

# Utah County Real Estate Market

“What We Are Seeing With Values”

Man reading an appraisal report  
on his property?



How it might feel now, if...  
you bought land in 2007-2008



## 2009 Appraisals

	<u>All</u>	<u>Utah Cty</u>
Land =	70	41
Office =	58	32
Industrial =	30	17
Retail =	21	10
Subdivision =	14	4
Restaurants =	11	6
Hotel/Motel =	10	0
Other =	<u>89</u>	<u>27</u>
Total =	303	139

## 2008 Appraisals




	<u>All</u>	<u>Utah Cty</u>
Land =	64	34
Office =	58	33
Industrial =	50	26
Retail =	24	10
Subdivision =	13	7
Restaurants =	8	4
Hotel/Motel =	4	3
Other =	<u>107</u>	<u>31</u>
Total =	328	148

# Purpose of Appraisals

## -- Shift in Use --

- Fewer Proposed (new construction)  
2008:  $59 \div 328 = 18\%$  (plus subdivisions)  
2009:  $24 \div 303 = 8\%$  (plus subdivisions)
- Fewer Sales
- More “Asset Disposition”
- More Tax Appeals
- More Foreclosures (FDIC)

# Updated Valuations – 2008 to 2009

- 27 total
- 5  in value ... 0.6% to 11%
- 22  in value ... (0.6%) to (49.8%)
- Averaged  9.9% in value

# What Are Some Factors That Influence Appraised Values?

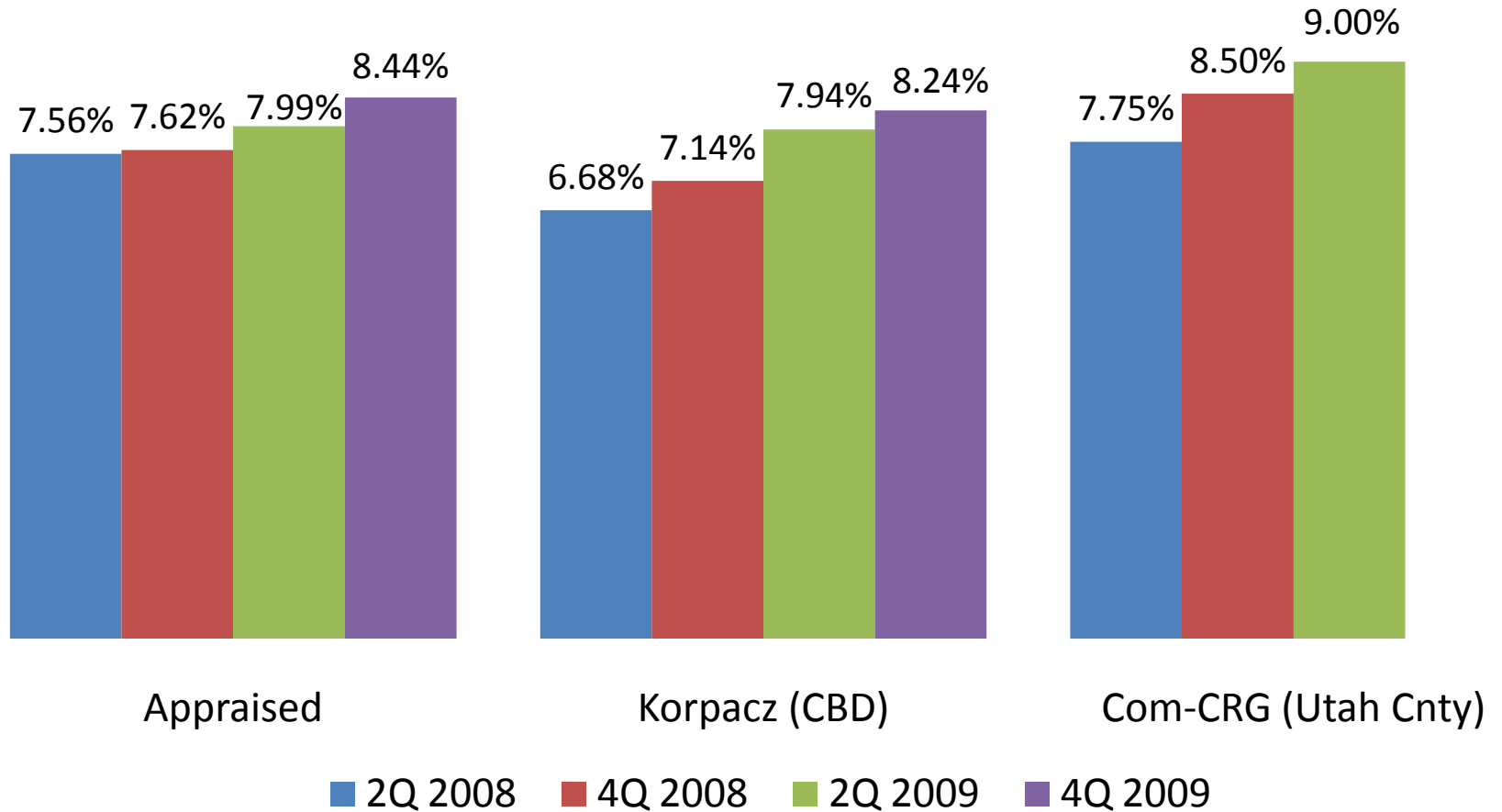
- Sale Comparables
- Lease rates
- Vacancies
- Concessions
- Capitalization Rates

