

# BV Lehi Office | Investment

525 South 850 East | Lehi, Utah 84043

Offering Memorandum



**Eric Larsen**  
Senior Vice President  
+1 801 380 2264  
eric.larsen@colliers.com

**Mckay Fugal**  
Associate  
+1 801 850 1250  
mckay.fugal@colliers.com



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# Disclaimer

Colliers (the “Agent”) has been engaged as the exclusive sales representative for the sale of the Best Vinyl Building located at 525 South 850 East, Lehi, Utah ‘Ownership’ (the “Seller”).

The Property is being offered for sale in an “as-is, where-is” condition, and the Seller and the Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum. The enclosed materials include confidential information and are being furnished solely for the purpose of review by prospective purchasers (“Purchasers”) of the interest described herein for which it shall be fully and solely responsible. Neither the enclosed materials, nor any information contained herein, are to be used for any other purpose, or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed information, should be registered with the Agent as a “Registered Potential Investor” or as a “Buyer’s Agent” for an identified “Registered Potential Investor”.

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The Seller reserves the right, at its sole and absolute discretion, to withdraw the Property from the market for sale at any time and for any reason without notice, to reject any and all expressions of interest or offers regarding the Property, and/or to terminate discussions with any entity at any time, with or without notice. This Offering Memorandum is made subject to omissions, correction of errors, change of price or other terms, prior sale or withdrawal from the market without notice. The Agent is not authorized to make any representations or agreements on behalf of the Seller. The Seller shall have no legal commitment or obligation to any recipient reviewing the enclosed materials, performing additional investigation, and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions required under the contract for title to pass from the Seller to the buyer have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents will be held and treated in the strictest of confidence; and (b) the recipient shall not contact tenants, employees, contractors, sub-contractors or lien-holders of the property directly, or indirectly regarding any aspect of the enclosed materials or the Property, without the prior written approval of the Seller or the Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of the Seller or the Agent or as otherwise provided in the Confidentiality Agreement executed and delivered by the recipient(s) to Agent.



# Property Summary

## 525 South 850 East | Lehi, Utah 84043

- Building Size: 73,172 Total Square Feet
- Price: \$18,000,000
- Year Built: 2013 - 2022
- Total Land: 3.94 acres
- Property Type: Office
- Zoning: C-H (Heavy Commercial)
- Conveniently Located Between Two I-15 Exits
- Great Building Signage
- Close Access to Restaurants and Shopping at The Meadows in Lehi





# Financial Summary

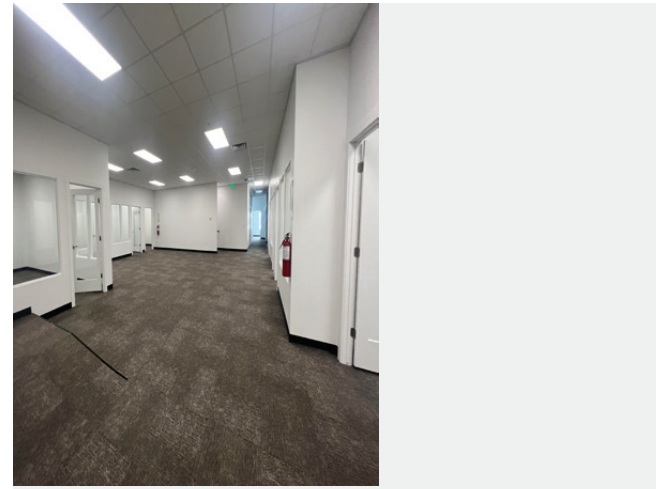
Suite	Tenant	SF Leased	Current Monthly Rent	Annual Rent	Rate Change	Lease Expiration	Next Rate Increase
Suite 1	Big Leap Digital Marketing	11,444	\$16,582.50	\$198,990.00	4/1/2021	3/31/2024	4/1/2022
Suite 2	RIDD Pest Control	8,000	\$11,933.33	\$143,199.96	6/1/2022	5/31/2027	6/1/2023
Suite 3	<b>OPEN</b>	10,850	\$17,179.17	\$206,150.04			
Suite 4	Evolved Commerce	7,000	\$11,161.30	\$133,935.60	1/1/2023	12/31/2025	1/1/2024
Suite 5	<b>OPEN</b>	6,100	\$9,658.33	\$115,899.96			
Suite 6	Utah Behavior Services Inc.	4,000	\$5,493.33	\$65,919.96	7/1/2021	6/30/2025	7/1/2022
Suite 7	Utah Behavior Services Inc.	4,800	\$6,400.00	\$76,800.00	10/1/2021	9/30/2026	10/1/2022
Suite 8	Briostack	4,294	\$6,977.75	\$83,733.00		12/31/2026	1/1/2024
Suite 9	<b>OPEN</b>	8,684	\$14,111.50	\$169,338.00			
Suite 10	Action Solar	8,000	\$12,333.33	\$148,000.00		12/31/2027	1/1/2024
<b>Totals</b>		<b>73,172</b>	<b>\$111,830.54</b>	<b>\$1,341,966.52</b>			

