

Marcus & Millichap
TAG INDUSTRIAL GROUP

CRAFTSMAN KITCHENS
3591 SOUTH 300 WEST

SALT LAKE CITY, UT 84115

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SECTION 1

INVESTMENT OVERVIEW

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OFFERING SUMMARY

- 13,032-Square-Foot Flex Asset Situated on 0.5 Acres in an Opportunity Zone
- Owner-User or Lease-Up Opportunity Located South of Downtown via I-15
 - Short-Term Sale-Leaseback Available Before June 2024 Vacancy
- High Barrier-to-Entry Submarket with 1.1% Vacancy and 9.3% Rent Growth

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 3591 South 300 West in Salt Lake City, Utah occupied by the owner Craftsman Kitchens. The subject property consists of approximately 13,032 square feet of flex space and is situated on 0.5 acres of land. The single-tenant asset features a clear height between 10' and 22', three grade-level doors, masonry construction, a TPO roof, and a 4,680-square-foot two-story office space. Craftsman Kitchens plans to occupy the property until June 2024 with plans to sign a short-term sale-leaseback if the property is sold prior to that time. Located in an Opportunity Zone, buyers can acquire the property for owner use or as a lease-up investment opportunity. The property is primely situated in the South Valley submarket with close proximity to both Interstates 15 and 80.

South Valley is a mid-size submarket containing 17.3 million square feet of industrial space. Situated just south of Downtown, South Valley is one of the original industrial hubs in the Salt Lake City market with 75 percent of the inventory being developed before 1990. In 2023, net absorption marginally contracted by about -30,000 square feet, inching the vacancy rate up to just 1.1 percent. With limited available land, there were no industrial properties delivered in South Valley last year and there were no properties under construction at the start of 2024. Furthermore, the inventory has fallen over the last decade as demolitions outpace new supply. Tight supply kept the average lease-up time down to a historic low of 2.2 months while increasing asking rents by 9.3 percent in 2023, nearly three times the increase in the Consumer Price Index (CoStar). Although vacancy rates are projected to continue rising as industrial demand responds to the highest interest rate environment in more than 15 years, the level is expected to remain relatively low for the foreseeable future.

Salt Lake City, known as the Crossroads of the West, is centrally located among major Western US markets. The metro area encompasses Salt Lake and Tooele counties, nestled in the Great Salt Lake Valley in northern Utah. With a population of 1.3 million people, the region experiences significant suburban growth, particularly in areas like South and West Jordan. The presence of tech firms has brought higher-paying job opportunities, attracting skilled and educated workers. The Salt Lake City economy benefits from its status as Utah's capital and the headquarters of the Church of Jesus Christ of Latter-day Saints. Major employers include Intermountain Healthcare, University of Utah, and eBay. The metro area is also renowned for its world-class ski resorts and offers numerous recreational and cultural attractions. The University of Utah and several other colleges and universities contribute to the region's educational landscape. With projected population growth and above-average incomes, Salt Lake City remains an attractive and vibrant area for residents and businesses alike.

PROPERTY DETAILS

CRAFTSMAN KITCHENS

3591 SOUTH 300 WEST, SALT LAKE CITY, UT 84115

Number of Suites	1
Number of Buildings	1
Total Square Feet	13,032
Warehouse Square Feet	8,352
Office Square Feet	4,680
Office Ratio	36%
Year Built	1967/2004
Lot Size	0.5 Acres
Clear Height	10'-22'
Parking Spaces	11
Parking Surface	Asphalt
Building Class	C
Tenancy	Single
Grade Level Doors	3
Sprinklers	Wet
Construction	Masonry
Zoning	LI
Roof Type	TPO
Market	Salt Lake City
Submarket	South Valley
Submarket Vacancy	0.92%

