

VII. INDUSTRIAL LANDS ABSORPTION ANALYSIS

Don Sokoloski of Properties 2000 provided real estate listing and sales data for industrial/commercial land sales over the last five years. During that time there were 18 sales, with a low of 1 sale during 2010 and a high of 5 sales for 2012 and 2014.

As of March 20, 2015 there were 27 listings with an average market time of 859 days (2.35 years). In order to calculate the absorption rate we took the sales rate of 0.277 (5/18) and multiply it by 27 resulting in an absorption rate of 7.5 years if the number of listings remain consistent.

There are also 18 lots in the Missoula Development Park which are not included in this list. If one were to include those as well there would be 45 listings. If the absorption rate recalculated to use 45 listings it would be 12.5 years

Interestingly, the blocks of land where the sales in the last 5 years have been located are primarily in the area west of town near the Wye, the blocks that are near the Airport and Development Park and flanking North Reserve Street.

Current listings are also predominately west of town near the Wye with some also near the Airport, Development Park, and flanking North Reserve Street.

The area in the Industrial Lands Assessment includes 8,446.58 acres consisting of 1,189 parcels. If we isolate the blocks that are greater than 50% vacant the area is 2,912.75 acres consisting of 207 lots.

Based on the abundance of industrial lands and a relatively low absorption rate, it appears that recent sales of industrial lands are those that are close to the interstate, relatively close to the airport, and have a full range of utilities available include sewer, water, power, and broadband access.

There are 3,773.53 acres of County land with industrial zoning and 812.91 acres of City land with industrial zoning. This excludes unzoned lands and special districts.

If the 2,912.75 acres consisting of 207 lots greater than 50% vacant were to be developed at the current sales rate it would take over 57 years to absorb.



3-20-15

To: Dale McCormick

From: Don Sokoloski

Dale,

It was a pleasure talking with you regarding industrial properties. I pulled up unimproved industrial sales back to 1-1-2010. I came up with 18 sales since that date. The breakdown is

1-1-10 to 1-1-11 1 sale

1-1-11 to 1-1-12 2 sales

1-1-12 to 1-1-13 5 sales

1-1-13 to 1-1-14 4 sales

1-1-14 to 1-1-15 5 sales

YTD 1 sale

The multiple listing info enclosed includes active listings on the market (27) with averaged market time of 859 days. I included a breakdown of areas where the listings are located.

The same info is included for the 19 solds since 1-1-10. What I found most interesting is the majority of these sold were reported to be cash sales. Is financing onerous ?????

Good luck

Don

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Real Estate with Real Experience



CMA Summary Report

LAND Summary Statistics

High LP:\$849,000 SP:\$795,000
 Low \$100,000 \$90,000
 Average \$360,561 \$318,111
 Median \$300,000 \$253,500

Number of Properties: 18

LAND - SOLD

Num	Address	MLS #	Status	Area	Acres #	DOM	LP	SP
1	mn Futurity Drive	20132208	SOLD	50D-MULLAN RD WEST	1.070	50	\$115,000	\$90,000
2	NHN Derby	20137304	SOLD	50D-MULLAN RD WEST	1.127	29	\$100,000	\$95,000
3	NHN Derby	20140581	SOLD	50D-MULLAN RD WEST	1.120	115	\$115,000	\$124,000
4	NHN Moccasin Lane	20126514	SOLD	50D-MULLAN RD WEST	1.200	122	\$165,000	\$125,000
5	NHN CLARK FORK LANE	20110028	SOLD	50D-MULLAN RD WEST	1.270	198	\$149,500	\$135,000
6	NHN West Broadway (Hwy 10 West)	20120162	SOLD	50F-EXPRESS WAY-N of BROADWAY /S of I90	1.610	207	\$210,000	\$157,400
7	NHN West Broadway (Hwy 10 West)	20120164	SOLD	50F-EXPRESS WAY-N of BROADWAY /S of I90	1.850	207	\$240,000	\$177,600
8	7648 Thornton Drive	20112670	SOLD	50F-EXPRESS WAY-N of BROADWAY /S of I90	1.420	609	\$199,000	\$180,000
9	5650 Expressway	20147001	SOLD	50F-EXPRESS WAY-N of BROADWAY /S of I90	1.430	9	\$233,600	\$225,000
10	7421 Racetrack Drive	20114344	SOLD	50F-EXPRESS WAY-N of BROADWAY /S of I90	3.410	45	\$399,000	\$282,000
11	NHN Stockyard Road	20110416	SOLD	50F-EXPRESS WAY-N of BROADWAY /S of I90	1.190	157	\$360,000	\$300,000
12	9775 Summit Drive	10005144	SOLD	50D-MULLAN RD WEST	3.600	27	\$375,000	\$325,000
13	NHN Stockyard Rd.	20130501	SOLD	50E-GRANT CREEK	1.960	312	\$470,000	\$450,000
14	NHN Inspiration Lane	10005357	SOLD	50D-MULLAN RD WEST	7.245	684	\$450,000	\$450,000
15	5950 Sandpiper Drive	20133447	SOLD	50D-MULLAN RD WEST	5.440	587	\$550,000	\$475,000
16	200 International Drive	20140343	SOLD	50F-EXPRESS WAY-N of BROADWAY /S of I90	1.480	238	\$715,000	\$575,000
17	3100 Great Northern	10007493	SOLD	10A-CENTRAL MISSOULA	2.110	498	\$849,000	\$765,000
18	2951 Expo Parkway	20135946	SOLD	50E-GRANT CREEK	2.810	411	\$795,000	\$795,000
Avg					2.30	250	\$360,561	\$318,111
Min					1.07	9	\$100,000	\$90,000
Max					7.25	684	\$849,000	\$795,000
Med					1.55	202	\$300,000	\$253,500