Annual Expenses: 201,295

Sales Price: \$18,000,000

CAP Rate: 6.34%

# Property Photos





# BV Lehi Office

525 South 850 East | Lehi, Utah 84043



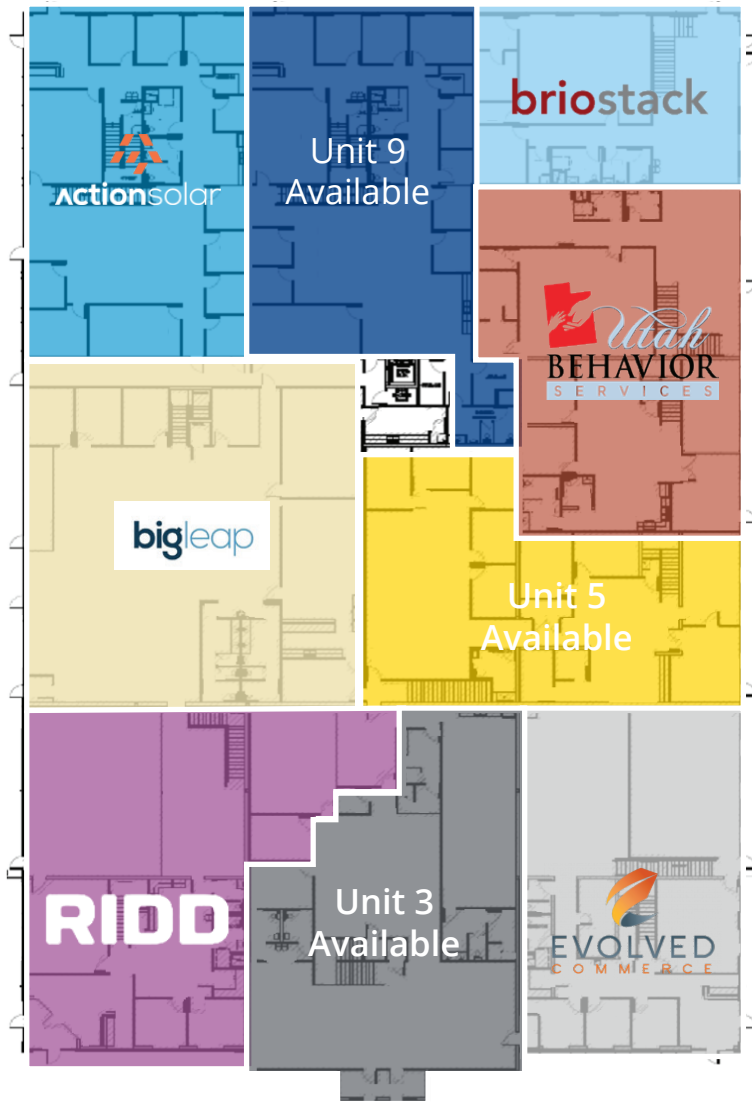
Accelerating success.

