	YTD Net Absorption	SF Under Construction	Built YTD	Asking NNN Rent
General Retail	82,071,003	1.5%	264,802	582,377	161,352	\$20.37
Mall	10,042,902	6.3%	97,379	-	-	\$24.60
Power Center	9,005,618	3.3%	(3,501)	15,000	-	\$27.09
Shopping Center	42,440,132	3.7%	128,308	72,043	108,565	\$21.03
Specialty Center	1,525,780	6.4%	-	-	-	\$14.00
Utah County	28,905,230	2.0%	139,359	296,891	78,386	\$28.62
South Valley	21,053,797	2.7%	22,856	158,209	43,888	\$19.35
West Valley	7,302,946	1.2%	60,168	69,593	-	\$23.45
East Valley	8,198,592	3.5%	16,672	-	7,100	\$35.63
Central Valley	9,647,653	1.8%	8,562	11,096	6,809	\$22.36
Central Valley East	15,212,723	3.1%	(2,132)	15,000	3,600	\$22.30
CBD	9,282,945	4.2%	(14,949)	-	16,775	\$24.26
Davis / Weber Counties	32,517,081	3.8%	139,296	103,631	113,359	\$18.04
Cache County	5,818,314	2.2%	102,422	-	-	\$13.15
All Other	7,146,154	1.8%	14,734	15,000	-	\$27.99
Totals	145,085,435	2.8%	486,988	669,420	269,917	\$22.43

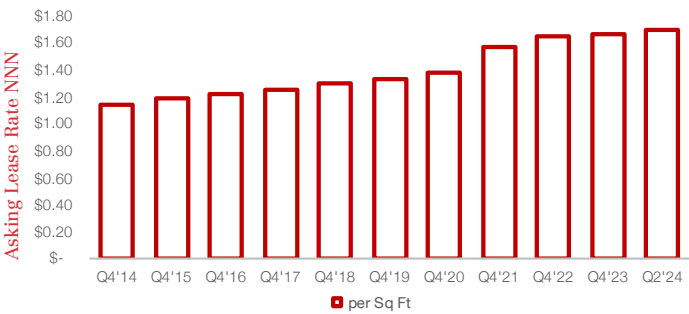


Multifamily

NORTHERN UTAH

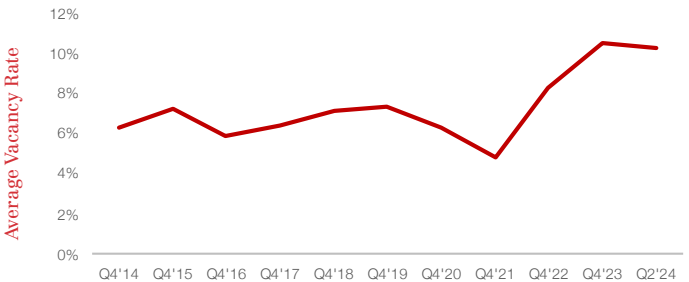
Significant construction in the last two years has outpaced demand, slowing rent growth and increasing the average vacancy rate. The average asking rental rate at mid-year 2024 rose slightly to \$1.69 per square foot NNN from \$1.66 at year end 2023. The average vacancy rate declined slightly from 10.5% to 10.3% during the same period, after increasing significantly the prior two years.

Demand for multifamily housing remained strong during the first half of 2024 with 5,034 net dwelling units absorbed. Housing affordability has become more challenging with higher interest rates and more expensive home prices, keeping many potential home buyers in the rental market.

