WASATCH
INDUSTRIAL PARTNERS

SAMPLE / ILLUSTRATIVE
Sponsor, owner, property, site and every deal figure are invented. Market figures are real and cited by broker.

INVESTMENT COMMITTEE MEMORANDUM · SALT LAKE VALLEY INDUSTRIAL

Buy vs. Build

A 140,000 square foot warehouse outside Salt Lake City: acquire the existing 2006 building, or develop new on an 8.0-acre lot nearby. The market read, both options side by side, and our recommendation.

BUY · ALL-IN BASIS

$20.32M

$145.16/SF · 2006 building, 28 ft clear, leased

BUILD · ALL-IN BASIS

$20.32M

$145.11/SF · new tilt-up, 36 ft clear, speculative

Same basis, different building. We recommend the Build, released behind a fixed construction price and a signed tenant, and we decline the Buy at $18.9M. Above $18.46M the existing building does not earn the committee's hurdle.



PREPARED FOR
The Investment Committee, Wasatch Industrial Partners (sample sponsor)

MEETING
November 2026
Memorandum dated 1 November 2026

MARKET DATA
Q3 2026 broker research, Salt Lake County; CBRE at Q4 2025

MODEL OF RECORD
buy-vs-build-model-3.xlsx
All deal figures sample

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CONTENTS

The question

Where does roughly $20M of capital earn the better risk-adjusted return over a ten-year hold: in an existing warehouse, or in a new one on a nearby lot?

Who reads this

The investment committee, cold, ahead of the November 2026 meeting. The recommendation leads; the evidence follows in the order a committee member would challenge it.

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How to read the figures: two layers, never mixed

READING KEY

MARKET LAYER · REAL AND CITED

The Salt Lake Valley market backdrop is real: read on the brokers' own published research. Every market figure names one broker and one quarter in teal brackets, and is never blended with another broker's figure as one dataset.

[C&W Q3 2026] [Newmark Q3 2026] [CBRE Q4 2025] [C&W Capital Markets] [C&W Cost Guide]

DEAL LAYER · SAMPLE / ILLUSTRATIVE

The sponsor (Wasatch Industrial Partners), the owner, the subject building, the site and every deal number are invented, set inside the real market's ranges. They carry no citation. Deal exhibits wear a copper SAMPLE tag; deal figures in running text are marked SAMPLE.

Source of every deal figure: **buy-vs-build-model-3.xlsx**, the workbook of record.

RENTS

Quoted per square foot per month, NNN, as this market quotes them. Annual figures are the monthly rate × 12 and are labeled as annual.

RETURNS

Ten-year hold, sold on Year-11 NOI. IRR is unlevered unless marked levered. Both cases share rent growth (2.5%/yr), escalations (3.5%) and 60% leverage SAMPLE.

THE HURDLE

Committee policy SAMPLE: a development must beat a stabilized acquisition by 200 bps of unlevered IRR to pay for its risk.

> **The decision rule, in one line:** build only behind a fixed construction price and a signed tenant; without both, hold the start; and acquire the existing building only below $18.46M, $132/SF, or 98% of replacement cost all-in SAMPLE.

01

EXECUTIVE SUMMARY

Decision requested

Pass the resolution on page 19: a gated approval of the Build and a priced decline of the Buy.

Capital at stake

$20.32M all-in either way SAMPLE. A gated Build commits about $3.14M of land before about $17M of construction.

The hurdle

200 bps of unlevered IRR over a stabilized acquisition SAMPLE POLICY.

Market evidence

Q3 2026 broker research on Salt Lake County, cited by broker in teal throughout. Sources: Appendix A.

OUR RECOMMENDATION

Build, on conditions. Decline the Buy at $18.9M; acquire only below $18.46M.

Approve the Build case and release capital in two gates: commit now to the land and the pre-construction work, and release the vertical construction equity only when two conditions are met: **(1)** a guaranteed-maximum-price construction contract at or inside the modeled hard-cost budget, and **(2)** a signed lease or binding LOI for the building before vertical start. If a pre-lease cannot be had, the start is held, not abandoned, for no more than about six months before the committee decides again.

The reason is one number

Both options cost the same: **$20.32M all-in, $145/SF** SAMPLE, within $7K of each other. The existing building is therefore priced at 100% of what it would cost to build a new one, and it is a 2006 building at 28 ft clear. For the same dollars, the new building earns **+230 bps of unlevered IRR** (10.4% against 8.1%) and **+30 bps of stabilized yield-on-cost** (7.2% against 6.9%) SAMPLE.

The reason for the conditions is a second number

The committee asks a development to beat a stabilized acquisition by 200 bps of unlevered IRR. The Build clears that bar by **only about 30 bps**, and stops clearing it at a **2.8% cost overrun** or **5.6 months of extra lease-up** SAMPLE. In a market where two spec boxes of this size delivered vacant last quarter [C&W Q3 2026], an unprotected start does not earn its risk. A protected one does: a prelease lifts the Build to **11.7% unlevered and 16.4% levered**, and widens the cushion over the hurdle **from 30 bps to 160 bps** SAMPLE.

Why the Buy is declined

At $18.9M the Buy does not earn the hurdle. That is the whole reason. Its walk-away is **$18.46M, $131.86/SF, 97.7% of the ask** SAMPLE: a $439K concession from the seller would make it competitive against an unprotected Build, and the sponsor should tell the seller so rather than walk away silently.

What the committee is asked to approve SAMPLE

Build program	~140,000 SF, 36 ft clear warehouse on the 8.0-acre site at an all-in budget of $20.32M ($145/SF)
Released now	Land (~$3.14M) and pre-construction: entitlement, design, GMP pricing, prelease marketing
Released on conditions	Vertical construction (~$17M), only on a GMP at or inside budget **and** a signed lease or binding LOI
If no tenant	Start held and returned to the committee no later than six months after pre-construction is complete
Existing building	Decline at $18.9M; authorize an offer only below $18.46M ($132/SF, 98% of replacement cost all-in)

01

THE CASE IN FIVE SENTENCES

How the argument runs

Market, basis, return, risk, decision. Each sentence is defended in its own section: the market in 02, the basis and returns in 03, the risk in 05, the decision in 06 to 08.

1. Salt Lake industrial demand has recovered and rents are edging up [Newmark Q3 2026] [C&W Q3 2026], but the 100–200K SF band is carrying the most new spec supply [CBRE Q4 2025], and two boxes this size just delivered empty [C&W Q3 2026].
2. The existing building and the new build cost exactly the same, $20.32M or $145/SF, so the Buy is priced at full replacement cost for a 20-year-old, 28 ft building SAMPLE.
3. For the same money, the Build earns more at every level: +230 bps unlevered IRR, +340 bps levered, +30 bps yield-on-cost SAMPLE.
4. But the Build's premium clears the 200 bps risk hurdle by only 30 bps; a 2.8% overrun or 5.6 months of extra lease-up erases the cushion, and a signed tenant widens it to 160 bps SAMPLE.
5. So: Build, behind a GMP contract and a signed tenant, holding the start no more than about six months if no tenant is in hand; decline the Buy at $18.9M, and acquire only below $18.46M, $132/SF SAMPLE.

The deal, in four figures

SAMPLE / ILLUSTRATIVE

$20.32M
All-in basis of **each** option, $145/SF. The Buy is priced at 100.0% of replacement cost.

10.4% vs 8.1%
Unlevered 10-year IRR, Build against Buy: +230 bps. Levered 13.5% against 10.1%.

30 → 160 bps
Build's cushion over the 200 bps hurdle, spec against preleased.

$18.46M
Walk-away for the Buy: $131.86/SF, 97.7% of the $18.9M ask, 6.25% going-in cap.

The market, in four facts

REAL · CITED

7.6%
Overall vacancy incl. sublease [C&W Q3 2026]; 4.6% direct only on a different survey [Newmark Q3 2026].

$0.85
Average asking rent, per SF per month NNN, all types [C&W Q3 2026]. Annualized: $10.20/SF/yr.

3.97M SF
Under construction across 26 buildings, only 15.3% preleased [C&W Q3 2026].