## Property Overview

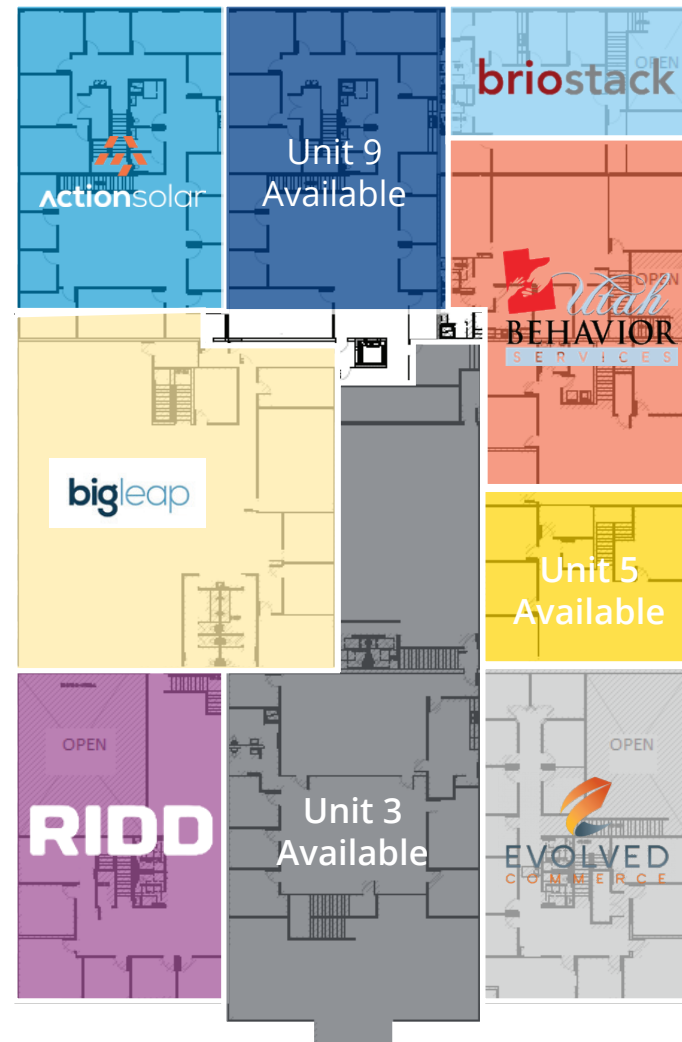


# Floor Plans

Main Floor



Second Floor





# Tenant Information



Digital Marketing  
Suite 1



Ridd Pest Control  
Suite 2



EVOLVED  
COMMERCE

Marketing Agency  
Suite 4



Mental Health  
Suite 6/7



Pest Control Software  
Suite 8



actionsolar  
Commercial Solar  
Suite 10

Vacant  
Under  
Costruction

Suite 3  
Suite 5  
Suite 9

\*10,000 SF currently under  
construction to be added









# Lehi, Utah

According to the U.S Census Bureau, Lehi is the fifth fastest growing city in the country. Lehi has more than doubled in size since 2000, with population estimates approaching 60,000 residents. Lehi is becoming a premier technology and commercial hub along the Wasatch Front. There are several landmark companies that call Lehi home. There are also a wide variety of retail stores and restaurants in the area. Thanksgiving Point, a unique destination offering museums, botanical gardens, shopping, restaurants and a variety of other entertainment options.

The City provides a full range of services, including police and fire protection, construction and maintenance of roads, parks, commercial and residential building inspection, recreational opportunities (including a recreation center, indoor pool, and outdoor pool), and many cultural events. The City also owns and operates a culinary water system, a secondary water system, a wastewater system, a storm water system, an electrical distribution system, solid waste collection, and an emergency medical service.

## Demographics

In 2021 Utah County had an estimated a population of 701,939 people with a median age of 26.4 and a median household income of \$80,547. In the next 5 years the population is expected to grow by more than 85,508 people, a 12.2% increase, or 2.44% per year.

The median property value in Utah County is \$362,300, and the homeownership rate is 67.8%. Most people commute by driving alone, and the average commute time is 20.4 minutes. The average car ownership is 2 cars per household.

Demographics	1 Mile	3 Mile	5 Mile
<b>Population</b>			
2021 Estimated	9,716	49,838	148,225
2026 Projected	11,107	57,493	170,259
<b>Households</b>			
2021 Estimated	2,614	12,646	37,538
2026 Projected	2,981	14,627	43,314
<b>Income</b>			
2021 Median HHI	\$109,628	\$101,624	\$102,863
2021 Average HHI	\$125,947	\$116,622	\$124,645
2021 Per Capita	\$34,027	\$29,631	\$31,672

Ranked

# #1

in Job Growth by  
Forbes Magazine

Projected population growth

# 12.2%

over the next 5 years  
(2021-2026)

Median Age is

# 26.4

in Washington County

# Why Utah?



## Utah Provides a High-Quality of Life

Utah is a national leader in **high job growth, low unemployment, low cost of doing business, and talented labor**. Utah regularly ranks among the best states for **business, careers, living, health, and quality of life**. Utah provides an array of employment opportunities in various industries, and offers its residents numerous lifestyle options that range from quiet rural settings to thriving urban centers.