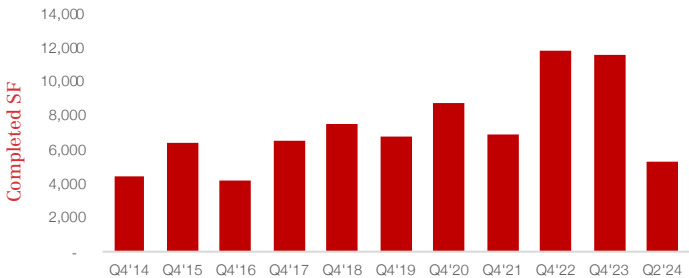


Market	Units	% Vacant	YTD Net Absorption	Units UC	Built YTD	Asking Rent/SF	Asking Studio	Asking 1 Bed	Asking 2 Bed	Asking 3 Bed
Class A	50,690	14.3%	2,150	3,146	2,161	\$1.81	\$1,405	\$1,508	\$1,810	\$2,053
Class B	106,681	11.4%	2,883	7,505	3,130	\$1.67	\$1,189	\$1,315	\$1,617	\$1,888
Class C	61,302	6.1%	1	75	-	\$1.53	\$943	\$1,041	\$1,267	\$1,500
Utah County	40,396	11.6%	859	2,629	1,084	\$1.65	\$1,426	\$1,353	\$1,554	\$1,899
South Valley	42,618	8.7%	1,044	1,538	622	\$1.69	\$1,286	\$1,352	\$1,653	\$2,030
West Valley	14,347	7.0%	232	724	-	\$1.63	\$1,045	\$1,210	\$1,482	\$1,866
East Valley	14,094	9.1%	373	462	-	\$1.68	\$1,200	\$1,275	\$1,600	\$2,074
Central Valley	11,621	6.9%	327	280	861	\$1.65	\$1,569	\$1,610	\$1,624	\$1,505
Central Valley East	15,182	9.0%	133	709	523	\$1.82	\$1,476	\$1,450	\$1,715	\$2,200
CBD	32,841	13.6%	734	2,874	1,297	\$2.19	\$1,199	\$1,437	\$2,041	\$2,731
Davis / Weber Counties	36,856	11.9%	1,189	1,263	729	\$1.52	\$1,016	\$1,263	\$1,470	\$1,824
Cache County	6,403	5.9%	89	69	113	\$1.56	\$1,349	\$1,304	\$1,387	\$1,527
Other Outlying Areas	5,054	9.0%	54	178	62	\$1.49	\$1,276	\$1,265	\$1,380	\$1,500
Totals	219,412	10.3%	5,034	10,726	5,291	\$1.69	\$1,212	\$1,321	\$1,591	\$1,892