# Capitalization Rates (Office Properties Appraised)

- 2008 – 1<sup>st</sup> half = 7.56%
- 2008 – 2<sup>nd</sup> half = 7.62%
- 2009 – 1<sup>st</sup> half = 7.99%
- 2009 – 2<sup>nd</sup> half = 8.44%

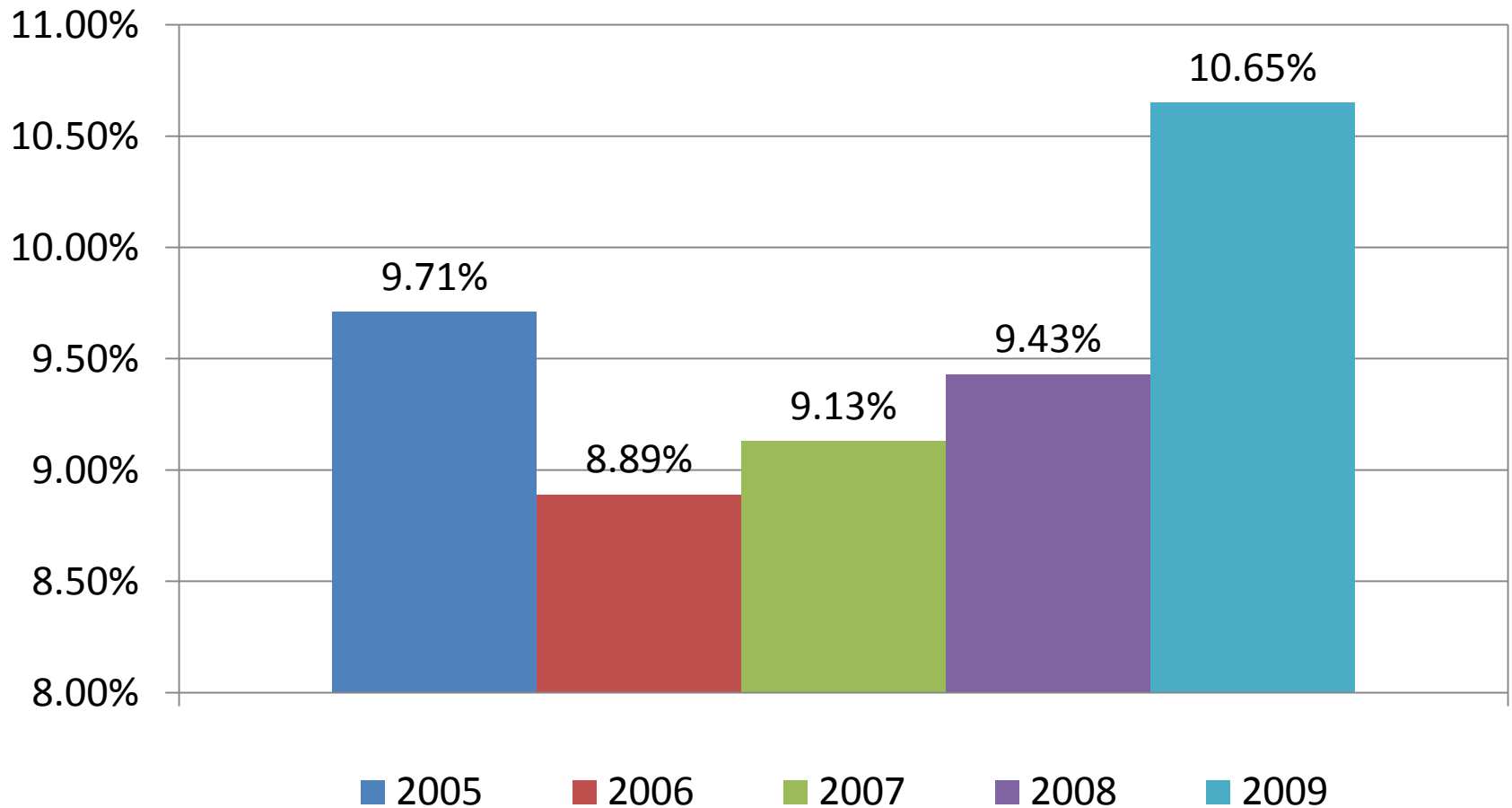


# Office Cap Rates



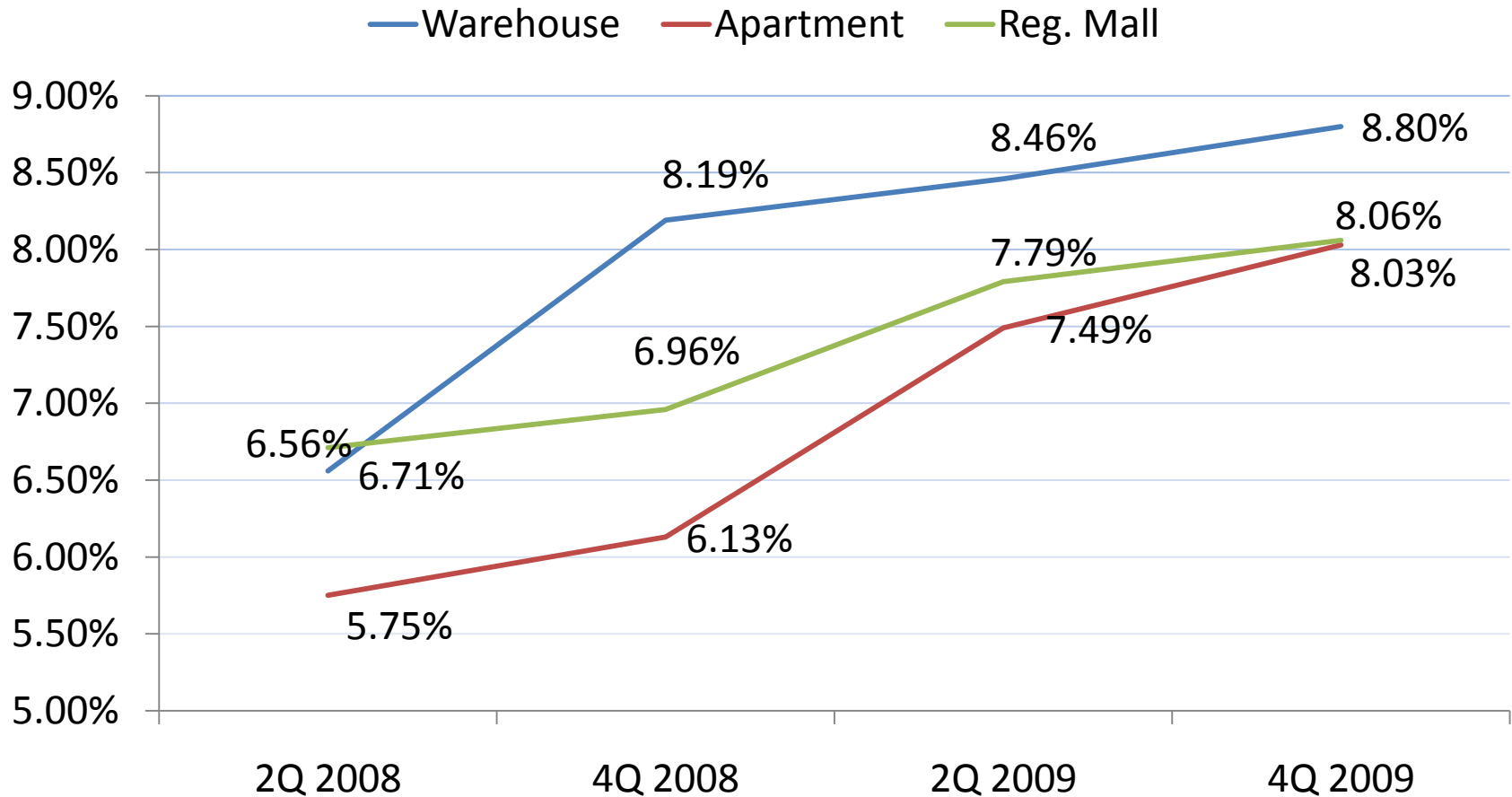
# Lodging Cap Rates

Source: PKF Hospitality

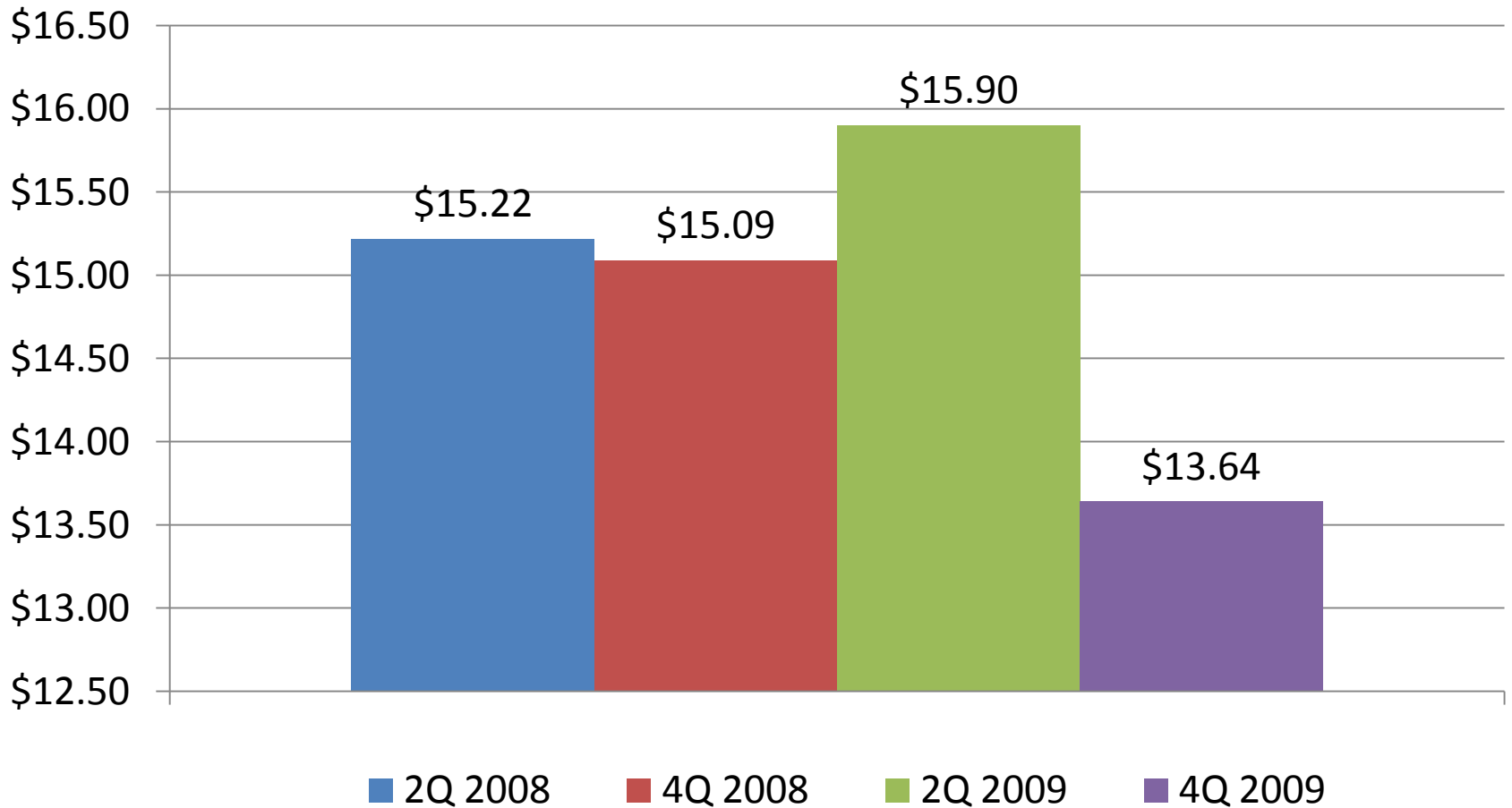