Most of Utah's population resides along **The Wasatch Front**, roughly 150 miles of contiguous cities and communities, running predominantly north-south along the I-15 corridor and the western slope of the Wasatch Mountain range, from Brigham City to Nephi.

Utah is world-renowned for its bounty of **public lands and recreational opportunities** ranging from mountain wilderness to desert landscapes. Utah has five national parks, six national forests, numerous state parks and recreation areas, and over a dozen ski resorts.

Utah is a geographically diverse state, encompassing a **convergence of three distinct geological regions**: the Rocky Mountains, the Great Basin, and the Colorado Plateau.

The beehive is the state symbol of Utah. The Mormon settlers used the symbol to represent **hard work and industriousness**. The beehive is where all workers cooperate in the construction of something much bigger than themselves, as a model for an efficiently run society.

### Utah's Population Demographics (2020)



3.34M

Population



1.05M

Households



3.13

Average Household Size

### Utah's Income Factors (2020)



\$73.0K

Median Household Income



\$92.6K

Average Household Income



\$29.2K

Per Capita Income



30.9

Median Age

64.1%

Under the Age of 40

9.2%

Population Growth  
2015-2020

2.7M+

Living on the Wasatch  
Front by 2025

**Utah's Growing Population**



## Utah is a Young & High-Growth State

Utah is a young and high-growth state with a median age of 30.9, while the median age in the U.S. is 38.2. Utah ranks as the youngest state in the nation by median age, the majority of Utah's population is under the age of 40.

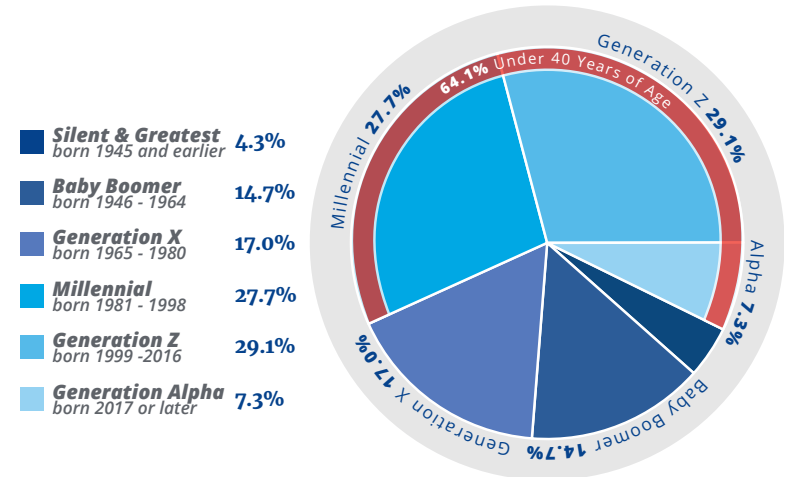
Utah is also one of the fastest growing states in the U.S. where population has increased by 9.2% since 2015, growing by 275,297. Population is expected to increase by another 9.1% between 2020 and 2025, adding an estimated additional 302,340 residents.

Utah is attracting many new residents from out of state who are drawn to its landscape, economy and quality of life. Utah had a total net domestic immigration of 15,588 people from 2018 to 2019.