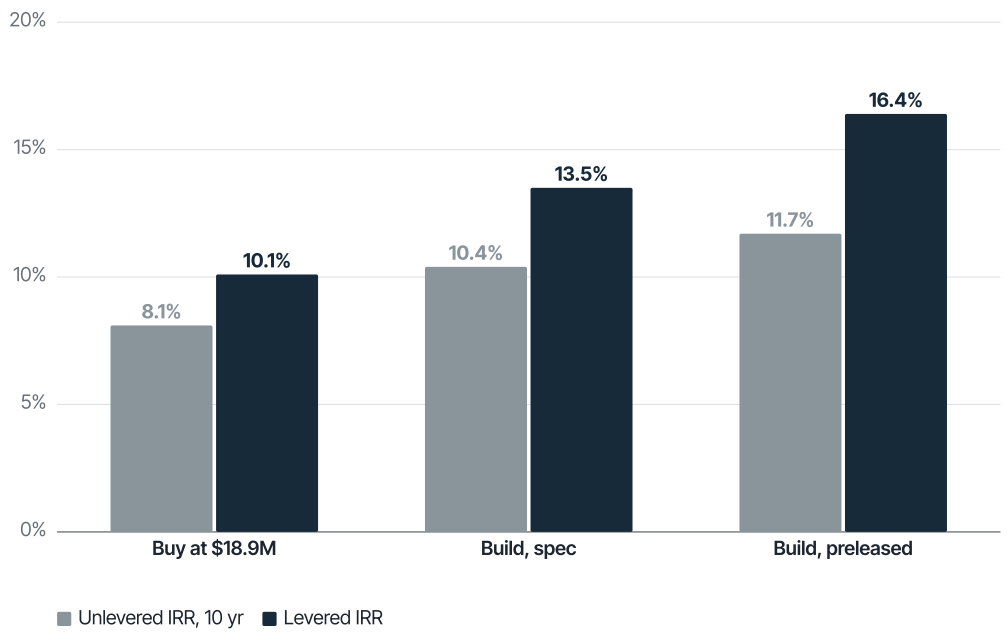
2 vacant
Same-size spec boxes delivered empty in Q3: 175,383 SF and 130,733 SF [C&W Q3 2026].

EXHIBIT 1

Returns, side by side. Ten-year IRR for the Buy at the $18.9M ask, the Build on spec (the base case) and the Build with a tenant signed before vertical start.

The prelease is the single largest lever in the deal: +130 bps unlevered and +290 bps levered over the spec Build.

SAMPLE / ILLUSTRATIVE



Source: buy-vs-build-model-3.xlsx, Summary and Scenarios sheets. Illustrative deal figures; no market citation applies.

02

THE SALT LAKE VALLEY INDUSTRIAL MARKET

This section is the real layer

Every figure in it was read on the broker's own published page or PDF, and names that broker and quarter in teal.

Vintage

Cushman & Wakefield and Newmark: Q3 2026, published October 2026, read in full. CBRE: Q4 2025, its latest report read in full.

Walled sources

CBRE's Q3 2026 page and Colliers' Salt Lake pages refused our reader and browser (HTTP 403). Their figures appear nowhere here as read; see Appendix A.

Rents

Per SF per month, NNN. Annualized only where labeled.

Q3 2026 · SALT LAKE COUNTY

Demand is back. The next supply test is already poured.

Salt Lake County's industrial market is through the worst of its post-pandemic correction and recovering from the big-box end. A 2021–2024 speculative wave pushed bulk-distribution direct vacancy from 1.9% in 2021 to 12.4% in 2023, and again in 2025, and cut asking rents 6.3% in 2024 [Newmark Q3 2026]. In 2026 demand returned. The question for a new 140,000 SF box is not whether tenants exist, but how many competing spec buildings of the same size are landing in the same window.

Six facts that carry the argument

REAL · CITED

1 **THE CORRECTION IS OVER AND DEMAND HAS COME BACK**

2.77M SF of net absorption year to date through Q3 2026, already more than all of 2025; bulk-distribution direct vacancy down to 7.9% from 12.4% at year-end 2025 [Newmark Q3 2026].

2 **VACANCY IS MODERATE, AND DEPENDS ON THE DEFINITION**

Overall vacancy including sublease is 7.6%, up 90 bps year over year [C&W Q3 2026]. On a direct-only basis it is 4.6% [Newmark Q3 2026]. Both are true on their own terms.

3 **RENTS HAVE STABILIZED AND ARE EDGING UP**

Average asking $0.85/SF/mo NNN; warehouse/distribution weighted asking $0.84 [C&W Q3 2026]. Achieved first-year bulk rates $0.80 in 2026 against $0.71 in 2025 [Newmark Q3 2026]. C&W's rent outlook: “neutral.”

4 **THE SUBJECT'S SIZE BAND IS WHERE THE NEW SUPPLY IS**

Buildings of 100,000–199,999 SF: 7.6% vacancy, 10.6% availability, $0.89/SF/mo direct asking, and 1.56M SF under construction, the largest slice of the pipeline by size band [CBRE Q4 2025].

5 **THE PIPELINE HAS REBUILT, MOSTLY ON SPEC**

3.97M SF across 26 buildings under construction, completing through 2027, only 15.3% preleased [C&W Q3 2026]. About 85% of Q3 starts are in the Airport area [Newmark Q3 2026].

6 **SAME-SIZE SPEC BOXES ARE DELIVERING EMPTY**

Northpoint Commerce Center (175,383 SF) and 201 Commerce Center Building 3 (130,733 SF) delivered vacant in Q3 2026 [C&W Q3 2026]: the most direct public evidence for lease-up risk on a new ~140,000 SF building.

WHAT IT MEANS

> Demand is real and the rent trend is up, which supports owning modern product here for ten years. But a new building would lease in **the exact size band and the exact window** where the most competing spec space is landing. The market does not argue against building. It argues against building unprotected.

Exhibit 2 · The market at a glance, one broker per column

REAL · CITED

MEASURE	CUSHMAN & WAKEFIELD [C&W Q3 2026]	NEWMARK [NEWMARK Q3 2026]	CBRE [CBRE Q4 2025]
Universe surveyed	"Salt Lake City" industrial market	Salt Lake County	Salt Lake County, buildings over 10,000 SF
Inventory	166,021,117 SF	189.1M SF	170,628,530 SF
Vacancy	**7.6% overall** incl. sublease (direct 6.5%, sublease 1.1%)	**4.6% direct**	**7.1% total**; availability 8.9%
Quarterly net absorption	+391,387 SF	+1,042,112 SF	+718,902 SF (Q4 2025)
Year-to-date net absorption	+1,238,167 SF	+2,770,714 SF	+1,857,876 SF (full-year 2025)
Average asking rent, NNN	$0.85/SF/mo, all types	$0.87/SF/mo direct; $0.85 total	$0.80/SF/mo direct
Same, annualized (×12)	$10.20/SF/yr	$10.44/SF/yr	$9.60/SF/yr
Under construction	**3,970,180 SF**, 26 buildings	3,671,373 SF	2,849,478 SF, 17 projects
Preleased share of pipeline	**15.3%**	Not stated	"Limited preleasing"
Deliveries	650,154 SF YTD; 4 W/D buildings in Q3	320.0K SF in Q3; ~1.0M SF YTD	None in Q4 2025; ~2.5M SF in 2025
New leasing	1.6M SF new in Q3, excl. renewals; renewals ~1.1M SF	1.93M SF total in Q3; renewals 49.1%	~12M SF signed in 2025

The three brokers survey different universes, so their figures are not interchangeable: each column is one broker's own number on its own definition, and no row should be read across as one dataset. Annualized rents are the monthly figure × 12. CBRE's column is its Q4 2025 report, its latest read in full; CBRE's Q3 2026 page was not reachable.

EXHIBIT 3

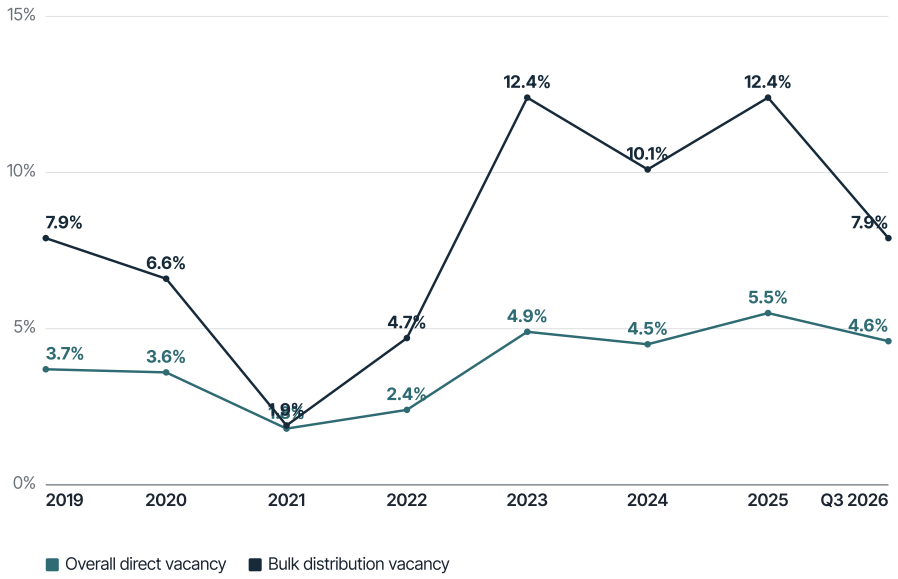
The boom and the correction. Year-end direct vacancy, Salt Lake County, all industrial and bulk distribution, 2019 to Q3 2026 [Newmark Q3 2026].

The boom. Rents rose roughly 64%, from $0.53 in 2019 to $0.87; construction peaked at 15.1M SF under way in 2022.

The correction. Bulk vacancy went from 1.9% to 12.4% in two years and stayed there through 2025; rents fell 6.3% in 2024.

The recovery. Bulk absorbed nearly 1.2M SF in Q3 alone. Not everywhere: sublease availability is ~2.5M SF, about double its long-run average.

