



MC33 – Mixed-Use Building Development

3330 South Highland Drive, Millcreek Utah

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Contents

I. EXECUTIVE SUMMARY 03

II. PROPERTY DESCRIPTION 09

III. FINANCIAL ANALYSIS 19

IV. COMPETITIVE PROPERTY SET 34

V. MARKET OVERVIEW 51



I. Executive Summary

Executive Summary

Millcreek is a City of attractive, proud, stable, unique, and emerging neighborhoods that offer a variety of home types, vibrant gathering areas, and access to quality community amenities. Its centers are the heart of community activity, characterized by walkability, unique spaces, commercial areas, and character compatible with Millcreek neighborhoods.

Millcreek's economic diversity thrives by being inviting, supporting local businesses, attracting an innovative and adaptive workforce, investing in amenities that promote a better quality of life, and encouraging a range of business sizes and types. Millcreek embraces the cultural and demographic diversity of its residents and businesses, and supports and promotes a variety of arts, cultures, and education opportunities as essential parts of an engaged community and life-long learning.

Millcreek is the gateway to recreation with opportunities from the Wasatch Mountains to the Jordan River, including majestic views of the mountains, expansive parks, and accessible trails, creeks, and open spaces. Millcreek strives to offer a range of pedestrian, bicycling, transit, and vehicle transportation choices through a cohesive network of safe and reliable streets and trails that connect all residents to their destinations.

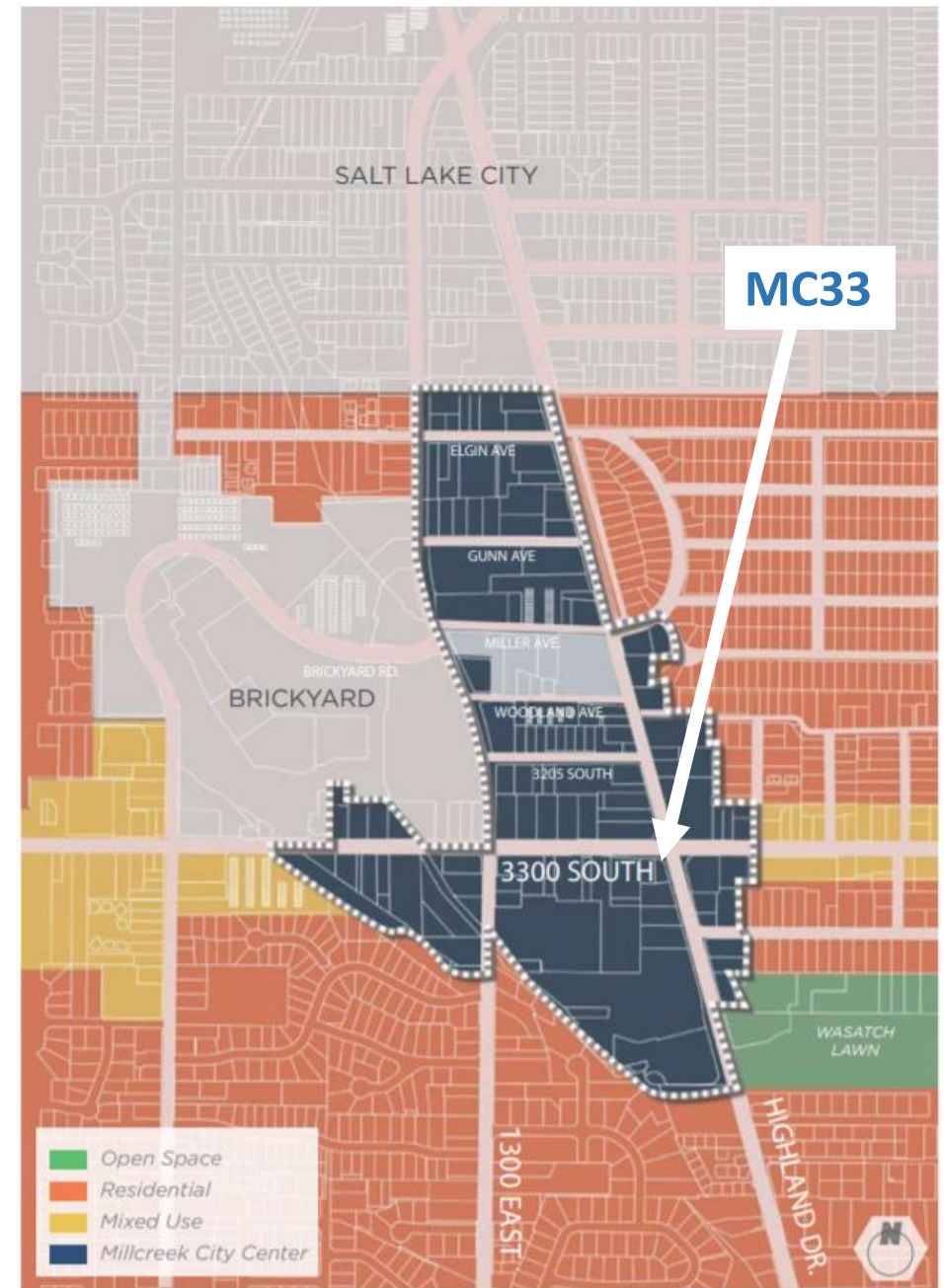
Millcreek supports environmental and human health by establishing and protecting open spaces; protecting healthy fish and wildlife habitats; providing active transportation options; improving local water and air quality; improving access to nutritious foods; and other sustainable practices.

- **Unique neighborhoods**
- **Vibrant gathering places**
- **Thriving economy**
- **Great connections**
- **Health and environment**
- **Outdoor lifestyle**
- **Enhanced culture**

Millcreek City Center Master Plan 2019

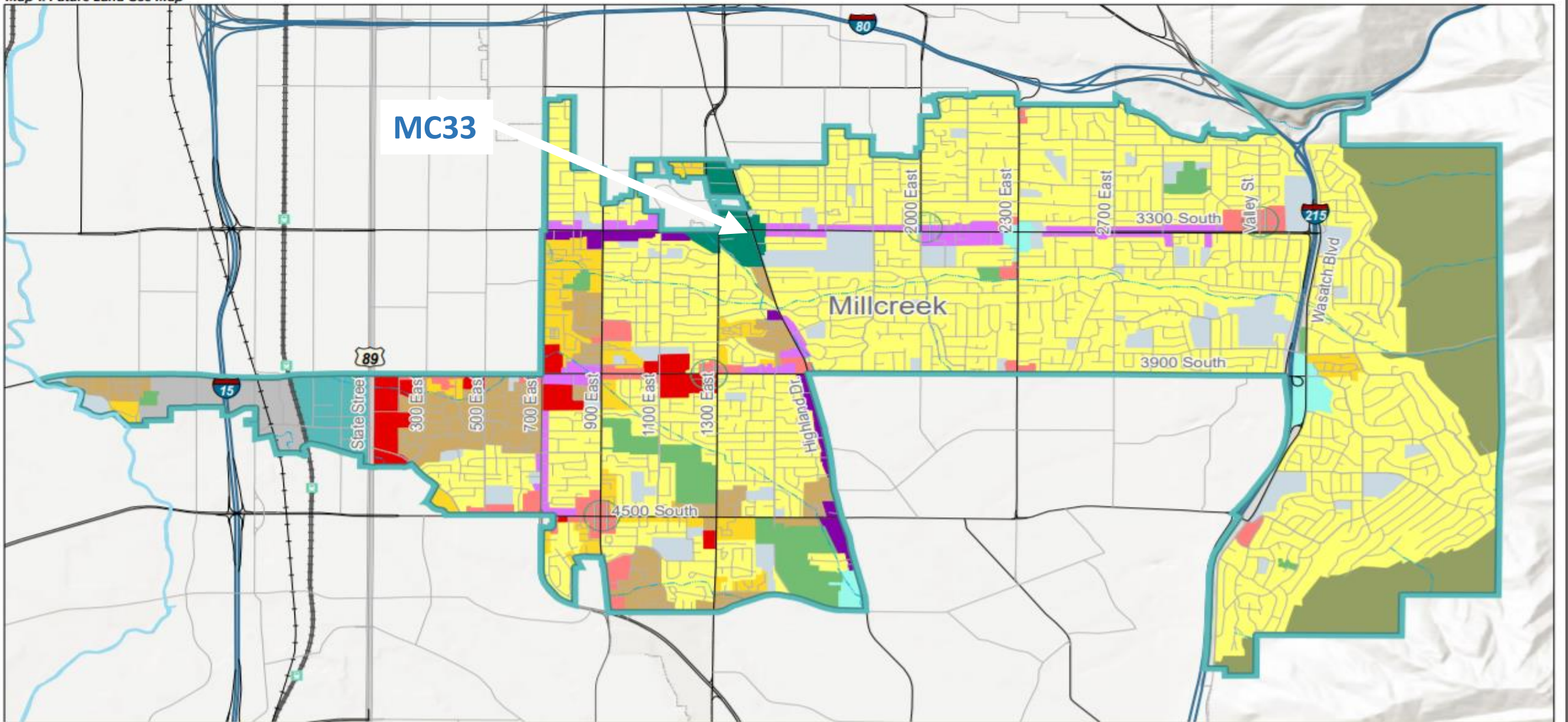
The City Center would be the highest concentration of development found anywhere in Millcreek. It is the focal point for the City, the center of government, cultural, office, commercial, financial, transportation and other activities with a variety of day and night activities that attract visitors from throughout the City and region.

Major arterials provide access and the City Center is envisioned to have both local and regional transit connections. Pedestrian access and movement would be high, and consideration for pedestrians is paramount. New development should be sensitive to the context of the surrounding neighborhoods and districts, and build on the strengths and character of these established areas.



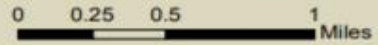
Existing Land Use Context

Map 1: Future Land Use Map



Future Land Use

- | | | | | |
|-------------------------|--------------------------|------------------------|-----------------------------|-------------------|
| Conservation Open Space | City Center | Retail/ Office | Freeway or Other Major Road | Frontrunner Route |
| Parks and Recreation | Meadowbrook | Employment/ Commercial | Major Road | TRAX Route |
| Public Quasi Public | Village Center | Mixed Use 1 | Other Major Road | TRAX Station |
| Neighborhood 1 | Future Center Study Area | Mixed Use 2 | Secondary Road | Jordan River |
| Neighborhood 2 | | Light Manufacturing | Local Connecting Road | Streams |
| Neighborhood 3 | | | Important Local Road | |





Millcreek City Center Master Plan 2019

The City Center is Millcreek's most intense development area, envisioned as a regional center for commerce and culture. The City Center should evolve into a vibrant, mixed-use area with a range of employment, services, and housing. It should be highly walkable and well-connected by multiple types of transportation and transit. It should have a balanced mixture of jobs and housing, and contain amenities that support residents, workers and employers within the center and also throughout the City.

It is also envisioned that the City Center would be a central public gathering place, and home to many of Millcreek's entertainment and cultural institutions. The Center should also highlight and celebrate historic signage and landmarks in the area, such as the Villa Theater.

CITY MISSION

Millcreek provides superior and responsive municipal governance and services in a fiscally conservative and responsible manner that sustains and improves the quality of life for residents and stakeholders of the City.

CITY VISION

Millcreek is a diverse community where residents and businesses are empowered to respectfully engage and interact with each other in governance and volunteerism to maintain a fiscally responsible, environmentally sustainable City that provides a “welcome home” feeling to everyone – past, present and future.

To achieve the Vision, this General Plan is organized around seven vision themes. These themes were identified as a result of conversations with the Millcreek community.

Thriving Economy

Millcreek’s economic diversity thrives by being inviting, supporting local businesses, attracting an innovative and adaptive workforce, investing in amenities that promote a better quality of life, and encouraging a range of business sizes and types.

Health and Environment

Millcreek supports environmental and human health by establishing and protecting open spaces; protecting healthy fish and wildlife habitats; providing active transportation options; improving local water and air quality; improving access to nutritious foods; and other sustainable practices.

Great Connections

Millcreek strives to offer a range of pedestrian, bicycling, transit, and vehicle transportation choices through a cohesive network of safe and reliable streets and trails that connect all residents to their destinations.

Vibrant Gathering Places

Millcreek’s centers are the heart of community activity, characterized by walkability, unique spaces, commercial areas, and character compatible with Millcreek neighborhoods.

Unique Neighborhoods

Millcreek is a City of attractive, proud, stable, unique, and emerging neighborhoods that offer a variety of home types, vibrant gathering areas, and access to quality community amenities.

Outdoor Lifestyle

Millcreek is the gateway to recreation with opportunities from the Wasatch Mountains to the Jordan River, including majestic views of the mountains, expansive parks, and accessible trails, creeks, and open spaces.

Enhanced Culture

Millcreek embraces the cultural and demographic diversity of its residents and businesses, and supports and promotes a variety of arts, cultures, and education opportunities as essential parts of an engaged community and life-long learning.



II. Property Description



PROPERTY DESCRIPTION

- 3330 South Highland Drive, Millcreek, Utah
- Mixed-use, mid-rise real estate development
- 1.41 acres lot size
- TCOZ current zoning
- CCOZ rezoning

APARTMENT COUNT

Studio (444 – 500 sq ft) – 31 units – 18%

1 Bed (496 – 823 sq ft) – 114 units – 64%

2 Bed (692 – 1302 sq ft) – 31 units – 28%

TOTAL APARTMENTS – 144,166 SQ FT – 176 units

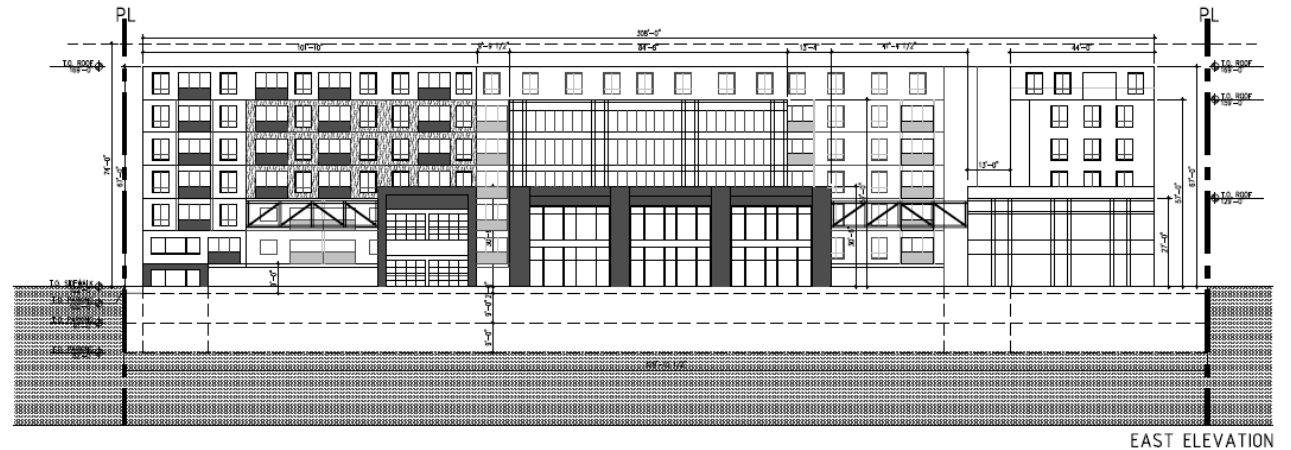
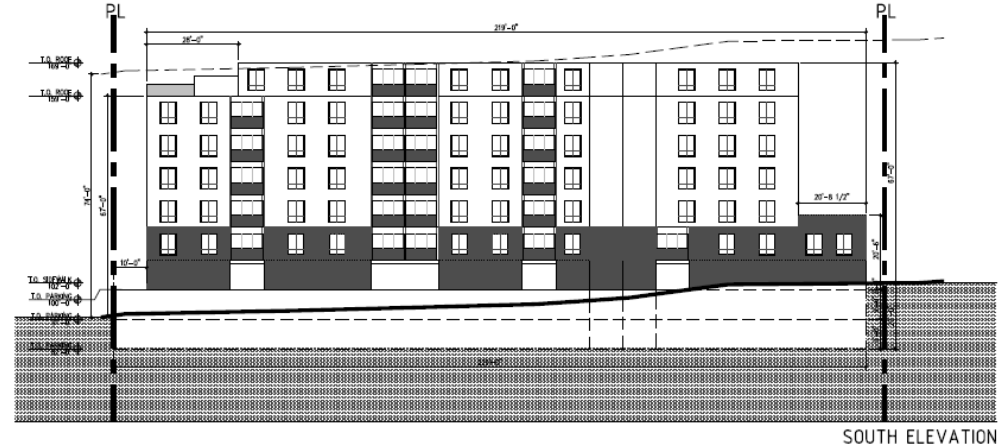
POOL DECK – 2,092 SQ FT

GYM – 1,213 SQ FT

LEVEL 4 AMENITY – 711 SQ FT + 1,340 SQ FT DECK

LEASING OFFICE – 1,132 SQ FT

COMMERCIAL SPACE – 39,444 SQ FT



SCALE: 1" = 30'