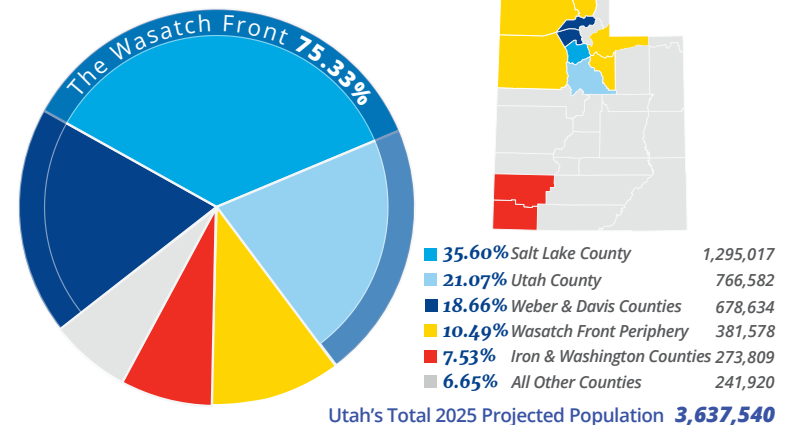
Over 3/4 of Utah's population resides along the Wasatch Front in the contiguous 4 jurisdictions of Weber, Davis, Salt Lake and Utah Counties. These counties combine for a population of well over 2.5 million people. Along the Wasatch Front population grew by 20.6% from 2010 to 2020, and is expected to grow another 9.1% over the next 5 years.

Other counties of notable size are in the periphery of the Wasatch Front, which include Cache and Box Elder Counties in northern Utah, Tooele County to the west, and Summit and Wasatch Counties to the east. These periphery counties account for almost 10.5% of Utah's 2025 projected population

Iron and Washington Counties in southwest Utah have also experienced growth adding nearly 58,000 residents over the past 10 years, a 31.3% increase. Southwest Utah accounts for 7.53% of Utah's total 2025 projected population.



**Utah's 2025 Projected Population by County/Regions**



# Why, Utah

## Utah is a Thriving Tech-Hub

Utah's "Silicon Slopes" refers to the **cluster of information technology, software development, hardware manufacturing and research firms** that have emerged along the Wasatch Front. Utah is nationally recognized as a leading technology hub. In fact, the demand for workers among the growing list of tech companies is out-pacing the supply of the Utah workforce.

- Utah is ranked #1 one in innovation and entrepreneurship, #2 in high-tech performance, and #3 in economic performance by the U.S. Chamber of Commerce Foundation
- Tech companies have flocked to Utah for its lower taxes, more flexible regulatory environment, and a well-educated, multilingual workforce
- Forbes has ranked Utah as the Best State for Business 6 times since 2010, and ranking 3rd in 2018
- Utah's tech workforce is fed by major technology and research universities: University of Utah, Brigham Young University, and Utah Valley University, all of which offer programs intended to develop young entrepreneurs
- Utah has high concentrations of Software Developers, Web Developers, Computer and Information Research Scientists, and many other IT related occupations
- Utah is one of the top states in the nation for software and information technology employment with an employee base of over 66,000 people
- There is a strong mixture of local homegrown startups (Domo, Ancestry, Qualtrics, Pluralsight, etc.), as well as major Fortune 500 companies (Adobe, Microsoft, Oracle, Symantec, etc.)
- According to Wallethub, Salt Lake City ranks 7th among the best U.S. cities for STEM (Science, Technology, Engineering, and Math) jobs, beating out Chicago, New York City, San Jose, and other prominent "tech forward" towns

Salt Lake City  
Ranked

#1

City Poised to  
Become the Next  
Tech Mecca

(Forbes)

Tech Employment  
in Utah Grew

16%

2012-2017

(Utah Technology Council)

Over

5.5k

Technology  
Related Companies  
in Utah

(Economic Development  
Corporation of Utah)

Between 2012-  
2017 Over

\$4.2B

of Venture Capital  
was Invested in  
Utah

(Utah Technology Council)