REAL · NEWMARK Q3 2026



Source: Newmark Mountain West, 3Q26 Salt Lake County Industrial Market Overview, year-end series; 2026 is Q3. Direct vacancy only. On C&W's definition (incl. sublease) vacancy is 7.6%, up from 6.7% in Q3 2025 [C&W Q3 2026]: by that measure the market is still looser than a year ago. Brokers differ on whether Q4 2025 absorption was positive or negative; late 2025 was the trough on every account read.

The brokers' forward view, in their own words

REAL · CITED

Vacancy is "expected to rise in the near term" as projects deliver, then "likely begin to trend downward by 2027, assuming limited new construction starts." [C&W Q3 2026]

Few starts beyond the current pipeline point to "potential for supply constraints emerging later in 2027." [C&W Capital Markets] As Airport starts deliver, "new bulk supply will test how much of this year's momentum carries forward." [Newmark Q3 2026]

The pipeline would deliver "more than three years of new industrial supply within roughly two years," influencing vacancy and lease-up "well into 2027." [CBRE Q4 2025]

Exhibit 4 · The rents a 140,000 SF box underwrites against, per SF per month NNN

REAL · CITED

RENT MEASURE	$/SF/MO NNN	ANNUALIZED $/SF/YR	SOURCE
All industrial, overall asking (flat QoQ; $0.80 a year ago)	$0.85	$10.20	[C&W Q3 2026]
All industrial, direct asking	$0.87	$10.44	[Newmark Q3 2026]
Warehouse / distribution, weighted asking	$0.84	$10.08	[C&W Q3 2026]
Big-box (over 100,000 SF), asking	$0.85	$10.20	[C&W Q3 2026]
100,000–199,999 SF buildings, direct asking: the subject's band	**$0.89**	**$10.68**	[CBRE Q4 2025]
Bulk distribution, direct asking (total incl. sublet $0.75)	$0.76	$9.12	[Newmark Q3 2026]
Achieved first-year rate, bulk distribution, 2026 YTD (2025: $0.71)	**$0.80**	**$9.60**	[Newmark Q3 2026]
Achieved first-year rate, medium distribution, 2026 YTD (2025: $0.96)	$1.14	$13.68	[Newmark Q3 2026]
Achieved first-year rate, all types, 2026 YTD (+13% on 2025)	$0.94	$11.28	[Newmark Q3 2026]
Sublease asking, all types	$0.79	$9.48	[Newmark Q3 2026]

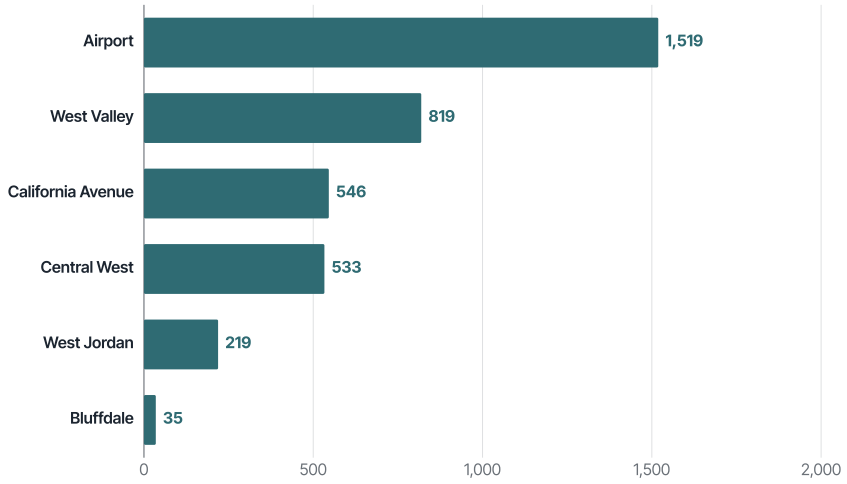
Annualized = monthly × 12. Achieved rates move with the size and quality of what leased in the period, not only with pricing [Newmark Q3 2026]; read them as directional, and as the better anchor for a pro-forma than asking rents. Newmark does not define its bulk and medium size cut-offs in the pages read, so the subject is not assigned to either class by size. C&W's outlook on rents is "neutral": firming small and mid-size space, big-box landlords pricing competitively [C&W Q3 2026].

EXHIBIT 5

Where the pipeline sits. Square feet under construction by Newmark submarket, Q3 2026, in thousands [Newmark Q3 2026]. Downtown, Draper, Murray, Sandy and South Salt Lake: zero.

On C&W's own submarkets the same story: North West 2.82M SF, Central West 0.69M, South West 0.46M, every east-side submarket zero [C&W Q3 2026].

The pipeline has more than tripled in a year: 1.1M SF at Q3 2025 [CBRE Q4 2025] against 3.97M SF now [C&W Q3 2026].



Source: Newmark Mountain West, 3Q26 Salt Lake County Industrial Market Overview, submarket table. Airport includes 1,106,970 SF of bulk distribution.

Exhibit 6 · Named projects: the competitive set a new 140,000 SF box leases against

REAL · C&W Q3 2026

PROJECT	SIZE	STATUS, Q3 2026
SLC Global Logistics Center, Phase 4 (3 buildings)	~962,500 SF	Under construction; **797,500 SF still available** for prelease
5400 Commerce Center (3 buildings)	~470,000 SF	Under construction; **100% available** for prelease
Northpoint Commerce Center, 2760 N. 2200 W.	**175,383 SF**	**Delivered, vacant**
201 Commerce Center Bldg 2, 2198 S. Commerce Center Dr.	130,733 SF	Delivered, leased to AeroVironment
201 Commerce Center Bldg 3, 4387 W. 2100 S.	**130,733 SF**	**Delivered, vacant**
140 North Apollo Road	56,885 SF	Delivered, vacant

Two of the four Q3 deliveries are ~131,000–175,000 SF spec boxes that delivered empty [C&W Q3 2026]. A further project list from Colliers' Q1 2026 report was seen only in a search extract and is not used.

Exhibit 7 · Four geographies, mapped to each broker's own submarket names

REAL · CITED

GEOGRAPHY	VACANCY AND RENT, Q3 2026	UNDER CONSTRUCTION	WHAT IT MEANS FOR A 140,000 SF BOX
Northwest Quadrant Airport, California Ave, West Valley. C&W North West: 121.8M SF, ~73% of its inventory	C&W North West 8.5% overall, $0.80 [C&W Q3 2026]. Airport 6.4% direct, $0.77; California Ave 4.6%, $0.86; West Valley 5.1%, $0.84 [Newmark Q3 2026]	2.82M SF [C&W Q3 2026]; Airport 1.52M SF [Newmark Q3 2026]	The demand engine: 1.3M SF, 77% of C&W's Q3 new leasing, incl. Biovation Labs 253,231 SF and GOFO 159,201 SF [C&W Q3 2026]. Also where the vacant big boxes and new spec supply concentrate.
I-15 corridor and south valley West Jordan, Bluffdale, Draper, Sandy. C&W South West: 18.0M SF	C&W South West 6.9% overall, $0.99 [C&W Q3 2026]. Direct: West Jordan 4.4%, Bluffdale 6.2%, Draper 1.3%, Sandy 1.9%; bulk: West Jordan 12.3%, Bluffdale 26.7% [Newmark Q3 2026]	457,834 SF [C&W Q3 2026]; none in Draper or Sandy [Newmark Q3 2026]	Higher rents, smaller buildings, tight small-bay space. The few large boxes here are the soft spot.
Central and infill Downtown, South Salt Lake, Murray, Central West and East, North East	C&W Central West 4.6%, $1.07; Central East 2.7%, $1.26; North East 4.3%, $1.00 [C&W Q3 2026]	None east; Central West 689,345 SF [C&W Q3 2026]	Older, small-bay stock; 10–100K SF buildings run 1.5% vacancy. Scarce, costly infill land is why new bulk supply goes west [C&W Q3 2026]. Not a comp set for this box.
West desert and Tooele bulk Grantsville, Lakeview Business Park	No broker statistics read for Tooele County: vacancy, rent and absorption are **unknown** here	Not in the series read	Lakeview: 1,700 acres, 800+ rail-served, developer Prologis [Lakeview Business Park]; served by the Savage Tooele Railroad [Savage, Nov 2024]. Long-run competing build-to-suit supply.

What is driving demand

REAL

- Metro payroll growth 2.5% year over year in August 2026, against 0.3% nationally [Newmark Q3 2026]; unemployment 3.6% against 4.2% [C&W Q3 2026].
- Manufacturing employment +2.3%, its highest in a decade; trade, transportation and utilities +1.8%, 162,900 jobs [Newmark Q3 2026].
- Manufacturing drove Q3 absorption (+268,193 SF) and is the tightest type at 2.3% vacancy [C&W Q3 2026].
- Airport, interstate and rail access in the Northwest Quadrant [CBRE Q4 2025]; outdoor storage and power capacity now shape site selection [C&W Q3 2026].

