



Grapevine – Leeds, UT

Prepared for:

Grapevine Basic Local District

July 2024

July 29, 2024

Grapevine Wash Local District
Paul Morris
801-949-2602
paul@landassistut.com

RE: Grapevine Basic Local District Market Study

Dear District Representatives:

Zonda Advisory is pleased to present this market analysis and absorption forecast for Grapevine Basic Local District. We have evaluated the St. George Market area as well as the competitive area around the community and rendered our conclusions in the following report. Zonda Advisory has reviewed the financial projections utilized in sizing the proposed Bond issuance and the District’s ability to meet the debt service requirements of such Bonds including absorption rates, valuation, growth, and inflation rates, and has evaluated the same in comparison to current and projected market conditions for the St. George Market and the Grapevine Competitive Market Area.

Evan Forrest, Vice President conducted this report, with participation from Tim Sullivan, Chief Advisory Officer, and Haley Krohn, Consultant. Zonda Advisory (previously noted under Metrostudy) has been engaged in analyzing residential market conditions since 1975 with its proprietary lot-by-lot survey, and locally within the State of Utah since 2001.

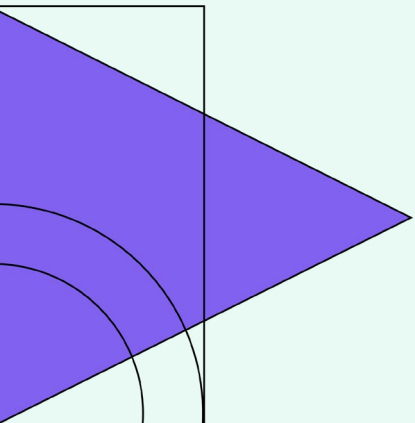
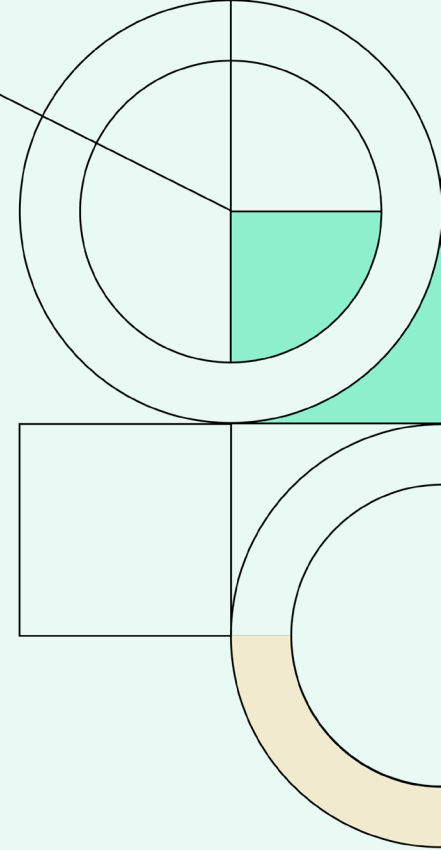
Please contact us at your convenience with any comments or questions regarding this report, or any other matter relevant to your real estate market research needs.

Respectfully Submitted,

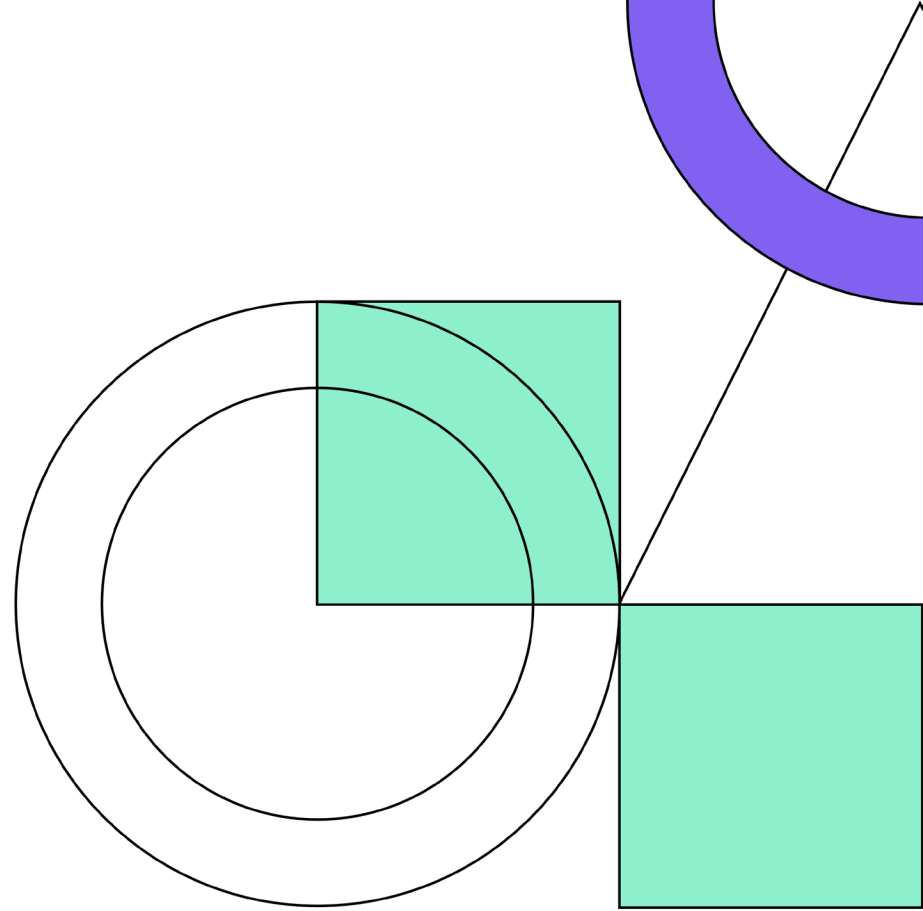
Zonda Advisory



Executive Summary	4
Introduction	17
Housing Market Statistics and Analysis	25
Competitive Market Analysis	29
Residential Conclusions	36
Retail Market	40
Hospitality Market	51
Appendix	57



Executive Summary



Project Overview

Executive Summary

The purpose of this report is to provide the Grapevine Basic Local District with an overview of the St. George Market (“Market”) economy and the Competitive Market Area (“Grapevine”, “CMA”) surrounding the property within Grapevine Basic Local District (“Subject Property”) to provide insights about the positioning and absorption potential of the product within the Subject Property. The future planned parcels within the +/- 370-acre Subject Property, to be marketed as “Grapevine”, consists of +/- 761 for-sale residential units, +/- 9,000 square feet of retail, and a 100-key luxury resort hotel featuring detached villas to be developed by The Flex Group. The Subject Property is located in proximity to the town of Leeds, adjacent to Interstate 15, in Washington County, Utah.

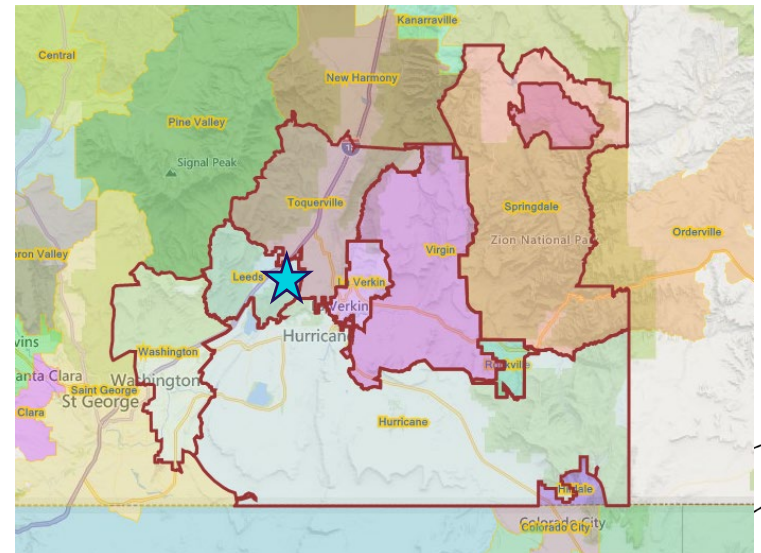
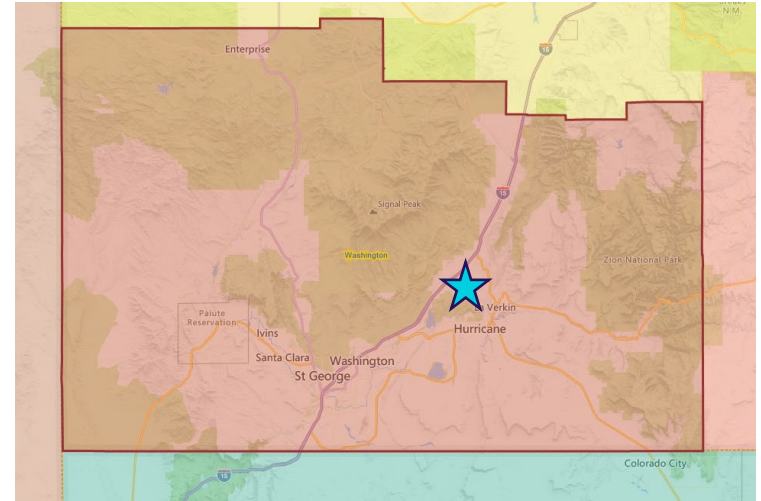
Zonda Advisory analyzed the competitive position of the for-sale product offering in the Grapevine Competitive Market Area as it relates to other for-sale communities in the St. George Market area. We have collected and reviewed data on the activity levels on new and resale for-sale housing as well as the retail market activity. Zonda Advisory compiled data on the St. George Market economy, including demographics for the overall Market and the Grapevine CMA. Utilizing this data and research, Zonda Advisory has provided its conclusions about the marketability, competitive positioning, product mix, and absorption levels that should be achievable within the Subject Property’s boundaries.



Market Area and Grapevine CMA Definitions

Introduction

- **St. George Market:** The St. George Market (“Market”) is defined as all of Washington County.
- **Grapevine CMA:** The Competitive Market Area (“CMA”) for the housing analysis has been defined to encompass a territory that includes a portion of the St. George housing market. The overall area is inclusive of the general City boundaries of Hurricane, La Verkin, Leeds, Rockville, Springdale, Toquerville, Virgin, and Washington. The CMA boundary includes competitive developments that are comparable to the Subject Property’s product types being proposed. The boundary considers drive times, school districts, county lines, infrastructure, and other socioeconomic factors.



Socioeconomic Overview

Executive Summary

As of April 2024, employment figures by the U.S. Bureau of Labor Statistics showed that the St. George Market grew year-over-year (“YOY”) at a rate of 2.8%. That was the 45th consecutive month of net job growth. The growth rate has slowed compared to 2023 but has remained positive and steady in the +/- 2.6% - 5.4% range over the past year. St. George Market employers recorded a 2,400 annual job gain to their payrolls over the past twelve months ending in April and raised total employment levels in the Market to 87,300 workers.

The Other Services (+200), Manufacturing (+200 jobs), Mining, Logging & Construction (+500), Government (+500 jobs), Retail Trade (+500 jobs), and Educational & Health Services (+600 jobs) sectors have provided the most growth over the past year. Over the past twelve months Leisure & Hospitality showed the greatest decline (-300 jobs) with these jobs also based on the seasonality of tourism in the area.

The unemployment rate in Washington County was at 2.8% as of April 2024, up from the 2.4% posted a year ago but down from the 3.4% reported in pre-pandemic February 2020. The County’s unemployment rate was just above the 2.7% statewide rate and below the 3.9% national rate. Washington County was towards the bottom when comparing unemployment rates in the surrounding counties that ranged from 2.6% - 5.2% and was below the County’s 5-year average of 3.3%.

Looking ahead, the Market’s population is projected to grow in the future due to demand and desirability of Southern Utah, with current estimates expecting the area to surpass 236,000 by 2028. Household formations are expected to rise 11.7% over the next five years. The CMA’s population is estimated to have 32.5% household market share by 2028 up from 31.5% presently. Estimates indicate the CMA population will rise at an annual rate of 3.5% through 2028. The CMA is younger in age and more affluent compared to the St. George Market overall, with a median age of 35 years (St. George Market = 37) and median household income of \$75,357 (St. George Market = \$70,107).

Within the CMA, the greatest percentage increases are forecasted to occur in the 65+ age groups (+2.5% by 2028) that make up 20.5% of the population, though the 35 – 54 segment is also expected to increase (+0.2%) and makes up 12.3% of the total population. In terms of household incomes within the CMA, the largest gains are forecasted for the \$150,000+ income ranges (approximately +2,429 households over the next five years).

St. George Market

Executive Summary

Since the Great Recession, Southern Utah’s housing market had been on a steady climb in both volume and pricing. The Market’s new home closings grew rapidly, more than doubling between 2012 and 2018 from +/-1,039 to +/-2,262 per Zonda data. The COVID-19 pandemic squeezed an already tight supply of housing to remarkably low levels, accelerating pent-up demand and pushing home prices to all-time highs. A diversifying economic growth base, steady in-migration, continued demand for 2nd homes, and historically supply-restricted housing on the resale side caused an imbalance in the Market. The imbalance between demand and available supply provided a widening gap between owning and renting. The escalation of inflation and mortgage interest rate hikes beginning in March 2022 magnified attention on this gap as monthly payments increased sharply, and some buyers lost their mortgage eligibility, while others moved to the sidelines hoping for price adjustments that did not materialize in a significant way due to the low levels of supply. As a result, new home community sales contracts trended down in 2022 and the first part of 2023. The sales market returned to more normalized rates in the Spring of 2023 with a bottom in annual sales occurring in the Spring of 2023. Annual sales increased +/-15.7% between the bottom of the market and February 2024. This provides guidance on demand in the Market and potential for the future.