# Why, Utah

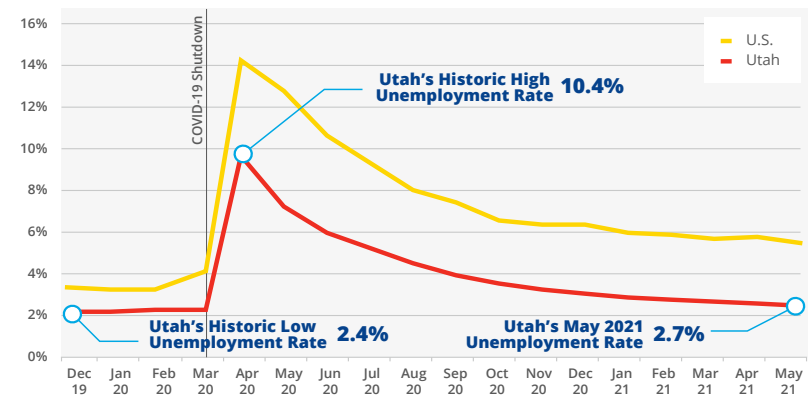
## Utah's Steady Low-Unemployment Rate

From 2015 to 2020 the number of jobs in Utah increased by 14.3% in Utah. This change is far outpaced by the national job growth rate of 6.2%. Utah experienced a historic record low unemployment rate of 2.4% in December of 2019 just months before the COVID-19 shutdown brought the state its historic high unemployment rate of 10.4% in April 2020. By May 2021, Utah recently ranked as the #1 state in the U.S. for lowest unemployment rate, at 2.7%.

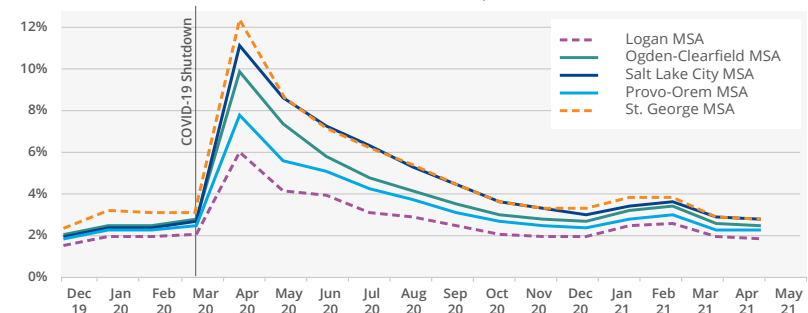
Salt Lake City and Provo were both ranked as 2 of the top 10 cities in the nation best poised to recover from havoc wreaked on the economy by the Coronavirus pandemic by Moody's Analytics.

In May 2021 all of Utah's 5 Metropolitan Statistical Areas ranked in the top 21 lowest unemployment rates, out of 348 MSAs in the U.S., with Logan being in the #1 spot.

**Unemployment Rate**  
December 2019 -May 2021



**Unemployment Rate**  
Utah's Metropolitan Statistical Areas  
December 2019 -April 2021



### Utah MSAs Unemployment Ranks (May 2021)

- #1** Logan (2.0%)
- #6** Provo-Orem (2.4%)
- #12** Ogden-Clearfield (2.6%)
- #21** Salt Lake City & St. George (2.9%)

# Silicon Slopes



## Some Tech Companies Doing Business in Utah



Develops multimedia and creativity software products, and employs over 17,000 employees worldwide

Completed a 280,000 SF campus in Lehi, UT in 2012 which houses about 1,200 employees

Recently announced plans to expand their facility which will more than double their Utah workforce



A business software developer aimed at providing a data platform for easy access and decision making, specializing in business intelligence tools and data visualization

Headquartered in American Fork, Utah



An online survey, market research, and consumer and employer feedback software developer.

Headquartered in Provo, Utah & Seattle, Washington

In November 2018, it was announced that it would be acquired by SAP for \$8 billion in an all cash deal



In June, 2017 the online social networking service announced plans to build a 1-million SF data center in Eagle Mountain, Utah. Bringing \$750 million in capital investment, including more than \$100 million in infrastructure that will help to support additional economic development in Eagle Mountain and the surrounding area.



A smart home services provider that offers security systems, fire detection, and other home automation systems

Headquartered in Provo, Utah



An online education company that offers video training courses for software developers, IT administrators, and creative professionals

Headquartered in Farmington, Utah



A joint venture between Intel and Micron, manufactures and develops flash memory used in mobile phones, hard drives, tablets, and computers.

Headquartered in Lehi, Utah



Specializing in developing enterprise hardware and software, in addition to database management systems

Oracle is one of the world's largest corporations in the tech industry.



An online retailer that offers its customers an opportunity to shop for bargains conveniently, while offering its suppliers an alternative inventory distribution channel

Headquartered in Midvale, Utah



In Utah, ebay operates customer service, technology development of software tools, human resources, and the legal and finance departments.

Operates a 241,000 SF facility in Draper, Utah



Provides software for professionals involved in estimating all phases of building and repair. Xactware is a sister company of Versick

Headquartered in Lehi, Utah



The world's largest software maker by revenue, it develops, manufactures, licenses, supports and sells computer software, consumer electronics, personal computers, and related services



The world's largest online resource for family history

Headquartered in Lehi, Utah



Develops Enterprise work management software

Headquartered in Lehi, Utah



The 3rd largest manufacturer of flash memory including memory cards, USB flash drives and solid state drives.