PROPERTY DESCRIPTION

PARKING COUNT

STREET LEVEL – 67 STALLS

P1 – 128 STALLS

P2 – 158 STALLS

TOTAL PARKING – 38 STALLS

APARTMENT COUNT

2ND LEVEL (19,898 sq ft) – 26 apts

3RD LEVEL (19,271 sq ft) – 25 apts

4TH LEVEL (29,196 sq ft) – 36 apts

5TH LEVEL (28,397 sq ft) – 36 apts

6TH LEVEL (28,397 sq ft) – 36 apts

7TH LEVEL (19,007 sq ft) – 17 apts

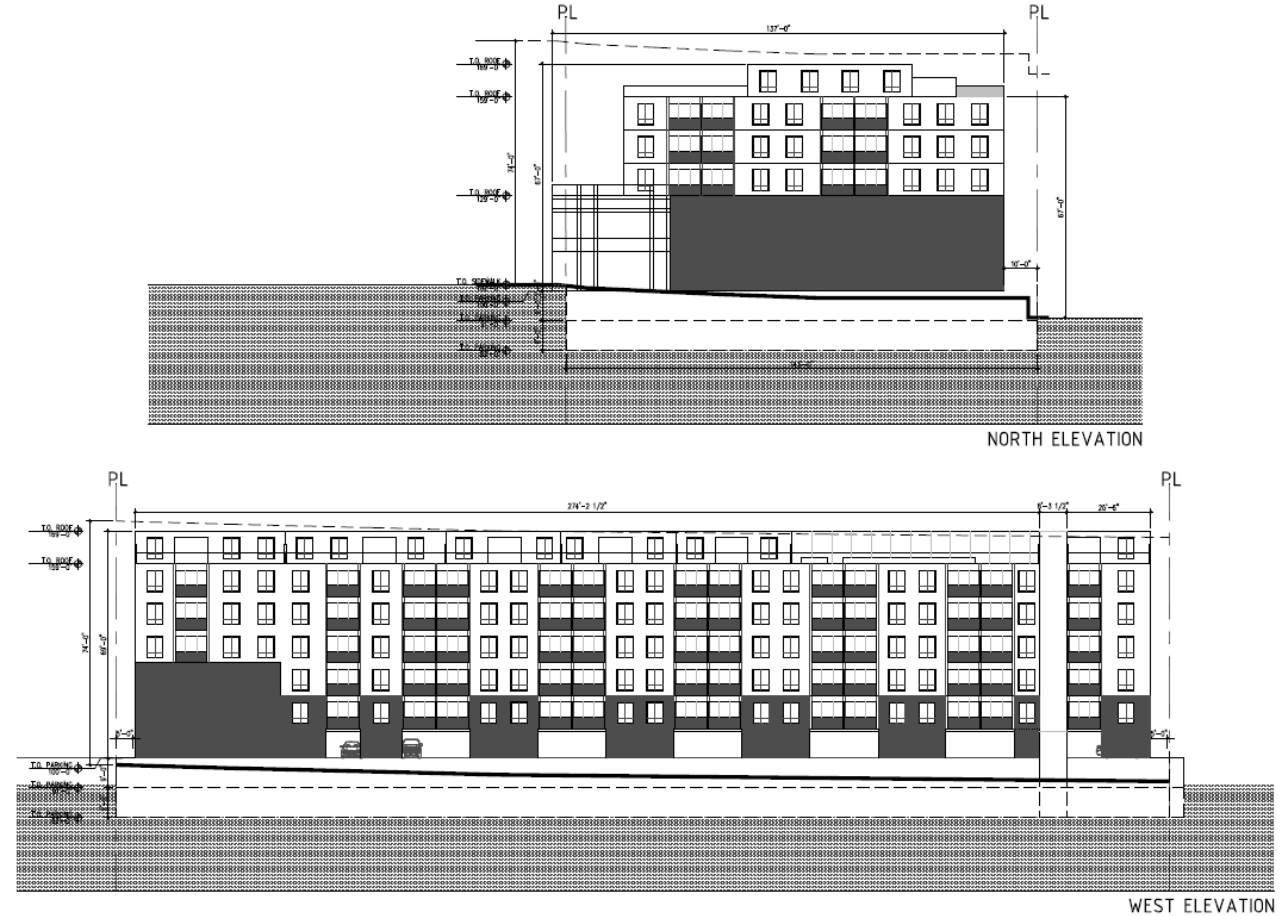
TOTAL APARTMENTS (144,166 sq ft) – 176

1 – RETAIL (2) 3,848 SQ FT

2 – OFFICE (5) 21,880 SQ FT

3 – RETAIL (2) 13,716 SQ FT

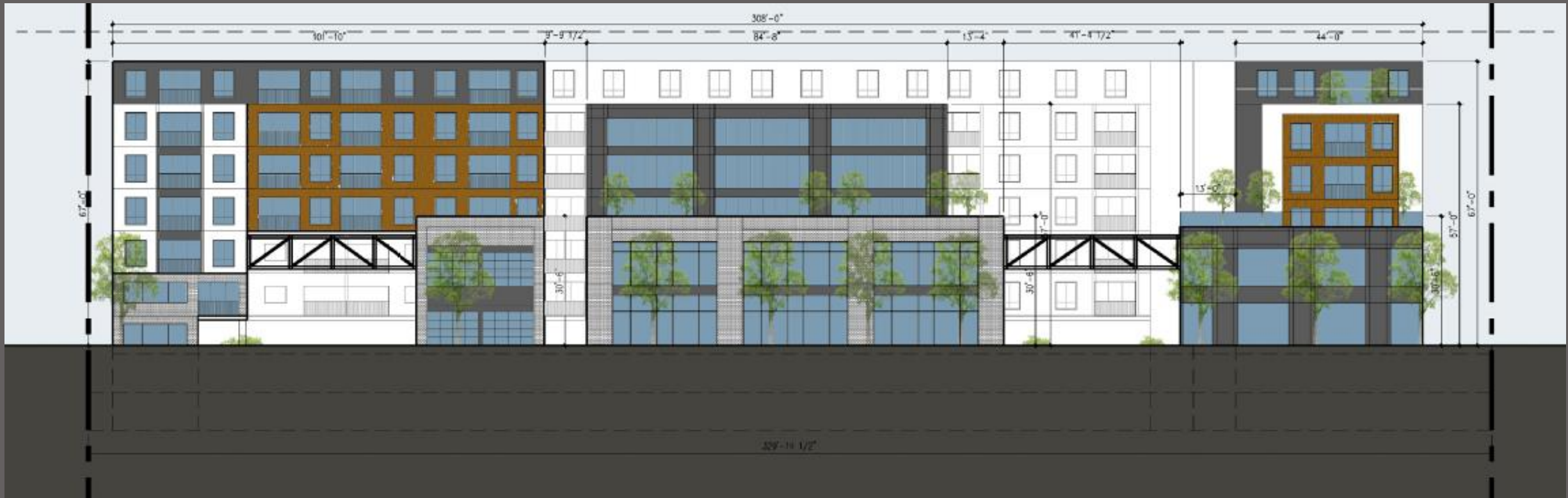
COMMERCIAL SPACE – 39,444 SQ FT



SCALE: 1" = 30'

MC33

- WOOD & FAUX WOOD
- BLACK EXPOSED STEEL
- GRAPHITE BRICK
- WHITE METAL RIBBED PANEL & WHITE CEMENTITIOUS PANEL
- DARK BRONZE WINDOWS SYSTEMS, DIVIDED PANELS, LARGE FORMAT
- ZINC / CHARCOAL METAL PANEL



PARKING COUNT

STREET LEVEL – 67 STALLS

P1 – 128 STALLS

P2 – 158 STALLS

TOTAL PARKING – 353 STALLS

CCOZ PARKING REQUIREMENTS

STUDIO PARKING @ 31 X 1 = 31

1 – 2 BED PARKING @ 145 X 1.5 = 217

COMMERCIAL @ 3 / 1000 SQFT = 118

TOTAL REQUIRED = 336

TCOZ PARKING REQUIREMENTS

STUDIO PARKING @ 31 X 0.75 = 23

1 BED PARKING @ 114 X 1.5 = 171

2 BED PARKING @ 31 X 2 = 62

COMMERCIAL @ 3 / 1000 SQFT = 118

TOTAL REQUIRED = 374

APT REQUIRED (CCOZ) – 248

APT PROVIDED (UNDERGROUND) – 286

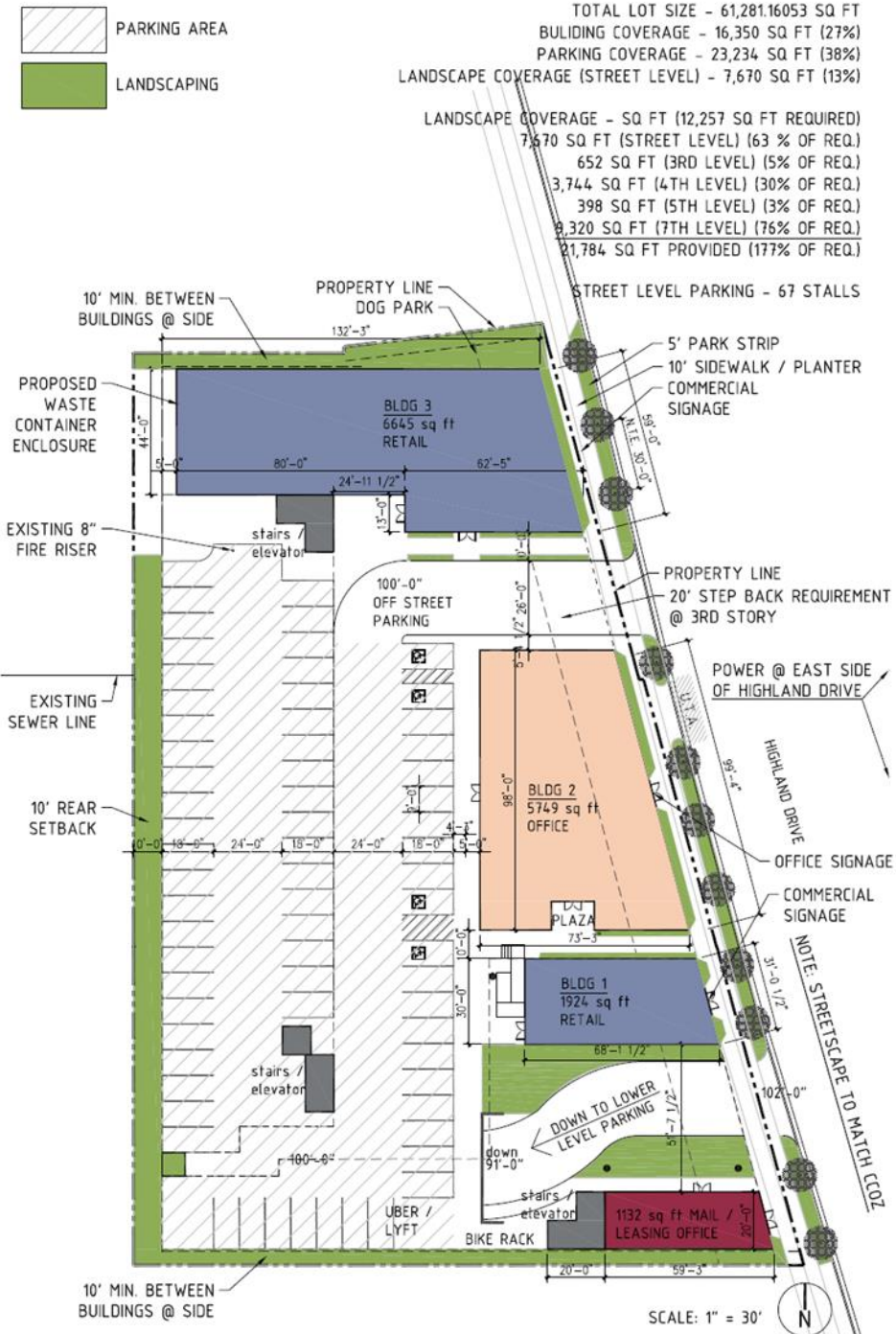
COMMERCIAL REQUIRED – 118

COMMERCIAL PROVIDED (STREET LEVEL) – 67

RETAIL/COMMERCIAL PARKING @ GARAGE – 38

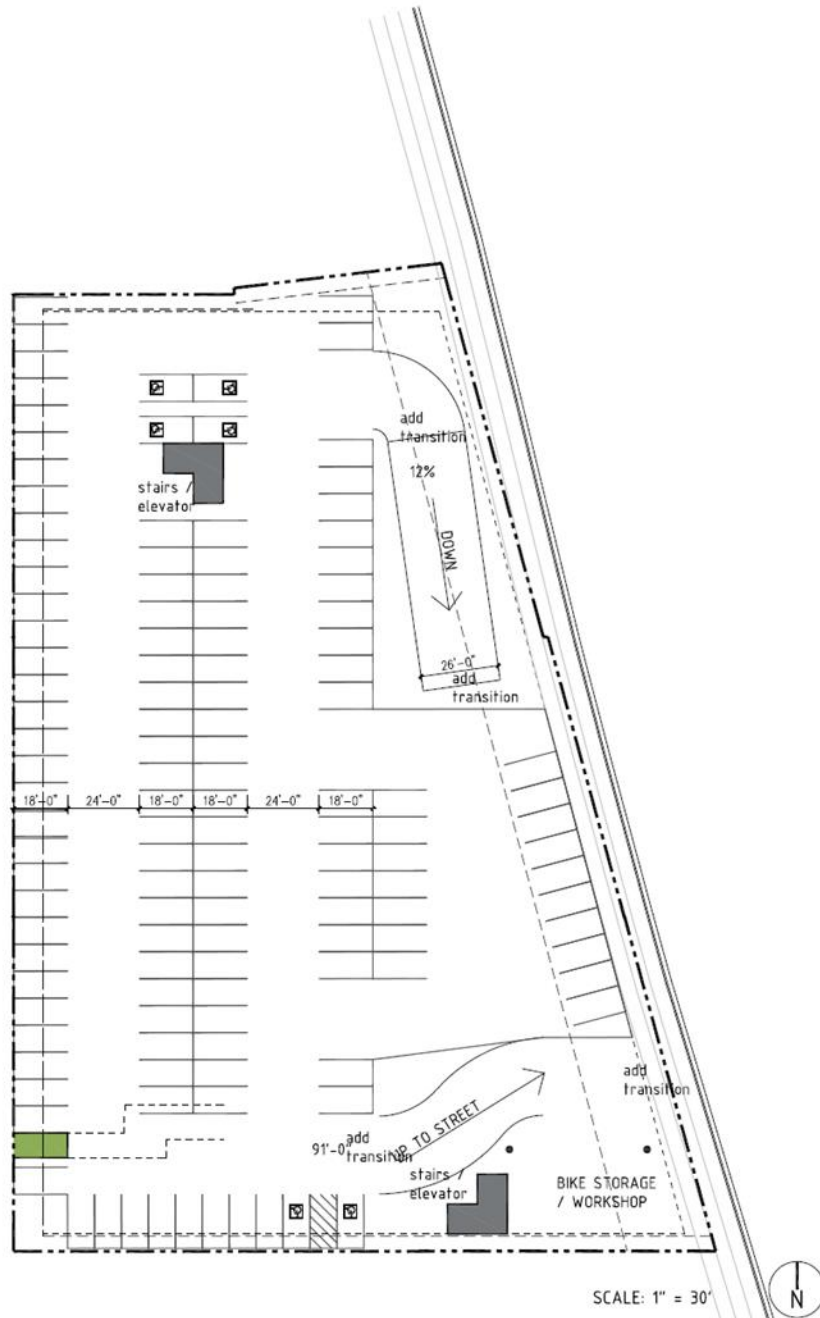
COMMERCIAL PARKING SHORTAGE (CCOZ) – 13

GROUND LEVEL PARKING



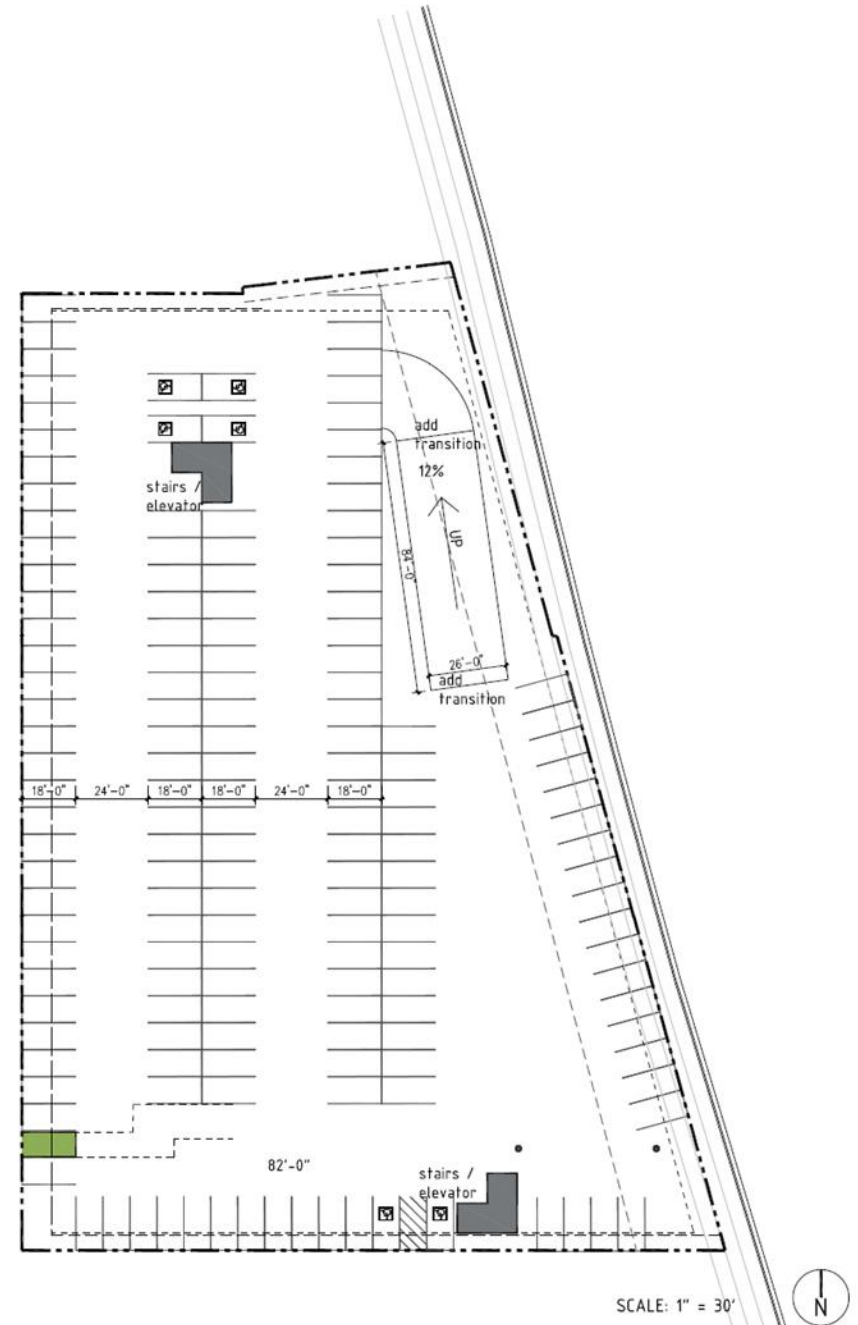
1st PARKING LEVEL

PARKING LEVEL 1 - 128 STALLS



2nd PARKING LEVEL

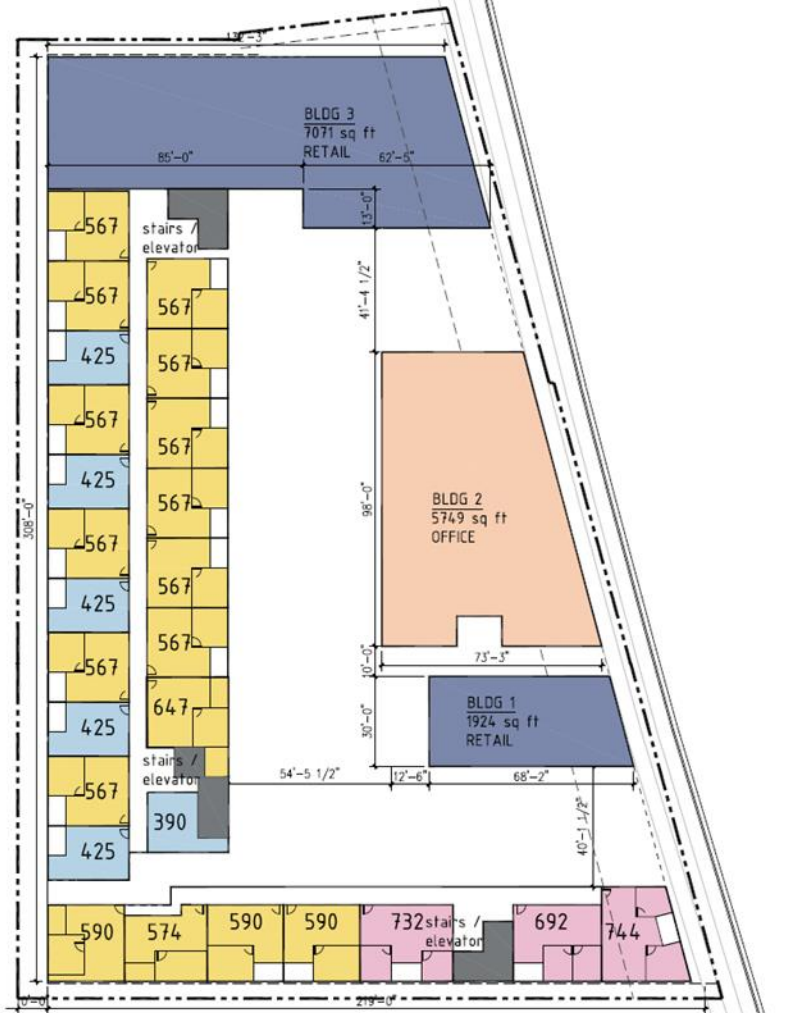
PARKING LEVEL 2 - 158 STALLS



2nd LEVEL

- STUDIO
- 1 BED
- 2 BED

2nd level
 studio - 6
 1 bed - 17
 2 bed - 3
 total - 26 apts



SCALE: 1" = 30'