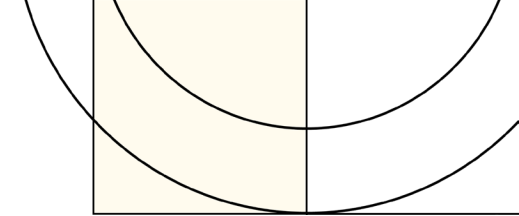
The Market experienced a 2.0% decrease in annual starts corresponding to an 8.4% decrease in annual closings from 1Q23 to 1Q24. A total of 2,367 new homes were started in the Market over the trailing four quarters, compared to 2,415 new homes recorded in 1Q23. A total of 2,397 new homes were closed over the trailing four quarters, compared to 2,618 closings in the preceding four quarters.

The Market reported 1,421 single-family detached annual starts over the four quarters ended 1Q24, a 2.5% decrease from the 1,457 single-family detached homes started the preceding year. The 1,535 single-family detached home closings from 1Q23 to 1Q24 was a -21.8% decline over the 1,962 closings over the same period a year earlier. The single-family detached market experienced a 1.1% decrease in Vacant Developed Lots (“VDL”), down from 3,605 home sites at the end of 1Q23 to 3,564 home sites at the end of 1Q24. The months-of-supply increased slightly from 29.7 months-of-supply in 1Q23 to 31.1 months-of-supply in 1Q24. It should be noted that the higher number of months of supply of VDL is caused by legacy lots in the Market that are not actively being developed, therefore the months of supply is more focused on the lot sizes that are in demand and/or actively being developed. As the Market continues to normalize, we expect sales and starts to increase in 2Q24 before leveling off through the end of 2024.

As single-family detached home prices escalated across the Market, attached housing demand increased its market share. The Market reported 946 attached annual starts as of 1Q24, down 1.3% from a year ago. Annual closings increased significantly to 862 attached homes closed compared to 656 attached home closings a year ago, marking a record high for the Market. The Market experienced an increase in the number of VDL designated for attached housing from 824 (1Q23) to 856 as of 1Q24. The months-of-supply increased from 10.3 months in 1Q23 to a 10.9-month supply as of 1Q24. This represents an under-supplied portion of the market.

Grapevine CMA

Executive Summary



Historically, the CMA has been driven by employment growth to the south in St. George, 2nd home demand, and the need for readily developable land which has caused market share to increase over the past few years. As developable land has become limited in the southwestern areas of Washington County, development has been pushed and will continue to push towards the CMA. The CMA is seeing several larger projects such as the Subject Property being planned for the growing demand coming to Market.

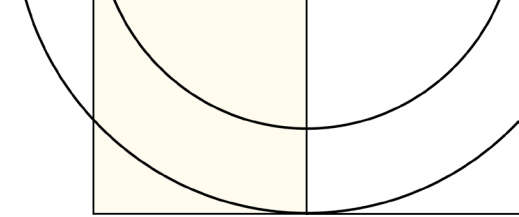
At 664 single-family detached and 483 attached home starts through the four quarters ended 1Q24 (1,147 total annual starts), the CMA reported a 12.8% production increase over the past year from the 1,017 total annual starts noted in 1Q23, below the 5-year (1,186) average but above the 10-year (956) averages. Through 1Q24, annual closings were down 14.2% to 1,187 homes closed from 1,383 home closings the previous year. Annual closings are above the 5-year average of 1,149 and in line with annual closings from 2020. Going into the 2Q24, annual starts are expected to grow as a response to increase sales and historical norms as starts typically increase due to seasonality. Overall, the CMA is trending towards more normal seasonality and growth with annual starts growing at 2.7% annually over the past 10-years. This growth is expected to increase as development pushes into the CMA from the South.

Annual lot deliveries through 1Q24 totaled 1,067 home sites, below the 1,455 annual lots delivered in 1Q23 (51.5% were attached deliveries). Annual lot deliveries in 1Q24 were 7.0% below the pace of home production (1,147 home starts). The 1Q24 VDL months-of-supply registered a 22.8-month supply, down from 26.7 months as noted in 1Q23. VDL is in equilibrium in the market, which is generally considered to be 18 – 24 months of supply. Given recent lot deliveries, months of supply has the potential to decrease to be under equilibrium and need additional lots added to the pipeline.

A total of 360 new lots were delivered in 1Q24. The 355 home starts in the quarter were above the two-year historical average pace (275). Activity was split almost evenly between attached and detached housing (53% of deliveries and 44% of starts were attached). The CMA’s annual starts are 48.5% of the Market with lot deliveries obtaining 45.3% of the Market, both above the 10-year average of 42.5% and 39.5% respectively. Coupling these two factors together exhibits the increasing shift in demand towards the CMA from the overall Market. The CMA is positioned to increase its share as demand shifts towards the CMA from the overall Market.

Market Forecast

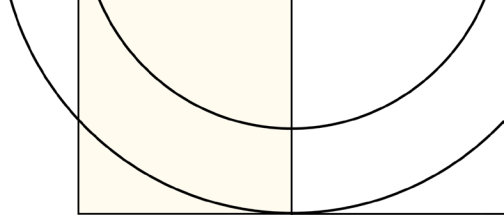
Executive Summary



The post-pandemic housing rally of 2020 and 2021 will be remembered for its extremely low inventory, historically low mortgage rates, and skyrocketing home prices. With an initial grim outlook for economic collapse during the COVID-19 health crisis, the market was suddenly flush with borrowed money and pent-up demand. Home sales boomed. However, supply chains and labor markets did not escape unscathed, forcing many homebuilders to recalculate operations while facing uncertain rising material costs and increased production times, as well as strategically metering out lot releases and sales, raising base prices, and accommodating delayed supply orders, all to protect margins and their future lot pipeline. Basic demand-supply fundamentals became sharply imbalanced.

At levels above the preferred 2.0%, inflation became the primary focus in 2022 and 2023. Based on the Federal Reserve’s outlined path forward, the economy has slowed as it ended pandemic-era “easy money” policies with a focus on reducing inflation. Many economic measurements have moved to correct themselves, all at different paces. But for housing, these policy moves resulted in higher mortgage rates, that reduced housing affordability further by increasing consumer sensitivities to the serious price gains in recent years. During much of the pandemic’s housing surge, the low mortgage rates and government incentives shielded most homebuyers from the rising overall home price. As mortgage rates rose at a historic pace, buyers saw their monthly payments increase with many moving to the sidelines to wait it out. Rates have increased over the past few months as inflation stayed just above the Federal Reserve’s targets with the expectation there will still be a rate cut later in 2024.

Still, the shortage of available housing counters demand. The lack of housing inventory in the resale market over the past two years is now further reduced by “locked-in” households who financed their mortgages at low rates and are not enticed to move at higher prices and rates combined. On the new home side, homebuilders slowed start production sharply in Fall 2022 as cancellations ramped up to focus on their inventory as a result of the extended build and delivery times builders faced in 2020-2021. While housing inventory is no longer at elevated levels, homebuilders have seen build times begin to return to more normalized levels while sales have appeared to found a bottom after the 2023 Spring selling season. All of this process, without a full recession and job losses, is creating a reserve of pent-up would-be homebuyers who may wait for downward sign on mortgage rates. As higher mortgage rates price out some of these potential buyers, there are still others waiting to move up in line with cash and rollover equity. **This process will need to work itself out to determine the true extent of the demand-supply imbalance.** As the market turns back towards market equilibrium, a more normalized market is expected to emerge.



Market Forecast (cont.)

Executive Summary

The highest short-term risk for builders is any standing inventory, which will result in more aggressive incentives to keep prospective buyers engaged. Price strategies are wide in variety, with some lowering prices, some altering their product, and still others maintaining prices but offering incentives that can be pushed back into the home. As a result, closing prices have remained steady and in some cases increased, though there are typically more “goods” included within the price (option/upgrades, mortgage rate buydowns). Home start production began to improve in the second half of 2023, and builders have begun to move on land acquisitions with limited housing inventory as demand has continued to increase.

Generally speaking, markets that have a positive migratory trend, restricted supply, and a strong labor market will have the best housing market conditions going forward similar to the Wasatch Front. Locally, all markets remains attractive long term. Relocation buyers from expensive coastal markets are willing to purchase homes at the increased levels, while native/long term residents and relocations from other traditional, more affordable market areas are becoming more frustrated at the costs of living. Other shifting home buying demands include the need for new home designs that can accommodate working remotely, including quiet work and study areas, exercise space, and multi-generational house sharing. In addition, there are increased requirements for better in-home technology (work and school-related) and better in-home wellness standards (health-related). All further influenced by the continued advancement of the millennial generation entering life stages that encourage home ownership.

The Market’s new housing levels saw a +/-28.1% decrease in new home starts and an +/-13.7% decline in annual new home closings from 2022 volume levels to 2023. However, those declines have decreased in 1Q24 to +/- 2.0% decrease in annual starts and +/- 8.4% in annual closings as demand has increased in the Market. This is a result of start production increasing after a more normalized spring selling season in 2023. Annual reported sales appear to have found a bottom in the Spring of 2023 with increases through the end of 2023 before beginning to level off. Zonda expects closings to follow suit finding a bottom by the middle of 2024. The outstanding questions for 2024 are when inflation declines to reasonable levels, mortgage rates level off, build cycles improve, and what price adjustments could occur.

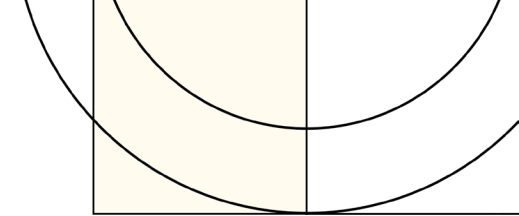
St. George Market and Grapevine CMA Closing Forecasts													
	10-Yr Avg	2022	2023	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
Market	2,119	2,788	2,333	2,286	2,332	2,379	2,426	2,487	2,549	2,613	2,678	2,745	2,814
CMA	919	1,396	1,229	1,150	1,180	1,262	1,278	1,344	1,396	1,446	1,498	1,557	1,600
CMA %	43%	50%	53%	50%	51%	53%	53%	54%	55%	55%	56%	57%	57%

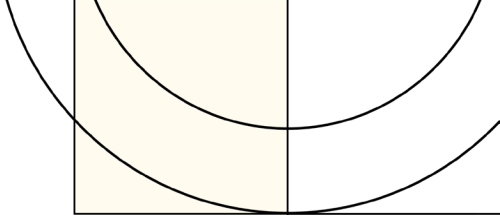
Market Forecast (cont.)

Executive Summary

The Subject Property and the CMA have the following positive features:

- The CMA and Subject Property are in a region of growth and demand for planned neighborhoods. The attraction of the subject site location is relative proximity to the employment base as well as Interstate 15/major arterials and recreational attractions.
- The demand for for-sale housing adjacent to the Subject Property bodes well to exhibit potential future demand at the Subject Property. As other neighborhoods in the CMA build out, the Subject Site will be able to act as a replacement for potential demand in the CMA
- The Subject Property has the potential to pull demand from the St. George market, as well as the Cedar City market that is within a 30 – 45-minute drive to the Subject Property enhancing the potential homebuying pool.
- The District is located in proximity to multiple recreational areas including Zion, Bryce, and Grand Canyon National Parks, that are among the most visited in the Country. Additionally, multiple National Forests, State Parks, and monuments are additional attractions to the location. Per the National Park Service (NPS) in 2023, the Grand Canyon attracted over 4.7mm people, Zion National Park obtained over 4.6mm, and Bryce saw over 2.4mm estimated visitors per NPS statistics. Additionally, many visitors to Lake Powell travel through the CMA. This access has assisted in helping the Market grow substantially over the past decade when housing has been available.
- Southern Utah is an attractive and unique area due to growth rate within the Region, proximity to outdoor recreational pursuits, increasing tourism, and growing & diversifying economic base.
- The St. George area will see strong primary homebuyers but also second homebuyers with data from Precisely stating that roughly 61% of residences are owner-occupied.
- The planned retail properties should provide additional benefit to the residential demand will be readily available. The CMA currently has an imbalance and gap for retail that the Subject Property should help fulfill by bringing necessities to the immediate area.
- Washington County is estimated to have had a 10-year average compounded annual home value appreciation rate of 4.71% according to Economy.com figures. Further, Economy.com expects annual appreciation to have a growth rate of 3.6% per year over the next 25-years. Zonda is using a more conservative appreciation rate of 3.0% through the life of the District.





Market Forecast (cont.)

Executive Summary

- The CMA is a growing market area that will continue to attract a mixture of in-migration and local migration due to the diverse economic features and quality of life from places like Las Vegas and California.
- There are limited luxury hotel options in Southern Utah that will provide opportunity for the Subject Property given the proximity to recreational pursuits and outdoor activities.
- The developer is currently negotiating with four builders, including the largest homebuilder in the country in DR Horton, that have proven track records of success within the Southern Utah Market.

Some potential challenges and concerns associated with the project are:

- Economic Influenced Events as discussed in the market forecast.
- Mortgage interest rates were at all-time lows for the past five years but have been elevated since March 2022. Every uptick in the mortgage rate reduces purchasing power, compounded by the rising costs of living. The degree to which the affordability imbalance hurts for-sale housing demand will be influenced by wage growth. This could, however, potentially further fuel for-rent demand.
- Impacting all developers today is navigating through the challenging mix of shortages in labor and materials, delays in development processes, and extended build times that has generated higher than normal backlogs of contracts to work through to fulfillment.

Based on the proposed timing of the product offerings and trends in the surrounding CMA, Zonda Advisory believes the Subject Property has the potential to absorb up to an estimated 101 for-sale homes during its anticipated peak years of 2029 and 2030 should homes be available to close. This rate is based upon projected growth and forecasted levels of production in the Market, the CMA capture rate of the Market, and the Subject Property’s capture rate within the CMA. This would position the District as one of the more desirable communities within the CMA.