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CRAFTSMAN KITCHENS

3591 SOUTH 300 WEST, SALT LAKE CITY, UT 84115

OFFERING PRICE
\$2,600,000

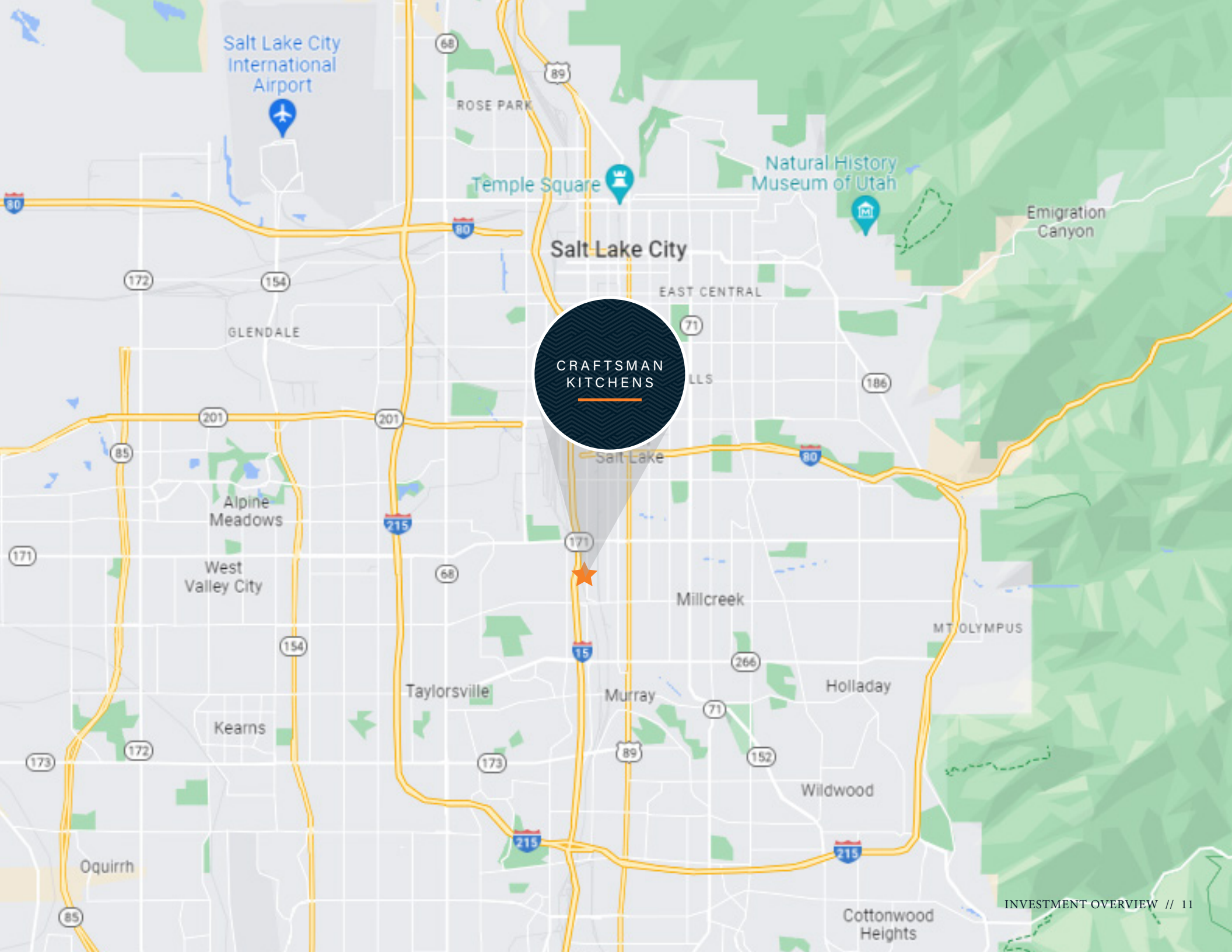
PRO FORMA CAP RATE
6.77%

Offering Price	\$2,600,000
Pro-Forma Cap Rate	6.77%
Price/SF	\$199.51
Total Square Feet	13,032
Rental Rate	\$13.50 Pro Forma
Lease Type	Triple-Net (NNN)
Tenancy	Single
Occupancy	0.00%

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OPERATING STATEMENT

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	0	0.00	175,932	13.50
Expense Reimbursement Income				
Net Lease Reimbursement				
CAM	0	0.00	56,059	4.30
Insurance	0	0.00	6,700	0.51
Real Estate Taxes	0	0.00	15,773	1.21
Total Reimbursement Income	\$0	0.0%	\$78,532	100.0%
Effective Gross Revenue	\$0	\$0.00	\$254,464	\$19.53
Operating Expenses	Current	Per SF	Pro Forma	Per SF
Utilities	56,059	4.30	56,059	4.30
Insurance	6,700	0.51	6,700	0.51
Real Estate Taxes	15,773	1.21	15,773	1.21
Total Expenses	\$78,532	\$6.03	\$78,532	\$6.03
Expenses as % of EGR	0.0%		30.9%	
Net Operating Income	-\$78,532	(\$6.03)	\$175,932	\$13.50