3rd LEVEL

- STUDIO
- 1 BED
- 2 BED
- LANDSCAPING

3rd level
 studio - 6
 1 bed - 17
 2 bed - 2
 total - 25 apts

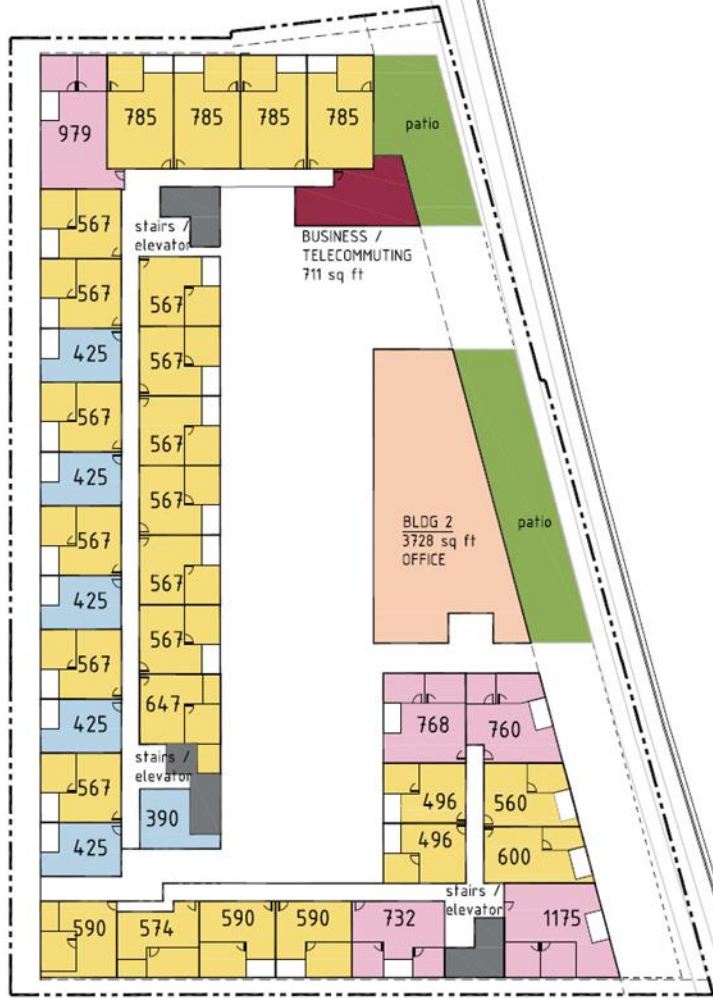


SCALE: 1" = 30'

4th LEVEL

- STUDIO
- 1 BED
- 2 BED
- LANDSCAPING

4th level
 studio - 6
 1 bed - 25
 2 bed - 5
 total - 36 apts
 + amenity & deck



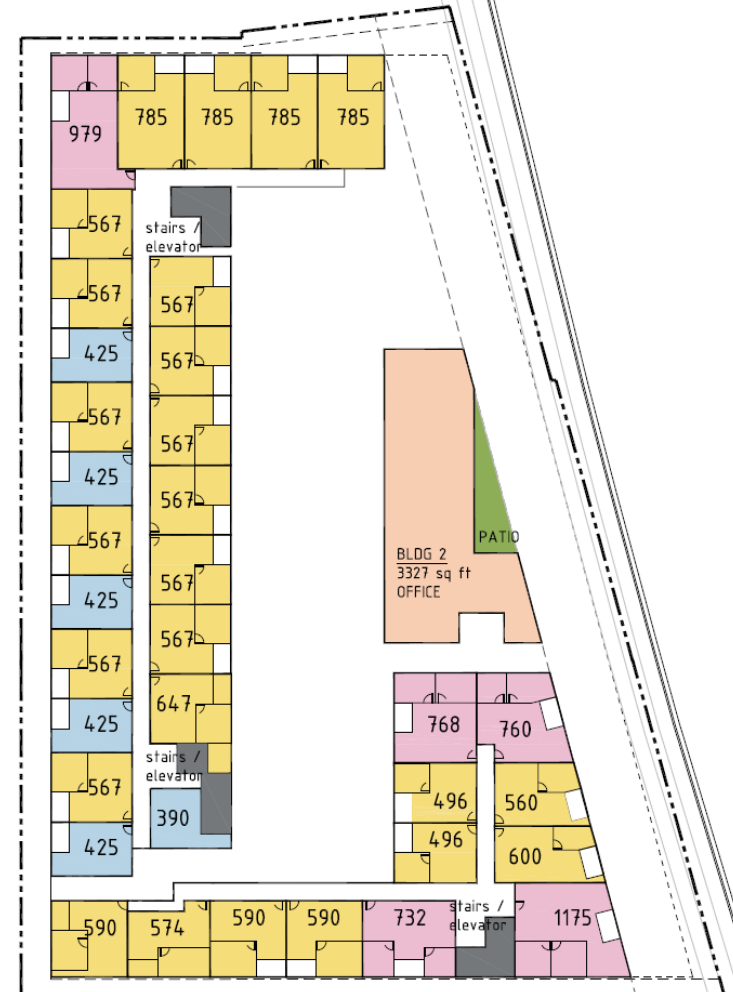
SCALE: 1" = 30'



5th LEVEL

- STUDIO
- 1 BED
- 2 BED

5th level
 studio - 6
 1 bed - 25
 2 bed - 5
 total - 36 apts



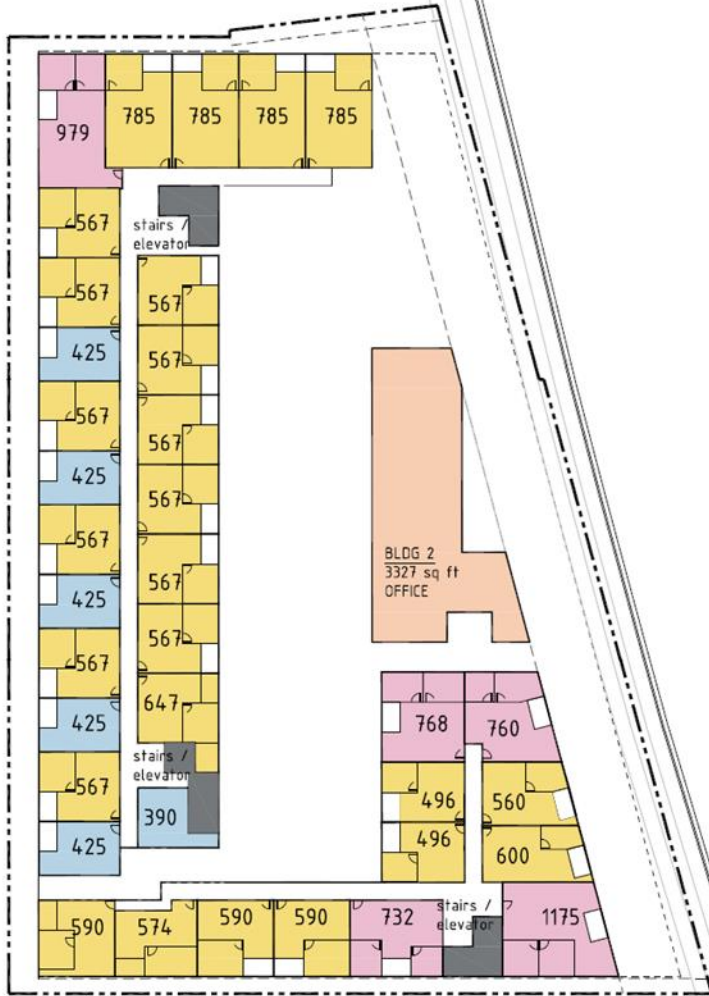
SCALE: 1" = 30'



6th LEVEL

- STUDIO
- 1 BED
- 2 BED

6th level
 studio - 6
 1 bed - 25
 2 bed - 5
 total - 36 apts



SCALE: 1" = 30'

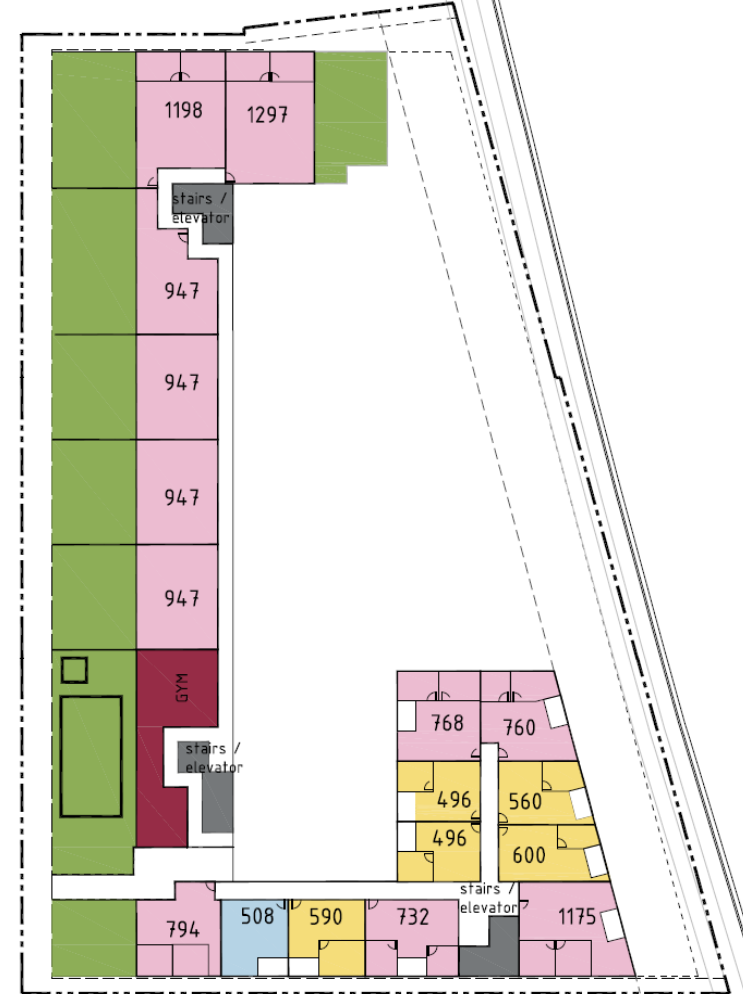


7th LEVEL

- STUDIO
- 1 BED
- 2 BED
- LANDSCAPING

7th level
 studio - 1
 1 bed - 5
 2 bed - 11
 total - 17 apts

+ pool deck



SCALE: 1" = 30'





III. Financial Analysis

<i>SOURCES & USES</i>	YEAR 01	YEAR 02	YEAR 03	YEAR 04	YEAR 05	YEAR 06	YEAR 07	YEAR 08	YEAR 09	YEAR 10	TOTAL
EQUITY CONTRIBUTIONS	\$16,296,313	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,296,313
LOAN PROCEEDS	\$7,734,314	\$16,265,908	\$5,421,969	\$51,266,018	\$0	\$0	\$0	\$0	\$0	\$0	\$80,688,208
SALE / DISPOSITION	\$0	\$0	\$0	\$0	\$62,341,938	\$0	\$0	\$0	\$0	\$0	\$62,341,938
NOI	\$0	\$0	\$418,470	\$2,858,353	\$3,117,097	\$0	\$0	\$0	\$0	\$0	\$6,393,920
TOTAL SOURCES OF FUNDS	\$24,030,627	\$16,265,908	\$5,840,439	\$54,124,371	\$65,459,035	\$0	\$0	\$0	\$0	\$0	\$165,720,379
LAND ACQUISITION	\$6,900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,900,000
PROJECT SOFT-COSTS	\$1,938,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,938,500
CONSTRUCTION SOFT-COSTS	\$872,002	\$1,308,003	\$436,001	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,616,007
CONSTRUCTION HARD-COSTS	\$9,189,217	\$13,783,825	\$4,594,608	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,567,651
PROJECT FINISHINGS	\$494,667	\$742,000	\$247,333	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,484,000
CONSTRUCTION CONTINGENCY	\$432,079	\$432,079	\$144,026	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,008,185
CONSTRUCTION	\$12,926,465	\$16,265,908	\$5,421,969	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$34,614,342
LOAN FEES	\$367,777	\$0	\$0	\$640,825	\$0	\$0	\$0	\$0	\$0	\$0	\$1,008,603
INTEREST PAYMENTS	\$97,776	\$744,526	\$1,293,500	\$1,722,983	\$1,922,476	\$0	\$0	\$0	\$0	\$0	\$5,781,260
LOAN REPAYMENTS	\$0	\$0	\$0	\$29,422,191	\$51,266,018	\$0	\$0	\$0	\$0	\$0	\$80,688,208
DEBT SERVICE	\$465,553	\$744,526	\$1,293,500	\$31,785,999	\$53,188,493	\$0	\$0	\$0	\$0	\$0	\$87,478,071
DEVELOPMENT FEE	\$133,920	\$170,104	\$67,155	\$4,413	\$0	\$0	\$0	\$0	\$0	\$0	\$375,593
GP DISTRIBUTIONS	\$0	\$0	\$0	\$9,725,357	\$4,955,412	\$0	\$0	\$0	\$0	\$0	\$14,680,770
LP DISTRIBUTIONS	\$0	\$0	\$0	\$14,356,475	\$7,315,130	\$0	\$0	\$0	\$0	\$0	\$21,671,604
DISTRIBUTIONS	\$0	\$0	\$0	\$24,081,832	\$12,270,542	\$0	\$0	\$0	\$0	\$0	\$36,352,374
TOTAL USES OF FUNDS	\$20,425,938	\$17,180,538	\$6,782,624	\$55,872,244	\$65,459,035	\$0	\$0	\$0	\$0	\$0	\$165,720,379

Project Costs	Total	\$ / Unit	\$ / SQFT	%
Land	\$6,900,000	\$39,205	\$51.61	15.09%
Construction:				
Project Soft-Costs	\$1,938,500	\$11,014	\$14.50	4.24%
Construction Soft-Costs	\$2,616,007	\$14,864	\$19.57	5.72%
Construction Hard-Costs	\$27,567,651	\$156,634	\$206.19	60.30%
Project Finishings	\$1,484,000	\$8,432	\$11.10	3.25%
	\$33,606,157	\$190,944	\$251.35	73.51%
Reserves:				
Origination	\$73,555	\$418	\$0.55	0.16%
Loan Fees	\$294,222	\$1,672	\$2.20	0.64%
Interest Payments	\$2,577,134	\$14,643	\$19.28	5.64%
Stabilization Ramp Up	\$883,658	\$5,021	\$6.61	1.93%
Construction Contingency	\$1,008,185	\$5,728	\$7.54	2.21%
	\$4,836,754	\$27,482	\$36.18	10.58%
Placement Fee	\$0	\$0	\$0.00	0.00%
Development Fee	\$375,593	\$2,134	\$2.81	0.82%
Total	\$45,718,504	\$259,764	\$342	100.00%

CASH OUT AT REFINANCE	
LAND LOAN REPAYMENT	\$0
CONSTRUCTION LOAN REPAYMENT	\$29,422,191
PERMANENT LOAN REPAYMENT	\$51,266,018
CASH OUT AT REFINANCE	\$21,843,827

CASH OUT AT DISPOSITION	
SALE / DISPOSITION	\$62,341,938
PERMANENT LOAN BALANCE	\$51,266,018
PROCEEDS FROM DISPOSITION	\$11,075,921

ASSET DISPOSITION	Total	\$ / UNIT	\$ / SQFT
TARGET CLOSING DATE	12/1/2024		
SALE PRICE	\$62,341,938	\$354,216	\$466.28
CLOSING COSTS	\$0	\$0	\$0.00
BROKERAGE COMMISSION	\$0	\$0	\$0.00
DISPOSITION FEE	\$0	\$0	\$0.00
PROCEEDS FROM SALE	\$62,341,938	\$354,216	\$466.28

PERFORMANCE OF \$100,000 INVESTMENT											
DISTRIBUTION	YEAR 01	YEAR 02	YEAR 03	YEAR 04	YEAR 05	YEAR 06	YEAR 07	YEAR 08	YEAR 09	YEAR 10	TOTAL
LIMITED PARTNER											
EQUITY INVESTMENT	(\$100,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$100,000)
PARI-PASSU	\$0	\$0	\$0	\$43,117	\$21,970	\$0	\$0	\$0	\$0	\$0	\$65,087
HURDLE 01	\$0	\$0	\$0	\$25,714	\$13,102	\$0	\$0	\$0	\$0	\$0	\$38,817
HURDLE 02	\$0	\$0	\$0	\$47,923	\$24,418	\$0	\$0	\$0	\$0	\$0	\$72,341
DISTRIBUTION	(\$100,000)	\$0	\$0	\$116,754	\$59,490	\$0	\$0	\$0	\$0	\$0	\$76,245
CASH-ON-CASH		0%	0%	117%	59%	0%	0%	0%	0%	0%	
IRR	19%			EQUITY MULTIPLE	1.76		ROI	76.24%		PROFIT	\$76,245

PERFORMANCE OF \$100,000 INVESTMENT

Investment = \$100,000

Ending Cash Balance = \$176,245

Profit = \$76,245

Equity Multiple = 1.76

ROI = 76.24%

IRR = 19%

PROFIT SUMMARY	CAPITALIZED	OPERATIONS	TOTAL
INCOME	-	-	-
DISPOSITION PROCEEDS	\$62,341,938		\$62,341,938
COMMISSIONS	\$0		\$0
CLOSING COSTS	\$0		\$0
NET OPERATING INCOME	\$0	\$6,393,920	\$6,393,920
NET SALES PROCEEDS	\$62,341,938	\$6,393,920	\$68,735,858
EXPENSES			
LAND COSTS	\$6,900,000		\$6,900,000
CONSTRUCTION COSTS	\$34,614,342		\$34,614,342
TRANSACTION COSTS	\$0		\$0
PLACEMENT FEES	\$0		\$0
LAND LOAN FEES	\$0		\$0
CONSTRUCTION LOAN FEES	\$367,777		\$367,777
PERMANENT LOAN FEES	\$0	\$640,825	\$640,825
INTEREST EXPENSE	\$2,577,134	\$3,204,126	\$5,781,260
MANAGEMENT FEE	\$375,593	\$0	\$375,593
TOTAL EXPENSES	\$44,834,846	\$3,844,951	\$48,679,797
GROSS PROFIT	\$17,507,093	\$2,548,969	\$20,056,061

Financing	Land	Development	Total	Permanent
Loan Proceeds	\$0	\$29,422,191	\$29,422,191	\$51,266,018
Origination	\$0	\$73,555	\$73,555	\$128,165
Loan Fees	\$0	\$294,222	\$294,222	\$512,660
Interest Pmts	\$0	\$2,577,134	\$2,577,134	\$3,204,126
Total	\$0	\$2,944,911	\$2,944,911	\$3,844,951