Grapevine Absorption Projection Summary (Home Closings)											Beyond	Annual Rate	Completion
	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F			
Grapevine Closings	0	0	72	98	99	101	101	84	72	72	62	70	2034
Grapevine Mkt Share of CMA	0%	0%	6%	8%	7%	7%	7%	6%	5%	5%	---	---	---

Additional information utilized in this analysis and our conclusions for the Subject Property are included within the context of the report beginning on the next page, as well as the Appendix.

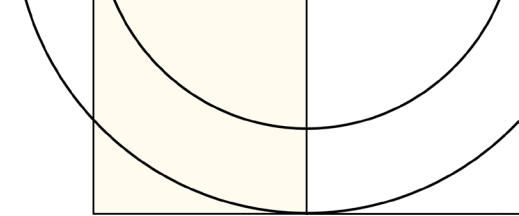
Supportable Commercial Land Values for the Retail Properties

Executive Summary

Supportable commercial land values are determined by an application of supportable lease rates applied to leasable square footages, an application of vacancies, and then a capitalization at market-supported cap rates. From these capitalized values are subtracted all vertical costs and fees and margins associated with vertical construction. Below is a summary of commercial land + building values based upon typical FAR assumptions, lease rates, vacancy rates and cap rates:

Category	Retail
Product Assumptions	
FAR Assumptions	0.24
Leasable SF	9,000sf
Annual Lease Rate Per SF (NNN) ⁽¹⁾	\$20.80/sf
Lease Allowances Per SF (NNN)	-\$1.56/sf
Annual Lease Revenue	\$173,160
Assumed Vacancy	10.0%
Effective Annual Lease	\$155,800
Assumed Cap Rate	7.00%
Building+Land Market Value Capitalized Rates	\$2,281,000
Market-Supported Price/SF	\$253/sf

As shown, the different offerings have varied prices per square foot leasing pricing. This pricing can shift depending on the type of property use or type, for example smaller stand-alone buildings will have a higher value than attached retail stores as well as potential absorption rate and future competition. The retail properties, after accounting for vacancies and after applying market-observed cap rates, and assuming a retail FAR of 0.24 the resultant retail value for all buildable square feet at the Subject Property is estimated at \$2,281,000 for 9,000 square feet, or \$253/sf.



Supportable Commercial Land Values for the Retail Properties

Executive Summary

The methodology was applied to the commercial space using the capitalized values shown on the preceding page and the land values shown in the residual analysis below. On the following page is a review of the planned development schedule and potential retail sales per square foot. The finished land values shown below present an effective proxy for market values based on this residual land value methodology. The exhibits assume effective brokerage and marketing efforts are employed, and that supply is sufficient to accommodate the predicted fill-up rates shown in the table to the right. More detail regarding the generation of overall land values is provided in the body of the report.

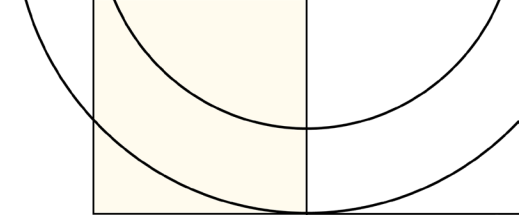
Category	Retail
Product Assumptions	
FAR Assumptions	0.24
Leasable SF	9,000sf
Annual Lease Rate Per SF (NNN) ⁽¹⁾	\$20.80/sf
Lease Allowances Per SF (NNN)	-\$1.56/sf
Annual Lease Revenue	\$173,160
Assumed Vacancy	10.0%
Effective Annual Lease	\$155,800
Assumed Cap Rate	7.00%
Building+Land Market Value Capitalized Rates	\$2,281,000
Market-Supported Price/SF	\$253/sf
Per Unit Vertical Direct Construction Costs	
Total Vertical Direct Const./Acre	\$1,233,000
Est. Miscellaneous Per Acre Fees/Charges (Per Acre)	
Est. Per Unit Fees	\$10,398
Other Per Acre Soft Costs and Indirect Costs (Per Acre)	
Total Soft Costs 13.50%	\$232,800
Total Finished Land Values	
Finished Value	\$804,802
Total Square Feet	9,000sf
2023 Value Per Acre	\$933,616
Beginning Absorption Year	2027
Absorption Per Year	20,000sf
Absorption Years	0.5
Acres Absorption Per Year	2.2
Discount Rate = 15%	
Note(1): F.A.R. is 'Floor Area Ratio', which is the usable amount of floor area and the total area of the lot.	
Source: Zonda; RS Means; CBRE	

Annual Absorption Potential	Retail
Existing	20,000sf/yr.
Year	Development Schedule
2024	
2025	
2026	
2027	9,000sf
2028	
2029	
2030	
2031	
2032	
2033	
Development Total:	9,000sf

Source: Zonda & The District

Hotel Feasibility Summary

Executive Summary



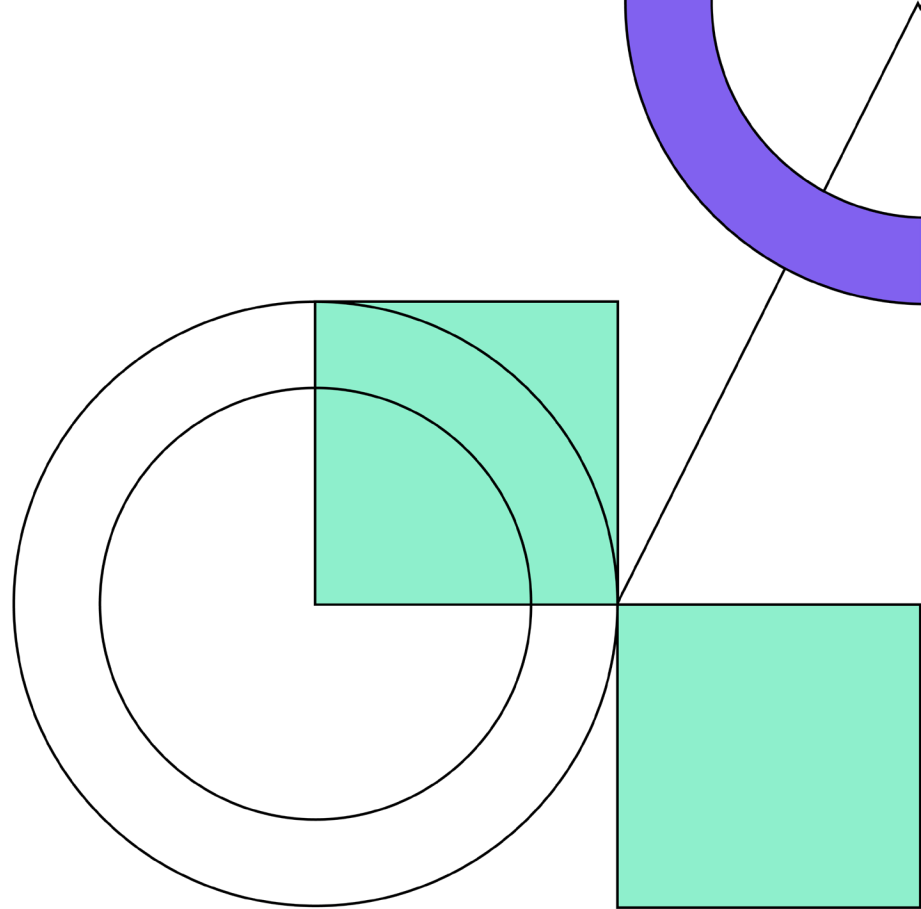
Hotel demand in the Southern Utah market area has long been reliant on tourism and leisure-oriented travel to multiple national parks including Zion, Bryce, and the Grand Canyon National Parks. These three parks see some of the highest national park visitation in the Country. Additionally, the area is characterized by outdoor recreational pursuits within and outside the national parks. The majority of the hospitality options are located in the immediate St. George area just outside the park's entrances and along Interstate 15. Hotel occupancy picked up as travel restrictions from the pandemic have been lifted allowing many hotels to have more normalized demand schedules. As the tourism continues to grow in the Market, areas such as the CMA are poised to capitalize on new and existing demand if hospitality options can be provided. Additionally, the Subject Property is planned to be a luxury resort with limited competition that has proven demand in the marketplace while offering a unique experience focused on detached villas.

The Subject Property is planned to include one 100-room resort hotel considered to be a 'Luxury' resort brand and is expected to be delivered in 2027. Luxury resorts are higher branding than the majority of current and under development hospitality options in Southern Utah. The hotel is also expected to benefit from the commercial offerings planned in the District. The hotel is planned to be geared towards tourism and leisure travelers looking for a resort feel and service level which will fit the demographic with the detached villas appealing to this segment of the market.

Based on a review of the Subject Property's planned hotel scale level will compete with other similarly scaled hotels throughout Southern Utah including St. George and Springdale, it is reasonable to assume that the Subject Property's planned hotel has the opportunity to capture both existing demand along with the future growth within Southern Utah. **Given the location, amenities, and luxury suites of the Subject Property, Zonda Advisory believes that the hotel would be able to achieve an Average Daily Rate ("ADR") of \$475 over the course of the year with a slight premium given to Red Mountain Resort, and Inn at Entrada located in slightly more desirable areas.**

Hotel sales are limited over the past five years with five identified that ranged between \$37,406 - \$117,421 for lower scale hotels than the Subject Property which will provide a substantial premium. These transactions included properties, particularly in the Midscale/Economy category, which would be considered to be inferior to the Subject Property due to age, quality of construction, technology, economic factors, and branding. Zonda also estimated comparable hotels in Southern Utah offering similar amenities or brand levels. **When the transaction figures and active hotels are adjusted to create a more direct comparison between the comparable hotels and the Subject Property, we have estimated an average Indicated Value Per Room of \$288,885 per key for the proposed Luxury resort hotel.**

Introduction

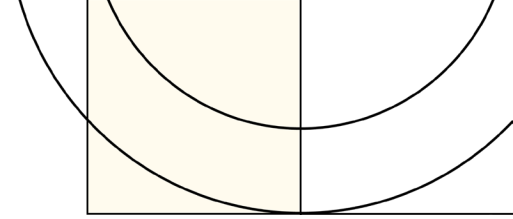
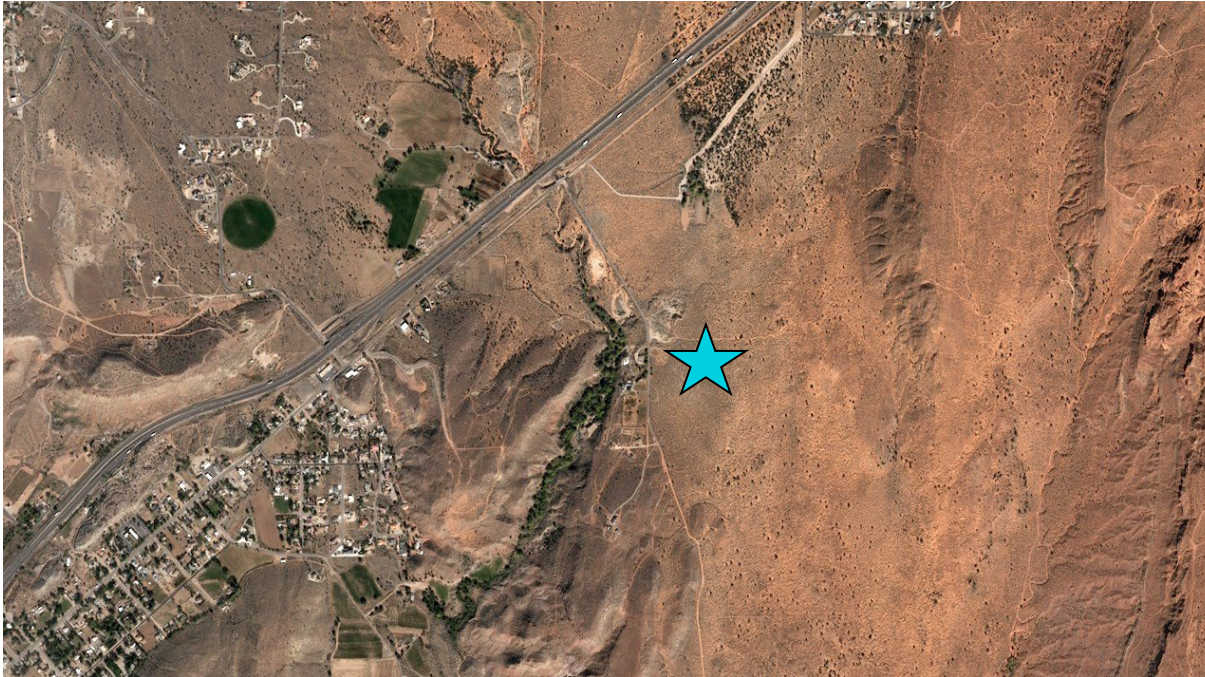


Subject Site

Introduction

The purpose of this report is to provide the Grapevine Basic Local District with an overview of the St. George Market (“Market”) economy and the Competitive Market Area (“Grapevine”, “CMA”) surrounding the property within Grapevine Basic Local District (“Subject Property”) to provide insights about the positioning and absorption potential of the product within the Subject Property. The future planned parcels within the +/- 370-acre Subject Property, to be marketed as “Grapevine”, consists of +/- 761 for-sale residential units, +/- 9,000 square feet of retail, and a 100-key luxury resort hotel featuring detached villas. The Subject Property is located in proximity to the town of Leeds, adjacent to Interstate 15, in Washington County, Utah.