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CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 2,143 debt and equity financings in 2023



National platform operating within the firm's brokerage offices



\$86.3 billion total national volume in 2023



Access to more capital sources than any other firm in the industry

WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings

SECTION 2

MARKET OVERVIEW

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SALT LAKE CITY UTAH

Centrally located among the major Western United States markets, Salt Lake City is known as the Crossroads of the West. The metro consists of Salt Lake and Tooele counties. It is situated in the Great Salt Lake Valley in northern Utah. The region is hemmed in by the Great Salt Lake to the northwest, the Wasatch Mountain Range to the east and the Oquirrh Mountains to the west. The metro houses 1.3 million people. Salt Lake City is the largest city, with approximately 210,000 residents. The highest percentage of population growth continues to occur in suburban areas, such as South and West Jordan. Together, the Salt Lake City, Provo-Orem and Ogden-Clearfield metros comprise the Wasatch Front. In recent years, more tech firms have moved to the region, providing higher-paying employment opportunities.



EMPLOYMENT
GROWTH



EXPANDING
HOUSEHOLD
INCOMES



LARGE
INSTITUTIONS

METROPLEX GROWTH

ECONOMY

A stable base of government entities is located in the metro, while growing companies in the private sector include technology leaders eBay and Oracle Corp. Various companies have located data centers in the metro, including Twitter, Inc., Goldman Sachs and the National Security Agency. While challenged during the health crisis, tourism is a major employment generator. The metro is home to several world-class ski resorts, including Brighton, Park City, Alta and Snowbird.