JV Structure	Paid-In (%)	Paid-In (\$)	Equity (%)
GP	25%	\$4,000,000	25%
LP	75%	\$12,296,313	75%
Total	100%	\$16,296,313	100%

Hurdles	from	to	GP Split	LP Split
Pari-Passu	0.0%	= 8.0%	25%	75%
Hurdle 01	> 8.0%	= 14.0%	40.0%	60.0%
Hurdle 02	> 14.0%	27.42%	50.0%	50.0%

Performance Metrics	unlevered	levered	GP	LP
IRR	15.29%	27.42%	48.37%	18.62%
ROI	60.70%	123%	267%	76.24%
Multiple	1.61	2.23	3.67	1.76
Profit	\$25,962,266	\$20,056,061	\$10,680,770	\$9,375,291

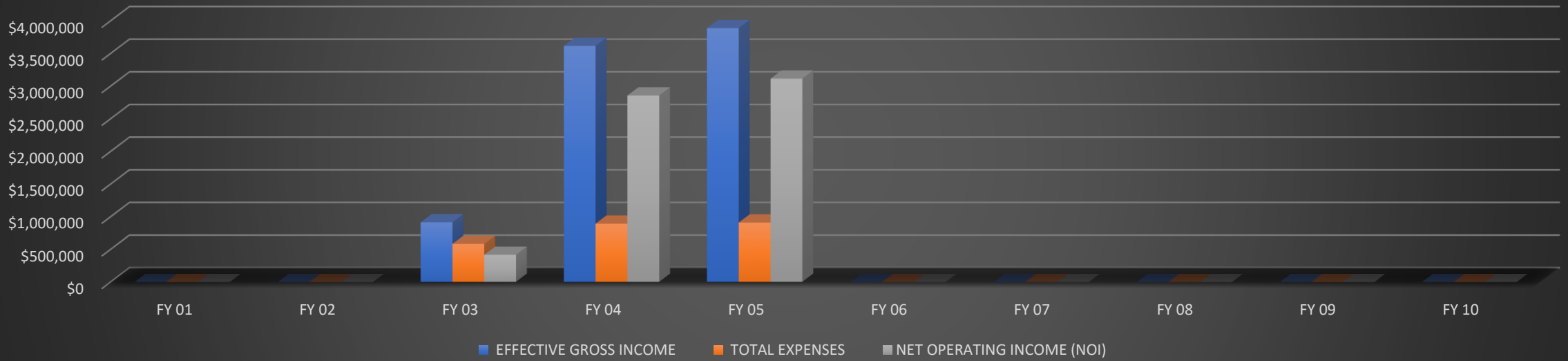
Timeline	Start Month	Start Date	End Month	End Date
Acquisition	1	12/01/19	1	12/01/19
Entitlement	1	12/01/19	4	04/01/20
Construction	5	05/01/20	28	04/01/22
Stabilization	29	05/01/22	40	04/01/23
Absorption	41	05/01/23	60	12/01/24
Disposition	60	12/01/24	60	12/01/24

Funding	Total	%	\$ / Unit	\$ / SQFT
Debt	\$29,422,191	64.4%	\$167,172	\$220.06
Equity	\$16,296,313	35.6%	\$92,593	\$121.89
Project Costs	\$45,718,504	100.0%	\$259,764	\$341.95

Yield-on-Cost	
Pro-Forma NOI / Total Project Cost	6.33%

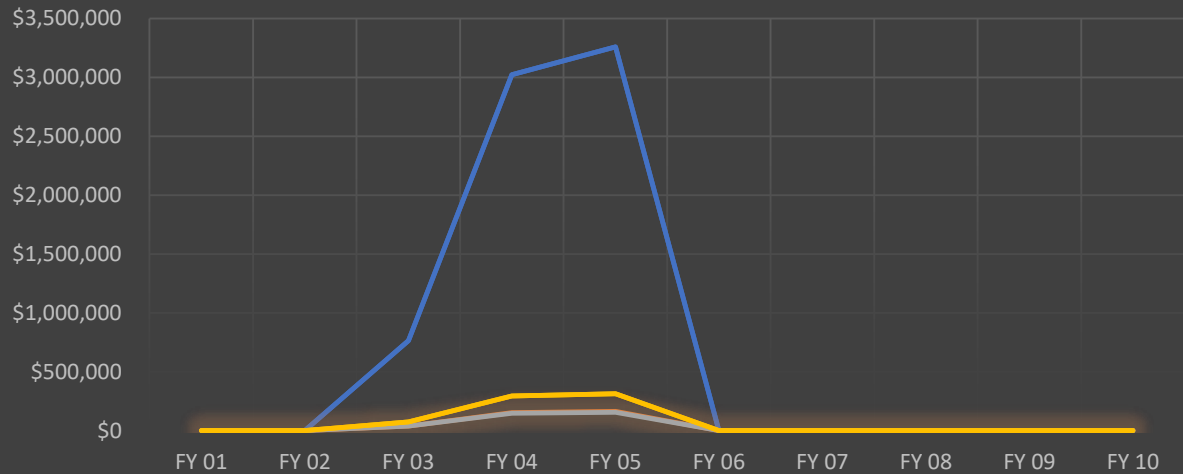
Total Debt Service	Year 01	Year 02	Year 03	Year 04	Year 05	Year 06	Year 07	Year 08	Year 09	Year 10
Beginning Balance	\$0	\$7,797,049	\$24,172,781	\$29,631,358	\$51,266,018	\$0	\$0	\$0	\$0	\$0
Loan Proceeds	\$7,797,049	\$16,375,732	\$5,458,577	\$51,266,018	\$0	\$0	\$0	\$0	\$0	\$0
Origination Fees	\$74,078	\$0	\$0	\$128,165	\$0	\$0	\$0	\$0	\$0	\$0
Financing Costs	\$296,314	\$0	\$0	\$512,660	\$0	\$0	\$0	\$0	\$0	\$0
Interest Payments	\$98,672	\$750,026	\$1,302,707	\$1,726,121	\$1,922,476	\$0	\$0	\$0	\$0	\$0
Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Repayments	\$0	\$0	\$0	\$29,631,358	\$51,266,018	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$7,797,049	\$24,172,781	\$29,631,358	\$51,266,018	\$0	\$0	\$0	\$0	\$0	\$0
Avg. Monthly Int. Payment	\$8,223	\$62,502	\$108,559	\$143,843	\$160,206	\$0	\$0	\$0	\$0	\$0
DSCR	0.00	0.00	0.32	1.66	1.62	0.00	0.00	0.00	0.00	0.00

Pro Forma P&L



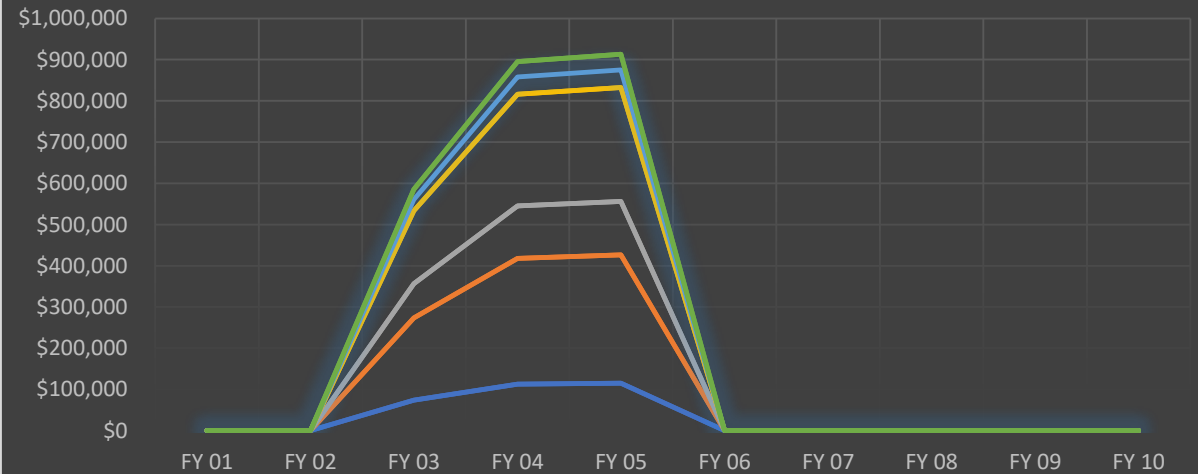
Revenues

NET RENTAL INCOME OTHER RENTAL INCOME
CREDIT FEE INCOME OTHER INCOME

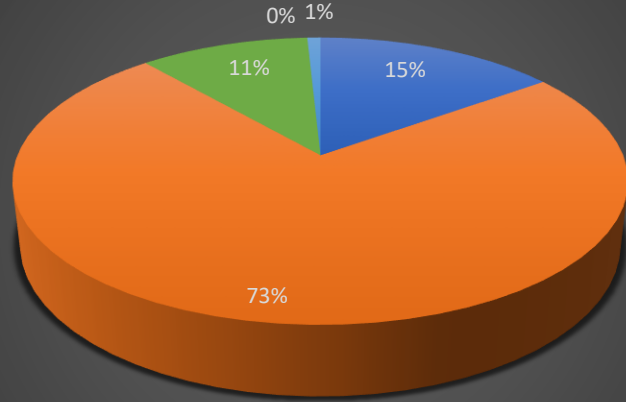


Expenses

GENERAL & ADMINISTRATIVE OPERATIONS PAYROLL
Real Estate Taxes Property Insurance Replacement Reserves

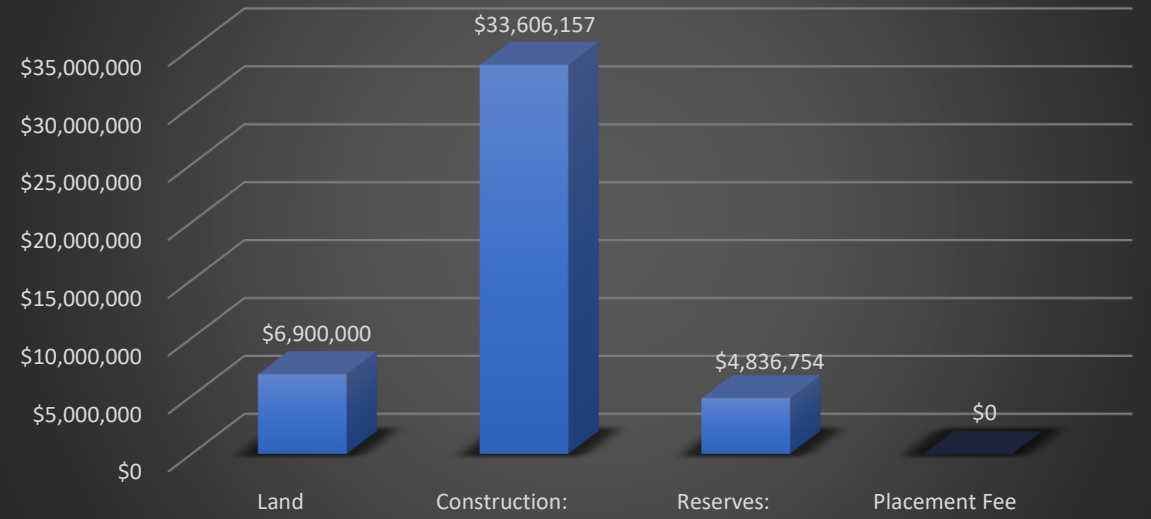


Uses of Capital

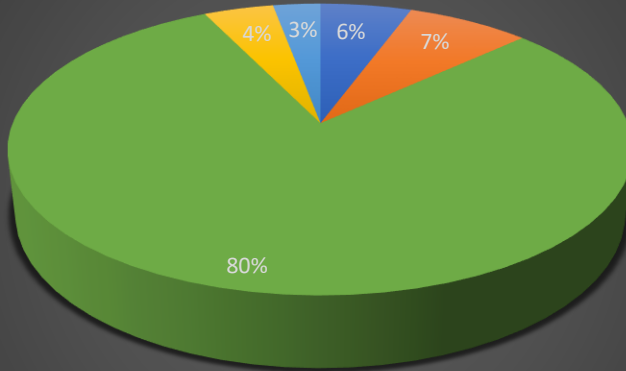


■ Land
 ■ Construction:
 ■ Reserves:
 ■ Placement Fee
 ■ Development Fee

Uses of Capital



Construction Budget

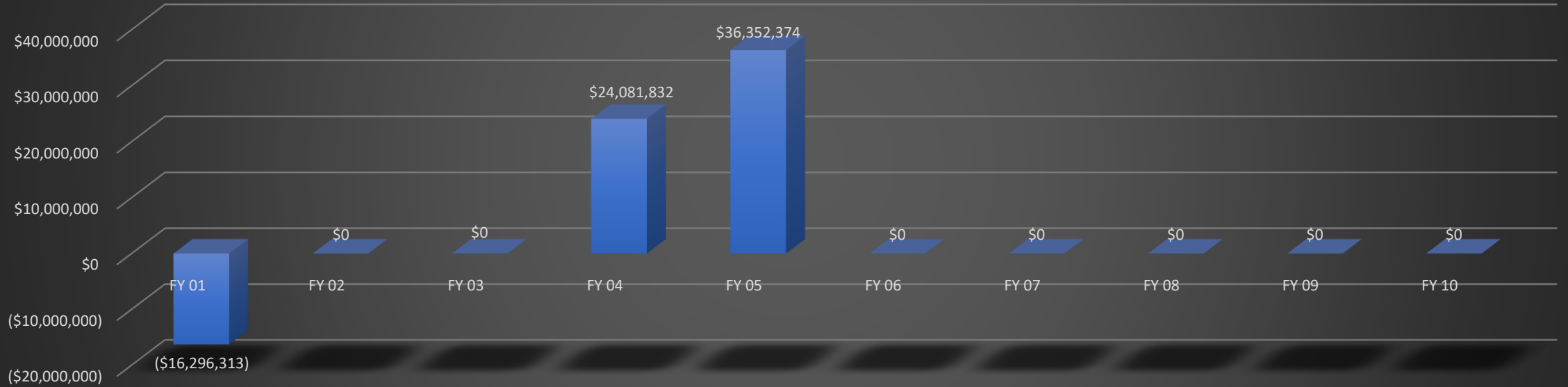


■ Soft Project Costs
 ■ Land Development
 ■ Construction
 ■ Grounds Improvements
 ■ Construction Contingency