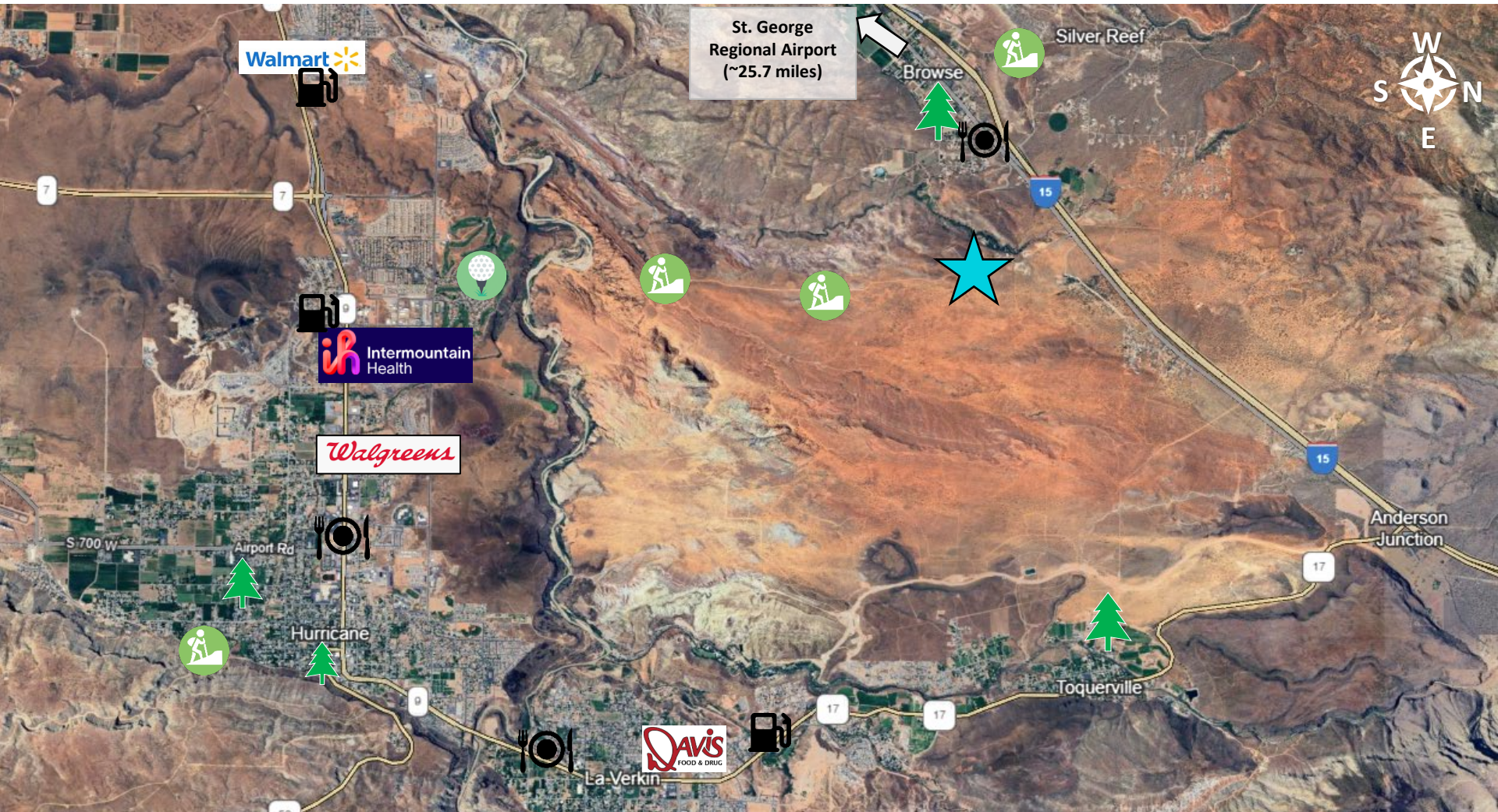
The aerial below shows the site as of November 2023.



Property Overview and Services/Amenities Maps

Introduction

The Subject Property is located in the northern region of the St. George Market, generally located in proximity to the town of Leeds, adjacent to Interstate 15, within Washington County, Utah. The site's primary attraction is its proximity to multiple National Parks and Ski Resorts and growing economic base in St. George.



Surrounding Services and Amenities

Introduction

Grapevine is located on the eastern edge of Interstate 15 in the Leeds area, providing convenient access to desirable amenities and retail centers.



Several grocery stores are located within +/-15 miles of the Subject Property, including Walmart (15.3 miles) and Davis Food and Drug (11.2 miles).



There are a variety of gas stations in nearby La Verkin and Hurricane, including multiple Sinclair Gas Stations (11.2 and 10.0 miles) and Maverik Adventures First Stop (11.2 miles).



The Shoppes at Zion (16.6 miles, 19 minutes southwest) is an open-air mall with over 35 chain stores, outlets, boutiques, and casual eateries.



A variety of fast food and dine-in restaurants can be found along State Street in both La Verkin (11.2 miles, 15 minutes southeast) and Hurricane (13.8 miles, 20 minutes southeast). Leeds Trading Post is 1.3 miles away (3 minutes west), featuring pies, ice cream, and souvenirs.



Sky Mountain Golf Course is 17.7 miles to the to the south via I-15 and UT-9 (24 minutes).



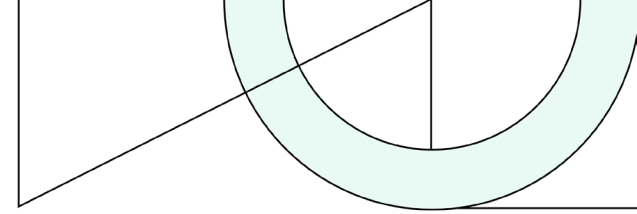
There are multiple parks and trail heads within proximity to the Subject Property. Quail Creek State Park (14.3 miles) features a recreational reservoir for boating, fishing, swimming, plus picnic and camping areas, Zion National Park (17.8 miles), Red Cliffs National Conservation Area (16.5 miles), Snow Canyon State Park (27.7 miles), Sand Hollow State Park (19.1 miles), Grand Canyon National Park (129.0 miles), and Bryce Canyon National Park (126.0 miles).



Hurricane Valley InstaCare is 17.3 miles away providing family medicine, imaging and radiology, pediatric care, and physical therapy. The Hurricane Emergency Department is adjacent to the InstaCare facility.



There are several daycare and preschool options available in Hurricane and further southwest in Washington and St. George.



Surrounding Services and Amenities

Introduction



Utah Tech University (16.7 miles southwest via I-15, in St. George) has the lowest tuition of all 4-year state institutions in Utah and offers online degrees.



St. George Regional Airport provides ease of access for flights throughout the United States. The airport is located 25.7 miles from Grapevine (37 minutes).



There are two large ski resorts in proximity to Grapevine. Eagle Point Ski Resort is approximately 107 miles northeast (1 hour and 45-minute drive), and Brian Head Ski Resort is 67.2 miles northeast (1 hour and 6-minute drive).

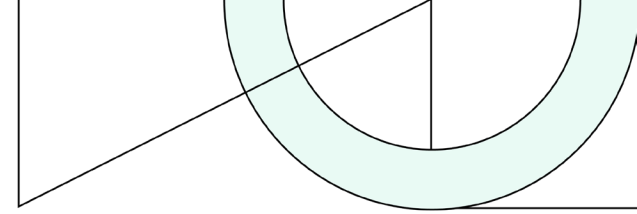


Zion National Park is less than 20-minutes away (17.8 miles north). Bryce Canyon National Park is about a 2-hour drive (126.0 miles northeast). Grand Canyon National Park is about 2 and a half hours southeast (129.0 miles).



The site is served by the Washington School District, which is ranked 35th of 100 Utah Districts (according to Schooldigger.com). The schools serving the site are:

- Coral Canyon Elementary School (PK-5; with an individual rank of 404 of 561 elementary schools, 565 students).
- Sunrise Ridge Intermediate School (6-7; with an individual rank of 24 of 216 middle schools, 810 students)
- Desert Hills Middle School (8-9; not currently ranked, 895 students).
- Desert Hills High School (10-12; with an individual rank of 33 out of 139 high schools; 1,210 students).

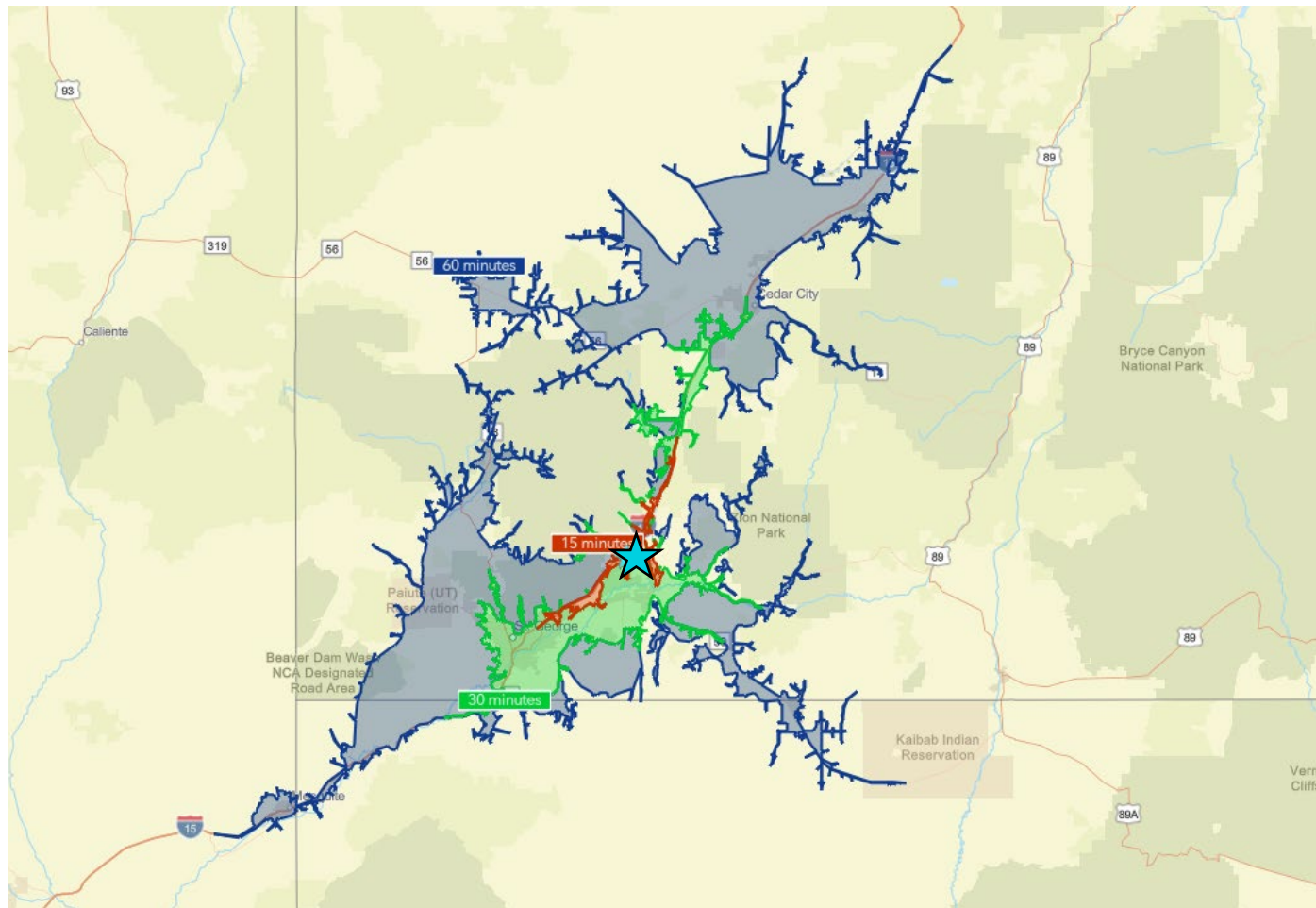


Site Drive – Time Analysis Map

Introduction

Ease of access to employment hubs due to the proximity to Interstate 15. Major employment centers are located to the south in Washington and St. George.

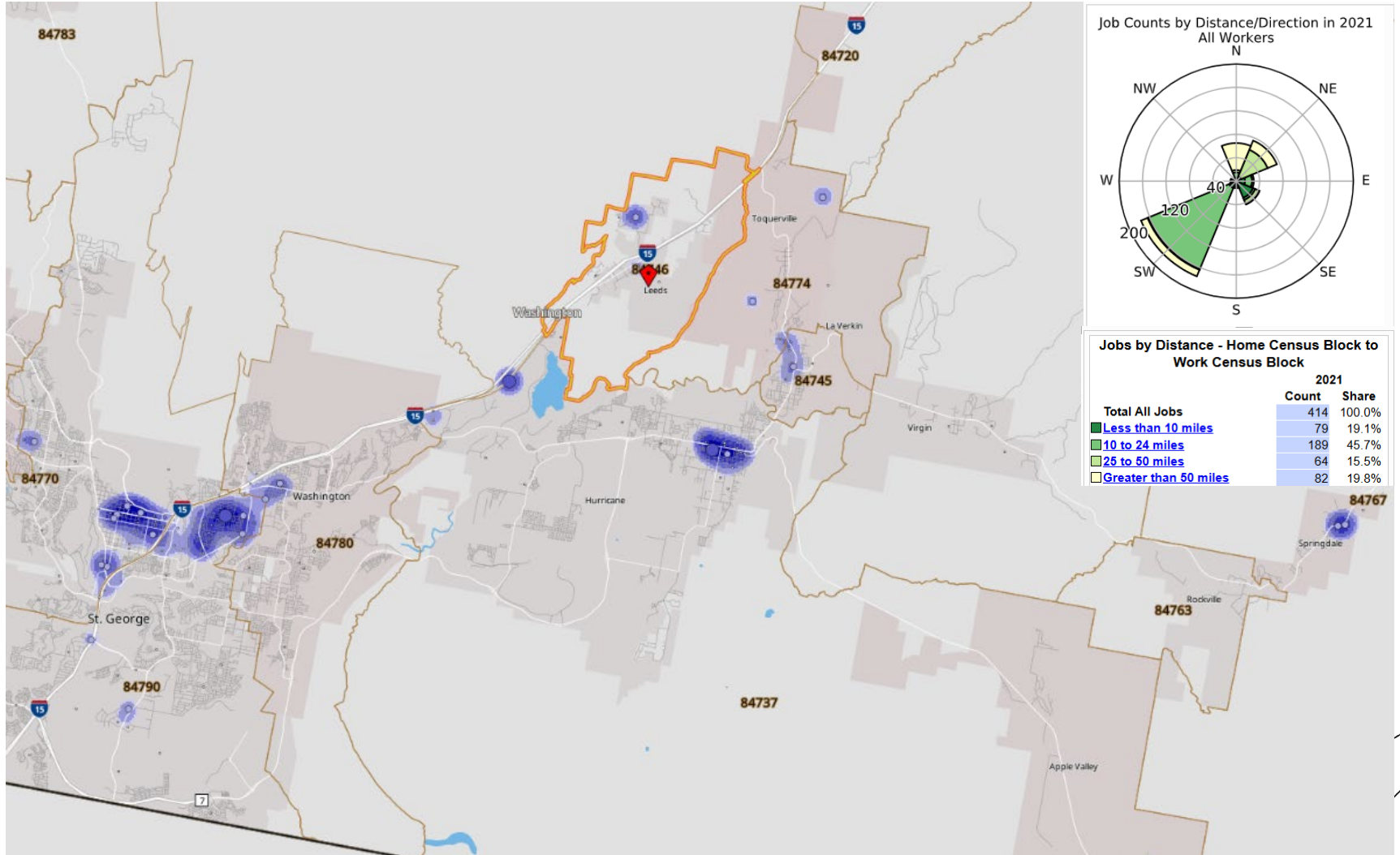
With these and local transit routes, all locations within the St. George Market are within about a 30-60-minute drive (minus high traffic volume time periods). Cedar City also offers an alternative for employment due to the Subject Sites access to Interstate 15.