8%
MANUFACTURING



17%
PROFESSIONAL AND
BUSINESS SERVICES



14%
GOVERNMENT



8%
LEISURE AND HOSPITALITY



8%
FINANCIAL
ACTIVITIES



20%
TRADE, TRANSPORTATION,
AND UTILITIES



7%
CONSTRUCTION



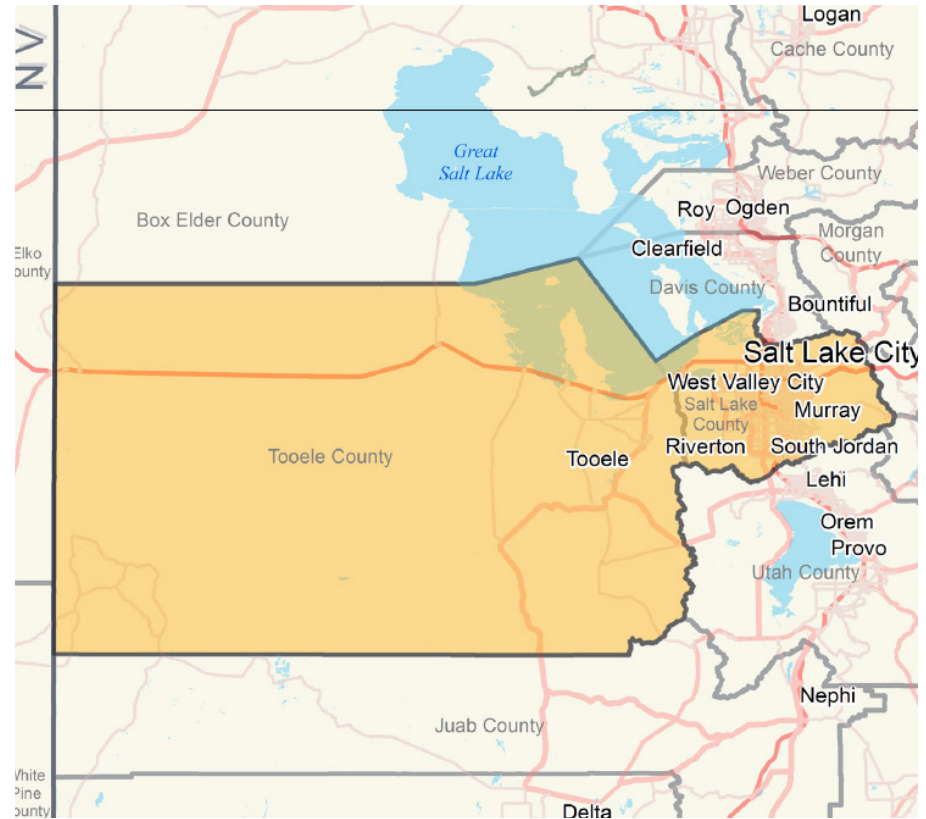
12%
EDUCATION AND
HEALTH SERVICES



3%
INFORMATION



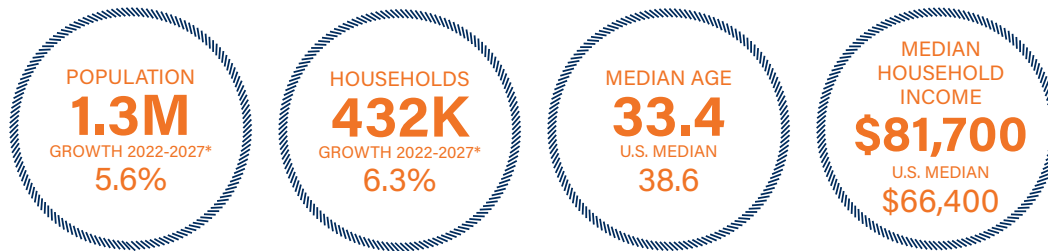
3%
OTHER SERVICES



METROPLEX GROWTH

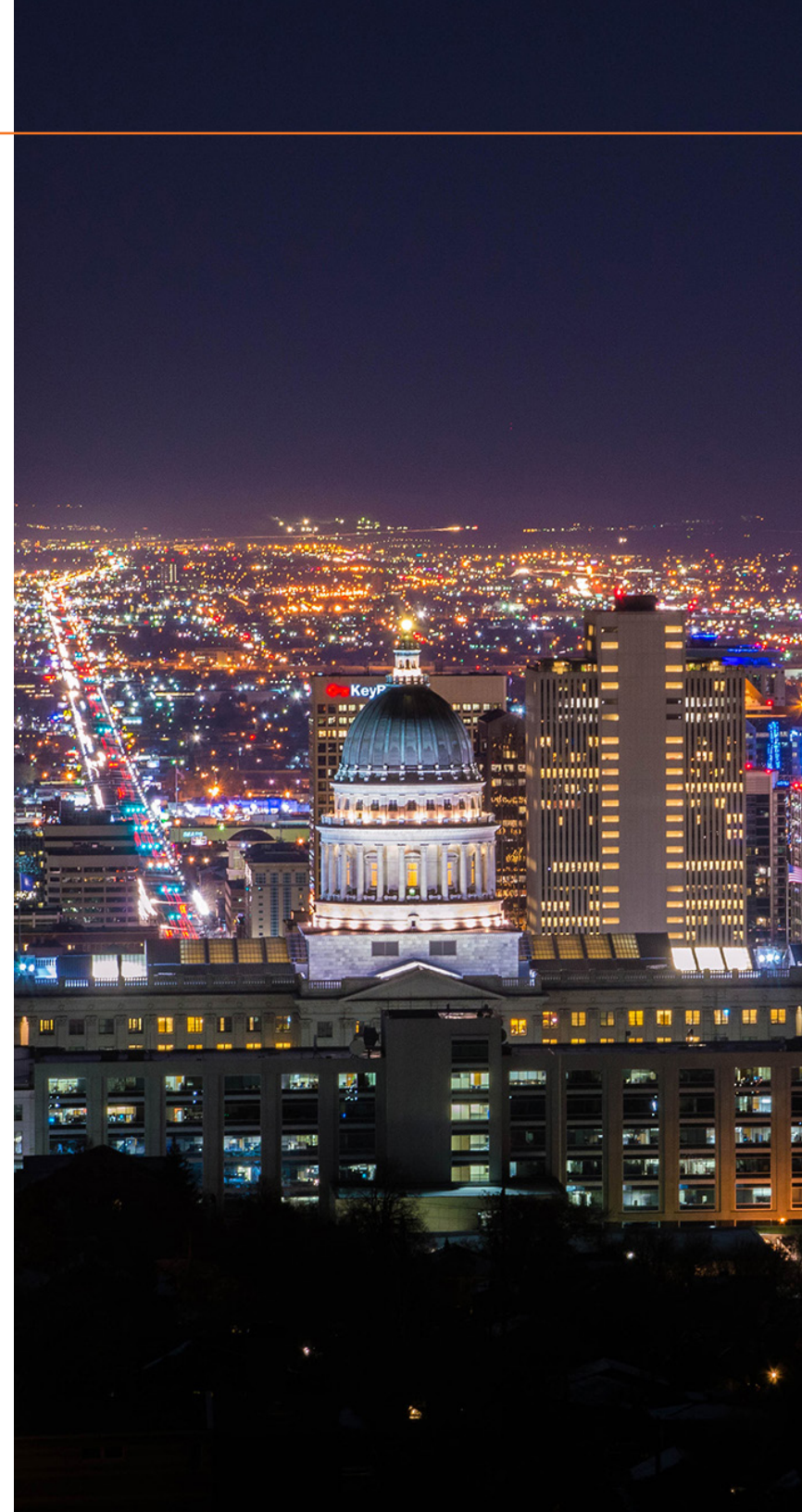
DEMOGRAPHICS

The metro is expected to add over 106,000 people through 2027, resulting in the formation of roughly 37,000 households. Median incomes above the national average allow 63 percent of households to afford owning a home. Roughly 34 percent of people ages 25 and older hold a bachelor's degree or higher; and of those residents, 12 percent have also obtained a graduate or professional degree.



QUALITY OF LIFE

The Wasatch Range provides a multitude of year-round recreational opportunities, including ski resorts and more than a dozen national parks and monuments. Cultural venues include Abravanel Hall, the Rose Wagner Performing Arts Center, Hale Centre Theatre and the Off Broadway Theatre. Salt Lake City's major educational institution is the University of Utah, which also contains a medical school. The university is known for its technology transfer program that moves state-of-the-art research into useful applications in the business world. There are 10 other colleges and universities in the metro. In addition, two other major educational institutions are located just outside of Salt Lake City: Brigham Young University in Provo and Utah State University in Logan.



DEMOGRAPHICS



398,368

Total Population
Within 5 Miles



\$89,117

Average Household Income
Within 5 Miles



254,673

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	15,677	151,927	415,466