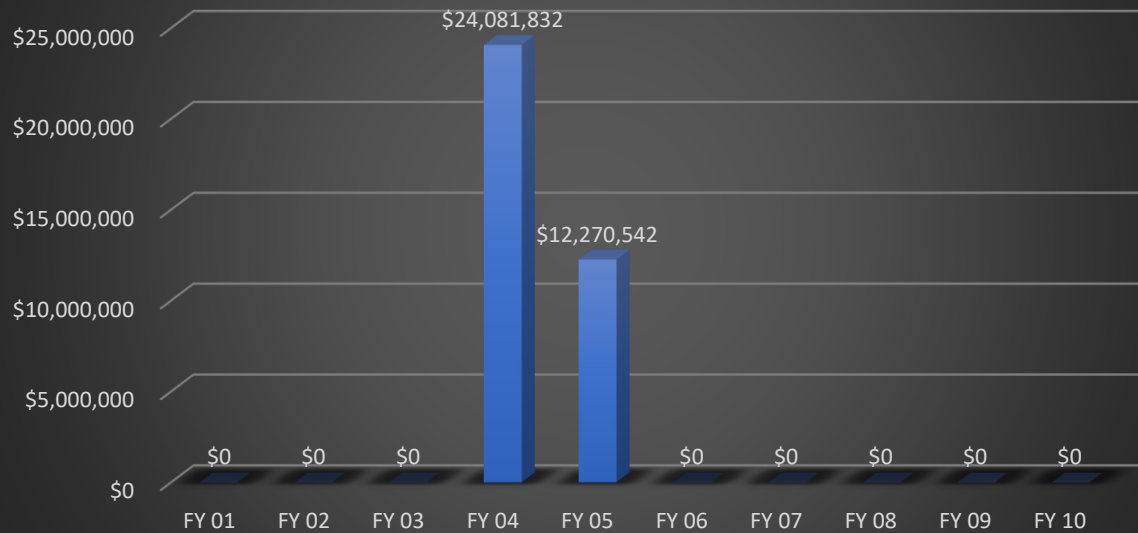
Construction Budget



Payback



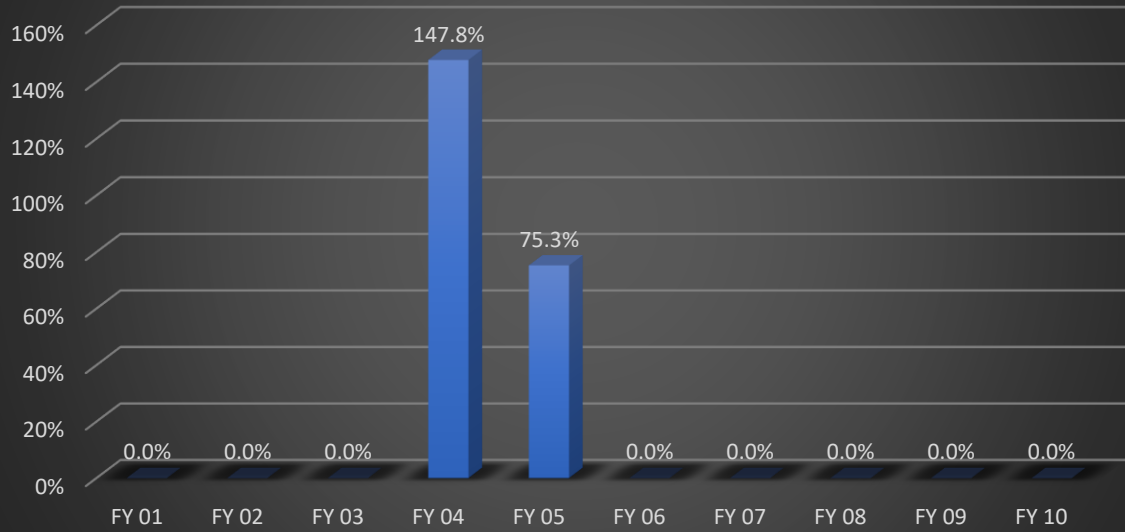
Free Cash-Flows



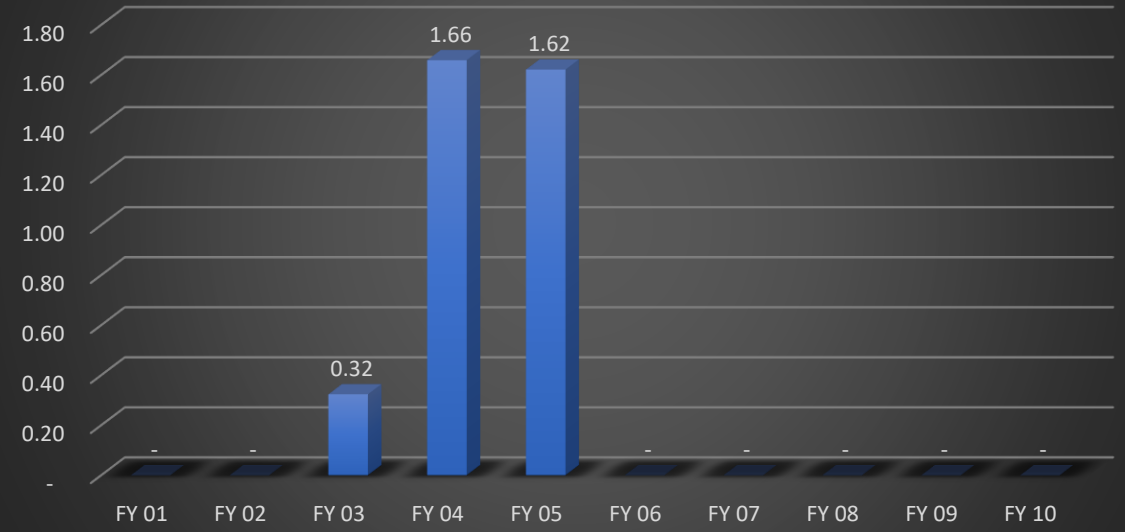
Investment Cash-Flows



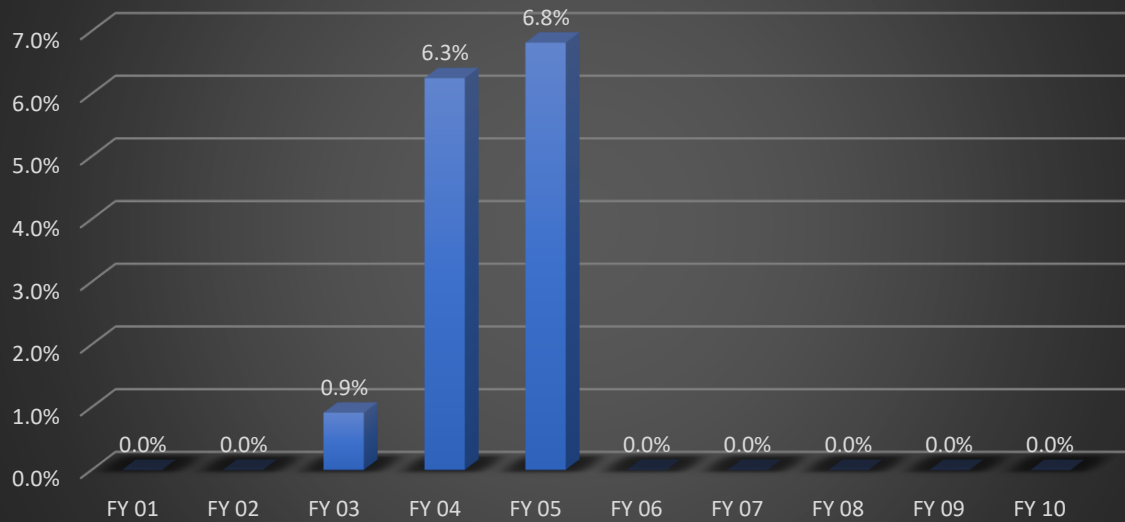
Cash-on-cash return



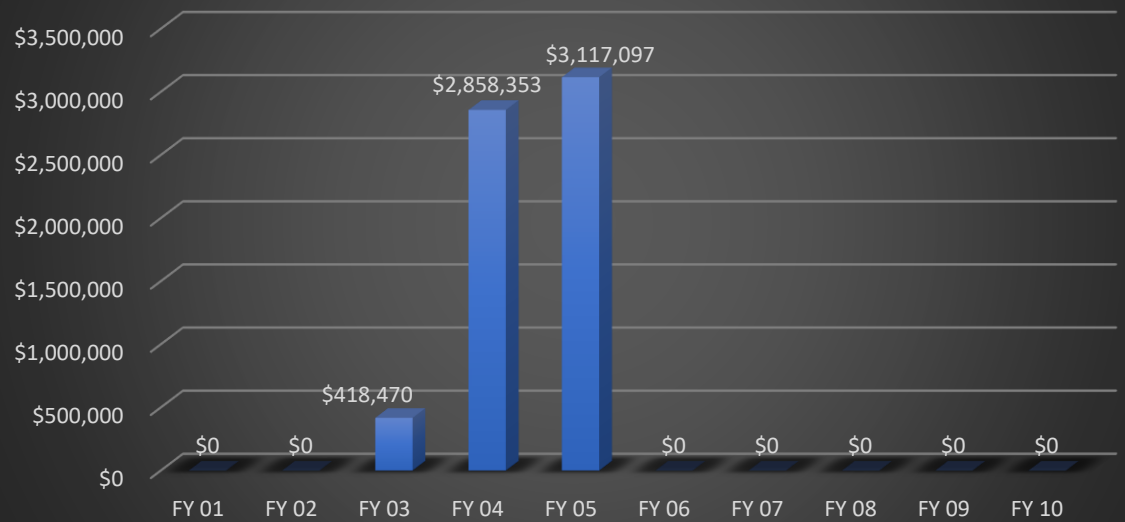
DSCR



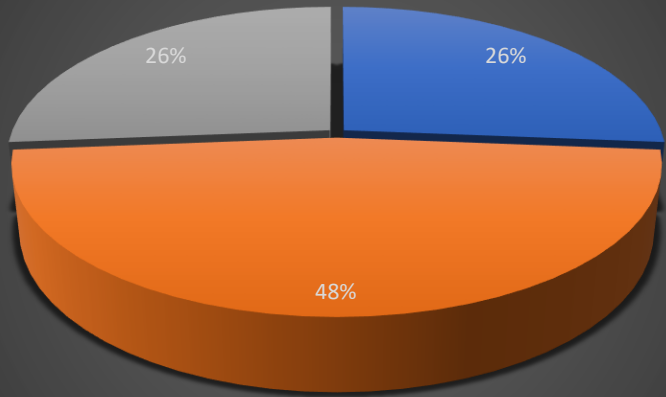
Cap Rate on cost



Net Operating Income

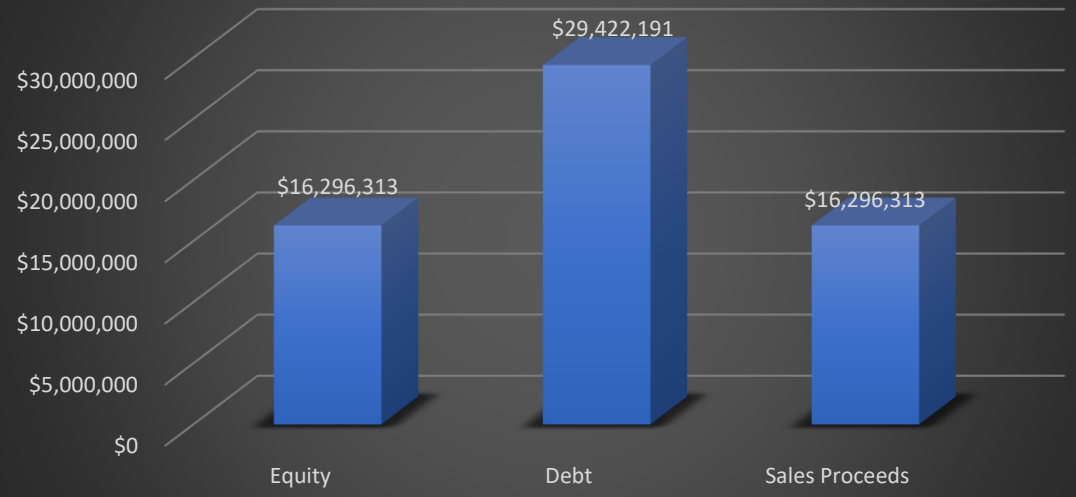


Capital Stack



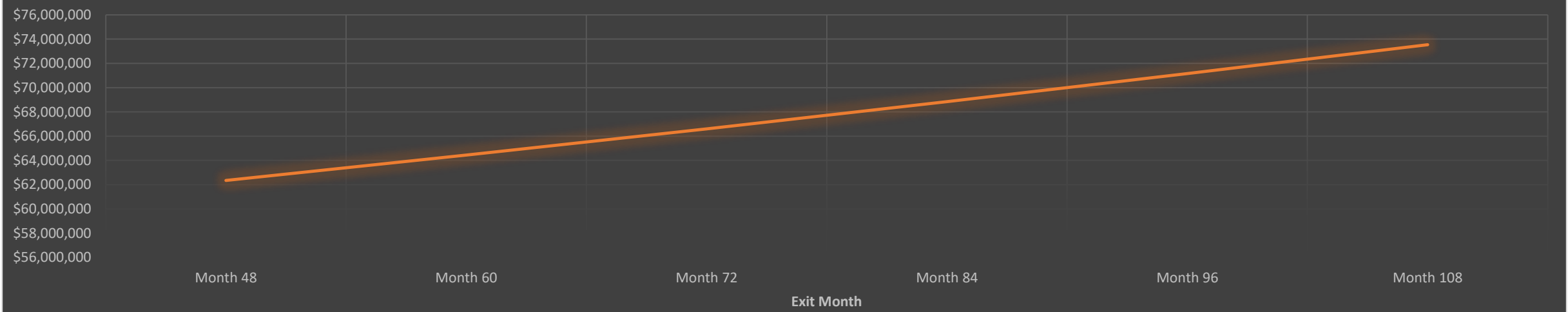
■ Equity ■ Debt ■ Sales Proceeds

Capital Stack

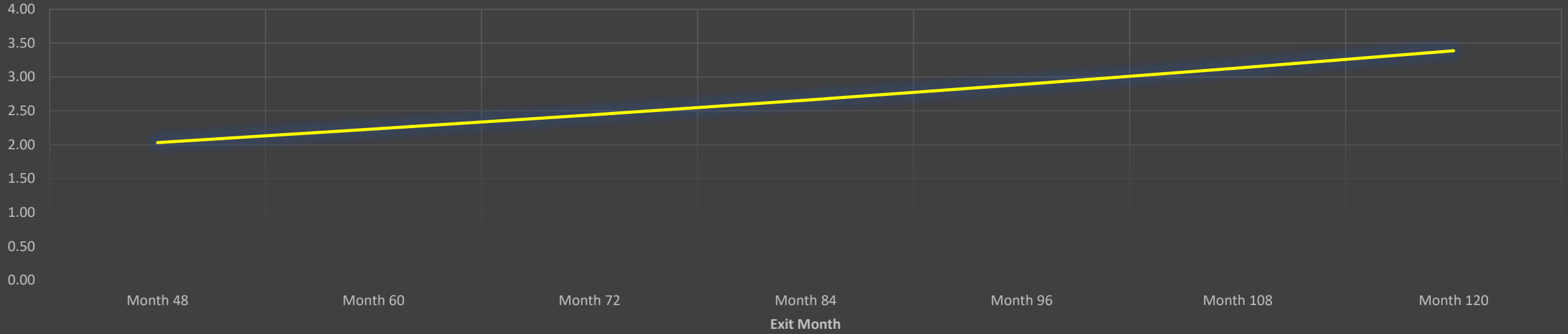


■ Series1

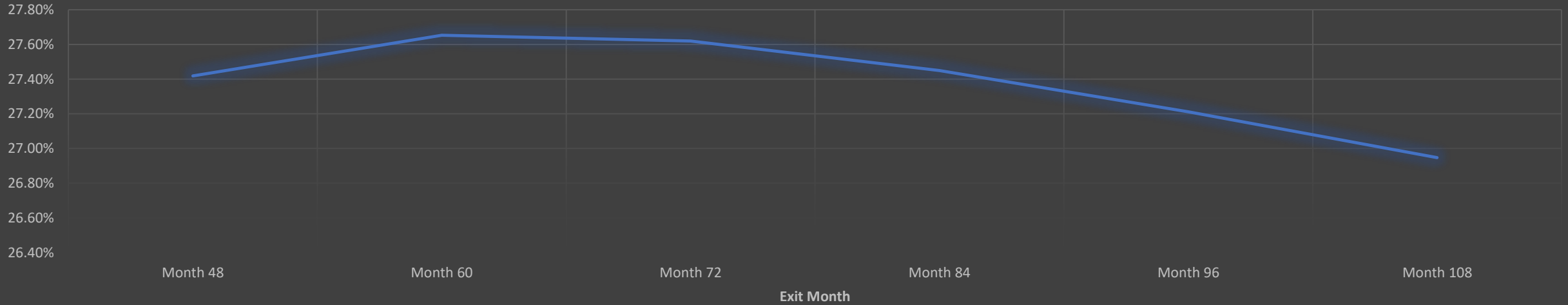
Disposition Value (Cap Rate 5%)



Equity Multiple (Cap Rate 5%)



Internal Rate of Return (Cap Rate 5%)





IV. Competitive Property Set

COMPARABLE RENTAL RATES

RENTAL 1 – ELEMENT 31 BRICKYARD

1243 Brickyard Rd, Salt Lake City, UT 84106

RENTAL 2 – RITZ CLASSIC

2265 State St, South Salt Lake, UT 84115

RENTAL 3 – VUE AT SUGAR HOUSE CROSSING

2130 S 1100 E, Salt Lake City, UT 84106

RENTAL 4 – BRICKS LOFTS

3098 South Highland Dr Millcreek, UT 84106

RENTAL 5 – PARK EAST

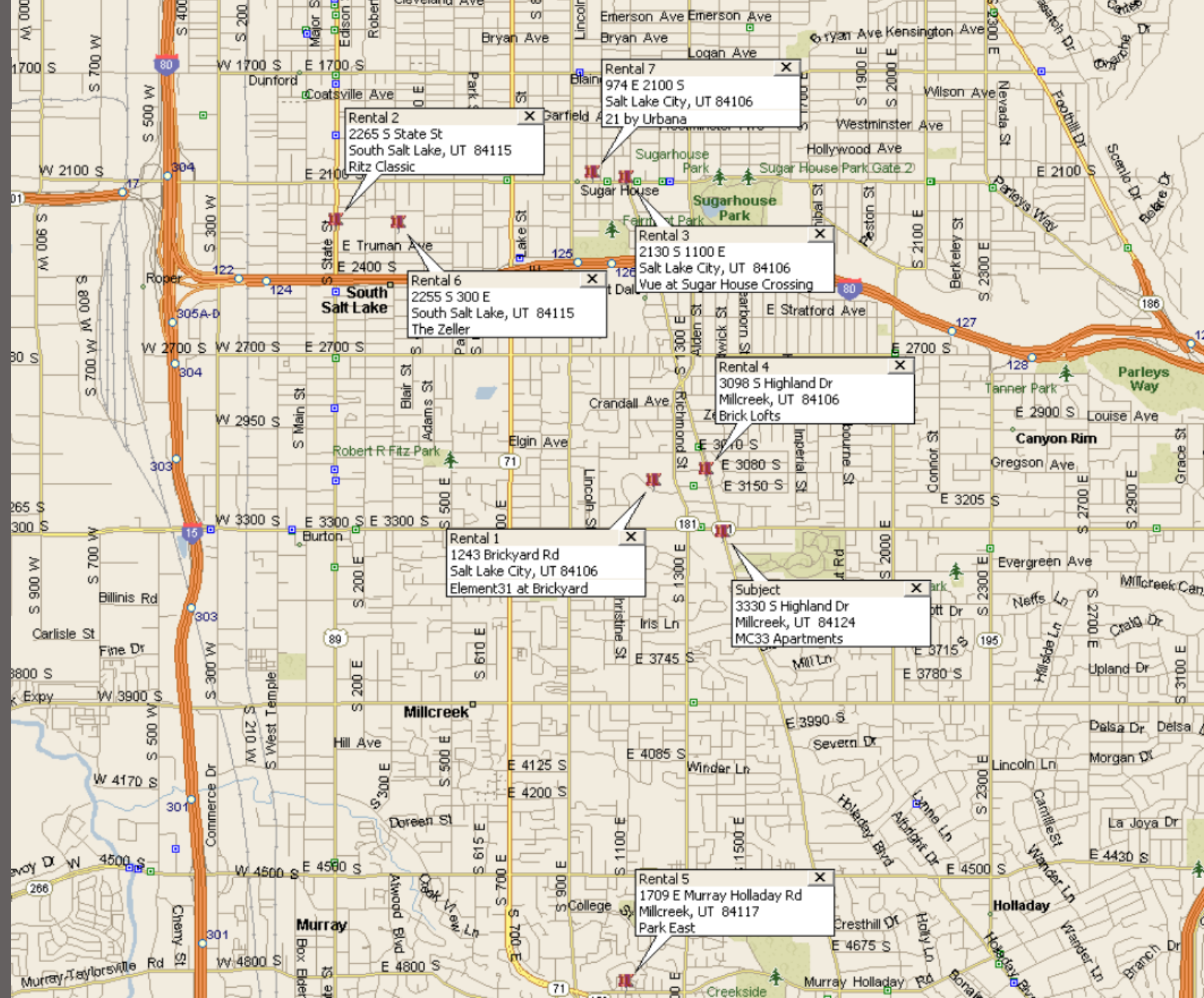
1709 E Murray Holladay Rd, Millcreek, UT 84117

RENTAL 6 – The Zeller

2255 S 300 E, South Salt Lake, UT 84115

RENTAL 7 – 21 by Urbana

974 E 2100 S, Salt Lake City, UT 84106



RENTAL 1



Element31 at Brickyard
1243 East Brickyard Road, Salt Lake City
Proximity to Subject: 1/2-mile northwest

RENTAL 2



Ritz Classic
2265 South State Street, South Salt Lake
Proximity to Subject: 3.3 miles northwest

RENTAL 3



The Vue at Sugar House Crossing
2130 South 1100 East, Salt Lake City
Proximity to Subject: 1.3 miles northwest

RENTAL 4



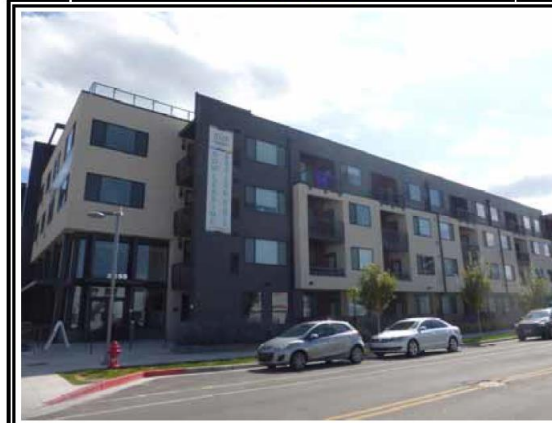
Brick Lofts
3098 South Highland Drive, Millcreek
Proximity to Subject: 0.3 miles north

RENTAL 5



Park East
1709 East Murray Holladay Road, Millcreek
Proximity to Subject: 2.5 miles south

RENTAL 6



The Zeller
2255 South 300 East, South Salt Lake
Proximity to Subject: 3 miles northwest

RENTAL 7



21 by Urbana
974 East 2100 South, Salt Lake City
Proximity to Subject: 2.1 miles northwest

SUMMARY OF COMPARABLE – STUDIO UNITS

No	Name	No. of Units	BR	BA	Unit Size	Rent/ Month	Rent/ Sq.Ft.	Occupancy
1	Element 31 at Brickyard	208	0	1	555 573	\$1,120 \$1,125	\$2.02 \$1.96	94%
2	Ritz Classic	287	0	1	497 644	\$900 \$1,025	\$1.81 \$1.59	Lease-up
3	Vue at Sugar House Crossing	211	0	1	612	\$1,275	\$2.08	94%
4	Brick Lofts	44	0	1	500	\$1,050	\$2.10	Lease-up
6	The Zeller	293	0	1	411 509 559	\$1,151 \$1,181 \$1,186	\$2.80 \$2.32 \$2.12	Lease-up
7	21 by Urbana	126	0	1	395 460 515	\$1,030 \$1,100 \$1,150	\$2.61 \$2.39 \$2.23	99%