Employment Location Map

Introduction

Currently, 65% of residents within the CMA have a under 25-mile commute into employment and 16% have a 25-to-50-mile commute, so the drive time to the employment centers mentioned previously should be compatible with homebuyer expectations.

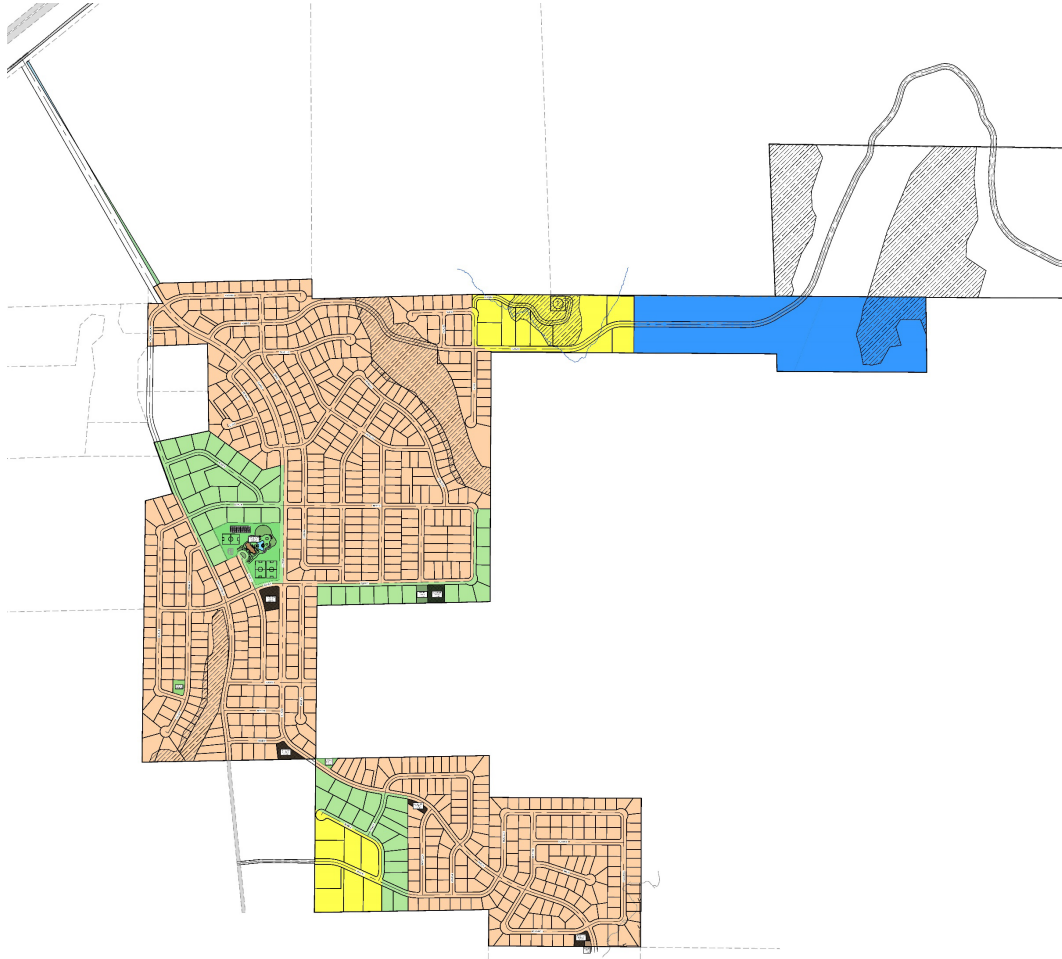


Subject Property Site Area

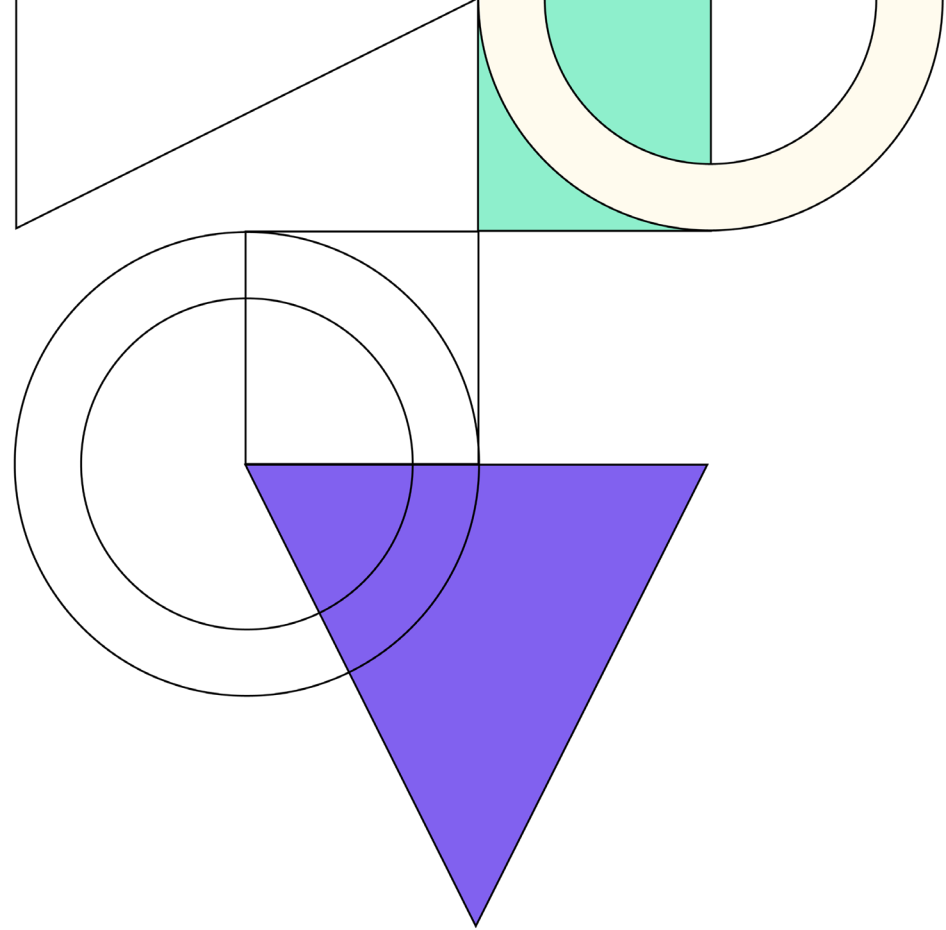
Introduction

The District is planned to include 761 total units, 9,000 square feet of retail, and a 100-key luxury resort hotel upon buildout on +/- 370 acres. Per the Developer, first closings are expected in 2026. Per the developer, at least four builders are planned in the development. These builders have proven track records of success in Southern Utah.

At the end of the narrative of the report, an Exhibit Package has been included in the Appendix. In this package, additional exhibits and information utilized to analyze the Market and determine conclusions are provided.



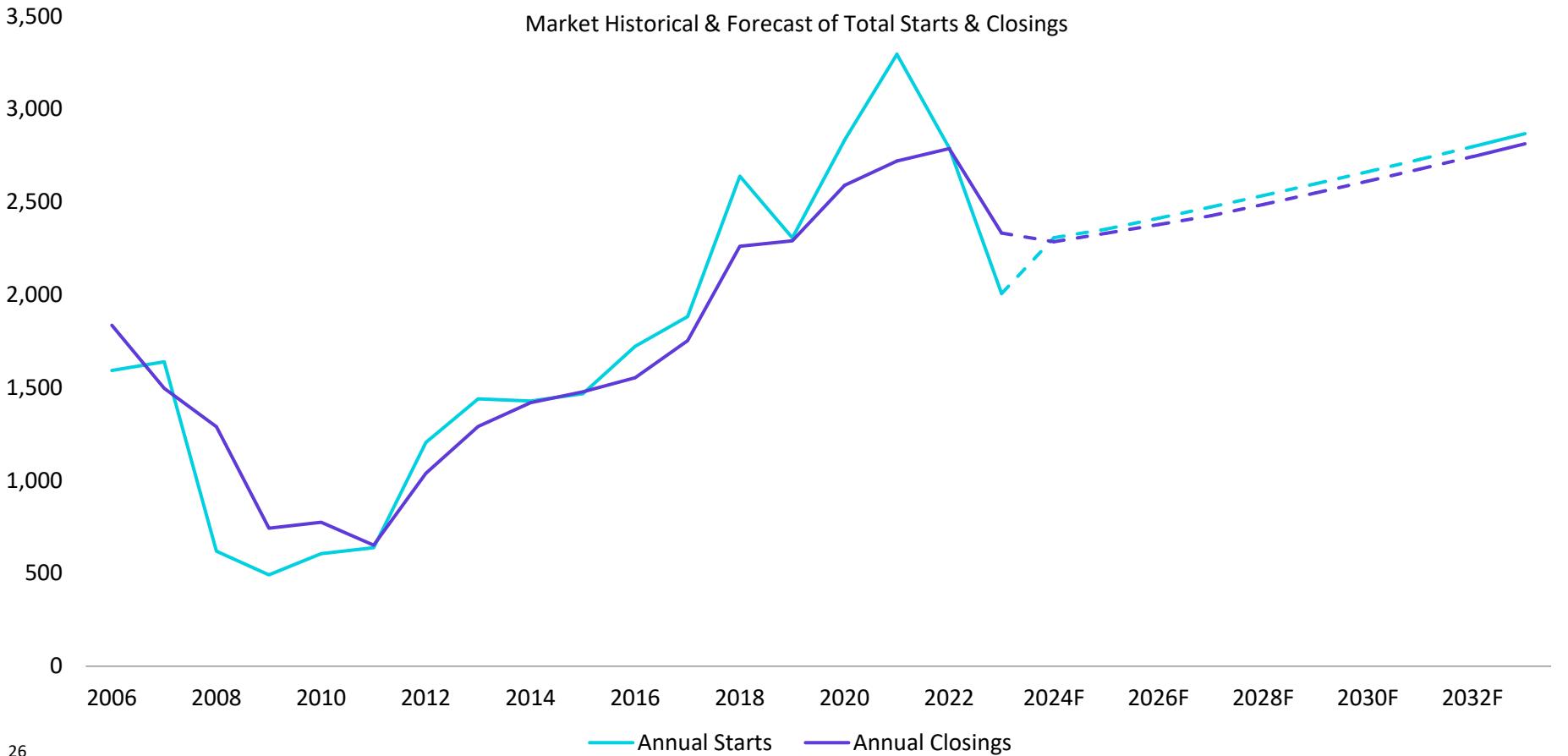
Housing Market Statistics and Analysis



Market Forecast

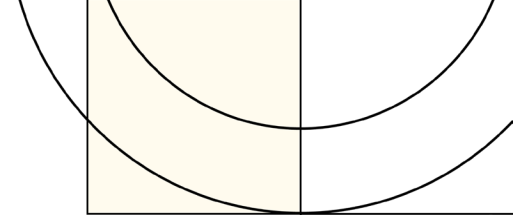
Housing Market Statistics and Analysis

The St. George Market’s new housing levels saw a +/-28.1% decrease in new home starts and an +/-16.2% decline in annual new home closings from 2022 volume levels to 2023. Start production, however, increased 17.9% from 4Q23 to 1Q24. Annual reported contract sales found a bottom in the Spring of 2023 and increased through March 2024 by +/-15%. Zonda expects closings to follow suit and find a bottom towards 2Q24 and begin rising through 2024 barring unforeseen events. Still, this drop in volume would mark the lowest closings levels for the Market since 2019, reflecting the shifting dynamics across Southern Utah given the changes in the economy. The outstanding questions for 2024 are when inflation declines to reasonable levels, mortgage rates level off, and if any price adjustments occur.