# Other Cap Rates

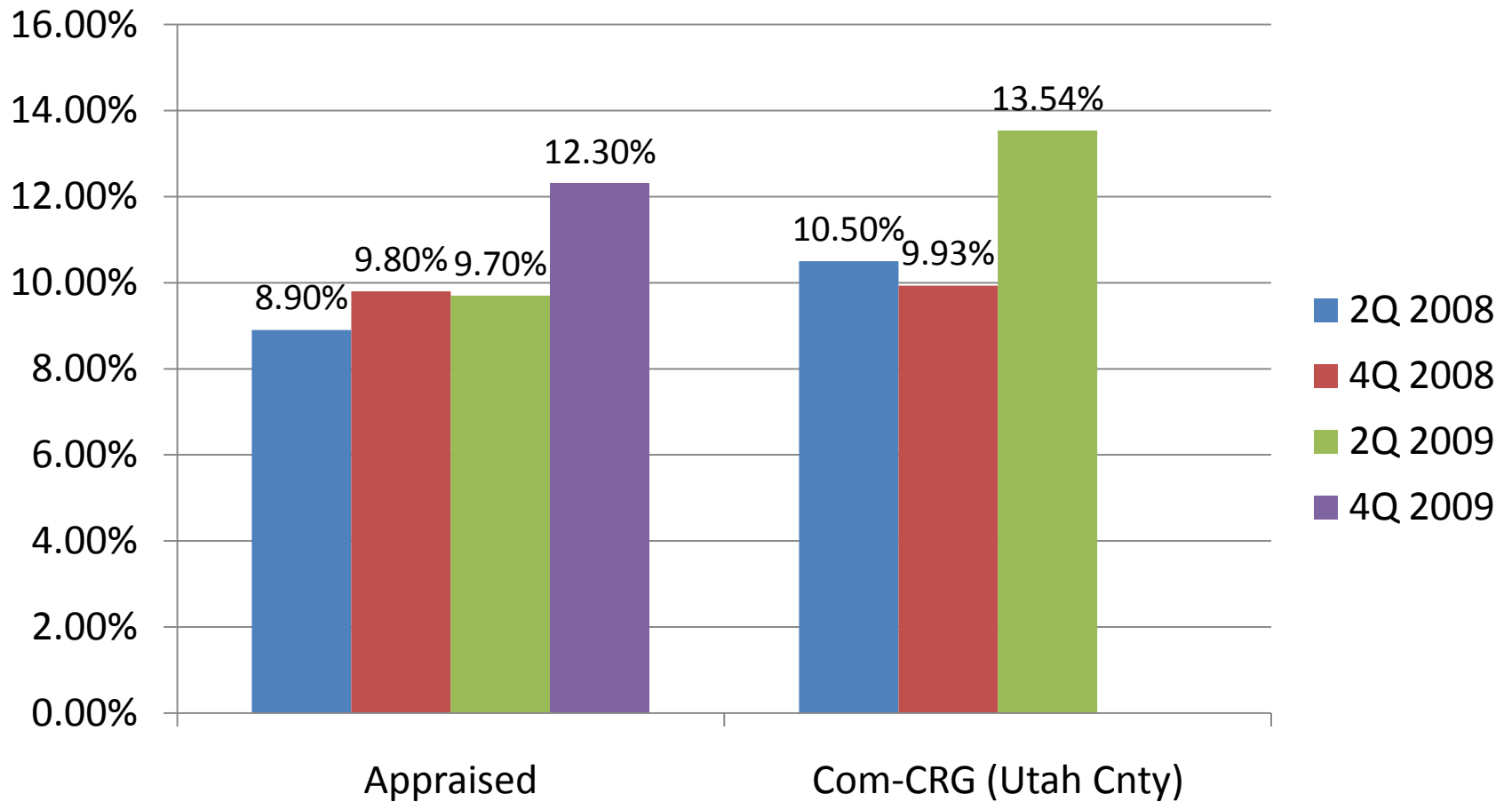
Source: Korpacz



# Office Rent Rates (appraised)



# Office Vacancy



# Residential Market (Roland Robison)

- Metrostudy

Affordable housing in good locations are doing well

1. Affordable is under \$250,000

2. Good locations are near I-15 corridor (linkages)

# Thank You

Questions & Answers