2022 Estimate			
Total Population	14,047	143,557	398,368
2010 Census			
Total Population	10,537	128,145	368,022
2000 Census			
Total Population	9,359	122,381	357,008
Daytime Population			
2022 Estimate	25,267	216,937	564,514
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	5,465	62,126	161,002
2022 Estimate			
Total Households	4,769	58,221	152,818
Average (Mean) Household Size	2.4	2.4	2.5
2010 Census			
Total Households	3,448	50,753	137,285
2000 Census			
Total Households	3,110	48,263	131,509

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	1.3%	3.3%	5.5%
\$150,000-\$199,999	0.6%	4.4%	6.6%
\$100,000-\$149,999	9.2%	12.7%	16.5%
\$75,000-\$99,999	13.2%	15.1%	15.7%
\$50,000-\$74,999	16.5%	20.5%	19.2%
\$35,000-\$49,999	17.4%	15.3%	12.5%
\$25,000-\$34,999	15.8%	10.5%	8.4%
\$15,000-\$24,999	9.4%	7.9%	7.0%
Under \$15,000	16.6%	10.3%	8.5%
Average Household Income	\$53,653	\$73,430	\$89,117
Median Household Income	\$42,101	\$56,593	\$67,298
Per Capita Income	\$19,721	\$30,139	\$34,404
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	14,047	143,557	398,368
Under 20	22.5%	23.4%	24.6%
20 to 34 Years	35.8%	28.5%	26.1%
35 to 39 Years	8.8%	8.1%	7.7%
40 to 49 Years	14.2%	12.7%	12.7%
50 to 64 Years	12.9%	14.7%	15.5%
Age 65+	5.8%	12.6%	13.5%
Median Age	31.1	33.9	34.6
Population 25+ by Education Level			
2022 Estimate Population Age 25+	9,419	99,501	272,294
Elementary (0-8)	8.5%	4.6%	4.3%
Some High School (9-11)	12.1%	7.7%	6.9%
High School Graduate (12)	29.9%	25.7%	23.2%
Some College (13-15)	25.0%	24.6%	23.1%
Associate Degree Only	6.3%	8.5%	8.2%
Bachelor's Degree Only	12.9%	19.6%	22.0%
Graduate Degree	5.3%	9.3%	12.4%
Travel Time to Work			
Average Travel Time to Work in Minutes	23.0	22.0	22.0

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