Ongoing Market Influences

Housing Market Statistics and Analysis

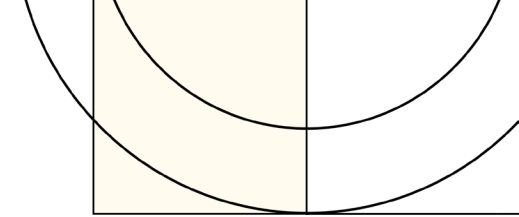


- Inflation is trending down but remains above the 2.0% target by the Federal Reserve. This has consumers facing high costs for food, energy, rent, and a range of other goods. The longer it continues to remain high, purchasing power will continue to decrease. However, there have been signs of consumers beginning to get more comfortable with higher prices. Additionally, the Federal Reserve has been sending signals about potential rate cuts later in 2024 but caution still remains.
- With the tightening on borrowing costs, mortgage interest rates have risen sharply in the past year, with a 30-year FRM rising from 3.22% in January 2022 to 6.99% in early June 2024. This has diminished purchasing power for many and increases the financial needs to qualify and provide a down payment for a new home, slowing a sensitive housing industry that must adjust to a reality of 6.0-7.0%+ mortgage rates.
- Population growth is slowing. Migration inflow has slowed as housing affordability concerns elevate, while the overall net population like the nation, have turned down with rising death counts, fewer births, and stalled international in-migration as an impact from the pandemic. As affordability diminishes, more transient households find barriers to home ownership and will look towards more affordable locations. However, the Market is still expected to grow over the next five years at an average rate of 2.9% per year or over 31,000 new residents.
- Geopolitical uncertainty. The Russian-Ukrainian and Middle East conflicts and related Western response has moved the global economy into greater potential for uncertainty increasing the potential of recessionary influences across the world.
- Job growth and low unemployment rate levels remain the strongest economic factors against a potential recession, but they also tend to be lag indicators, particularly unemployment. The Market continue to add jobs, however, at more normalized rates of annual growth.

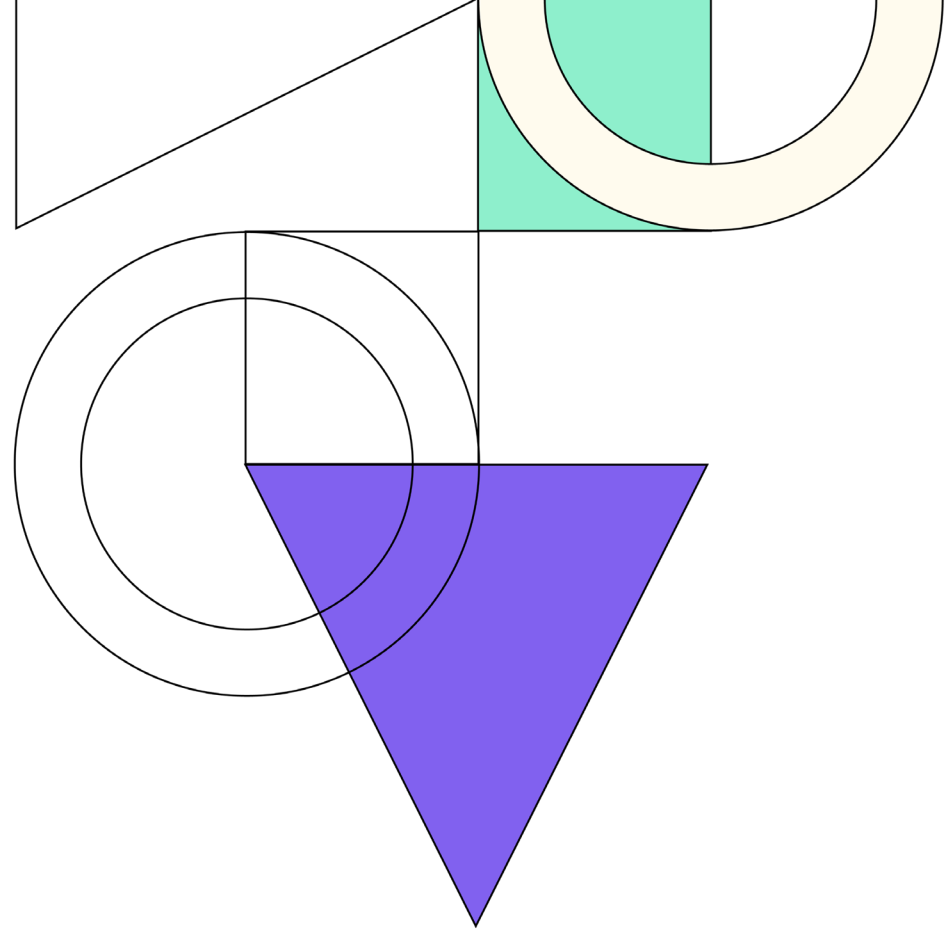
Ongoing Market Influences (continued)

Housing Market Statistics and Analysis

- The duration and depth of the significant supply/demand imbalance. Concerns about a recession, diminished affordability, and price corrections have kept sales contracts low at the end of 2022 and the start of 2023 before beginning to normalize during the Spring selling season. Spring 2023 saw an increase in sales, but the potential of a gap in supply still exists. Potential declines in demand will decrease pressure on the supply side, allowing operational efficiency to get a foothold and cycle times should improve.
- While still early in the Market with many communities considering the option, but only a few actively open, the rise of Build-for-Rent (“BFR”) community development figures to delay and shift some demand away from home purchases. This may be a welcome addition if it serves as a bridge between renting and buying while monthly mortgage payments trend up. Given the current market, the BFR impact is likely to be delayed as those not yet constructed adjust to the new economic environment.
- Millennial demand continues to enter the market. This generation is now in traditional home-buying ages (life cycle/families); and with little-to-no debt and low (albeit rising) mortgage rates, will continue expanding their share of the buyer population in the years to come. Additionally, over the next few years Generation Z will begin entering the early phases of homebuying adding more potential buyers to the Market.
- High municipal, raw water, and land costs.
- Stock market volatility.



Competitive Market Analysis

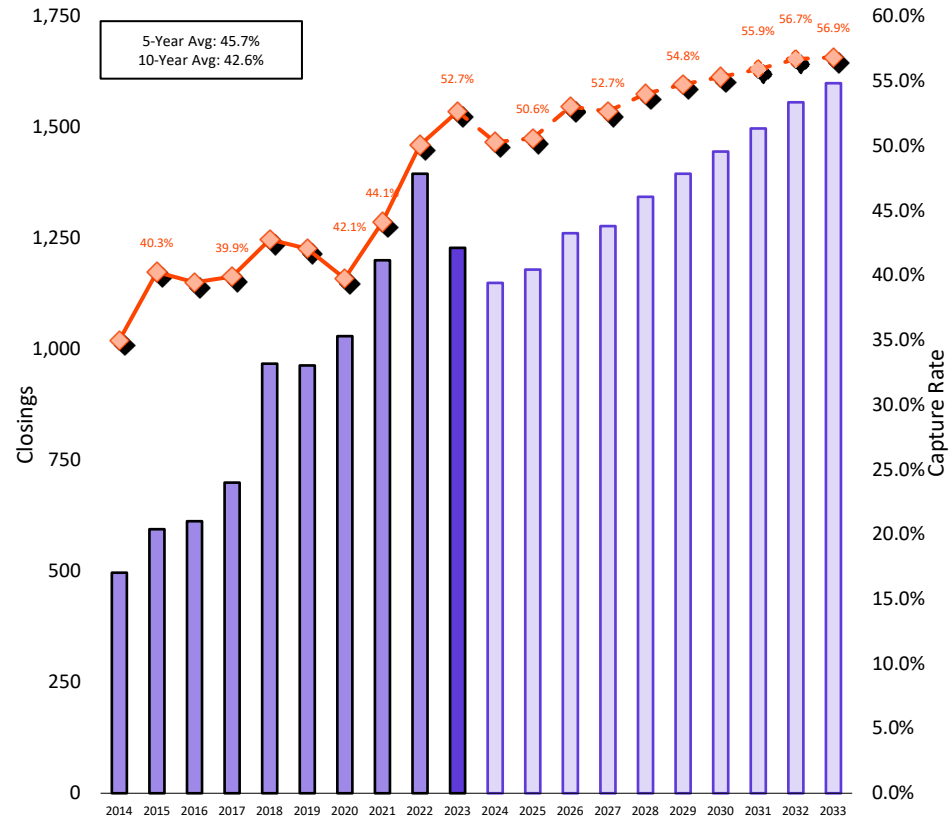


CMA Ten – Year Forecast & Market Capture

Competitive Market Analysis

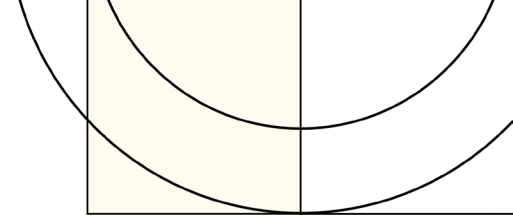
In reviewing the most competitive master planned communities and subdivisions within the CMA, Zonda Advisory coupled data obtained from its quarterly survey database with field research, wherein the various developments and site locations were inspected, and sales agents and developers were interviewed.

- Historically, the CMA has been slowed growing sub-areas of the Market due to drive time, economic growth, and specifically, the housing market. As areas south along Interstate 15 continue to build out, development has been pushing north to towards the Subject Property.
- Over a five-year period between 2006 and 2008, the CMA averaged 641 annual home closings, as development was focused in the St. George area to the south. Closings market share hit a lot of 31.0% within the CMA in 2007 but began increasing throughout the next nine quarters.
- By the end of 2009, the CMA experienced a temporary share drop for one quarter before rising again as development pushed into the City of Washington. During the Great Recession, the CMA was able to increase market share when product was available.
- Annual starts had been leading annual closings in market share through 1Q11 before a decline was experienced through 2014 as the Southern Utah market recovered from the Great Recession finally finding an annual starts market share bottom in 4Q14 with share at 33.6%. Annual closings found a market share bottom in 4Q14 as well.
- As development continued in the St. George area, market share within the CMA remained consistent over the next few years. Market share began to increase with the completion of the Southern Parkway within the CMA. Annual closings market share increased from 37.2% in 1Q20 to a peak of 53.1% by 3Q23 as demand and product shifted north towards the Subject Property.



CMA Ten – Year Forecast & Market Capture (cont.)

Competitive Market Analysis



- Annual starts began increased through 2022 before beginning to level off until 4Q23 with share increased further. Annual closings followed suit increasing to 1,229 annual closings by the end of 2023.

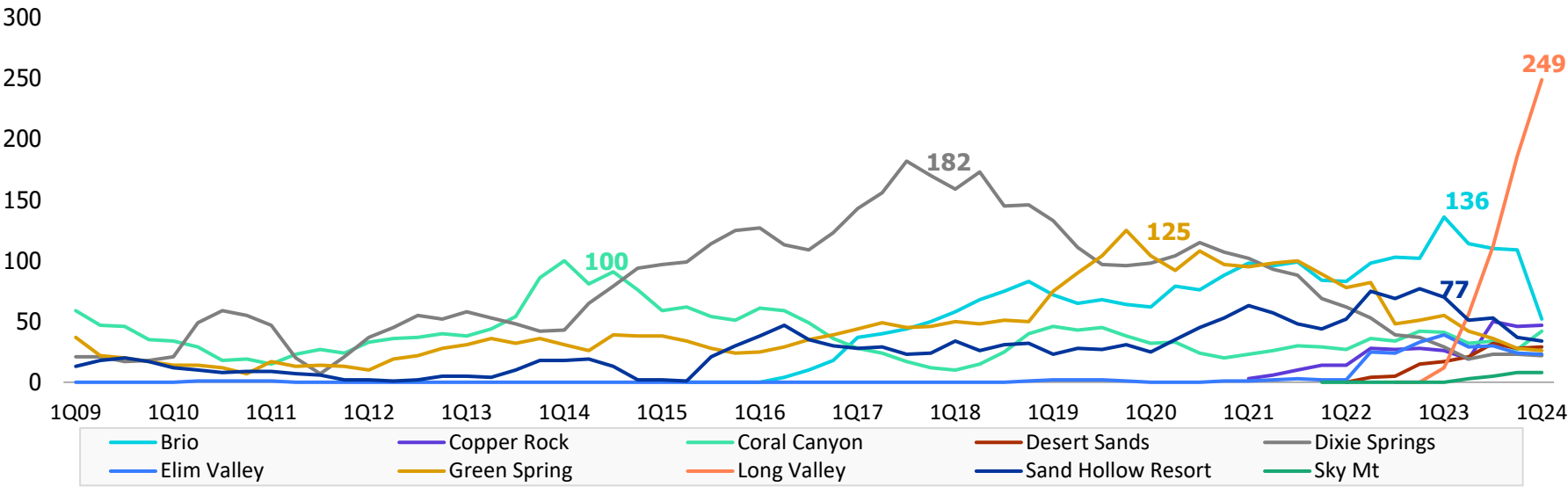
On the previous page is an illustration of the CMA’s historical and projected closings volumes and capture rates of the Market. Actual annual closings within the CMA are noted from 2014 through 2023 in the solid purple columns. The solid orange line represents the CMA’s capture of all annual closings within the Market. A housing forecast for 2024 through 2033 is provided, identified by the light purple columns. More discussion of these figures is offered in the following pages concentrating on the CMA’s Housing and Lot Supply Build-out model. The forecasted annual closings totals are derived from the Market housing forecasts. Zonda Advisory believes that as the Market’s new housing activity moves forward, the CMA is likely to maintain a high share of market activity, as long as developable land can keep pace with demand. This conclusion is based on the economic trends outlined within this analysis and existing supply constraints in other areas of the Market, which continue to push demand into the CMA.

As can be seen within the following exhibits, the CMA is composed primarily of mid-size to large master planned communities with a mix of single and multiple builder-controlled developments. In addition, as shown on the following exhibit, individual project volumes fluctuate from year to year depending on the life stage of the community (introduction, growth, maturity, and closeout), as well as when lots are delivered and made available in the individual communities.