Where it is softening

REAL

- Overall vacancy up 90 bps year over year to 7.6%; Q3 new leasing down to 1.6M SF from 2.4M SF in Q2 [C&W Q3 2026].
- Leasing volume 28% behind 2025's pace; renewals 49.1% of Q3 volume, the highest share since end-2023 [Newmark Q3 2026].
- Sublease availability ~2.5M SF, about double its 1.3M SF long-run average; non-bulk vacancy up three quarters running [Newmark Q3 2026].
- Pipeline 15.3% preleased; big-box landlords pricing competitively [C&W Q3 2026].

Pricing and cost context: benchmarks, not deal inputs

REAL · CITED

5.9%

Salt Lake City industrial cap rate benchmark at mid-year 2026, from 6.0% a year earlier [C&W Capital Markets]. C&W cautions that benchmarking "remains challenging" on limited transactions.

$420M

Industrial sales volume in H1 2026, 36% of four-sector volume; private capital 55.8% of buyers; 10-year Treasury ~4.4% [C&W Capital Markets].

$78–$87

Per SF, Americas average hard cost for large and medium industrial projects; copper +39%, steel +17% on tariffs [C&W Cost Guide]. Not a Salt Lake figure: none was read, nor any industrial land price.

SIGNALS TO TRACK EACH QUARTER

From the brokers' own reports, if the Build's vertical start is held (section 06).

The preleased share of the pipeline, 15.3% today [C&W Q3 2026]; whether the two Q3 2026 vacant deliveries, Northpoint (175,383 SF) and 201 Commerce Center Bldg 3 (130,733 SF), have leased [C&W Q3 2026]; and the remaining availability at SLC Global Logistics Center Phase 4 (797,500 SF) and 5400 Commerce Center (100%) [C&W Q3 2026]. The trigger levels are a policy the committee sets; this memorandum does not invent them.

03

THE TWO OPTIONS, SIDE BY SIDE

The deal layer begins here

The subject building, the site, the owner and every figure in sections 03 to 10 are invented SAMPLE. They carry no citation. Where a real market figure stands beside them for reference, it wears its broker's name in teal.

THE QUESTION THE OWNER ASKED

Two buildings, one budget.

Where does roughly $20M of capital earn the better risk-adjusted return over a ten-year hold: in an existing, fully leased 2006 warehouse, or in a new speculative building on an 8.0-acre lot nearby? Priced all-in, the two land within $7K of each other.

Exhibit 8 · What each option is

SAMPLE / ILLUSTRATIVE

	BUY · AN EXISTING WAREHOUSE	BUILD · A NEW WAREHOUSE
The asset	140,000 SF, built 2006, 28 ft clear, two tenants, 100% leased	140,000 SF tilt-up, 36 ft clear, rear-load, speculative, on an 8.0-acre lot
Tenancy	Tenant A: 90,000 SF at $0.70/SF/mo, expires end of Year 3. Tenant B: 50,000 SF at $0.76/SF/mo, expires end of Year 6	None at start; one full-building lease signed at month 24
Headline price or budget	$18.90M ($135/SF)	$17.97M land + hard + soft
What gets it to all-in	1.5% closing; $6.00/SF Year-1 capital program (roof restoration, LED retrofit, dock levelers, paving); Tenant A re-leasing	TI/LC, construction interest and loan fee, lease-up carry
All-in cost basis	**$20.32M ($145.16/SF)**	**$20.32M ($145.11/SF)**
Income starts	Day one	Month 28 (lease commences month 24; four months free rent)
Hold and exit	10 years, sold on Year-11 NOI	10 years, sold on Year-11 NOI

Exhibit 9 · How the sample deal is calibrated to the real market

SAMPLE INPUT REAL REFERENCE

SAMPLE INPUT	SAMPLE VALUE	REAL REFERENCE IT SITS AGAINST
Buy building market rent	$0.78/SF/mo	Achieved bulk first-year rate $0.80 [Newmark Q3 2026]; older 28 ft product set below new Class A
New Class A market rent	$0.84/SF/mo	Warehouse/distribution weighted asking $0.84 [C&W Q3 2026]; 100–199K SF direct asking $0.89 [CBRE Q4 2025]
Buy going-in cap	6.1%	Salt Lake City industrial cap benchmark 5.9% [C&W Capital Markets]
Build valuation cap (margin)	5.8%	10 bps inside the 5.9% benchmark for new product [C&W Capital Markets]
Exit caps	Buy 6.5%; Build 6.2%	Benchmark 5.9% [C&W Capital Markets] + 60 bps for a ~30-year-old building at sale, + 30 bps for a ~9-year-old one
Base lease-up after delivery	12 months	Two same-size spec boxes delivered vacant in Q3 2026 [C&W Q3 2026]
Hard cost	$92.40/SF incl. 5% contingency	No Salt Lake figure read; Americas averages $78–$87/SF [C&W Cost Guide]
Land	$9.00/SF of land ($22.40/SF of building)	No Salt Lake industrial land prices read: a sample assumption
Held-start costs	Land carry 1.5%/yr; hard + soft escalation 3%/yr	No Salt Lake figure read: sample assumptions

Shared across both cases SAMPLE: market-rent growth 2.5%/yr, contract escalations 3.5%/yr, 60% leverage, Buy rollovers probability-weighted (65% renewal, 9 months downtime on a vacate), overruns funded by equity. None of the sample values is a market fact.

Exhibit 10 · The two options, side by side · base case

SAMPLE / ILLUSTRATIVE · WASATCH INDUSTRIAL PARTNERS

METRIC	BUY	BUILD	BUILD MINUS BUY
COST			
All-in cost basis	$20.32M ($145/SF)	$20.32M ($145/SF)	–$7K
Buy all-in as % of replacement cost	100.0%	n/a	
Equity invested	$8.47M	$9.19M	+$0.73M
INCOME AND YIELD			
Year-1 NOI	$1.15M	$0	–$1.15M
Going-in cap	6.1%	n/a	
Stabilized NOI	$1.40M (Year 5)	$1.47M (Year 4)	+$71K
Stabilized yield-on-cost	**6.9%**	**7.2%**	**+30 bps**
Spread over 5.9% market cap [C&W Capital Markets]	+100 bps	+130 bps	+30 bps
Development margin (valued at 5.8%)	n/a	$4.96M (24.4% of cost)	
RETURN, 10-YEAR HOLD			
Unlevered IRR	**8.1%**	**10.4%**	**+230 bps**
Levered IRR	**10.1%** 60% LTV, 6.1% IO	**13.5%** 60% LTC, 7.2% then 6.1%	**+340 bps**
Unlevered / levered multiple	1.95x / 2.33x	2.21x / 2.76x	+0.26x / +0.43x
Exit cap / gross exit value, Year 10	6.5% / $26.1M	6.2% / $30.1M	+$4.0M
TIMING AND EXPOSURE			
Months to first rent	0	28	+28
Months to stabilized occupancy	0	24 12 build + 12 lease-up	+24
Leasing exposure	90,000 SF rolls end Yr 3; 50,000 SF end Yr 6	140,000 SF spec, 12-month lease-up	

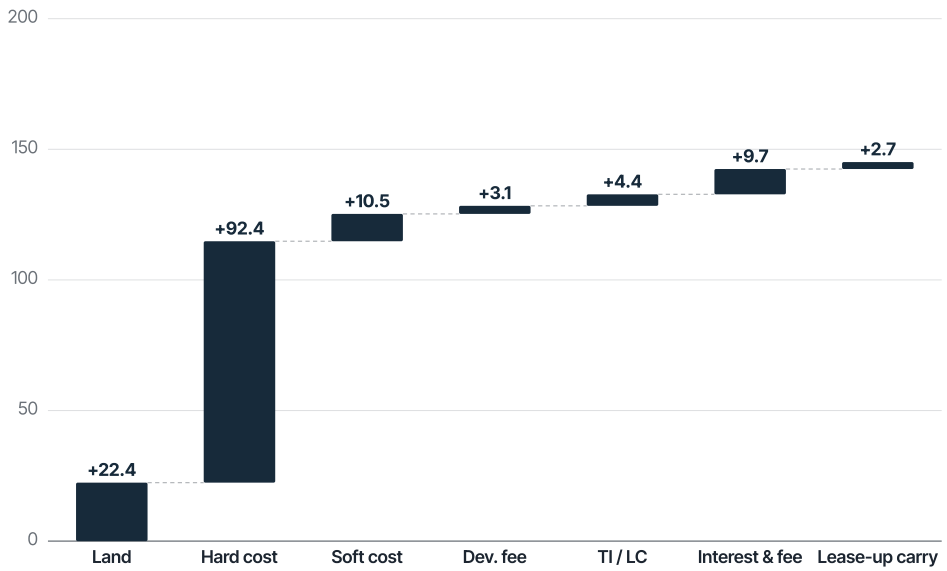
Source: buy-vs-build-model-3.xlsx, Summary sheet. Every figure is sample except the 5.9% market cap reference [C&W Capital Markets]. The Build lease commences at month 24; four months of free rent put first cash rent at month 28.

EXHIBIT 11

What the Build costs, line by line. All-in budget per SF of building, cumulative: land $22.40, hard $92.40 (shell $66, site $18, office $4, contingency 5%), soft $10.47, developer fee $3.09, TI/LC $4.40, construction interest and loan fee $9.69, lease-up carry $2.66.