SUMMARY OF COMPARABLE – ONE BEDROOM

No	Name	No. of Units	BR	BA	Unit Size	Rent/ Month	Rent/ Sq.Ft.	Occupancy
1	Element 31 at Brickyard	208	1	1	707	\$1,225	\$1.73	94%
			1	1	705	\$1,225	\$1.74	
			1	1	780	\$1,275	\$1.63	
2	Ritz Classic	287	1	1	674	\$1,200	\$1.78	Lease-up
			1	1	755	\$1,295	\$1.72	
			1	1	868	\$1,425	\$1.64	
3	Vue at Sugar House Crossing	211	1	1	668	\$1,450	\$2.18	94%
			1	1	743	n/a	\$n/a	
			1	1	792	\$1,525	\$1.93	
			1	1	846	n/a	n/a	
			1+	1	878	\$1,525	\$1.74	
4	Brick Lofts	44	1	1	625	\$1,200	\$1.92	Lease-up
5	Park East	70	1	1	706	\$1,200	\$1.70	100%
			1	1	817	\$1,200	\$1.47	

SUMMARY OF COMPARABLE – ONE BEDROOM *(cont.)*

No	Name	No. of Units	BR	BA	Unit Size	Rent/ Month	Rent/ Sq.Ft.	Occupancy
6	The Zeller	293	1	1	591	\$1,260	\$2.13	Lease-up
			1	1	629	\$1,299	\$2.07	
			1	1	662	\$1,300	\$1.96	
			1	1	705	\$1,400	\$2.02	
			1	1	716	\$1,265	\$1.77	
			1	1	740	\$1,360	\$1.84	
7	21 by Urbana	126	1	1	496	\$1,250	\$	99%
			1	1	553	\$1,300	\$	
			1	1	633	\$1,300	\$	
			1	1	668	\$1,600	\$	
			1	1	706	\$1,425	\$	
			1	1	708	\$1,565	\$	
			1	1	717	\$1,560	\$	
			1	1	761	\$1,390	\$	
			1+	1	790	\$1,625	\$	
1+	1	810	\$1,565	\$				

SUMMARY OF COMPARABLE – TWO BEDROOM

No	Name	No. of Units	BR	BA	Unit Size	Rent/ Month	Rent/ Sq.Ft.	Occupancy
1	Element 31 at Brickyard	208	2	2	915	\$1,475	\$1.61	94%
			2	2	979	\$1,575	\$1.61	
			2	2	990	\$1,575	\$1.50	
			2	2	1,015	\$1,610	\$1.59	
			2+	2	1,234	\$1,780	\$1.44	
2	Ritz Classic	287	2	1	885	\$1,490	\$1.68	Lease-up
			2	2	993	\$1,590	\$1.60	
			2	2	1,018	\$1,705	\$1.67	
			2	2	1,074	\$1,980	\$1.84	
3	Vue at Sugar House Crossing	211	2	1	846	n/a	n/a	94%
			2	2	973	\$1,799	\$1.85	
			2	2	1,015	\$1,950	\$1.92	
			2	2	1,038	n/a	n/a	
			2	2	1,063	\$2,000	\$1.88	
			2	2	1,149	n/a	n/a	
			2	2	1,157	n/a	n/a	

SUMMARY OF COMPARABLE – TWO BEDROOM (cont.)

No	Name	No. of Units	BR	BA	Unit Size	Rent/ Month	Rent/ Sq.Ft.	Occupancy
4	Brick Lofts	44	2	2	985	\$1,450	\$1.47	Lease-up
			2	2	1,025	\$1,600	\$1.56	
5	Park East	70	2	2	916	\$1,699	\$1.85	100%
			2	2	983	\$1,699	\$1.73	
			2	2	1,112	\$1,699	\$1.53	
			2	2	1,154	\$1,699	\$1.47	
6	The Zeller	293	2	1	757	\$1,650	\$2.18	Lease-up
			2	1	885	\$1,499	\$1.69	
			2	2	941	\$1,549	\$1.65	
			2	2	1,079	\$1,599	\$1.48	
			2	2	1,110	\$1,855	\$1.67	
			2	2	1,153	\$2,111	\$1.83	
			2	2	1,237	\$1,901	\$1.54	

SUMMARY OF COMPARABLE – TWO BEDROOM *(cont.)*

No	Name	No. of Units	BR	BA	Unit Size	Rent/ Month	Rent/ Sq.Ft.	Occupancy
7	21 by Urbana	126	2	2	907	\$1,640	\$1.81	99%
			2	2	949	\$1,650	\$1.74	
			2	2	981	\$1,710	\$1.74	
			2	2	1,013	\$1,810	\$1.79	
			2	2	1,032	\$1,860	\$1.80	
			2	2	1,055	\$1,710	\$1.62	
			2	2	1,059	\$1,835	\$1.73	
			2	2	1,090	\$1,875	\$1.72	
			2	2	1,092	\$1,860	\$1.70	
			2	2	1,096	\$1,840	\$1.68	
			2	2.5	1,102	\$2,080	\$1.89	

SUMMARY OF COMPARABLE – THREE BEDROOM

No	Name	No. of Units	BR	BA	Unit Size	Rent/ Month	Rent/ Sq.Ft.	Occupancy
3	Vue at Sugar House Crossing	211	3	2	1,500	\$2,700	\$1.80	94%
4	Brick Lofts	44	3	2	1,175	\$1,950	\$1.66	Lease-up
6	The Zeller	293	3	2	1,258	\$2,250	\$1.79	Lease-up
7	21 by Urbana	126	3	2.5	1,195	\$2,250	\$1.88	99%

COMPARABLE RENTAL RATES

STUDIO, 1 BATH UNITS
500 SQFT

MC33:

- \$1,100 monthly
- \$2.20 Sq.Ft.

Comparable Rental Rates:

- From \$900 to \$1,275 monthly
- From \$1.81 Sq.Ft. to \$2.23 Sq.Ft.

Studio, 1 Bath Units - - 500 Square Feet

These units will include a full bathroom, a dishwasher, microwave oven, refrigerator, range/oven and a balcony. Interior finishes will be good quality. They will not include any covered parking in the base rental rate. For the subject, the tenants pay all utilities. This is equal to each of the comparables.

Competing studio units listed in the grid range from \$900 to \$1,275. The base rental rates per square foot range from \$1.81 to \$2.23.

After making the necessary adjustments, and after dropping the highest and lowest figures, the adjusted rental rates are \$1,054; \$1,092; \$1,185; and \$1,100.

A base market rent of \$1,100 is reasonable for the subject. This is equal to \$2.20 per square foot.

COMPARABLE RENTAL RATES

1 BEDROOM, 1 BATH JUNIOR UNITS
650 SQFT

MC33:

- \$1,275 monthly
- \$1.96 Sq.Ft.

Comparable Rental Rates:

- From \$1,200 to \$1,450 monthly
- From \$1.70 Sq.Ft. to \$2.17 Sq.Ft.

1 Bedroom - Junior Units - - 650 Square Feet

These units will include one bedroom, a full bathroom, a dishwasher, microwave oven, refrigerator, range/oven and a balcony. Interior finishes will be good quality. They will not include any covered parking in the base rental rate. For the subject, the tenants pay all utilities. This is equal to each of the comparables.

Competing one-bedroom units listed in the grid range from \$1,200 to \$1,450. The base rental rates per square foot range from \$1.70 to \$2.17.

After making the necessary adjustment, and after dropping the highest and lowest figures, the adjusted rental rates are \$1,168; \$1,216; \$1,375; \$1,340; and \$1,267.

A base market rent of \$1,275 is reasonable for the subject. This is equal to \$1.96 per square foot.

COMPARABLE RENTAL RATES

1 BEDROOM, 1 BATH LUXURY UNITS 775 SQFT

MC33:

- \$1,425 monthly
- \$1.84 Sq.Ft.

Comparable Rental Rates:

- From \$1,200 to \$1,650 monthly
- From \$1.70 Sq.Ft. to \$2.06 Sq.Ft.

1 Bedroom - Luxury Units - - 775 Square Feet

These units will include one bedroom, a full bathroom, a dishwasher, microwave oven, refrigerator, range/oven and a balcony. Interior finishes will be good quality. They will not include any covered parking in the base rental rate. For the subject, the tenants pay all utilities. This is equal to each of the comparables.

Competing one-bedroom units listed in the grid range from \$1,200 to \$1,625. The base rental rates per square foot range from \$1.70 to \$2.06.

After making the necessary adjustment, and after dropping the highest and lowest figures, the adjusted rental rates are \$1,295; \$1,355; \$1,432; \$1,520; and \$1,415.

A base market rent of \$1,425 is reasonable for the subject. This is equal to \$1.84 per square foot.

COMPARABLE RENTAL RATES

1 BEDROOM PLUS DEN UNITS 850 SQFT

MC33:

- \$1,500 monthly
- \$1.76 Sq.Ft.

Comparable Rental Rates:

- From \$1,450 to \$1,565 monthly
- From \$1.61 Sq.Ft. to \$1.93 Sq.Ft.

1 Bedroom Plus Den - - 850 Square Feet

These units will include a den, one bedroom, a full bathroom, a dishwasher, microwave oven, refrigerator, range/oven and a balcony. Interior finishes will be good quality. They will not include any covered parking in the base rental rate. For the subject, the tenants pay all utilities. This is equal to each of the comparables.

Competing one-bedroom units listed in the grid range from \$1,450 to \$1,565. The range per square foot is \$1.61 to \$1.93.

After making the necessary adjustment, and after dropping the highest and lowest figures, the adjusted rental rates are \$1,524; \$1,411; \$1,499; and \$1,512.

A base market rent of \$1,500 is reasonable for the subject. This is equal to \$1.76 per square foot.

COMPARABLE RENTAL RATES

2 BEDROOM, 2 BATH – STANDARD UNITS 975 SQFT

MC33:

- \$1,650 monthly
- \$1.69 Sq.Ft.

Comparable Rental Rates:

- From \$1,549 to \$1,799 monthly
- From \$1.56 Sq.Ft. to \$1.85 Sq.Ft.

2 Bedroom, 2 Bath - Standard - - 975 Square Feet

These units will include two bedrooms, two full bathrooms, a dishwasher, microwave oven, refrigerator, range/oven and a balcony. Interior finishes will be good quality. They will not include any covered parking in the base rental rate. For the subject, the tenants pay all utilities. This is equal to each of the comparables.

Competing two-bedroom units listed in the grid range from \$1,549 to \$1,799. The base rental rates per square foot range from \$1.56 to \$1.85.

After making the necessary adjustment, and after dropping the highest and lowest figures, the adjusted rental rates are \$1,641; \$1,698; \$1,712; \$1,596; and \$1,618.

A base market rent of \$1,650 is reasonable for the subject. This is equal to \$1.69 per square foot.

COMPARABLE RENTAL RATES

2 BEDROOM, 2 BATH – STANDARD UNITS
975 SQFT

MC33:

- \$1,800 monthly
- \$1.64 Sq.Ft.

Comparable Rental Rates:

- From \$1,599 to \$2,000 monthly
- From \$1.48 Sq.Ft. to \$1.88 Sq.Ft.

2 Bedroom, 2 Bath - Luxury - - 1,100 Square Feet

These units will include two bedrooms, two full bathrooms, a dishwasher, microwave oven, refrigerator, range/oven and a balcony. Interior finishes will be good quality. They will not include any covered parking in the base rental rate. For the subject, the tenants pay all utilities. This is equal to each of the comparables.

Competing two-bedroom units listed in the grid range from \$1,599 to \$2,000. The base rental rates per square foot range from \$1.48 to \$1.88.

After making the necessary adjustment, and after dropping the highest and lowest figures, the adjusted rental rates are \$1,836; \$1,830; \$1,837; \$1,636; and \$1,748.

A base market rent of \$1,800 is reasonable for the subject. This is equal to \$1.64 per square foot.

SUMMARY OF BASE RENTAL RATES

Unit Type	Unit Size	Base Market Rate	Rent Per Sq.Ft.
Studio, One Bath	500	\$1,100	\$2.20
One Bedroom, One Bath – Junior	650	\$1,275	\$1.96
One Bedroom, One Bath – Luxury	775	\$1,425	\$1.84
One Bedroom Plus Den	850	\$1,500	\$1.76
Two Bedroom, Two Bath – Standard	975	\$1,650	\$1.69
Two Bedroom, Two Bath – Luxury	1,100	\$1,800	\$1.64



V. Market Overview

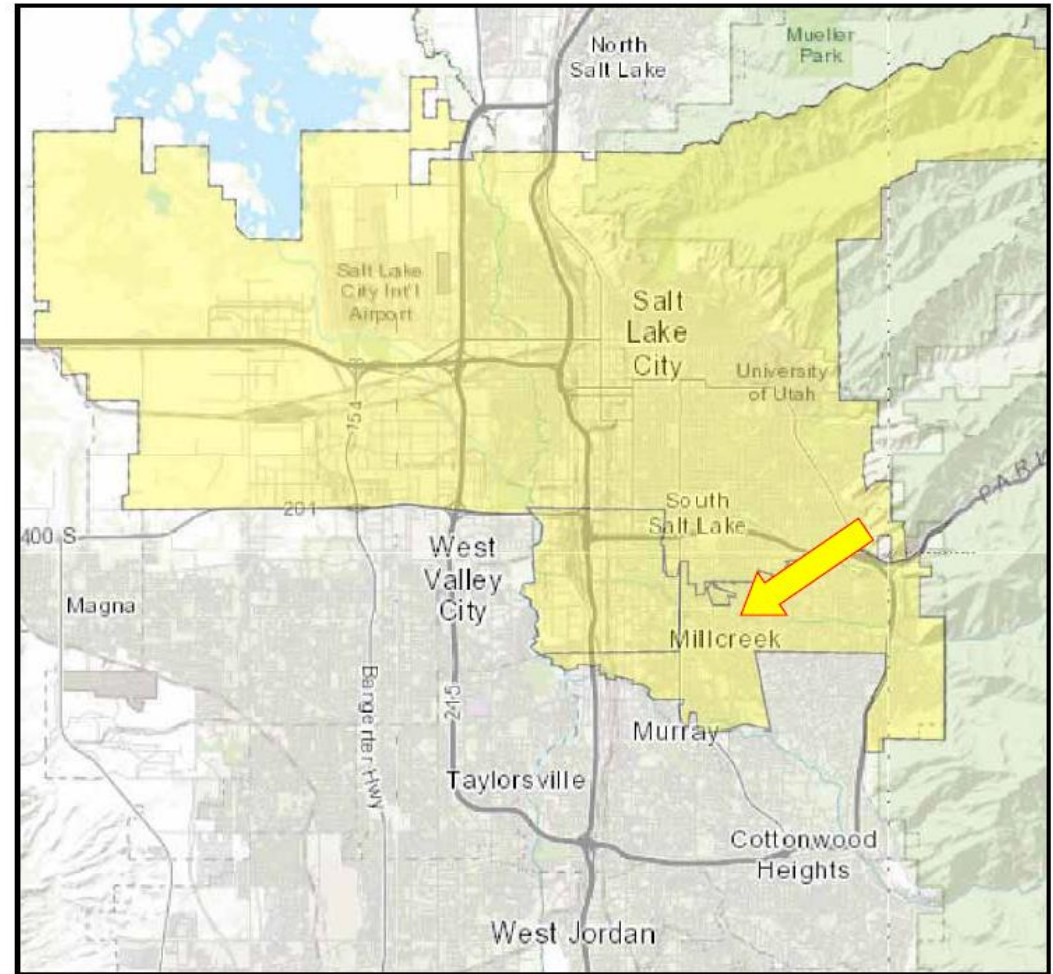
MARKET AND SUB-MARKET

MARKET

The primary market area is the northeastern portion of Salt Lake County, encompassing the cities of Millcreek, South Salt Lake and Salt Lake City.

SUB-MARKET

The secondary market area is considered to be Salt Lake County.



POPULATION

According to the US Census Bureau, the population of Salt Lake County was 1,029,665 as of 2010. Between 2000 and 2010, the population of the county grew by 14.6%, an average of about 1.35% per year. As of 2018, the population is estimated at 1,152,633, which is an increase of 11.9% since 2010.

Both Salt Lake County and Utah's percentage population growth has outpaced the national average each of the last seven decades.

Salt Lake City is the largest city in Salt Lake County, making up 17.4% of the total population. The second largest city in the county is West Valley City, making up 11.8% of the total population.

SALT LAKE COUNTY AND CITY POPULATION FIGURES 2010 & 2018			
	2010	2018	Increase
Salt Lake County	1,029,655	1,152,633	11.9%
Salt Lake City	186,440	200,591	7.6%
West Valley	129,480	136,401	5.3%
West Jordan	103,712	116,046	11.9%
Sandy	87,461	96,901	10.8%
South Jordan	50,418	74,149	47.1%
Millcreek	n/a	61,270	n/a
Taylorsville	58,652	60,192	2.6%
Murray	46,746	49,308	5.5%
Draper	42,274	48,319	14.3%
Herriman	21,875	44,877	105.2%
Riverton	38,753	44,419	14.6%
Cottonwood Heights	33,433	34,117	2.0%
Midvale	27,964	33,636	20.3%
Holladay	26,472	30,697	16.0%
South Salt Lake	23,617	25,365	7.64%
Bluffdale	7,598	14,699	93.5%
Alta	383	383	0.0%

Source: U.S. Census Bureau
Note: The city of Millcreek was not yet incorporated in 2010.

POPULATION

Although Salt Lake County benefits from net migration most years, natural increase has historically accounted for the greatest percentage of population increase.

Over the past decade, about 87% of the county's population growth was due to natural increase.

Salt Lake County has shown strong population growth trends for the past 70 years.

Since 1940, the average annual rate of growth has been 2.2%.

SALT LAKE COUNTY POPULATION TRENDS		
Year	Population	Percentage Increase
1940	213,700	-
1950	279,000	30.6%
1960	387,800	39.0%
1970	461,500	19.0%
1980	625,000	35.4%
1990	728,298	16.5%
2000	902,777	24.0%
2010	1,029,665	14.1%
2018	1,152,633	11.9% (8 years)
2023 (projection)	1,217,108	5.6% (5 years)

Sources:
Historical Figures - U.S. Census Bureau
Projection – The Kem C. Gardner Policy Institute (2015-2065 State and County Projections) projects that the county's population will increase at an average annual rate of 1.49% between 2018 and 2023. Therefore, the actual 2018 U.S. Census population estimate has been trended forward at an annual rate of 1.37% to project the 2023 population.

EMPLOYMENT

Employment in Salt Lake County increased every year from 2003 through 2008, before declining in 2008 through 2010.

However, employment increased each year from 2010 to 2019. Currently, total employment has increased 2.3% since August 2018.

The unemployment rate steadily declined each year since 2010.