CMA Communities Historical Trends & Peak

Competitive Market Analysis

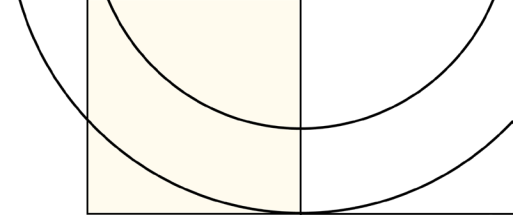
Long Valley (249 closings, 21.0% capture rate), Brio (136 closings, 21.0% capture rate), Brio (52 closings, 4.4% capture rate), Copper Rock (47 closings, 4.0% capture rate), and Coral Canyon (42 closings, 3.5% capture rate) have been the most active communities in the CMA in terms of velocity through 1Q24, combining for nearly 33% of the market.



MPCs	Built-Out	Lots Remain	VDL	Home Inv	Ann Starts Capture	Historical Capture Peak & Qtr	Ann Close Capture	Historical Capture Peak & Qtr
Brio	100.0%	0	0	0	1.7%	9.7% 4Q18	4.4%	9.8% 1Q23
Copper Rock	3.2%	2,761	41	3	0.2%	5.1% 4Q21	4.0%	4.0% 3Q23
Coral Canyon	41.9%	1,928	97	120	12.0%	56.0% 1Q05	3.5%	76.1% 1Q05
Desert Sands	8.0%	528	33	10	1.9%	2.8% 4Q22	2.4%	2.5% 3Q23
Dixie Springs	88.3%	160	151	9	1.0%	25.3% 1Q17	1.9%	26.1% 3Q17
Elim Valley	1.5%	4,537	36	13	0.6%	3.1% 2Q22	1.9%	2.8% 1Q23
Green Spring	93.9%	62	41	13	0.9%	12.5% 4Q19	2.2%	13.0% 4Q19
Long Valley	10.2%	2,308	92	78	21.0%	26.3% 4Q23	21.0%	21.0% 1Q24
Sand Hollow Resort	52.1%	394	67	16	1.0%	9.1% 1Q09	2.9%	7.1% 2Q16
Sky Mt	1.6%	502	69	15	0.6%	1.2% 1Q23	0.7%	0.7% 1Q24
Combined Total	---	13,180	627	277				

Lot Supplies

Competitive Market Analysis



Through the end of 1Q24, there were 2,181 vacant developed lots and an estimated 20,147 undeveloped future lots in actively selling communities within the CMA. In addition, future projects currently moving through the development process will continue to enter the market in the next decade, pending entitlement approvals, development financing and ultimately, land development. These future proposed communities have an additional 17,428 potential lots (many of these lots are conceptual and still raw land). Based on the closing pace of 1,187 new homes closed in the CMA through 1Q24, the lots identified in the active communities equate to 18.8 years of potential supply. The future proposed lots equate to another 14.7 years of potential supply.

For the purpose of understanding market supply in the years ahead, we have projected a build-out of active CMA communities’ remaining lots, as well as estimated future projects’ lots. This build-out model helps to identify when demand for lots and new home options in this portion of the St. George Market will no longer be met within the CMA within the framework of the currently active developments. This is a comprehensive list of all known lots in this CMA at the present time, featuring larger communities while grouping together the smaller scale communities. Projected absorptions for 2024 through 2033 are based on reasonable absorption projections of their remaining supply based on past performance and the stage of the community (introduction, growth, mature, close-out). In addition to detached home sites, attached units including townhome, duplex, and condominiums are also reflected within this model.

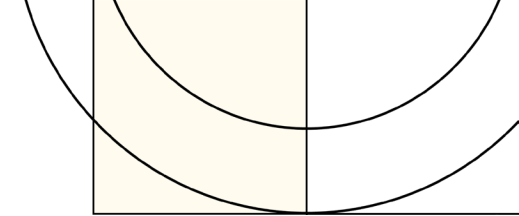
In our model, we have listed the competitive communities with their current housing trends, build-out percentage (highlighted in blue), historical absorption and projected an annual future absorption based on projected growth in the CMA, product segmentation, location strength analysis, and their overall anticipated position within the CMA housing market segment.

Known future planned communities are also represented within the model. All reasonable efforts have been made to determine the conceptual plans of these future communities, but many of these communities, even those fully platted, could face potential delays of one kind or another, changes in product segmentation to reflect market conditions, financing and other variables that could affect their market entry timeline. It is important to remember many are still conceptual and undefined future communities, while seeking a more macro view of the future lot supply within the CMA.

At the bottom of the exhibit, we have listed the CMA communities combined annual closings, as well as their combined historical and projected closing totals, representing the CMA totals based on these community absorptions, and further tracking the forecasted CMA capture rate of closings within the overall St. George Market. This has been done in coordination with Zonda Advisory’s St. George Market housing forecast. The St. George Market actual and projected annual closings are also provided.

CMA Projected Buildout Model

Competitive Market Analysis



Total New Housing									Actual Historical Closings Volume										Projected Closings Volume										
CMA Selected MPCs	Ann Del	Ann St	Ann Cl	Hm Inv	VDL Inv	Future¹	Built-Out %	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Beyond	
Grapevine	0	0	0	0	0	775	0.0%											0	0	72	98	99	101	101	84	72	72	76	
Grapevine Total	0	0	0	0	0	775	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	72	98	99	101	101	84	72	72	76	
Grapevine Capture of the CMA	0%	0%	0%	0%	0%	4%	---	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	6%	8%	7%	7%	7%	6%	5%	5%	---	
Active Development	Collina Tinta	7	6	7	11	17	2,084	4.0%	0	0	0	0	0	10	40	16	15	5	15	25	25	50	50	50	75	100	100	100	1,525
	Copper Rock	0	2	47	3	41	2,717	3.2%	0	0	0	0	0	0	0	14	28	46	25	50	50	50	100	100	100	100	100	1,988	
	Coral Canyon	166	138	42	120	97	1,711	41.9%	76	51	36	12	40	38	20	29	42	27	75	75	100	100	100	100	100	150	150	897	
	Desert Sands	20	22	29	10	33	485	8.0%	0	0	0	0	0	0	0	0	15	28	25	25	25	25	25	50	50	50	50	156	
	Dixie Springs	0	12	22	9	151	0	88.3%	94	125	123	170	146	96	107	69	37	23	15	20	20	20	20	20	20	10	0		
	Elim Valley	0	7	23	13	36	4,488	1.5%	0	0	0	0	1	1	1	2	33	24	25	25	25	25	25	25	25	25	25	4,292	
	Green Springs	0	10	26	13	41	8	93.9%	38	24	39	46	50	125	97	89	51	28	20	20	20	10					0		
	Long Valley	153	241	249	78	92	2,138	10.2%	0	0	0	0	0	0	0	0	0	186	125	150	150	150	150	150	150	150	150	908	
	Sand Hollow Resort	0	12	34	16	67	311	52.1%	2	30	30	24	32	31	53	44	77	37	25	25	25	25	50	50	50	50	53	0	
	Sienna Hills	0	15	8	15	136	343	65.4%	6	30	25	83	131	102	75	133	177	26	25	25	50	50	50	50	50	50	50	45	
	Sky Mt	12	7	8	15	69	418	1.6%	0	0	0	0	0	0	0	0	0	8	15	15	50	50	25	50	50	50	50	97	
	Stucki Farms	0	4	7	10	38	2,692	6.7%	13	24	23	22	21	6	13	14	26	11	10	25	25	25	25	25	25	25	25	2,506	
Other (Combined)*	709	671	685	475	1,363	2,752	67.9%	268	311	337	343	547	555	624	791	895	780	750	650	500	300	300	200	200	200	200	200	1,228	
Active Summary	1,067	1,147	1,187	788	2,181	20,147	39.9%	497	595	613	700	968	964	1,030	1,201	1,396	1,229	1,150	1,130	1,065	880	920	870	895	920	960	953	13,642	
Future Development	Desert Bloom	0	0	0	0	0	576	0.0%	0	0	0	0	0	0	0	0	0			25	50	50	50	50	50	50	50	201	
	Firelight	0	0	0	0	0	3,689	0.0%	0	0	0	0	0	0	0	0	0	0				50	50	100	125	150	150	200	2,864
	Mosaic	0	0	0	0	0	1,700	0.0%	0	0	0	0	0	0	0	0	0	0				50	50	75	75	100	125	125	1,100
	Sand Hollow Mesa	0	0	0	0	0	4,087	0.0%	0	0	0	0	0	0	0	0	0	0			25	50	50	75	75	100	150	3,412	
	Southern Dunes Townhomes	0	0	0	0	0	344	0.0%	0	0	0	0	0	0	0	0	0	0			25	50	75	75	75	44	0		
	Other (Combined)*	0	0	0	0	0	6,257	0.0%	0	0	0	0	0	0	0	0	0	0			50	50	50	50	50	50	50	5,807	
	Future Summary	0	0	0	0	0	17,428	0.0%	0	0	0	0	0	0	0	0	0	0	0	50	197	398	424	526	551	578	597	647	13,460
Grapevine CMA									497	595	613	700	968	964	1,030	1,201	1,396	1,229	1,150	1,180	1,262	1,278	1,344	1,396	1,446	1,498	1,557	1,600	NA
St. George MKT									1,420	1,478	1,553	1,754	2,262	2,291	2,590	2,721	2,788	2,333	2,286	2,332	2,379	2,426	2,487	2,549	2,613	2,678	2,745	2,814	NA
CMA Capture of Market:									35.0%	40.3%	39.5%	39.9%	42.8%	42.1%	39.8%	44.1%	50.1%	52.7%	50.3%	50.6%	53.0%	52.7%	54.0%	54.8%	55.3%	55.9%	56.7%	56.9%	NA

Notes:

- ¹ Future lot counts are based on currently known breakouts of lots already identified within the Competitive Market Area. This figure may increase/decrease as future development parcel plans are realized.
- ² 2024 forecast is based on the actual preliminary housing trends through the first quarter of 2024 (based on Zonda's lot-by-lot survey) with projected results for the following quarters based on current activity and Zonda Advisory's research.
- ³ Information including total lots, closing pace and market entry time frames are estimated for all future communities based on information collected from developers and planners. Some of these future communities may have additional lot counts and sizes as several have not yet been platted. There may be additional future communities currently unknown at this time that enter the market during this time period; some of the communities listed may ultimately not enter the market. Actual lot counts and product type may prove different than information collected at this time.
- ⁴ Other (Combined) represent the combined total of remaining CMA subdivisions identified at this time, both within Active and Future segments.

This model tracks a moving target with many variables and requires amending over time as existing and future competition evolve. The CMA finished 2023 with a Market closing capture rate of 52.7%, above the last ten-year average of 42.6% as development and demand pushed north towards the CMA. Given the continued job growth in employment centers, desirability of the area, and demand for homes in the CMA and Market, demand is expected to increase if and when lots are available. **Further, based on the demand in the Market, homes that are marketed and priced within Market demands will have the opportunity to capture a consistent portion of the CMA amid declining lot availability.**

If some of the replacement communities fail to gain traction, due to challenges many developers/landowners face in trying to secure entitlements, water, services, and financing, the potential for existing communities to gain market volume exists. Success will be dependent on each of these communities' relevance to the consumer based on work commute times, price attainability, and lifestyle.

Demand Analysis

Competitive Market Analysis

The assessment of housing demand and market capture is an iterative process with numerous ever-changing variables to consider. We have approached demand using our projected new home closings forecast within the Market. We accounted for demand based on a review of all active and future lots within the CMA, and all the variables previously discussed to generate a supply-based CMA capture rate (as noted within the build-out model). From there, we reviewed the ratio of currently active to future planned lots, the transition of communities to build-out, and plausible timelines for new communities. We then reviewed demographic and economic trends and the outlook for new housing supply availability, and projected a CMA capture rate, estimated at an average of 52.1% over the next five years (54.0% over the next ten years) in a CMA beginning to see market share decline due to limited known lots. We then calculated a potential demand variance of +/- 4.0% to account for unknown factors that could cause a negative or positive market movement from our estimate. This demand analysis is consistent with historical trending and current projected upward growth within the CMA. While we believe that these figures represent a realistic view of the Market based on our experience, these types of demand models are best served as points of discussion.

	Grapevine CMA														
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Actual					Forecast									
St. George MKT Closings Projections ¹	2,291	2,590	2,721	2,788	2,333	2,286	2,332	2,379	2,426	2,487	2,549	2,613	2,678	2,745	2,814
Total CMA Capture ²	964 42.1%	1,030 39.8%	1,201 44.1%	1,396 50.1%	1,229 52.7%	1,150 50.3%	1,180 50.6%	1,244 52.3%	1,260 51.9%	1,326 53.3%	1,378 54.1%	1,428 54.6%	1,495 55.8%	1,557 56.7%	1,600 56.9%
Active Community Capture ³	964 100%	1,030 100%	1,201 100%	1,396 100%	1,229 100%	1,150 100%	1,130 96%	1,065 86%	880 70%	920 69%	870 63%	895 63%	920 62%	960 62%	953 60%
Future Community Capture ⁴	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	50 4%	179 14%	380 30%	406 31%	508 37%	533 37%	575 38%	597 38%	647 40%
Grapevine CMA Closings & Capture	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	54 4%	80 6%	81 6%	83 6%	83 6%	81 5%	72 5%	72 5%
Potential Demand Variance ⁵															
CMA @ 49.7% Capture	NA	NA	NA	NA	NA	-15	-22	-63	-55	-91	-112	-130	-165	-194	-203
CMA @ 57.7% Capture	NA	NA	NA	NA	NA	168	165	128	139	108	92	79	49	26	22

Notes:

¹ Annual closings for 2019 to 2023 are based on the deed closing results for the CMA. Future annual closings between 2024 through 2033 are forecasted by Zonda Advisory. This level of sales can only be achieved if the housing market fundamentals continue to improve and homebuilders offer appropriately priced product in locations with price ranges in demand by the homebuying public.