All-in $145.11/SF, against the Buy's $145.16/SF: a $0.05 difference on a $145 basis.

SAMPLE / ILLUSTRATIVE



Source: buy-vs-build-model-3.xlsx, Build budget. Illustrative; hard cost is a sample assumption, no Salt Lake construction cost having been read.

03

THE CORE FINDING

Replacement cost

The Buy's all-in basis (price, closing, Year-1 capital program, Tenant A re-leasing) divided by the Build's all-in basis SAMPLE.

Why it matters

An acquisition normally earns its lower return because it is bought at a discount to replacement: the discount pays for age, functional gaps and the absence of development risk. Here there is none.

THE FINDING THE RECOMMENDATION RESTS ON

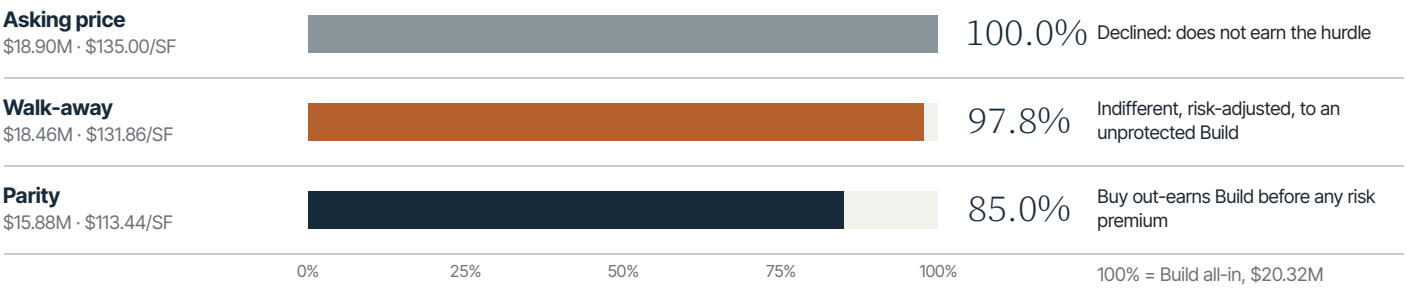
The Buy is priced at full replacement cost.

Once closing, the Year-1 capital program and the Tenant A re-lease are added, the seller's asking price equals the full cost of building new: **100.0% of replacement cost** SAMPLE. Nothing exotic in the model produces the Build's edge. It is basis, product quality and exit, all pointing the same way.

Exhibit 12 · What the same $20.32M buys SAMPLE / ILLUSTRATIVE

	BUY	BUILD
The building	20 years old at purchase, 28 ft clear	New, 36 ft clear, leased at new Class A rent
The rent roll	64% of the area (Tenant A, 90,000 SF) rolls at the end of Year 3	One full-building lease from month 24; 140,000 SF of spec risk until then
At sale	A ~30-year-old building, priced at a 6.5% exit cap: $26.1M gross	A ~9-year-old building, priced at a 6.2% exit cap: $30.1M gross
Return	8.1% unlevered, 10.1% levered; 6.9% yield-on-cost	10.4% unlevered, 13.5% levered; 7.2% yield-on-cost

Exhibit 13 · The Buy's price against replacement cost, all-in SAMPLE / ILLUSTRATIVE



THE BUY'S GENUINE STRENGTH

It earns from day one: $1.15M of Year-1 NOI SAMPLE. And it has embedded upside: Tenant A pays $0.70/SF/mo against a $0.78 market, so the Year-3 rollover is a mark-to-market opportunity. The model already credits that upside, probability-weighted at 65% renewal with nine months of downtime on a vacate. Even with it, the Buy returns 8.1% unlevered.

WHY THAT IS NOT ENOUGH

The same dollars buy 30 bps more stabilized yield, 230 bps more unlevered IRR and $4.0M more exit value in the new building SAMPLE. The Buy's case would rest on a discount to replacement that the asking price does not offer. Below $18.46M it begins to; below $15.88M it wins outright.

04

THE DECISION CRITERIA, SCORED

Build wins the returns and the basis. Buy wins speed and certainty.

The committee is really answering one question: is the Build's return premium large enough to pay for its execution risk? In the base case it is, by 30 bps SAMPLE. That is too thin to rely on unprotected, and large enough to be worth protecting.

Exhibit 14 · Seven criteria, scored — SAMPLE FIGURES UNLESS CITED

CRITERION	FAVORS	WHY
Cost basis All-in $ and $/SF; price against replacement	BUILD	Identical $20.32M / $145/SF. Equal dollars buy a new 36 ft building against a 2006, 28 ft one, so the Buy has no basis advantage to offset its age. Its basis becomes acceptable only below $18.46M (97.8% of replacement all-in).
Stabilized yield-on-cost Stabilized NOI over all-in cost	BUILD narrowly	7.2% against 6.9%; spreads of +130 and +100 bps over the 5.9% benchmark [C&W Capital Markets]. 7.5% if preleased.
IRR 10-year unlevered and levered	BUILD clearly, base case	10.4% against 8.1% unlevered; 13.5% against 10.1% levered. The premium is +230 bps against a 200 bps hurdle; +360 bps if preleased.
Speed to income Months to first rent	BUY	Day one against month 28 (month 16 if preleased). The Buy books $1.15M in Year 1; a spec Build books nothing until Year 3.
Execution risk Cost, schedule, lease-up	BUY	The Build carries the full development stack: overrun, delivery timing and a 140,000 SF spec lease-up into a pipeline only 15.3% preleased [C&W Q3 2026]. The Buy's risk is one rollover in Year 3.
Market timing Where the cycle is when each option meets the market	MIXED Build if the start is gated	A start now delivers into the tail of the 2026–27 wave that C&W expects to tighten "by 2027" [C&W Q3 2026], with possible supply constraints later in 2027 [C&W Capital Markets]. An unprotected start leases against the same-size spec boxes still on the market. The Buy's Tenant A rolls at the end of Year 3, into the same window.
Flexibility Ability to change course after committing	BUILD if phased, for about six months	A gated Build commits the land (~$3.14M) before ~$17M of construction, and the start can be held. The hold is not free: six months on flat rents uses all but 2 bps of the cushion; twelve months misses the hurdle by 30 bps. The Buy commits all $18.9M at close; its exit is liquid, but it sells a 30-year-old building.

4 criteria favor the Build: basis, yield, IRR, and flexibility if phased

2 favor the Buy: speed to income and execution risk

1 is mixed, and turns to the Build only if the start is gated

> Protected by a prelease, the margin over the hurdle is 160 bps, not 30 SAMPLE.

Exhibit 15 · How the scorecard moves with a tenant signed before vertical start — SAMPLE / ILLUSTRATIVE

28 → 16

Speed to income. Months to first rent, spec against preleased. The Buy's lead shrinks by a year.

2.8% → 14.5%

Execution risk. The cost overrun the Build absorbs before failing the hurdle.

+230 → +360

IRR. Build's unlevered premium over the Buy, in bps; 11.7% unlevered, 16.4% levered.

7.2% → 7.5%

Yield-on-cost. All-in falls to $19.17M ($136.90/SF): no lease-up carry, a year less interest.

05

WHERE THE BUILD'S EDGE BREAKS

The Build almost never loses to the Buy. It stops being paid enough.

The two live risks, cost and lease-up, are both cheap to break against the hurdle and very expensive to break against the Buy. The protection has to address exactly those two variables.

Exhibit 16 · The stress table · all other inputs at base SAMPLE / ILLUSTRATIVE

STRESS	BUILD UNLEVERED IRR	BUILD MINUS BUY	AGAINST THE 200 BPS HURDLE
Base	**10.4%**	**+2.3 pts**	CLEARS
Cost overrun +10%	9.4%	+1.3 pts	FAILS
Lease-up +6 months	10.1%	+2.0 pts	FAILS, JUST
Lease-up +12 months	9.3%	+1.1 pts	FAILS
Overrun +10% and lease-up +6 months	9.1%	+1.0 pts	FAILS
Rents –10% (both options)	8.9%	+2.0 pts	FAILS, JUST
Exit caps +40 bps (both)	9.9%	+2.2 pts	CLEARS
Construction loan +100 bps (7.2% to 8.2%)	10.4%	+2.3 pts	CLEARS levered 13.2%, –25 bps

THE BREAK-EVENS

2.8%
cost overrun, or

5.6 mo
of extra lease-up, and the Build stops clearing the hurdle.

23% · 26 mo
overrun or extra lease-up before the Build merely falls to parity with the Buy.