Sold Market

	No. of Listings	Dollar Volume	Average Price	Median Price	Average DOM
LAND					
OTHER	2	\$1,050,000	\$525,000	\$525,000	413
CONVENTIONAL	3	\$1,684,000	\$561,333	\$765,000	341
CASH	<u>12</u>	\$2,857,000	\$238,083	\$202,500	205
CONTRACT FOR DEED	1	\$135,000	\$135,000	\$135,000	198
Analysis By Area					
50D-MULLAN RD WEST	8	\$1,819,000	\$227,375	\$130,000	227
10A-CENTRAL MISSOULA	1	\$765,000	\$765,000	\$765,000	498
50E-GRANT CREEK	2	\$1,245,000	\$622,500	\$622,500	362
50F-EXPRESS WAY-N of BROADWAY/S of I90	7	\$1,897,000	\$271,000	\$225,000	210
Totals	18	\$5,726,000	\$318,111	\$253,500	250
Non Co-op Sales	10	\$3,261,000	\$326,100	\$291,000	177
Co-op Sales	8	\$2,465,000	\$308,125	\$178,800	343
Total Sales	18	\$5,726,000	\$318,111	\$253,500	250

Sold Price Analysis

Class ... Type ... Area	MLS #	Address	Original Price	Sold Price	Original Price %	DOM
LAND						
COMMERCIAL						
50D-MULLAN RD WEST						
	10005144	9775 Summil Drive	\$375,000	\$325,000	87%	27
	10005357	NHN Inspiration Lane	\$612,000	\$450,000	74%	684
	20110028	NHN CLARK FORK LANE	\$166,000	\$135,000	81%	198
	20126514	NHN Mocassin Lane	\$91,475	\$125,000	137%	122
	20132208	nmn Futurity Drive	\$115,000	\$90,000	78%	50
	20133447	5950 Sandpiper Drive	\$550,000	\$475,000	86%	587
	20137304	NHN Derby	\$100,000	\$95,000	95%	29
	20140581	NHN Derby	\$115,000	\$124,000	108%	115
	Averages		\$265,559	\$227,375	93%	227
	8 Total		\$2,124,475	\$1,819,000	86%	1812
10A-CENTRAL MISSOULA						
	10007493	3100 Great Northern	\$995,000	\$765,000	77%	498
50E-GRANT CREEK						
	20130501	NHN Stockyard Rd.	\$491,000	\$450,000	92%	312
	20135946	2951 Expo Parkway	\$795,000	\$795,000	100%	411
	Averages		\$643,000	\$622,500	96%	362
	2 Total		\$1,286,000	\$1,245,000	97%	723
50F-EXPRESS WAY -N of BROADWAY/S of I90						
	20110416	NHN Stockyard Road	\$622,000	\$300,000	48%	157
	20112670	7648 Thornton Drive	\$199,000	\$180,000	90%	609
	20114344	7421 Racetrack Drive	\$399,000	\$282,000	71%	45
	20120162	NHN West Broadway (Hwy 10 West)	\$210,000	\$157,400	75%	207

W
X
Y
Z

20120164	NHN West Broadway (Hwy 10 West)	\$240,000	\$177,600	74%	207
20140343	200 International Drive	\$715,000	\$575,000	80%	238
20147001	5650 Expressway	\$233,600	\$225,000	96%	9
Averages		\$374,085	\$271,000	76%	210
7 Total		\$2,618,600	\$1,897,000	72%	1472
Grand Total					
Averages		\$390,226	\$318,111	86%	250
18 Total		\$7,024,075	\$5,726,000	82%	4505