184 E Vine Street
Multifamily 130 Units Completed 2024



✓ 10.3% VACANCY ^ \$1.69 ASKING RENT ^ 5-6.5% CAP RATE



SELECT 2024 TRANSACTIONS

600+

ACTIVE LISTINGS

650

CLOSINGS 2023

\$670M

LISTING VOLUME

SEARCH ALL
NAI EXCEL LISTINGS AT

NAIEXCEL.COM



In-House Production

SOLD | INDUSTRIAL

\$11,000,000

± 42,645 SF

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



SOLD | RETAIL

± 3,000 SF

AGENT: Brandon Vandermyde



LEASED | INDUSTRIAL

± 50,264 SF

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

7720 SECURITY CIRCLE

SOLD | INDUSTRIAL

\$1,450,000

± 10,350 SF

AGENT: Maria R. Herman



SOLD | INDUSTRIAL

\$16,950,000

± 93,550 SF

AGENTS: Erik Sexton & Camila Rosales

7637 FM 3009

SOLD | INDUSTRIAL

± 28,204

AGENTS: Ernest Brown,
Jorge Rodriguez & Juan-Carlos Flores



LEASED | INDUSTRIAL

± 14,400 SF

AGENT: Bryan Houser

6190 FORT APACHE

SOLD | OFFICE

\$4,850,000

± 11,320 SF

AGENT: Tina Taylor



LEASED | INDUSTRIAL

± 25,764 SF








AGENT: Erik Sexton



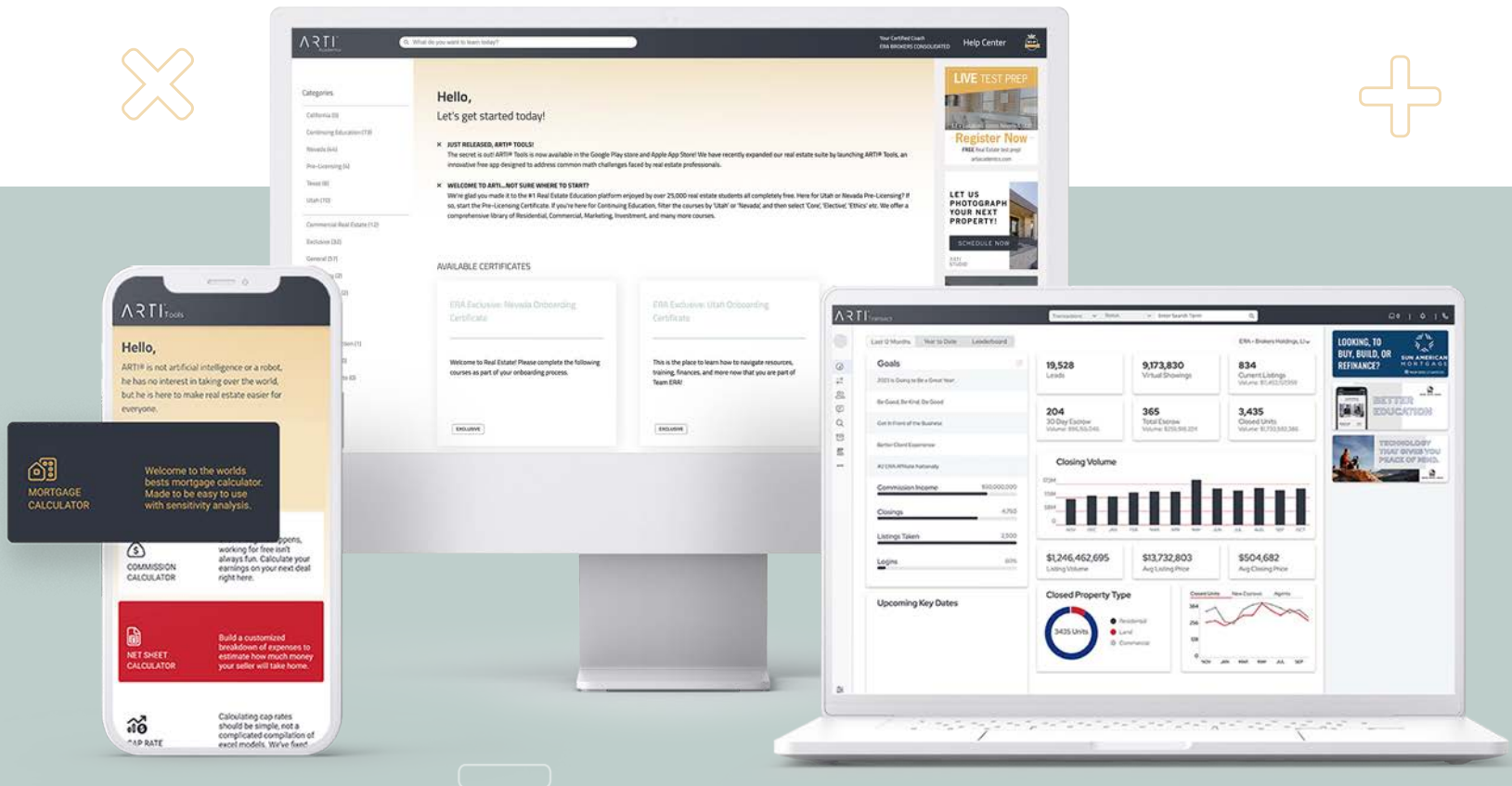
LEASED | INDUSTRIAL

± 5.11 ACRES / 5,000SF

AGENT: Bryan Houser

<p>2406 MORTON AVE</p> <p>LEASED MULTIFAMILY</p> <p>24 UNITS AGENT: Anders Graciano</p>	<p>EGI REAL ESTATE Development & Management</p> <p>SOLD LAND</p> <p>\$1,879,000 ± 10 ACRES AGENT: Aaron Edgley</p>	<p>GUYMON RANCH BLUFF, UT</p> <p>SOLD LAND</p> <p>\$2,161,000 ± 317 ACRES AGENTS: Jay Blacker & Zach Hatch</p>	<p>kiln.</p> <p>LEASE RETAIL</p> <p>20 Year Lease ± 40,000 SF AGENTS: Neil Walter</p>
<p>OFFICE BUILDING 912 W 1600 S</p> <p>SOLD OFFICE</p> <p>\$9,500,000 ± 33,000 SF AGENTS: Wes Davis & Neil Walter</p>	<p>SALT LAKE Express 30</p> <p>SOLD HOTEL</p> <p>\$3,800,000 ± 10,000 SF AGENT: Curren Christensen</p>	<p> COMMERCIAL LAUNDRY SERVICES</p> <p>SOLD INDUSTRIAL</p> <p>\$2,550,000 ± 17,640 SF AGENTS: Brandon Price, Dan Bertelson & Curren Christensen</p>	<p>KANAB, UT</p> <p>SOLD HOSPITALITY</p> <p>\$2,000,000 ± 19,000 SF AGENT: Wes Davis</p>