SAMPLE

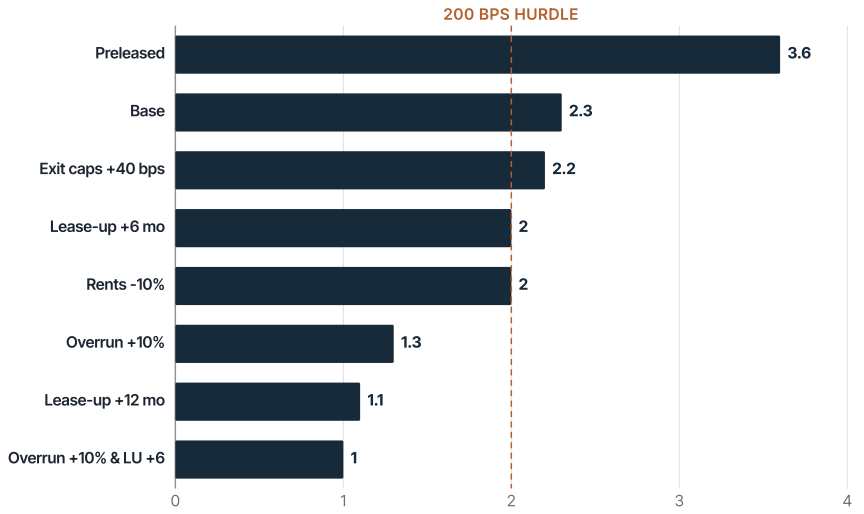


Exhibit 17. Build's unlevered IRR premium over the Buy, in points, by stress, against the 200 bps hurdle (dashed). The prelease row is shown for contrast. Source: buy-vs-build-model-3.xlsx, Sensitivity and Scenarios sheets SAMPLE.

What this tells the committee

SAMPLE

The risk is pay, not underperformance. It takes a 23% overrun or more than two extra years of lease-up to bring the Build down to the Buy's return.

Both live risks break cheaply. A 2.8% overrun sits inside ordinary change orders; 5.6 months is under half the assumed lease-up, and two same-size boxes delivered vacant [C&W Q3 2026].

Exit-cap and financing risk do not differentiate. +40 bps on both exits leaves the Build clearing; +100 bps on the construction loan leaves unlevered IRR at 10.4%, a hedging question.

A broad rent decline hurts the Build more. It is leased entirely at market; the Buy's in-place leases cushion it. Quote IRR, not yield, for delay: extra lease-up slightly raises yield-on-cost but lowers IRR.

06

THE CONDITIONS

Two conditions, each aimed at one thin break-even.

Either stress alone breaks the hurdle, so both are required. Together they convert the Build from a 30 bps cushion against two live risks into a fixed-cost, leased, new building bought at the same basis as a 20-year-old one SAMPLE.

CONDITION 1 · COST CERTAINTY

A GMP contract before vertical start

A guaranteed-maximum-price contract from a qualified tilt-up general contractor, at or inside the modeled hard-cost budget of **$92.40/SF including 5% contingency** SAMPLE.

Purpose. Move the overrun risk on the largest budget line to the contractor, so the remaining exposure (soft costs, interest, owner changes) stays well inside the 2.8% break-even.

Terms to expect. A defined scope with spec office and site-work included; a long-lead procurement schedule for steel and electrical gear, with copper up 39% and steel up 17% year over year on tariffs [C&W Cost Guide]; a delivery date with liquidated damages.

Why it stays a condition. Input costs are moving fast, a held start that ends without a tenant has only the 2.8% break-even to stand on, and a fixed price is cheap to require while the contractor is competing for the job.

CONDITION 2 · LEASE-UP CERTAINTY

A signed tenant, or a bounded held start

Preferred: a signed lease or binding LOI before vertical start. With the lease commencing at delivery, first rent moves from month 28 to month 16; the Build earns **11.7% unlevered and 16.4% levered**, beats the Buy by 3.6 pts, and the cushion grows **from 30 to 160 bps** SAMPLE.

The prelease has a budget. The same 130 bps of unlevered IRR is what the sponsor can spend to win the tenant early: a lower starting rent or more free rent, paid out of it. The leasing team should be told so.

Alternative, the phased start: close the land, finish entitlement, permits and GMP pricing, and hold the vertical start until a prelease is signed or the competing spec supply is visibly leasing, tracked against the signals on page 8.

Exhibit 18 · What a held start costs · market rent held flat through the hold SAMPLE / ILLUSTRATIVE

HELD START	BUILD UNLEVERED / LEVERED IRR	BUILD MINUS BUY	AGAINST THE HURDLE	FIRST RENT
None (base)	10.4% / 13.5%	+2.3 pts	CLEARS BY 30 BPS	Month 28
6 months	10.1% / 12.8%	+2.0 pts	AT THE HURDLE, +2 BPS	Month 34
12 months	**9.8% / 12.0%**	**+1.7 pts**	FAILS BY 30 BPS	**Month 40**
12 months, then preleased	11.5% / 15.3%	+3.4 pts	CLEARS	Not stated

Costs of the hold: land carry at 1.5% of land cost a year and hard + soft escalation of 3% a year SAMPLE. Market rent is held flat through the hold, the conservative case: a start is held precisely when the market is soft, so crediting rent growth through the wait would be optimistic. The hold costs far more levered than unlevered because the land equity sits idle before the construction loan funds.

> A six-month hold uses up nearly all of the cushion; a twelve-month hold without a tenant at the end does not earn the hurdle. **Waiting is affordable only if it buys the tenant.**

Why both conditions, not one

SAMPLE

A GMP ALONE

leaves an unleased building, and the 5.6-month lease-up break-even exposed in a market where same-size boxes are delivering vacant [C&W Q3 2026].

A PRELEASE ALONE

is the heavier of the two: it lifts the overrun the Build can absorb to 14.5%. But an open-book contract still leaves cost exposed while input costs move fast.

BOTH TOGETHER

leave a fixed-cost, leased, new 36 ft building at the basis of a 20-year-old 28 ft one: 11.7% unlevered against the Buy's 8.1%.

07

THE WALK-AWAY PRICE

How it is solved

The purchase price at which the Buy's unlevered IRR comes within the 200 bps hurdle of the Build's, a target Buy IRR of 8.42%, everything else at base. Solved exactly, not by goal seek: the NPV of the Year 1–10 Buy flows at the target IRR, divided by 1.015 for closing SAMPLE.

THE COMMITTEE'S NEXT QUESTION: THEN AT WHAT PRICE WOULD WE BUY?

Acquire only below $18.46M.

$132/SF, or 98% of replacement cost all-in SAMPLE. The walk-away sits only 2.3% below the ask. The Buy is declined at $18.9M because it does not earn the hurdle, not because it is far off on price: a modest seller concession would make it competitive, and the sponsor should say so to the seller.

Exhibit 19 · The Buy at three prices SAMPLE / ILLUSTRATIVE

	ASKING PRICE	WALK-AWAY	PARITY
Purchase price	$18.90M	**$18.46M**	$15.88M
Per SF	$135.00	**$131.86**	$113.44
As % of ask	100%	**97.7%** a $439K cut	84.0%
Buy all-in as % of replacement	100.0%	**97.8%** all-in $19.88M	85.0%
Going-in cap	6.1%	**6.25%**	7.3%
Buy unlevered / levered IRR	8.1% / 10.1%	**8.4% / 10.7%**	Equal to the Build
What it means	Declined: does not earn the hurdle	**Indifferent, risk-adjusted, to an unprotected Build**	Buy out-earns the Build before any risk premium

Source: buy-vs-build-model-3.xlsx, Scenarios sheet (walk-away block) and Summary SAMPLE. One limit: the walk-away is measured against the base, unprotected Build. Against a preleased Build (11.7% unlevered) the price the Buy would have to reach is materially lower; the model does not price that case, and this memorandum states no figure for it.

WHAT FLIPS IT TO BUY

The recommendation changes to Buy if any of these hold at the gate SAMPLE.

1 **The seller reprices below $18.46M** while the Build has no prelease in hand or in prospect. With a tenant signed, the Build's premium is 3.6 pts and the Buy needs a deeper discount; without one, the Buy below walk-away is the better risk-adjusted use of the capital.

2 **No GMP is available at or near budget.** If contractors will not fix the hard cost, the expected overrun has to be weighed against a 2.8% break-even, and the Build premium cannot be relied on.

3 **No prelease after about six months of held start, and the spec pipeline is not leasing.** A 12-month hold on flat rent misses the hurdle by 30 bps. If the vacant same-size deliveries and the big-phase availabilities [C&W Q3 2026] are still on the market, a Buy below walk-away, or no transaction, is the better course.

4 **The market-rent view falls by about 10% or more.** At −10% the Build's premium sits exactly on the hurdle.

And it does not change on exit-cap risk alone (a uniform +40 bps leaves the Build clearing), nor on a construction-rate move (unlevered IRR unchanged at +100 bps) SAMPLE.

08

THE GATED PLAN AND TIMELINE

Commit the land now. Release the building on conditions.

A prelease shortens the path to rent by twelve months, which the model rewards with 130 bps of unlevered IRR. A held start lengthens it, which the model punishes. That is why a held start is a bounded fallback to a prelease, not an equal alternative SAMPLE.