SALT LAKE COUNTY TREND IN EMPLOYMENT 2007 TO 2019 (AUGUST OF EACH YEAR)				
YEAR	LABOR FORCE	EMPLOYMENT	UNEMPLOYMENT	UNEMPLOYMENT RATE
2007	552,866	538,422	14,444	2.6%
2008	557,379	538,264	19,115	3.4%
2009	550,762	509,737	41,005	7.4%
2010	549,036	506,618	42,418	7.7%
2011	546,326	511,035	35,291	6.5%
2012	558,092	529,774	28,318	5.1%
2013	571,138	546,813	24,325	4.3%
2014	575,693	554,678	21,015	3.7%
2015	586,556	566,863	19,693	3.4%
2016	604,803	586,053	18,750	3.1%
2017	616,457	597,229	19,228	3.1%
2018	621,629	602,708	18,921	3.0%
2019	633,255	616,737	16,518	2.6%

SOURCE: UTAH DEPARTMENT OF WORKFORCE SERVICES DATA IS SEASONALLY ADJUSTED

EMPLOYMENT

The largest employment sectors are trade, transportation and utilities, professional and business services and government. The County is the center of Utah's financial activities and government services.

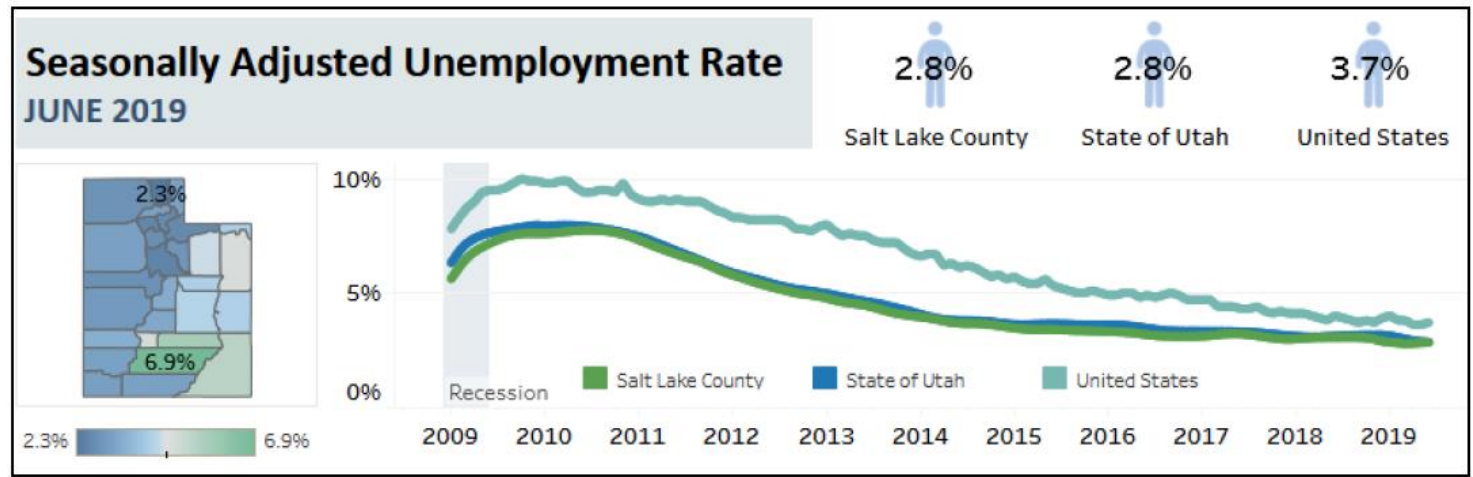
Rank	Company	Industry	Average Annual Employment
1	University of Utah	Higher Education	20,000 +
2	State of Utah	State Government	20,000 +
3	Intermountain Health Care	Health Care	15,000-19,999
4	United States Government	Federal Government	10,000-14,999
5	Wal-Mart	Warehouse Clubs/Supercenters	7,000-9,999
6	Granite School District	Public Education	7,000-9,999
7	LDS Church Religious Agencies	Religious Organizations	7,000-9,999
8	Zions Bank	Financial Services	7,000-9,999
9	Salt Lake County	Local Government	5,000-6,999
10	Jordan School District	Public Education	5,000-6,999
11	Salt Lake County	Local Government	5,000-6,999
12	Canyons School District	Public Education	4,000-4,999
13	Smiths	Grocery Stores	4,000-4,999
14	Delta Airlines	Transportation	4,000-4,999
15	United Parcel Service	Delivery Service	3,000-3,999
16	Discover	Financial Services	3,000-3,999
17	Salt Lake City School District	Public Education	3,000-3,999
18	Department of Veterans Affairs	Health Care	3,000-3,999
19	C.R. England	Delivery Service	3,000-3,999
20	L3 Technologies	Manufacturing	3,000-3,999
21	ARUP Laboratories	Medical Research	3,000-3,999
22	Salt Lake Community College	Higher Education	3,000-3,999
23	Wells Fargo	Financial Services	2,000-2,999
24	Goldman Sachs	Financial Services	2,000-2,999
25	Amazon Fulfillment Services	Delivery Service	2,000-2,999
26	McDonalds	Restaurants	2,000-2,999
27	Target	Retail	2,000-2,999
28	Jetblue Airways	Transportation	2,000-2,999
29	Utah Transit Authority	Public Transportation	2,000-2,999
30	Salt Lake City	Local Government	2,000-2,999

UNEMPLOYMENT

Salt Lake County's unemployment rate stands at 2.8% (June 2019), which is equal to the statewide average and below the national average of 3.7%.

The unemployment rate in Salt Lake County has historically mirrored the rate for the state as a whole. Employment increased by 110,119, or 21.7%, from August 2010 to August 2019. Over the past year (August 2018 to August 2019), employment in Salt Lake County increased 2.3%. During that period, the unemployment rate decreased from 3.0% to 2.6%. The current total number employed is 14,029 above the August 2018 figure.

Although total employment in Utah has increased by 305,755 over the past nine years, it is only 227,492 above the employment level of August 2007.



TRENDS IN EMPLOYMENT 2007 - 2019 SALT LAKE COUNTY AND STATE OF UTAH AUGUST OF EACH YEAR						
Year	Salt Lake County			State of Utah		
	Employment	Growth Rate	Unemployment Rate	Employment	Growth Rate	Unemployment Rate
2007	538,422	3.2%	2.6%	1,328,839	3.2%	2.8%
2008	538,264	-0.0%	3.4%	1,322,652	-0.5%	3.6%
2009	509,737	-5.3%	7.4%	1,254,188	-5.2%	7.8%
2010	506,618	-0.6%	7.7%	1,250,576	-0.3%	7.8%
2011	511,035	0.9%	6.5%	1,260,385	0.8%	6.5%
2012	529,774	3.7%	5.1%	1,304,435	3.5%	5.2%
2013	546,813	3.2%	4.3%	1,346,638	3.2%	4.5%
2014	554,678	1.4%	3.7%	1,374,813	2.1%	3.8%
2015	566,863	2.2%	3.4%	1,411,708	2.7%	3.6%
2016	586,053	3.4%	3.1%	1,462,871	3.6%	3.4%
2017	597,229	1.9%	3.1%	1,502,215	2.7%	3.3%
2018	602,708	0.9%	3.0%	1,524,293	1.5%	3.1%
2019	616,737	2.3%	2.6%	1,556,331	2.1%	2.8%

Source: Utah Department of Workforce Services. Seasonally adjusted.

INCOMES

Median household income was estimated to be \$71,471 in 2017, according to the U.S. Census Bureau's American Community Survey (the most recent figures available). This is slightly higher than the \$68,358 median household income level found in the State of Utah. For 2019, the US Department of HUD estimates the median household income at \$82,700. This represented a 3.4% increase from 2018, when the median income was \$80,000. Since 2000, the average annual increase has been 2.3%.

WAGES

For the first quarter of 2019, the average monthly wage in the private sector in Salt Lake County was \$4,910. This is 116% of the state-wide average wage of \$4,231. Salt Lake County is the center of government and finance for the state of Utah.

AVERAGE WAGES FOR SALT LAKE COUNTY AND STATE OF UTAH FIRST QUARTER 2019		
	Salt Lake County	State of Utah
Total Private Sector	\$4,910	\$4,231
Agriculture	\$2,873	\$2,968
Mining	\$7,569	\$6,975
Utilities	\$11,045	\$8,856
Construction	\$4,797	\$4,261
Manufacturing	\$5,783	\$5,110
Wholesale Trade	\$6,648	\$6,241
Retail Trade	\$3,304	\$2,891
Transportation and Warehousing	\$4,776	\$4,513
Information	\$6,669	\$7,361
Finance & Insurance	\$7,798	\$6,950
Real Estate and Rental Leasing	\$5,534	\$4,533
Professional / Scientific & Technical Svcs	\$6,989	\$6,318
Management of Companies / Enterprises	\$9,623	\$9,000
Admin, Support, Waste Mgt, Remediation	\$3,610	\$3,240
Education Services	\$3,193	\$2,673
Health Care & Social Assistance	\$4,123	\$3,717
Arts, Entertainment and Recreation	\$2,868	\$2,279
Accommodation and Food Services	\$1,723	\$1,578
Other Services	\$3,235	\$2,974
Unclassified Establishments	\$12,515	\$12,085
Total Public Sector	\$4,334	\$3,757
Federal Government	\$6,332	\$5,748
State Government	\$4,682	\$3,863
Local Government	\$3,462	\$3,148

Source: Utah Department of Workforce Services. 1ST Quarter 2019

CONSTRUCTION

Residential construction in Salt Lake County peaked in 2005 with 7,746 new dwelling units. The number of new dwelling declined to a low of only 2,193 units in 2010, before increasing each of the next four years. 6,529 new dwelling permits were issued in 2014. During 2015, residential construction value was up 5.0% compared to 2014. Residential construction value increased by 34.6% during 2016, before decreasing 10.7% in 2017 and increasing 16.9% in 2018.

Nonresidential construction peaked in 2007 at over \$848 million but was only approximately \$308 million in 2010. 2014 nonresidential construction value was over \$518 million. During 2015, nonresidential construction value was up 16.3% compared to 2014. Nonresidential construction value increased 33.4% during 2016, before increasing another 21.5% during 2017. However, nonresidential construction decreased 3.6% in 2018.

Total construction value peaked in 2007 at over \$2.15 billion. Total construction value reached a low of \$1.04 billion 2010. In 2014, total construction value was about \$2.03 billion, which was a 27.2% increase from the 2013 figure. During 2015, total construction value was up 3.3% compared to 2014. Total construction value increased 55.8% in 2016, before declining 12.7% in 2017 and increasing 5.2% in 2018.

PERMIT-AUTHORIZED CONSTRUCTION IN SALT LAKE COUNTY 2000 TO AUGUST 2019

Year	Number of New Dwelling Units	% Chng from Previous Year	New Residential Construction	% Chng from Previous Year	New Nonresidential Construction*	% Chng from Previous Year	Total Construction* (Includes Add., Alter., & Rep)	% Chng from Previous Year
2000	4,666	-11.7%	\$544.6	-6.0%	\$535.9	1.2%	\$1,421.2	1.2%
2001	5,429	16.4%	\$628.4	15.4%	\$438.5	-18.2%	\$1,389.8	-2.2%
2002	5,406	-0.4%	\$653.5	4.0%	\$292.6	-33.3%	\$1,142.0	-17.8%
2003	7,399	36.9%	\$899.0	37.6%	\$296.1	1.2%	\$1,430.8	25.3%
2004	6,491	-12.3%	\$918.7	2.2%	\$504.7	70.4%	\$1,673.0	16.9%
2005	7,746	19.3%	\$1,174.5	27.8%	\$496.3	-1.7%	\$2,073.6	23.9%
2006	6,200	-20.0%	\$1,087.5	-7.4%	\$621.9	25.3%	\$2,075.5	-0.1%
2007	4,512	-27.2%	\$820.0	-24.6%	\$848.7	36.5%	\$2,153.6	3.8%
2008	3,555	-21.2%	\$588.5	-28.2%	\$707.8	-16.6%	\$1,656.1	-23.1%
2009	4,586	29.0%	\$649.5	10.4%	\$564.4	-20.3%	\$1,545.1	-6.7%
2010	2,193	-52.2%	\$396.4	-39.0%	\$308.1	-45.4%	\$1,042.6	-32.5%
2011	2,399	9.4%	\$471.0	18.8%	\$726.0	135.2%	\$1,640.2	57.3%
2012	2,934	22.3%	\$634.6	34.7%	\$608.6	-16.2%	\$1,589.5	-3.1%
2013	5,153	75.6%	\$901.0	42.0%	\$432.4	-30.4%	\$1,595.9	0.4%
2014	6,529	26.7%	\$994.9	10.4%	\$518.0	19.8%	\$2,029.6	27.2%
2015	6,077	-6.9%	\$1,045.1	5.0%	\$602.6	16.3%	\$2,096.4	3.3%
2016	8,328	37.0%	\$1,406.2	34.6%	\$803.7	33.4%	\$3,266.9	55.8%
2017	6,567	-21.1%	\$1,255.7	-10.7%	\$976.4	21.5%	\$2,852.9	-12.7%
2018	8,150	24.1%	\$1,467.6	16.9%	\$941.4	-3.6%	\$3,001.2	5.2%
2019 (Thru. Aug.)	6,645	1.03	\$1,214.2	11.9%	\$668.2	2.4%	\$2,401.6	10.0%

- In millions of dollars
- Source: Ivory-Boyer Construction Database
- 2019 figure is through August.

BUILDING PERMITS

Single - family

Over the last several years, single family building permits peaked in 2005 at 5,401. However, only 1,018 permits were issued in 2009.

Single family permits remained fairly flat during 2010 and 2011 but increased approximately 66% in 2012 and about 19% in 2013.

During 2014, single family building permits decreased approximately 21% and increased 5% in 2015. Single family permits increased by 20% in 2016 before decreasing slightly in 2017.

Single family permits increased 7.5% in 2018.

SINGLE FAMILY BUILDING PERMITS IN SALT LAKE COUNTY	
Year	Units Permitted
2001	3,558
2002	3,796
2003	4,992
2004	4,920
2005	5,401
2006	4,624
2007	2,562
2008	1,147
2009	1,018
2010	1,292
2011	1,258
2012	2,093
2013	2,485
2014	1,954
2015	2,058
2016	2,475
2017	2,455
2018	2,640
2019 (Thru August)	1,352

Sources: Ivory-Boyer Construction Database

BUILDING PERMITS

Multi - family

3,568 multi-family building permits were issued in 2009, the highest total of the decade. However, multi-family building permits decreased substantially in 2010, 2011 and 2012.

Multi-family permits increased 217% from 2012 to 2013. 4,575 multi-family permits were issued during 2014, an approximately 71% increase over the 2013 figure and nearly a 28% increase over the previous peak year of 2009.

Multi-family permits decreased 12% during 2015. However, multifamily permits peaked at 5,853 in 2016, a 46% increase over the 2015 figure.

Multifamily permits declined 30% during 2017 before increasing by 34% during 2018.

MULTI-FAMILY BUILDING PERMITS IN SALT LAKE COUNTY	
Year	Units Permitted
2001	1,871
2002	1,610
2003	2,407
2004	1,571
2005	2,345
2006	1,576
2007	1,950
2008	2,408
2009	3,568
2010	901
2011	1,146
2012	841
2013	2,668
2014	4,575
2015	4,019
2016	5,853
2017	4,112
2018	5,510
2019 (Thru August)	5,293

Source: Ivory-Boyer Construction Database

ECONOMIC CONDITION

Construction activity has increased recently in Salt Lake County. Total construction value during 2016 increased by 55.8% compared to 2015, before declining 12.7% during 2017. Total construction value increased 5.2% during 2018.

Employment increased 2.3% from August 2018 to August 2019. The unemployment rate is now 2.6% (August 2019) which is slightly below the statewide average of 2.8% and the national average of 3.7%.

An economy that is stronger than the nation as a whole continues to result in population increases in Salt Lake County. The county's population continues to grow at a strong pace. The population is expected to increase by another 1.49% per year through 2022.

The economy of Salt Lake County is closely tied to the economy of the state as a whole. By most accounts, Utah has the strongest economy in the United States.

Economic growth in Utah is expected to continue during the remainder of 2019.

Absorption between 2010 and 2017 (per 2017 American Community Survey) was 14,138 units, an average of 2,020 per year. This is about double annual average during the 2000 to 2009 period. Much of the increased demand for apartments can be attributed to the weakness of the "for sale" housing market, which has led to strong growth in the number of renter households.

Vacancy rates in the area are low and rental rates have been increasing at 3% to 5% per year for the past few years.

The long-term outlook for rental housing in Salt Lake County is strong. Utah continues to experience the nation's highest birth rate. The state has experienced net in-migration over the past several years. The unemployment rate is well below national averages. According to the American Legislative Exchange Council, Utah is ranked as the state with the best economic outlook.

There are currently (2019) about 129,705 occupied rental units in Salt Lake County. This is projected to increase to 142,591 by 2023, an average annual increase of about 3,221 renter households.

Currently, about 30% of the rental units in Salt Lake County are single family homes or mobile homes and 18% are in two to four-unit structures or mobile homes. The remaining 51% are in structures with five or more units.

Characteristics of the local rental housing market are examined in the following pages.

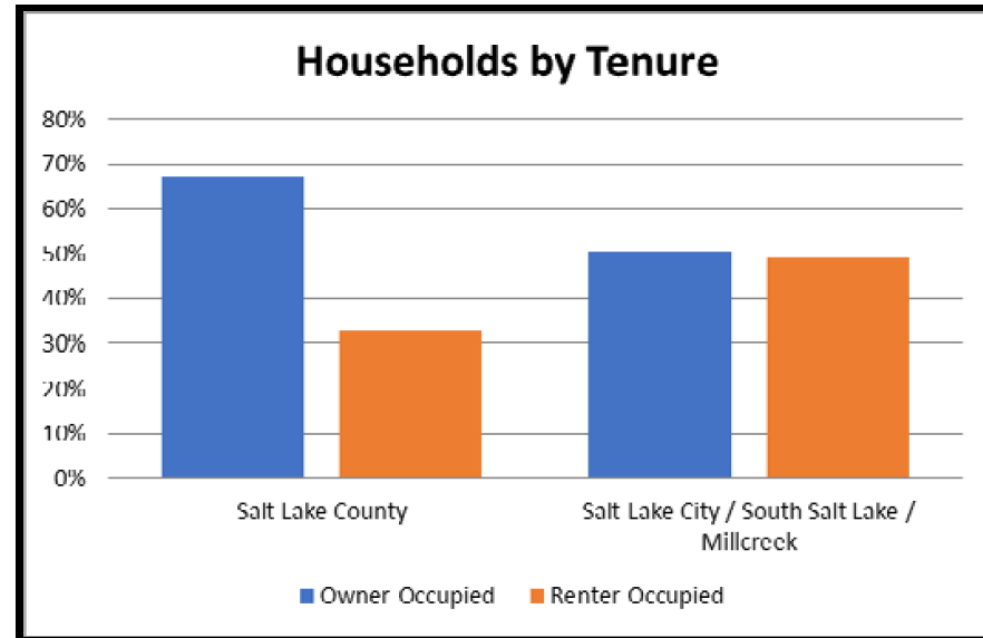
HOUSEHOLDS BY TENURE

Although the cities of Salt Lake City, South Salt Lake and Millcreek represent only 25% of the population of Salt Lake County, 44% of all renter households in Salt Lake County reside in that area.

In Salt Lake County, nearly 33% of all households occupy rental housing. In Salt Lake City / South Salt Lake / Millcreek, over 49% of all households are renters.