<p> STARBUCKS®</p> <p>LEASED RETAIL</p> <p>10 Year Lease ± 2,000 SF AGENTS: Roy Barker & Neil Walter</p>	<p> CANYON MILL HOMES</p> <p>SOLD RETAIL</p> <p>\$1,560,000 ± 4,800 SF AGENT: Greg Whitehead</p>	<p> FAR WEST REAL ESTATE</p> <p>SOLD RETAIL</p> <p>\$4,060,000 ± 51,000 SF AGENTS: Ernest Brown, Jorge Rodriguez & Juan-Carlos Flores</p>	<p>601 W 900 S WOODS CROSS</p> <p>SOLD RETAIL</p> <p>\$5,300,000 ± 28,500 SF AGENT: Wes Davis</p>
<p> Alterra PROPERTY GROUP</p> <p>SOLD INDUSTRIAL</p> <p>\$7,500,000 6.26 ACRES ± 6,650 SF AGENTS: Eric Larkin, Leslie Houston, Mike Kenny & Zach McClenahan</p>	<p>QUAIL CREEK INDUSTRIAL PARK</p> <p>SOLD INDUSTRIAL</p> <p>\$2,300,000 ± 10,500 SF AGENTS: Curren Christensen & Jason Griffith</p>	<p>3570 W POST RD</p> <p>SOLD INDUSTRIAL</p> <p>\$5,000,000 ± 17,720 SF AGENTS: Eric Larkin, Leslie Houston, Mike Kenny & Zach McClenahan</p>	<p> Las Vegas Paver</p> <p>SOLD INDUSTRIAL</p> <p>\$6,120,000 ± 28,530 SF AGENTS: Eric Larkin, Leslie Houston, Mike Kenny & Zach McClenahan</p>
<p>3685-3725 W RUSSELL</p> <p>SOLD INDUSTRIAL</p> <p>\$6,550,000 ± 23,000 SF AGENTS: Eric Larkin, Leslie Houston, Mike Kenny & Zach McClenahan</p>	<p>3490 E SUNSET RD</p> <p>SOLD RETAIL</p> <p>\$3,775,000 ± 18,673 SF AGENTS: Erik Sexton & Camila Rosales</p>	<p>12475 STARCREST</p> <p>TYPE OFFICE</p> <p>\$2,100,000 ± 14,589 SF AGENTS: Ernest Brown, Jorge Rodriguez & Juan-Carlos Flores</p>	<p> SEGUIN TEXAS</p> <p>SOLD OFFICE</p> <p>\$2,500,000 ± 25,000 SF AGENT: Scott Cummings</p>

ARTI[®] INTRODUCING ARTI[®] SUITE



ALL OF YOUR REAL ESTATE SOLUTIONS IN ONE PLACE.



TOOLS

Made for real estate professionals, but available to anyone. Easily calculate complex math functions and share results in an ad-free experience.



ACADEMICS

A new model in education. The way people buy and sell real estate is changing and it's our mission to help agents stay on the leading edge.



TRANSACT

Our technology makes selling and buying a property a seamless experience with full transparency between agents, clients, lenders, and others.