Exhibit 20 · Months from the decision to first cash rent, by path SAMPLE / ILLUSTRATIVE

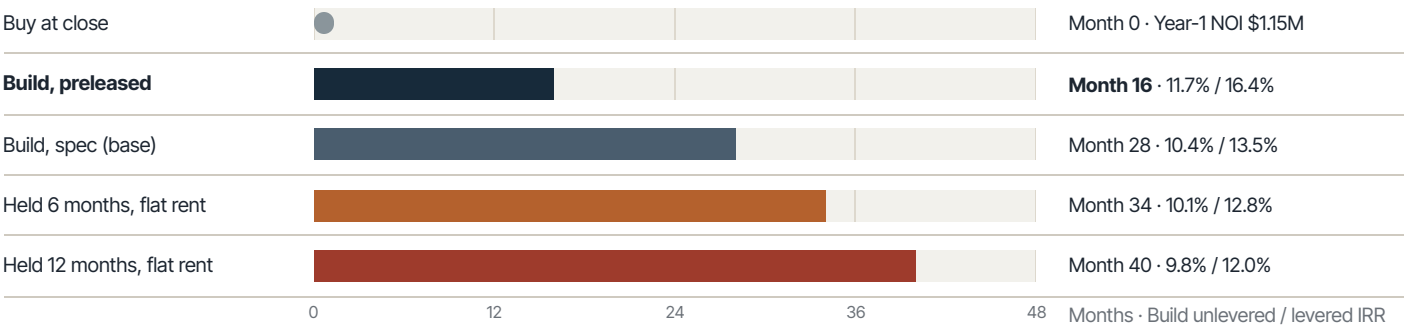


Exhibit 21 · The gates SAMPLE / ILLUSTRATIVE

GATE	MONTH	COMMITMENT	RELEASE CONDITION
Gate 0 · Committee approval	**0**	**Approve the Build program and the gate structure; authorize the land contract and pre-construction budget; authorize an offer on the existing building at or below $18.46M**	**This memorandum**
Gate 1 · Land and pre-construction	0	Close the 8.0-acre lot (~$3.14M); entitlement, design, GMP pricing; prelease marketing, with up to ~130 bps of IRR available for concessions	Land diligence clean
Gate 2 · Vertical start	**On conditions**	**Construction loan closes, rate capped or hedged; GMP signed; ~$17M of construction committed**	**GMP at or inside budget and a signed lease or binding LOI, or the held-start market triggers met at the committee's direction**
Held-start review	Gate 2 + 6, if no tenant	Committee decides again: start, continue to hold, or redeploy	A 6-month hold on flat rent sits at the hurdle; 12 months misses it by 30 bps
Delivery	Start + 12	Building complete	
Lease commencement	Start + 12 preleased; start + 24 spec	Tenant occupies; four months free rent	
First cash rent	16 preleased; 28 spec; 34 / 40 held	Construction loan converts to interest-only at 6.1%	
Stabilized	Year 4, spec base	Stabilized NOI $1.47M; yield-on-cost 7.2% (7.5% preleased)	
Exit	End of Year 10	Sale on Year-11 NOI at a 6.2% cap; gross $30.1M in the base case	

Capital at risk at each gate SAMPLE

~$3.14M

Gate 1. The 8.0-acre lot, committed at approval. The only Build capital at risk before the conditions are met.

~$17M

Gate 2. Vertical construction, released only behind a GMP and a signed tenant; 60% loan-to-cost.

$9.19M

Equity, spec. Total Build equity invested in the base case; 2.76x levered multiple.

$8.01M

Equity, preleased. Less equity for a better return: 3.30x levered multiple.

09

RISK REGISTER

Ten risks, read against the market's own evidence.

Each risk pairs real market evidence, cited by broker, with the sample model's sensitivity to it. The two that decide the recommendation, lease-up and cost, lead the register.

RISK · OPTION · RESIDUAL	MARKET EVIDENCE REAL	MODEL SENSITIVITY SAMPLE	MITIGATION
1 **Lease-up runs long** BUILD — Low if preleased; Medium on a held start	Two ~131K–175K SF spec boxes delivered vacant in Q3 2026; pipeline 15.3% preleased [C&W Q3 2026]. 1.56M SF under way in the 100–199K SF band [CBRE Q4 2025].	Hurdle fails at +5.6 months; +12 months takes IRR to 9.3%. A prelease lifts IRR to 11.7%.	Prelease before vertical start; or hold the start (Condition 2).
2 **Construction cost overrun** BUILD — Low with GMP; soft costs and owner changes remain	Copper +39%, steel +17% year over year on tariffs; U.S. construction wages +4.3% [C&W Cost Guide]. No Salt Lake-specific cost figure read.	Hurdle fails at +2.8% spec, +14.5% preleased; +10% takes spec IRR to 9.4%. Overruns are equity-funded in the model.	GMP at or inside budget; 5% hard contingency retained; early procurement (Condition 1).
3 **Delivery or entitlement delay** BUILD — Low to Medium	No Salt Lake entitlement data read. The construction period is assumed at 12 months SAMPLE.	Acts like lease-up delay on IRR: later rent start, more carry.	Entitlements and permits in hand before vertical commitment; GMP with schedule guarantee and liquidated damages.
4 **Market rent decline** BOTH, MORE FOR BUILD — Medium: the market risk both options share	C&W's rent outlook "neutral," big-box landlords pricing competitively [C&W Q3 2026]. Sublease availability ~2.5M SF, about double the long-run average [Newmark Q3 2026].	Rents –10% leaves the Build's premium at +2.0 pts, at the hurdle; Build IRR 8.9%.	A prelease locks the starting rent; underwrite at achieved, not asking, rents.
5 **Interest rates** BUILD, DURING CONSTRUCTION — Low as a decision risk; a financing-terms item	10-year Treasury ~4.4% at mid-year 2026 [C&W Capital Markets].	Construction loan +100 bps (7.2% to 8.2%): unlevered IRR unchanged at 10.4%; levered 13.2% (–25 bps); all-in +$173K to $20.49M.	Rate cap or hedge on the construction loan; size the interest reserve to the GMP schedule.
6 **Exit cap expansion** BOTH — Low as a differentiator	Benchmark 5.9%, from 6.0% a year earlier, on thin volume [C&W Capital Markets].	+40 bps on both exits: Build 9.9%, premium +2.2 pts, still clears.	Already priced with 60 and 30 bps of exit spread over the benchmark.

RISK · OPTION · RESIDUAL	MARKET EVIDENCE REAL	MODEL SENSITIVITY SAMPLE	MITIGATION
7 **Tenant A rollover** BUY Medium	Leasing volume 28% behind 2025 year to date; renewals 49.1% of Q3 volume [Newmark Q3 2026].	90,000 SF (64%) rolls at the end of Year 3; modeled at 65% renewal, 9 months downtime on a vacate.	Early renewal negotiation; the mark-to-market from $0.70 to market is upside if it renews.
8 **Functional obsolescence** BUY Medium, rising with the hold	New supply is modern product; the pipeline is "dominated by speculative W/D developments" [C&W Q3 2026].	Captured in the 6.5% exit cap and the $0.78 rent; a wider obsolescence discount is not run.	Price discipline at acquisition: walk-away $18.46M (section 07).
9 **Replacement-cost pricing** BUY The central Buy risk	Deal-level: no market evidence applies.	Buy all-in = 100.0% of Build all-in at $18.9M; 97.8% at the $18.46M walk-away.	Do not pay above $18.46M; renegotiate or pass.
10 **Supply wave persists** BUILD HELD START; BUY YEAR-3 ROLL Medium	Pipeline more than tripled in a year; ~85% of Q3 starts in the Airport area [Newmark Q3 2026]. Relief by 2027 only "assuming limited new construction starts" [C&W Q3 2026].	Shows up through risks 1 and 4, and through the held start: 12 months on flat rent misses the hurdle by 30 bps.	Phased start, bounded at about six months before the committee decides again.

Exhibit 22 · The register on one line per risk SAMPLE RESIDUALS

	BUILD	BUY	RESIDUAL AFTER MITIGATION
1 Lease-up runs long	■	□	Low if preleased
2 Cost overrun	■	□	Low with GMP
3 Delivery or entitlement delay	■	□	Low to Medium
4 Market rent decline	■	◪	Medium
5 Interest rates	■	◪	Low
6 Exit cap expansion	■	■	Low as a differentiator
7 Tenant A rollover	□	■	Medium
8 Functional obsolescence	□	■	Medium, rising
9 Replacement-cost pricing	□	■	Central Buy risk
10 Supply wave persists	■	■	Medium

Filled square: the option carries the risk. Half square: carries it to a lesser degree (rents and rates bear more on the Build, which is leased entirely at market and financed through construction). Residuals are the sponsor's sample judgments after the mitigations above.

10

THE RESOLUTION

What it does

Approves the Build in gates, ties the vertical release to the two conditions, bounds any held start at six months, and prices the decline of the Buy.

Open items

None in the model before the meeting. One case is named and deliberately not priced: the walk-away against a preleased Build.

THE RESOLUTION THE COMMITTEE IS ASKED TO PASS

RESOLVED, that Wasatch Industrial Partners SAMPLE approve the development of a ~140,000 SF, 36 ft clear warehouse on the 8.0-acre site at an all-in budget of $20.32M ($145/SF), with land and pre-construction released now and vertical construction released only upon (1) execution of a guaranteed-maximum-price contract at or inside the approved hard-cost budget and (2) a signed lease or binding LOI for the building, or the committee's subsequent approval of a speculative start against named market conditions, with any held start returned to the committee for decision no later than six months after pre-construction is complete;

that the sponsor decline to acquire the existing 2006 warehouse at $18.9M, which prices a 28 ft clear building at 100% of replacement cost and does not earn the committee's 200 bps development-risk hurdle;

and that management be authorized to pursue that acquisition only at a purchase price below $18.46M ($132/SF, 98% of replacement cost all-in), to be returned to the committee against the Build's status at that date.