Acquired by Western Digital in 2016 for \$19 billion



Fortune 500 company that provides cyber-security software and services



# Market Report

## Market Indicators



## Historic Comparison

	20Q4	21Q3	21Q4
Total Inventory (SF)	17,915,702	18,134,077	18,087,445
New Supply (SF)	0	209,008	0
YTD Absorption (SF)	+ 378,956	+ 730,318	+ 928,298
Overall Vacancy	12.56%	11.19%	10.25%
Under Construction (SF)	937,977	576,165	555,000
Overall Asking Lease Rates (FSG)	\$23.05	\$22.76	\$23.35

## Avg. Asking Lease Rates

At this same time last year, asking lease rates were recorded at \$23.05 FSG full-service gross (FSG), increasing slightly to \$23.35 FSG at year-end 2021. The highest asking lease rates are found in Class A product located in the North quadrant, with buildings like Innovation Pointe 3 in Lehi (142,000 square feet) asking \$31.00 FSG, Grovecrest Center in Pleasant Grove (30,970 square feet) asking \$30.00 FSG and Hunter's Grove Office Building in Lehi (32,940 square feet) asking \$29.95 FSG, bringing the overall Class A asking lease rate in the North quadrant to \$26.47 FSG.



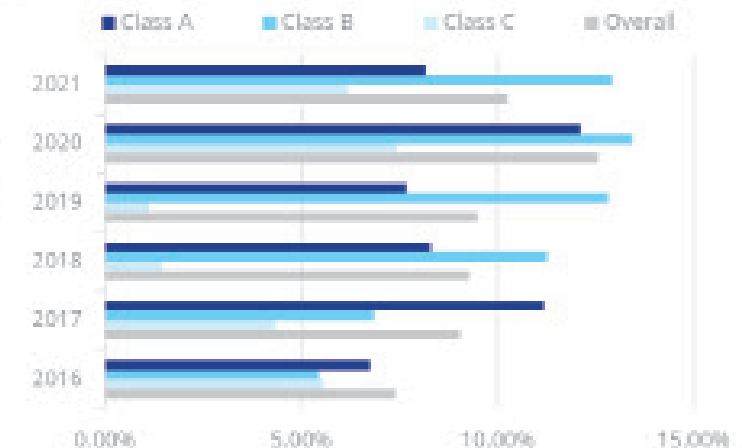
## Absorption

The majority of 2021's absorption comes from the completion of construction on multiple office buildings larger than 100,000 square feet. The majority of these buildings were preleased before delivered, counting the full building as positive absorption as soon as it was added to the study. Some of these buildings include Lehi Block (adding 150,000 square feet of positive absorption), Utah Valley Tower (adding 150,000 square feet of positive absorption) and Innovation Pointe 3 (adding 126,623 square feet of positive absorption).



## Vacancy

The overall vacancy rate decreased by 2.31 basis points since this same time last year and 0.94 basis points since last quarter. The largest vacancies can be found in Class B product located in the Central quadrant. Canyon Park Technology Center, a 925,139 square-foot office campus in Orem, makes up 9.04 percent of Class B vacancy in the Central quadrant, with 6 out of the 14 buildings in the park more than 50 percent vacant.



# Utah Accolades



- #1 Best Economy, The States with the Best and Worst Economies – 24/7 Wall St., August 2020
- Most Independent State, 2020's Most & Least Independent States – Wallet Hub, June 2020
- #3 Best State for Business, Best States for Business – Forbes, December 2019
- #1 State for the Middle Class, Top States for the Middle Class – SmartAsset, November 2019
- Best Economic Outlook, Top 5 States with the Best Economic Outlooks – FOX Business/The Heritage Foundation, December 2019
- #1 State for Private Sector Job Growth, Index of State Economic Momentum – State Policy Report, September 2018





# BV Lehi Office | Office for Sale

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**Eric Larsen**  
Senior Vice President  
+1 801 380 2264  
eric.larsen@colliers.com

**Mckay Fugal**  
Associate  
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mckay.fugal@colliers.com



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