To learn more about ARTI go to: brokerstechnology.com

NAI Asset Management Services



Shops at South Rim
Managed by NAI Excel

\$1BIL
IN ASSETS
MANAGED*

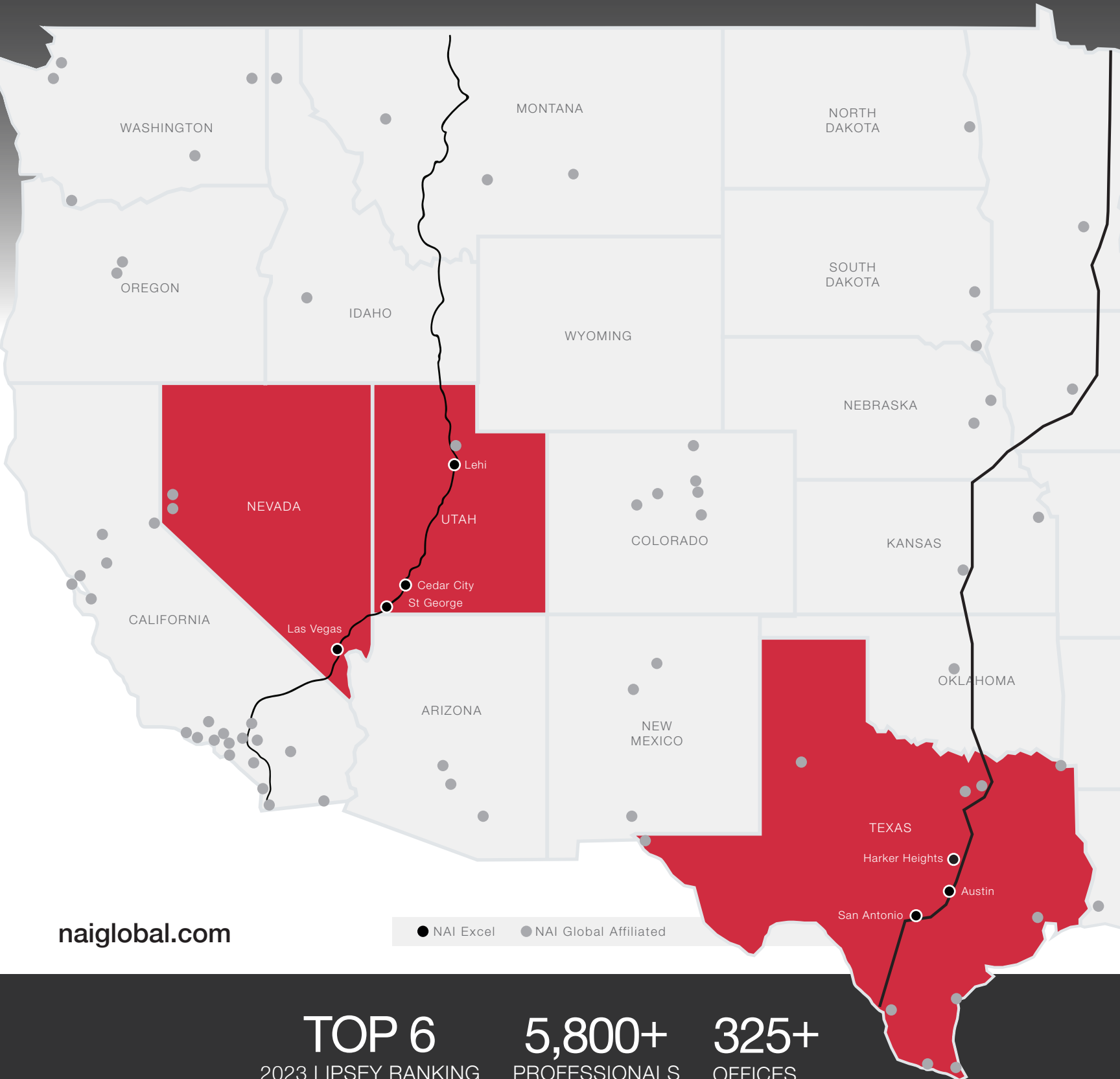
★★★★★
5 STAR SERVICE

3,500
TENANTS*

naiexcel.com

* NAI Excel & its affiliates.

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



LEARN. EARN. INVEST.

The people we surround ourselves with are our greatest assets. While other forms of marketing are critical, relationships are what produce results.

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



Take your career
to the next level.

NAIExcel

Our Team

Las Vegas



Todd Manning
Managing Broker
B.1001879.LLC



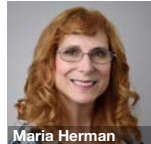
Eric Larkin
Executive Vice President
MBA, CCIM, SIOR
BS.0073906



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



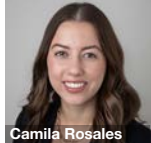
Nick Till
Senior Vice President
Land & Investments
S.0060723



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
Associate
S.0045532.LLC



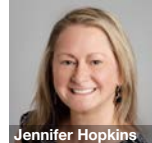
Anna Dreyer
Senior Associate
S.0185947



John Y. Lee
Senior Advisor
BS.1002266



Billy Lane
Senior Associate
S.0195383.LLC



Jennifer Hopkins
Associate
S.0177017



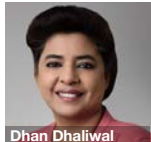
Asim Mehmood
Associate, CPA
S.01897000



Zach McClenahan
Associate
Larkin Industrial Group
S.0198177



Alyssa Parks
Associate
S.0182581



Dhan Dhalwal
Associate, Retail
S.0065105



Cristina Martinez
Associate, Retail
S.0174886



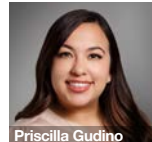
Shabeg Riar
Associate
S.0198008



Nick Birdsell
Associate
S.0199582



Andy Phan
Associate
S.0198376



Priscilla Gudino
Associate
S.0192932



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



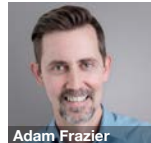
Maria McGuire
Office Manager



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



Seth Wright
Larkin Industrial Group



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
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-SA0