HOUSEHOLDS BY TENURE				
Age	Salt Lake County		Salt Lake City / South Salt Lake / Millcreek	
	Number	Percentage	Number	Percentage
Homeowners	252,690	67.1%	55,295	50.5%
Renters	123,624	32.9%	54,111	49.5%
Totals	376,314	100.0%	109,406	100.0%

Source: American Community Survey - US Census Bureau – File B25003
 Salt Lake County & Salt Lake City – 2017 - 1-Year Estimates
 South Salt Lake & Millcreek – 2017 - 5-Year Estimates



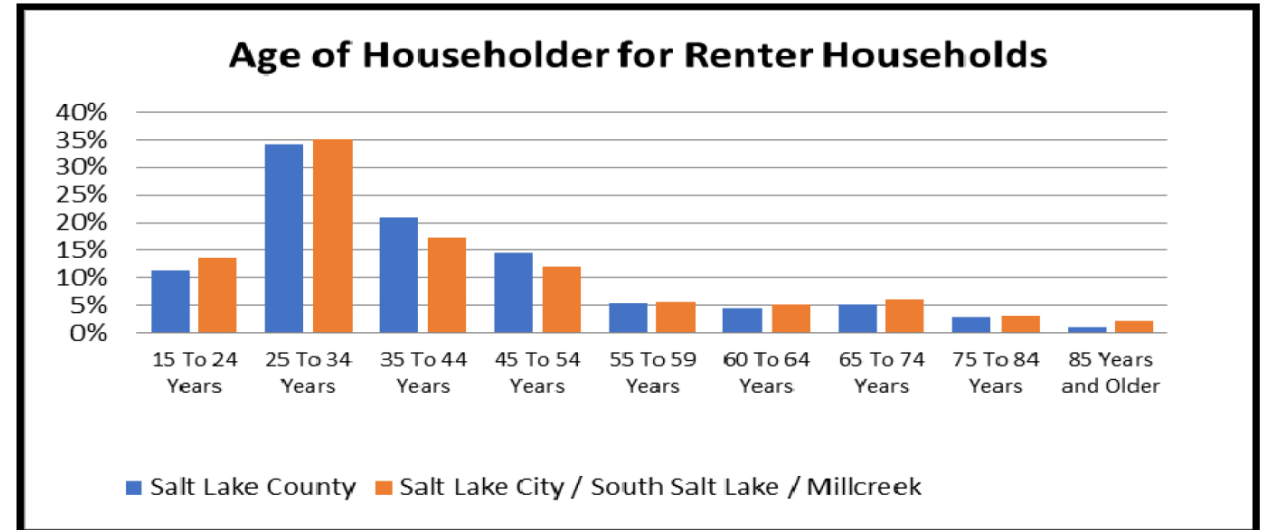
AGE OF HOUSEHOLDERS

The renter population in the area tends to be young. In Salt Lake County, over 45% of renter households are headed by persons that are under 35 years of age. About 11% of renter householders are 65 years old or older.

In Salt Lake City / South Salt Lake / Millcreek, about 49% of renter households are headed by persons that are under 35 years of age. Only about 11% of renter householders are 65 years old or older.

TENURE BY AGE OF HOUSEHOLDER				
Age of Householder	Salt Lake County		Salt Lake City / South Salt Lake / Millcreek	
	Number	Percentage	Number	Percentage
15 to 24 Years	13,937	11.3%	7,414	13.7%
25 to 34 Years	42,333	34.2%	19,027	35.2%
35 to 44 Years	25,801	20.9%	9,304	17.2%
45 to 54 Years	18,082	14.6%	6,541	12.1%
55 to 59 Years	6,527	5.3%	3,014	5.6%
60 to 64 Years	5,655	4.6%	2,731	5.0%
65 to 74 Years	6,430	5.2%	3,229	6.0%
75 to 84 Years	3,480	2.8%	1,713	3.2%
85 Years and Over	1,379	1.1%	1,138	2.1%
Totals	123,624	100.0%	54,111	100.0%

Source: American Community Survey - US Census Bureau – File B25007
Salt Lake County & Salt Lake City – 2017 - 1-Year Estimates
South Salt Lake & Millcreek – 2017 - 5-Year Estimates



HOUSEHOLD SIZE FOR RENTER HOUSEHOLDERS

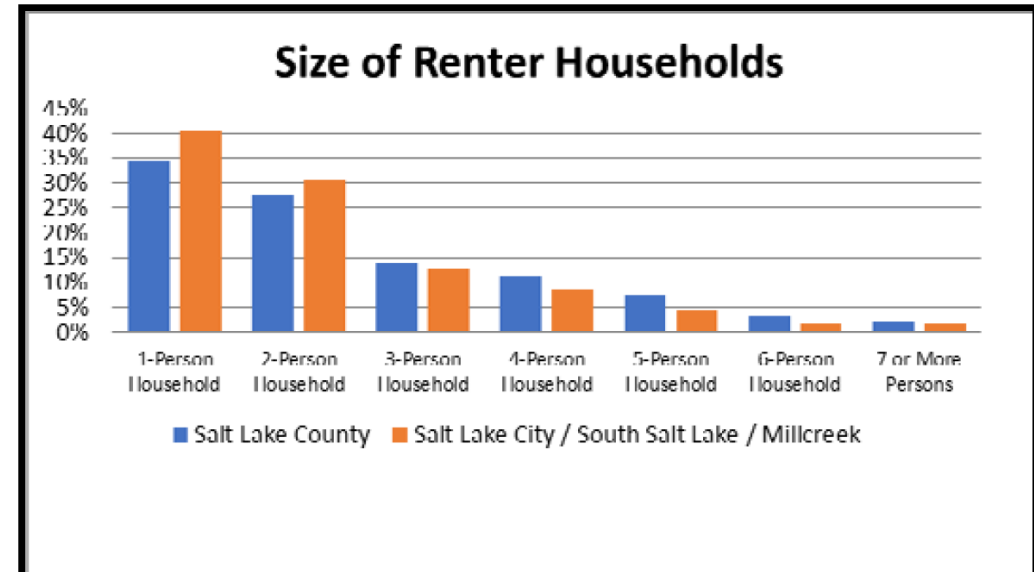
Salt Lake City / South Salt Lake / Millcreek have a high percentage of small renter households.

In Salt Lake County, about 62% of all renter households consist of one or two persons.

This compares with about 71% in Salt Lake City / South Salt Lake / Millcreek.

SIZE OF HOUSEHOLD RENTAL HOUSEHOLDS				
Household Size	Salt Lake County		Salt Lake City / South Salt Lake / Millcreek	
	Number	Percentage	Number	Percentage
1 Person	42,674	34.5%	21,934	40.5%
2 Persons	33,852	27.4%	16,487	30.5%
3 Persons	17,396	14.1%	6,888	12.7%
4 Persons	13,797	11.2%	4,557	8.4%
5 Persons	9,211	7.5%	2,387	4.4%
6 Persons	4,208	3.4%	1,036	1.9%
7 or More Persons	2,486	2.0%	822	1.5%
Totals	123,624	100.0%	54,111	100.0%

Source: American Community Survey - US Census Bureau – File B25009
Salt Lake County & Salt Lake City – 2017 - 1-Year Estimates
South Salt Lake & Millcreek – 2017 - 5-Year Estimates



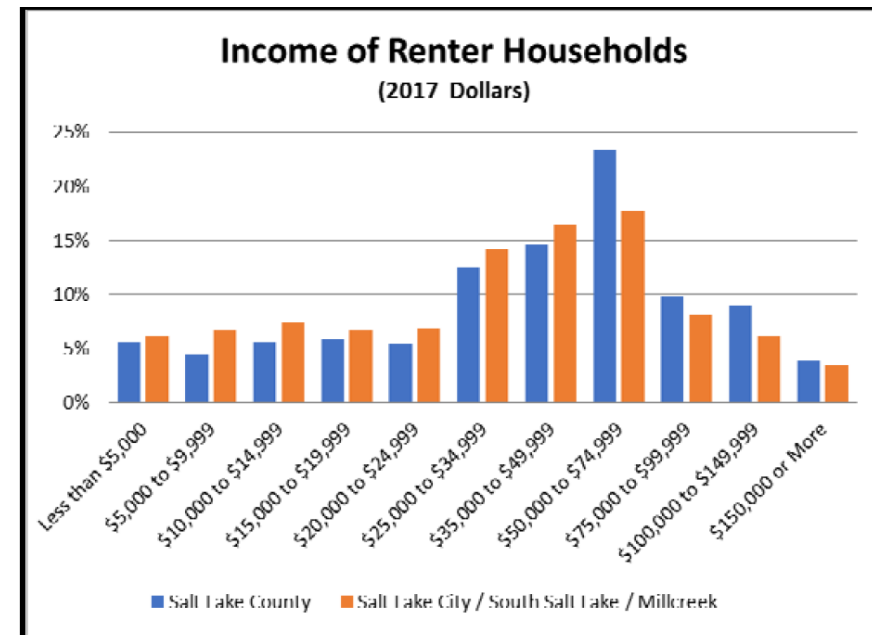
INCOMES OF RENTER HOUSEHOLDS

In Salt Lake City / South Salt Lake / Millcreek, about 52% of all renter households have income over \$35,000 per year.

This is similar to Salt Lake County as a whole.

INCOMES OF RENTER HOUSEHOLDS				
Income	Salt Lake County		Salt Lake City / South Salt Lake / Millcreek	
	Number	Percentage	Number	Percentage
Less than \$5,000	6,852	5.5%	3,335	6.2%
\$5,000 to \$9,999	5,475	4.4%	3,595	6.6%
\$10,000 to \$14,999	6,895	5.6%	4,010	7.4%
\$15,000 to \$19,999	7,223	5.8%	3,673	6.8%
\$20,000 to \$24,999	6,736	5.4%	3,724	6.9%
\$25,000 to \$34,999	15,485	12.5%	7,671	14.2%
\$35,000 to \$49,999	17,968	14.5%	8,901	16.4%
\$50,000 to \$74,999	28,977	23.4%	9,608	17.8%
\$75,000 to \$99,999	12,186	9.9%	4,399	8.1%
\$100,000 to \$149,999	11,062	8.9%	3,315	6.1%
\$150,000 or More	4,765	3.9%	1,880	3.5%
Totals	123,624	100.0%	54,111	100.0%

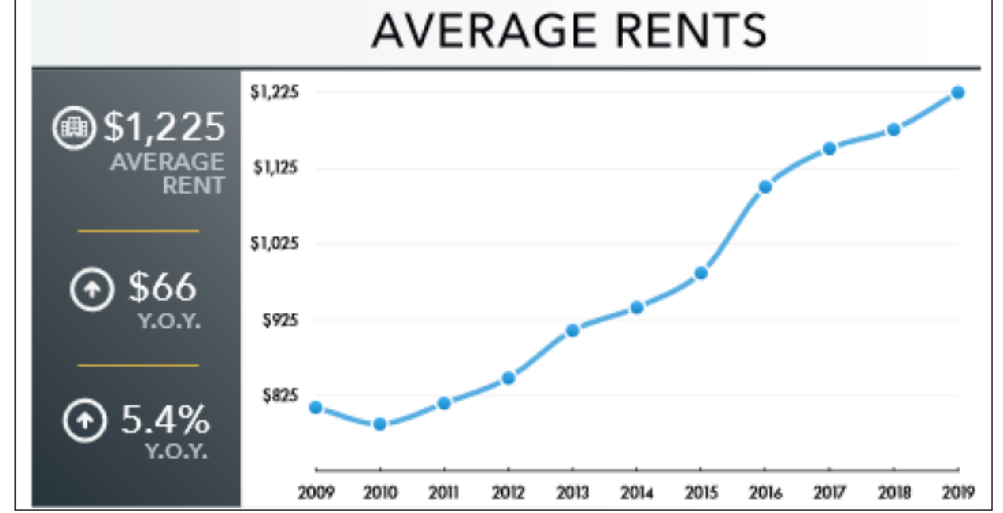
Source: American Community Survey - US Census Bureau – File B25118
Salt Lake County & Salt Lake City – 2017 - 1-Year Estimates
South Salt Lake & Millcreek – 2017 - 5-Year Estimates



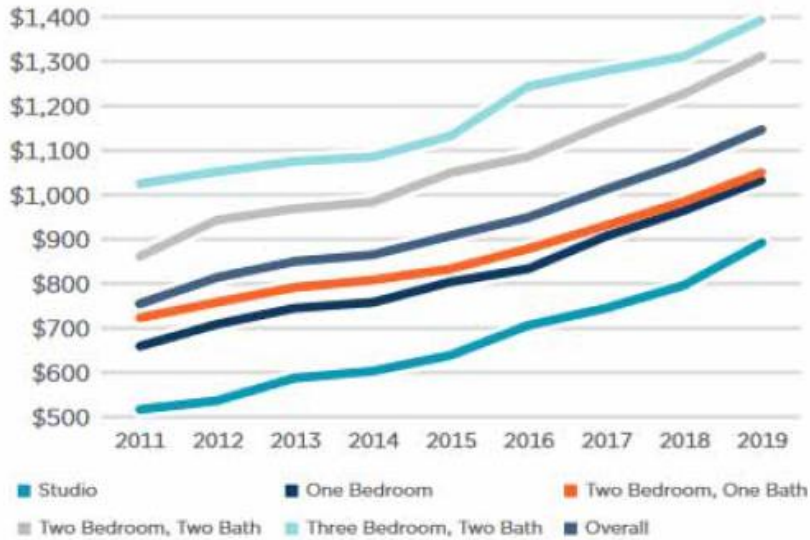
CURRENT OCUPANCY RATES

Currently, the average vacancy rate in Salt Lake County is estimated by various sources at between 3.4% and 5.1%. A summary of the most reliable surveys conducted over the past few months is shown in the attached table.

SALT LAKE COUNTY VACANCY RATE SURVEYS			
Source	Date of Survey	Vacancy Rate	Comments
Berkadia	March 2019	4.6%	Up from 4.5% one year prior.
Reis, Inc.	2 nd Quarter 2019	5.1%	Decreased from 5.3% one year earlier.
CBRE	Mid-Year 2019	4.2%	Increased from 3.9% one year earlier.
CoStar	2 nd Quarter 2019	4.8%	For stabilized market rent projects of 100 units or greater.
Wadsworth Commercial Real Estate	1 st Quarter 2019	4.4%	Increased from 3.7% one year earlier.
Cushman & Wakefield	August 2019	3.4%	Increased from 2.7% one year earlier.
Average		4.4%	



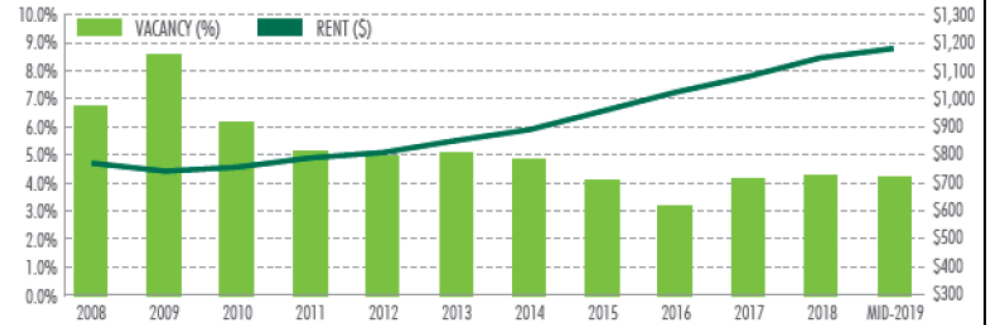
Change in Average Rental Rates by Type of Unit



SALT LAKE COUNTY



OVERALL VACANCY & RENT



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	MID-2019
Vacancy (%)	6.8	8.6	6.2	5.2	5.0	5.1	4.9	4.1	3.2	4.1	4.3	4.2
Rent (\$)	\$771	\$739	\$755	\$791	\$810	\$850	\$892	\$960	\$1,027	\$1,087	\$1,153	\$1,187
YOY Rent Growth	5.2%	-4.2%	2.2%	4.8%	2.4%	4.9%	4.9%	7.6%	7.0%	5.8%	6.1%	3.0%

Source: CBRE Research.

SUMMARY OF APARTMENT MARKET CONDITIONS

Over the past few years, apartment market conditions have improved in Salt Lake County. Vacancy rates declined and rental rates increased. Concessions have become rare. Current market-wide vacancy is about 4.5%.

According to CBRE's H1 2019 Greater Salt Lake Area Multifamily Market Report, the average rental rate in Salt Lake County increased by 4.7% from mid-year 2018 to mid-year 2019. According to Cushman & Wakefield's Midyear 2019 Apartment Market Report for the Greater Salt Lake Area, rental rates increased 6.8% since 2018. According to Reis, Inc. the average rental rate increased 6.5% from 2nd Quarter 2018 to 2nd Quarter 2019.

Strong demand and increasing rental rates have made construction of new apartments feasible. Current economic conditions have led to an increase in job creation. The number of households in Salt Lake County is expected to increase to about 6% over the next three years.

- Current market-wide vacancy is about 4.5%.
- Vacancy rates declined and rental rates increased.
- Concessions have become rare.
- The unemployment rate is well below national averages.
- Utah is ranked as the state with the best economic outlook.

The long-term outlook for rental housing in Salt Lake County is strong. Utah continues to experience the nation's highest birth rate. In addition, the state has experienced net-immigration. The unemployment rate is well below national averages. According to the American Legislative Exchange Council, Utah is ranked as the state with the best economic outlook.

Between 2011 and today, about 22,369 new apartment units were added to the market in Salt Lake County, adding about 20% to the supply. All of these new projects absorbed rapidly, and market-wide occupancy and rental rates have improved.

Substantial new construction is underway in Salt Lake County. Given current trends in construction and absorption, the average market vacancy rate is projected to be about 8.5% in 2023. An 8.5% vacancy rate is reflective of a market that is softening.

Executive Team

RUSSELL F. SORENSEN

Co-Founder



Russ has been a licensed general contractor for over 35 years specializing in residential and multi-family projects in both California and Utah. He has built over 100 custom homes throughout the Utah valley as well as several multifamily projects in California and Utah. He has

extensive experience in land acquisition, entitlement, infrastructure improvement, build and marketing of projects. Currently, Russ has been instrumental in the vision of the Millcreek City Center wherein he has participated in the design of the master plan and is involved in several development within the new city plan. While studying at the University of Utah, Russ was struck with entrepreneurial passion forming his own construction company at only 24 years old, a real estate brokerage soon thereafter and eventually his own development company.

MICHAEL OBORN

Co-Founder



Mike has an extensive background in real estate investment acquisitions, sales and analysis. He's well versed in developing relationships with bank REO departments, analyzing potential investments for clients and as a consultant for Fortune Builders real estate education companies, is a conduit in creating systems to

help investors achieve their goals. Mike is an expert in the support of establishment, sales and growth of companies providing real property investments and financial services working with investors in virtually every major city in the United States and international investors in Australia, Canada and the UK.

MICHAEL PUGLIESE

Co-Founder



Mike is a real estate investor with a true passion for the business. With over a decade of experience, Mike is an expert in turn-key rental property acquisition, real estate investments and flips, redevelopments, short sales and loss mitigation, and high-performing rental property investments. Mike is also an expert in customer relationship building and goes above and beyond to ensure the satisfaction of everyone involved in the process.

801-502-6555

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