CMA Summary Report

LAND Summary Statistics

High LP: \$2,950,000
 SP: \$0

Low \$189,000
 \$0

Average \$736,531
 \$0

Median \$390,000
 \$0

Number of Properties: 27

LAND - ACTIVE

Num	Address	MLS #	Status	Area	Acres #	DOM	LP
1	7296 Interstate Place	20136441	ACTIVE	50F-EXPRESS WAY-N of BROADWAY /S of 190	1.920	24	\$189,000
2	NHN Moccasin Lane	20151175	ACTIVE	50D-MULLAN RD WEST	1.560	13	\$214,000
3	NHN Moccasin Lane	20151176	ACTIVE	50D-MULLAN RD WEST	1.900	13	\$249,000
4	Lot 4 Grand Am Way	803029	ACTIVE	50D-MULLAN RD WEST	2.000	2528	\$250,000
5	Lot 3 Grand Am Way	803030	ACTIVE	50D-MULLAN RD WEST	2.030	2528	\$253,750
6	Lot 5 Grand Am Way	803028	ACTIVE	50D-MULLAN RD WEST	2.030	2528	\$253,750
7	NHN Expressway	20110914	ACTIVE	50F-EXPRESS WAY-N of BROADWAY /S of 190	1.930	1492	\$254,000
8	Lot 2 Grand Am Way	803033	ACTIVE	50D-MULLAN RD WEST	1.920	2528	\$255,000
9	Lot 6 Grand Am Way	803020	ACTIVE	50D-MULLAN RD WEST	2.050	2528	\$256,250
10	Lot 7 Grand Am Way	803035	ACTIVE	50D-MULLAN RD WEST	2.070	2528	\$258,750
11	Lot 1 Grand Am Way	803034	ACTIVE	50D-MULLAN RD WEST	2.090	2528	\$261,500
12	NHN Moccasin Lane	20151174	ACTIVE	50D-MULLAN RD WEST	2.440	13	\$312,000
13	nnn Futurity Drive	20150448	ACTIVE	50D-MULLAN RD WEST	3.190	50	\$340,000
14	nnn Futurity Drive	20150449	ACTIVE	50D-MULLAN RD WEST	3.710	50	\$390,000
15	7140 Hwy 10	20146414	ACTIVE	50D-MULLAN RD WEST	6.300	169	\$425,000
16	6590 W Broadway	20151375	U/C BACKUP OFFERS	50D-MULLAN RD WEST	4.480	6	\$536,660
17	NHN DeSmet Road	20146058	ACTIVE	50F-EXPRESS WAY-N of BROADWAY /S of 190	33.920	190	\$680,000
18	3771 W Broadway	20143765	ACTIVE	50D-MULLAN RD WEST	2.920	283	\$695,000
19	3737 W Broadway/Flynn Lane	20150102	ACTIVE	50G-W of N Reserve	3.800	70	\$750,000
20	140 International Drive	20140342	ACTIVE	50F-EXPRESS WAY-N of BROADWAY /S of 190	1.620	426	\$785,000
21	5001 Blue Mountain Road	20131866	ACTIVE	50C-BLUE MOUNTAIN	2.940	716	\$1,190,000
22	9451 Roller Coaster Rd	20134167	ACTIVE	50D-MULLAN RD WEST	20.520	633	\$1,250,000
23	9450 Roller Coaster Rd	20150445	ACTIVE	50D-MULLAN RD WEST	31.630	50	\$1,338,680
24	NHN Deschamps Lane	20151177	ACTIVE	50D-MULLAN RD WEST	52.720	13	\$1,350,000
25	Lots 3 & 4 Peterson	20133341	ACTIVE	50F-EXPRESS WAY-N of BROADWAY /S of 190	13.000	664	\$1,999,000

26	8440 Hwy 10 W	20142034	ACTIVE	50F-EXPRESS WAY-N of BROADWAY /S of I90	24.500	338	\$2,200,000
27	Lot A Expressway	20143397	ACTIVE	50F-EXPRESS WAY-N of BROADWAY /S of I90	18.220	295	\$2,950,000
Avg					9.16	859	\$736,531
Min					1.56	6	\$189,000
Max					52.72	2528	\$2,950,000
Med					2.92	295	\$390,000

Current Market Analysis

Status	Class	Type	Area	No. of Listings	Dollar Volume	Average Price	Median Price	Average DOM
<u>Active Listings</u>				<u>27</u>	<u>\$19,886,340</u>	<u>\$736,531</u>	<u>\$390,000</u>	<u>859</u>
<u>Listings Sold 2015</u>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Listings Under Contract</u>				<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
ACTIVE								
	LAND							
		COMMERCIAL						
			50C-BLUE MOUNTAIN	1	\$1,190,000	\$1,190,000	\$1,190,000	716
			50D-MULLAN RD WEST	17	\$8,352,680	\$491,334	\$261,500	1117
			50F-EXPRESS WAY-N of BROADWAY/S of I90	7	\$9,057,000	\$1,293,857	\$785,000	490
			50G-W of N Reserve	1	\$750,000	\$750,000	\$750,000	70
			Subtotal	26	\$19,349,680	\$744,218	\$365,000	892
U/C BACKUP OFFERS								
	LAND							
		COMMERCIAL						
			50D-MULLAN RD WEST	1	\$536,660	\$536,660	\$536,660	6
			Subtotal	1	\$536,660	\$536,660	\$536,660	6