Aaron Edgley
Associate
10524076-SA00



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



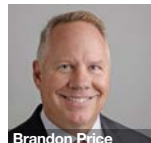
Roy Barker
Senior Associate
MBA
11056969-SA00



Roger Stratford
Associate Broker
5480693-AB00



Mat Chappell
Vice President
MBA
5810504-SA00



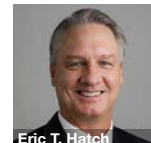
Brandon Price
Senior Associate
11888747-SA00



Grace Hayes
Associate
9482817-SA00



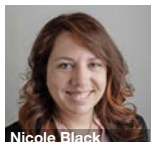
Dan Bertleson
Associate
5178703-SA00



Eric T. Hatch
Associate
12976216-AB00



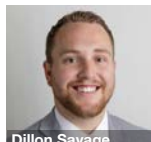
Edward Waldvogel
Development Specialist
MRED
6498228-SA00



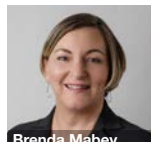
Nicole Black
Associate
6456618-SA00



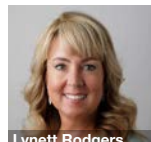
Twila Davis
Senior Vice President
5487719-BB00



Dillon Savage
Associate
10184609-SA00



Brenda Mabey
Associate
13646124-SA00



Lynett Rodgers
Office Manager



Aaron McArthur
Asset Management
Director
13540798-SA00



David Stillman
Asset Manager
13540798-SA00



Layla Anthony
Asset Management



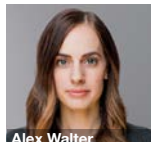
Lindsay Bolander
Asset Management



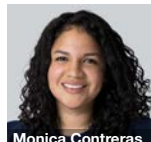
Radlee Iverson
Chief Financial Officer



Matt Walter
Chief Technology Officer



Alex Walter
Creative Director



Monica Contreras
Sr. Graphic Designer



Shane Stewart
Photographer



Tanner Lund
Photographer



Dave Newman
Research Analyst

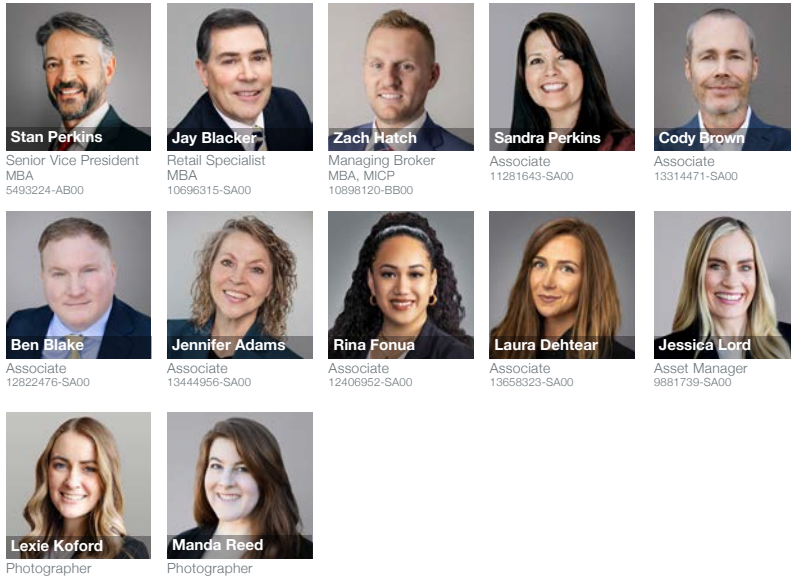


Jack Walton
Special Projects
Manager

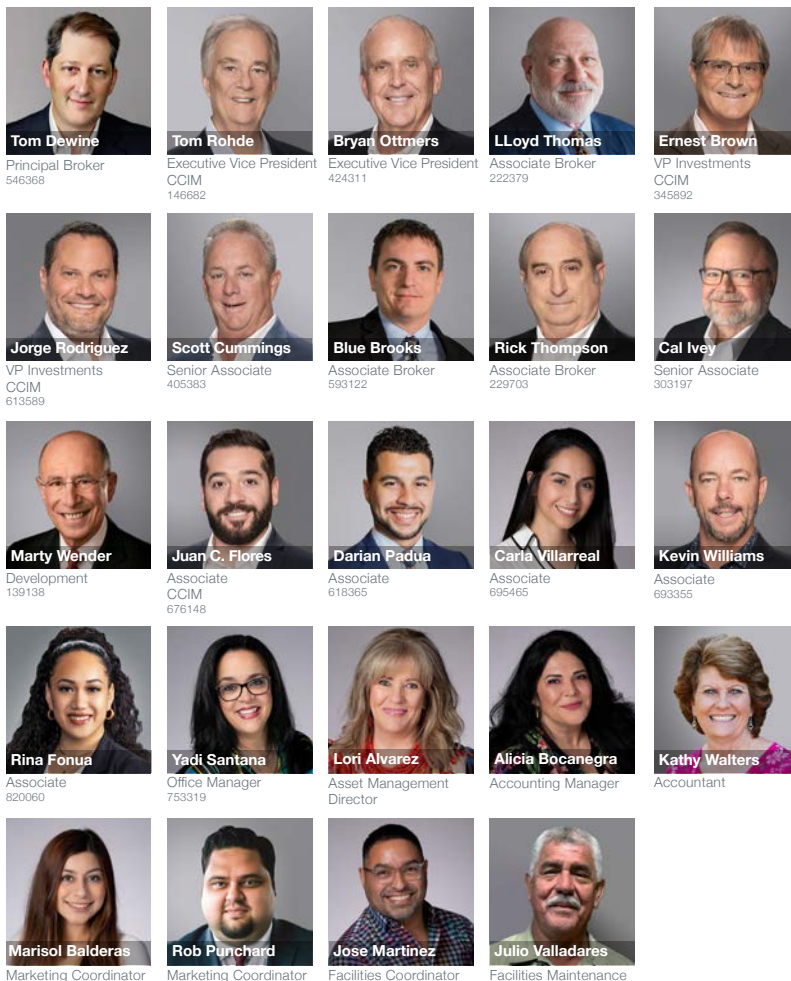


Spencer McNeil