Exhibit 23 · The four committee runs behind the resolution SAMPLE · SCENARIOS AND SCENARIO CF SHEETS

RUN	QUESTION	ANSWER	IN THIS MEMO
1 · Buy walk-away	At what price would we buy?	$18.46M, $131.86/SF, 97.7% of ask, 6.25% going-in cap, 97.8% of replacement all-in. Parity $15.88M, $113.44/SF, 85% of replacement	01, 07, resolution
2 · Held start	What does waiting for a tenant cost?	Rent flat through the hold: 6 months 10.1% / 12.8%, at the hurdle (+2 bps); 12 months 9.8% / 12.0%, misses by 30 bps	06, 07, 08
3 · Construction rate +100 bps	Does financing cost change the answer?	Unlevered unchanged at 10.4%; levered 13.2% (−25 bps); all-in +$173K to $20.49M. No change to the decision	05, 09
4 · Prelease	What is Condition 2 worth?	11.7% / 16.4% (+130 / +290 bps); Build beats Buy by 3.6 pts; cushion 30 to 160 bps; overrun absorbed 2.8% to 14.5%	01, 06, 08, 09

Committee record TO BE COMPLETED AT THE MEETING

DECISION

- ☐ Approved as resolved
- ☐ Approved with amendments
- ☐ Returned to management
- ☐ Declined

MEETING DATE

_____

VOTE RECORDED

_____

AMENDMENTS AND CONDITIONS NOTED

_____

_____

_____

_____

_____

A

SOURCES

The market layer only

Every source below supports a real market figure. No deal figure in this memorandum cites any of them: the deal layer is sample and rests on buy-vs-build-model-3.xlsx alone.

Read on

Sunday 1 November 2026, on each owner's own page or PDF.

1 **Cushman & Wakefield,** ***Salt Lake City Industrial MarketBeat, Q3 2026*** (Rebecca Lloyd, Jenna Bowen; page dated 15 October 2026). Web page and full PDF. Cited as [C&W Q3 2026].
Page · Full PDF

2 **Newmark Mountain West,** ***3Q26 Salt Lake County: Industrial Market Overview*** (Amelia Wolfe et al.). Full PDF, including the 2018–2026 vacancy and rent history and the submarket tables. Cited as [Newmark Q3 2026].
Report index · PDF

3 **CBRE Research,** ***Figures | Salt Lake City Industrial | Q4 2025*** (Blake Richter, Sierra Hoffer). Full PDF, including the submarket, product and size-band tables. Cited as [CBRE Q4 2025].
PDF

4 **Cushman & Wakefield,** ***Salt Lake City Capital Markets MarketBeat, Mid-Year 2026***. Page text (the page's own download link points to an unrelated Atlanta PDF). Cited as [C&W Capital Markets].
Page

5 **Cushman & Wakefield,** ***2026 Americas Industrial Construction Cost Guide*** (September 2026). Page text, not the flipbook; Americas averages only. Cited as [C&W Cost Guide].
Page

6 **Lakeview Business Park** (The Romney Group / Prologis; leasing Colliers). Project site. Cited as [Lakeview Business Park].
lakeviewbusinesspark.com

7 **Savage Companies, "First New Utah Railroad in Decades to Connect Lakeview Business Park to Global Markets"**, 7 November 2024. Cited as [Savage, Nov 2024].
Press release

8 **Building Salt Lake, Luke Garrott, "After several years of doldrums, where does Salt Lake's Industrial sector stand?"**, 3 August 2026. Read as background; secondary for any CBRE or Colliers figure, and no figure from it is used here.
Article

Attempted, not reached: stated, never cited as read

REFUSED, HTTP 403, 1 NOVEMBER 2026

CBRE, ***Salt Lake City Industrial Figures Q3 2026*****.** Refused the studio's reader and a real browser. CBRE's figures in this memorandum are therefore its Q4 2025 report. Any CBRE Q3 2026 number seen elsewhere is reported only and appears nowhere here. Page

Colliers, ***Salt Lake County Industrial Market Report, 2026 Q2***, and the Q1 2026 PDF download. Refused. No Colliers report was read in full; no Colliers figure is used, and its project list is excluded from Exhibit 6. Page

Where the ground is firm, and where it is not

MARKET LAYER

FIRM

Read on the owner's page or PDF this sitting: every C&W Q3 2026 figure; every Newmark Q3 2026 figure; every CBRE figure, as Q4 2025; C&W's capital markets (5.9% cap rate, volumes, buyer mix) and cost-guide averages; the Lakeview and Savage facts.

UNKNOWN, WRITTEN AS SUCH

Any Tooele County vacancy, rent or absorption figure. A Salt Lake-specific construction cost per SF. Industrial land prices. A trailing-12-month absorption on one broker's definition; year-to-date figures are used instead.

DEFINITIONAL CAUTIONS

Vacancy runs 4.6% (Newmark, direct) to 7.6% (C&W, incl. sublease) for the same quarter; inventory 166.0M to 189.1M SF. Each is true on its own survey. Brokers differ on whether Q4 2025 absorption was positive or negative.

Every headline figure, with its layer and its lineage

SAMPLE REAL

FIGURE	VALUE	LAYER	LINEAGE
All-in basis, each option	$20.32M / $145/SF	SAMPLE	Model-3, Summary
Buy as % of replacement cost	100.0%	SAMPLE	Model-3, Summary
Unlevered IRR, Buy / Build	8.1% / 10.4%	SAMPLE	Model-3, Summary
Levered IRR, Buy / Build	10.1% / 13.5%	SAMPLE	Model-3, Summary
Stabilized yield-on-cost, Buy / Build	6.9% / 7.2%	SAMPLE	Model-3, Summary
Hurdle / cushion	200 bps / ~30 bps	SAMPLE	Model-3, Assumptions and Summary
Hurdle break-evens	2.8% overrun; 5.6 months lease-up	SAMPLE	Model-3, Sensitivity
Parity break-evens	23% overrun; 26 months lease-up	SAMPLE	Model-3, Sensitivity
Months to first rent, Build	28 spec; 16 preleased	SAMPLE	Model-3, Summary and Scenarios
Buy walk-away	$18.46M, $131.86/SF, 97.7% of ask, 6.25% cap, 97.8% of replacement	SAMPLE	Model-3, Scenarios (walk-away block)
Buy parity price	$15.88M, $113.44/SF, 85% of replacement	SAMPLE	Model-3, Scenarios
Held start, flat rent	6 mo 10.1% / 12.8% (+2 bps); 12 mo 9.8% / 12.0% (−30 bps)	SAMPLE	Model-3, Scenarios
Construction rate +100 bps	10.4% / 13.2%; all-in $20.49M	SAMPLE	Model-3, Scenarios
Prelease	11.7% / 16.4%; cushion 160 bps; overrun break-even 14.5%	SAMPLE	Model-3, Scenarios
Overall vacancy, incl. sublease	7.6%	REAL	C&W Q3 2026
Direct vacancy	4.6%	REAL	Newmark Q3 2026
Average asking rent	$0.85/SF/mo NNN	REAL	C&W Q3 2026
Year-to-date net absorption	2.77M SF	REAL	Newmark Q3 2026
Under construction / preleased	3.97M SF / 15.3%	REAL	C&W Q3 2026
100–199K SF band	7.6% vacancy, $0.89/SF/mo, 1.56M SF under way	REAL	CBRE Q4 2025
Vacant same-size deliveries	175,383 SF and 130,733 SF	REAL	C&W Q3 2026
Salt Lake City industrial cap rate	5.9%	REAL	C&W Capital Markets, mid-year 2026

"Model-3" is buy-vs-build-model-3.xlsx, the workbook of record and the only workbook this memorandum names. It carries live formulas: an input changed on its Assumptions sheet moves every figure above that is marked sample.

MODEL CONVENTIONS SAMPLE

Rents quoted $/SF/month NNN and annualized ×12 in the model. Market rents: Buy building $0.78/mo ($9.36/yr); new Class A $0.84/mo ($10.08/yr), grown to $10.59/yr at lease signing in month 24. Escalations 3.5% a year; market growth 2.5% a year; annual periods. Build lease-up is one full-building lease event. Buy rollovers probability-weighted (65% renewal, 9 months downtime on a vacate). Debt interest-only, repaid at exit. Overruns funded by equity.

WASATCH
INDUSTRIAL PARTNERS

Sample / Illustrative work. Wasatch Industrial Partners, the owner, the subject property, the site, the committee and every deal figure in this memorandum are invented, and no real person is named as author or recipient. The market figures are real, read on the brokers' own Q3 2026 research (CBRE: Q4 2025) and cited by broker and quarter. This document is not investment advice and is not an offer of any security.