Signage Specialist

Northern Utah



Texas



Over 600
Offerings for
Sale or Lease in
Nevada, Utah,
& Texas

We provide fast, accurate access to information regarding market conditions and real estate available for sale or lease. Our agents have both the experience and the education to help you with your next investment. We represent buyers and sellers from the beginning to the end of each transaction.

Brokerage Services:

- Office
- Retail
- Industrial
- Investment
- Multifamily
- Hospitality
- Land Development
- Landlord & Tenant Representation
- Mergers & Acquisitions
- Farm & Ranch
- Asset Management

Search our inventory at:

naiexcel.com



LAS VEGAS

6064 South Durango Dr
Las Vegas, NV 89113
702.383.3383

SOUTHERN UTAH

243 E St. George Blvd, Ste 200
St. George, UT 84770
435.628.1609

427 S Main St, Ste 204
Cedar City, UT 84720
435.627.5757

NORTHERN UTAH

2901 Ashton Blvd, Ste 102
Lehi, UT 84043
801.341.0900

SAN ANTONIO & AUSTIN

11503 NW Military Hwy, Ste 330
San Antonio, TX 78231
210.366.1400

BELL COUNTY

777 Indian Trail Ste 2
Harker Heights, TX 76548
210.366.1400

www.naiexcel.com

DATA SOURCES INCLUDE NAI EXCEL RESEARCH DIVISION, COSTAR, CONSTRUCTION MONITOR, AND VARIOUS PUBLIC NEWS OUTLETS.

NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, IS MADE AS TO THE ACCURACY OF THE INFORMATION CONTAINED HEREIN. THE INFORMATION IS PROVIDED SUBJECT TO ERRORS, OMISSIONS, CHANGES WITH OR WITHOUT NOTICE. DATA COMPILED FOR THIS REPORT AND THE INFORMATION CONTAINED HEREIN, WHILE NOT GUARANTEED, HAS BEEN SECURED FROM SOURCES DEEMED RELIABLE.