² Includes all annual closings within the CMA per Zonda Advisory. Market share percentages between 2019 and 2023 are actual capture rates. Future closings within this segment were forecasted based on estimated capture rates that follow established start production and closing trends which are consistent with those listed in previous exhibits.

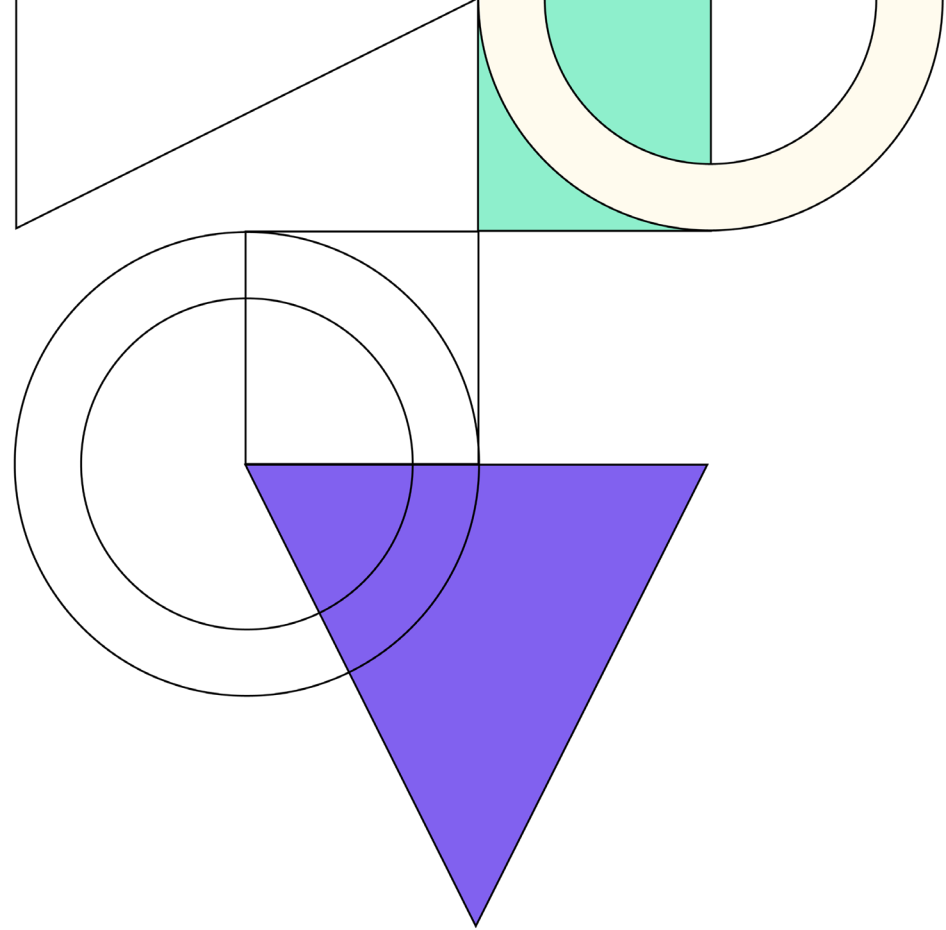
³ The combined total of all currently active selling communities' related closings within the CMA. 2019 through 2023 figures are actual capture counts, therefore equal 100%. Future closings with this segment were forecasted based on historical and anticipated absorption of these same communities within the CMA up until their completion.

⁴ The combined total of all currently future planned communities and their closings within the CMA. Years 2019 through 2023 will not have any activity since these communities are yet to enter the market. Future closings within this segment were forecasted based on estimated market entry for each community and anticipated absorption given what is currently known about each potential community. As with any future plans, all estimates are subject to change. Given today's current housing development environment, it is very possible that some of these communities may never be fully realized, may enter the market at another time than projected, and/or that additional communities currently unknown may enter the market over the next ten years.

⁵ Based on the absorption analysis for the Subject Property, as shown within the build-out model.

⁶ Zonda Advisory acknowledges the possibilities of a variance in demand brought on by unforeseen circumstances such as interest rates spikes, gaps in lot deliveries and the ebb and flow of consumer confidence brought on by a variety of factors. Therefore, we have shown a +/- 4.0% variance from the average capture rate.

Residential Conclusions



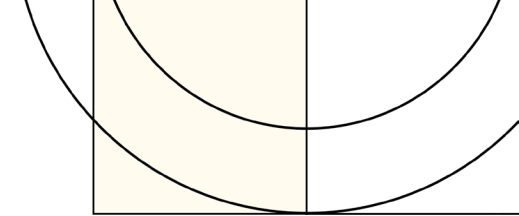
Price Positioning

Conclusions

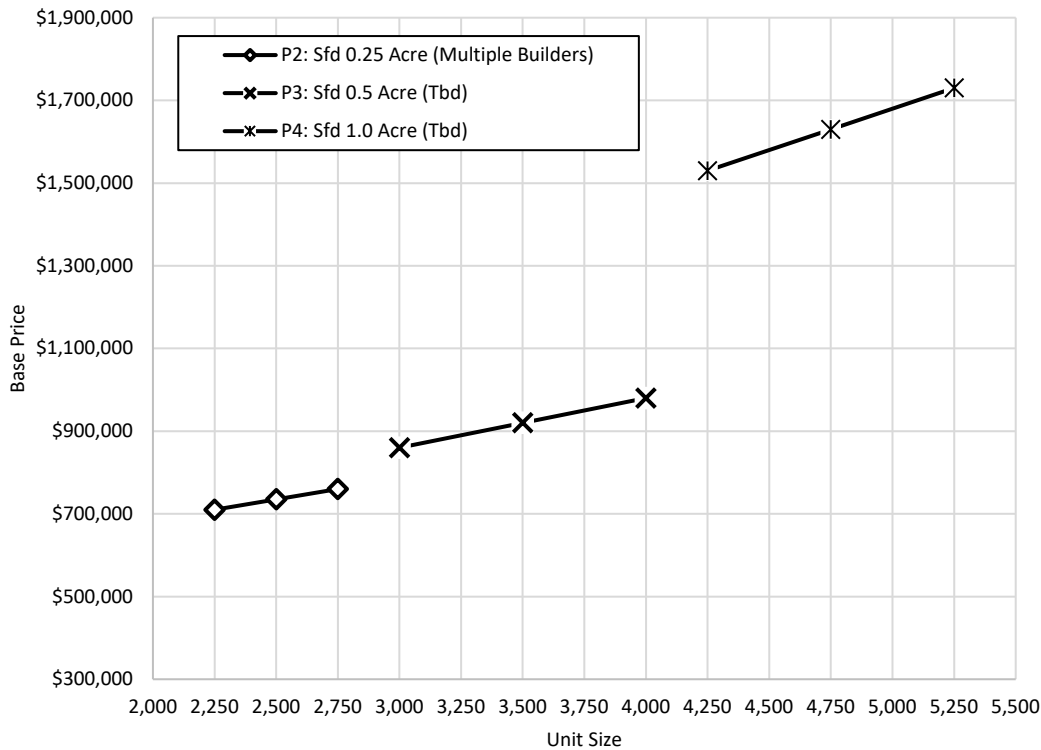
Based on this product offering and trends in the surrounding CMA, Zonda Advisory believes that the District has the potential to absorb up to 83 homes during its peak years of 2029 and 2030. With the current scheduled lot delivery, anticipated continuing sales and home closings, we estimate full District build-out to occur by 2036 barring any significant setbacks.

The CMA's capture rate of the Market has averaged 45.7% over the past five years (2019 to 2023), and finished 2023 at 52.7%, an indication of the increasing demand in the CMA. Looking ahead, the CMA share of start production market-wide was 48.5% through 1Q24, and closings accounted for 49.5%. Based on current economic and competitive conditions, land availability, and established history of the area, Zonda Advisory estimates the future capture rate of the CMA will increase as developable lots decrease without known replacement lots over time and has the potential to continue increasing closings as developable land declines in the southern St. George Market. Zonda Advisory believes that the District has the potential to capture between 4.0% and 6.0% of the CMA's total home closings during the Districts development, which seems reasonable given previous capture rates by similar sized communities in the Market, and the potential demand for housing within the CMA.

If the Market achieves greater volumes than those forecasted by Zonda Advisory, absorption potential would obviously increase. On the other hand, if a down cycle occurs within our current projection, Market volumes may fall off pace, resulting in potentially lower absorption. And finally, should other communities build-out earlier than expected, or run short on available lots, capture rates would also increase (at the same time, if other competition emerges sooner than expected, capture rates could potentially decline).



Price Positioning (cont.)
 Conclusions

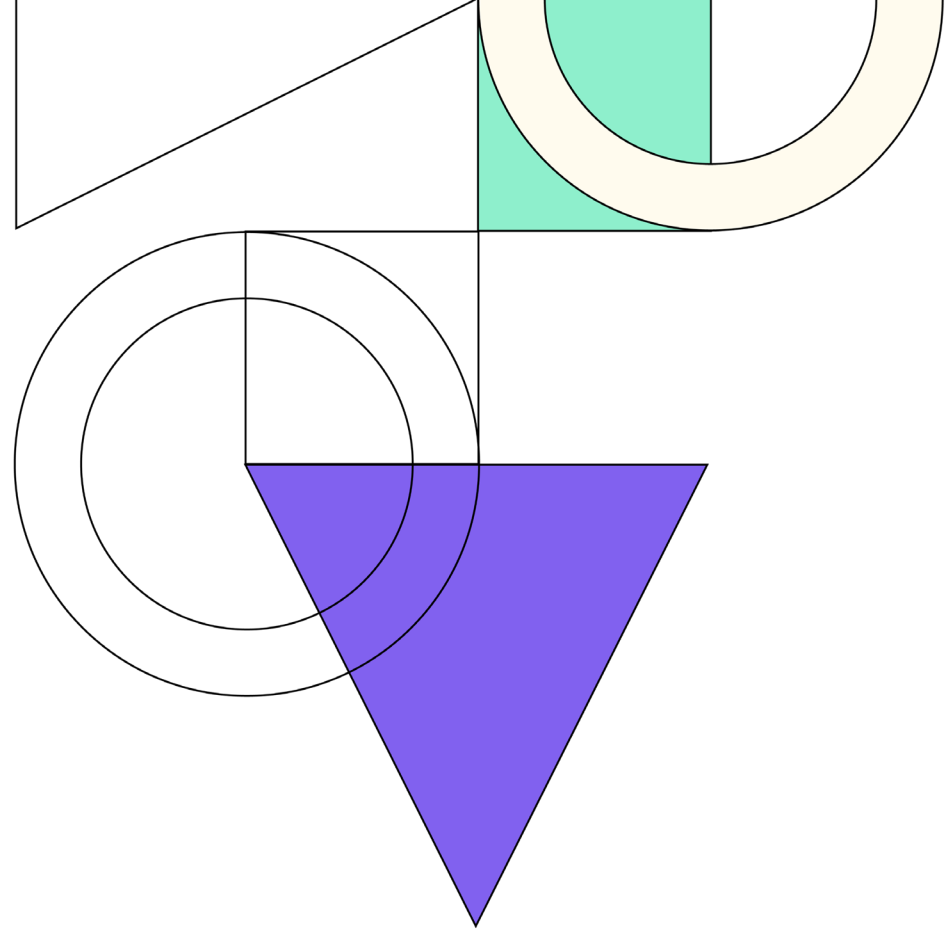


Subject Property Product Details		Size (SF)	Base Price	Typical Spending Options / Upgrades	Estimated Lot Premiums	Estimated Closing Price	Est. Closing \$/SF
P2: SFD 0.25 ACRE (MULTIPLE BUILDERS) MULTIPLE BUILDERS GRAPEVINE LEEDS							
Product:	Single Family	2,250	\$710,000	\$28,400	\$14,200	\$752,600	\$334
Configuration:	Detached	2,500	\$735,000	\$29,400	\$14,700	\$779,100	\$312
Lot Dimension:	0.25 acre	2,750	\$760,000	\$30,400	\$15,200	\$805,600	\$293
		2,500	\$735,000	\$29,400	\$14,700	\$779,100	\$312
P3: SFD 0.5 ACRE (TBD) TBD GRAPEVINE LEEDS							
Product:	Single Family	3,000	\$860,000	\$64,500	\$30,100	\$949,600	\$317
Configuration:	Detached	3,500	\$920,000	\$69,000	\$32,200	\$1,016,200	\$290
Lot Dimension:	0.5 acre	4,000	\$980,000	\$73,500	\$34,300	\$1,082,800	\$271
		3,508	\$921,017	\$69,076	\$32,236	\$1,017,329	\$290
P4: SFD 1.0 ACRE (TBD) TBD GRAPEVINE LEEDS							
Product:	Single Family	4,250	\$1,530,000	\$267,750	\$76,500	\$1,869,250	\$440
Configuration:	Detached	4,750	\$1,630,000	\$285,250	\$81,500	\$1,991,750	\$419
Lot Dimension:	1.0 acre	5,250	\$1,730,000	\$302,750	\$86,500	\$2,114,250	\$403
		4,779	\$1,635,882	\$286,279	\$81,794	\$1,998,956	\$418

--- Notes ---

- Product prices and plan information for the Subject Property are based on all currently available information regarding the Subject Property as provided by the developer and identified homebuilder(s). Additional assumptions and estimates have been included based on an analysis within the competitive market to determine the most likely additional product information.
- Average Prices for the Subject Property are based on all currently available information regarding the Subject Property, as provided by the developer and homebuilder(s). Plan information used was based on product provided by the District.
- All information is based on current market conditions. Pricing at the Subject Property's release may need adjustment. Zonda Advisory estimates a long-term 3.0% annual average increase in pricing within the CMA over time.

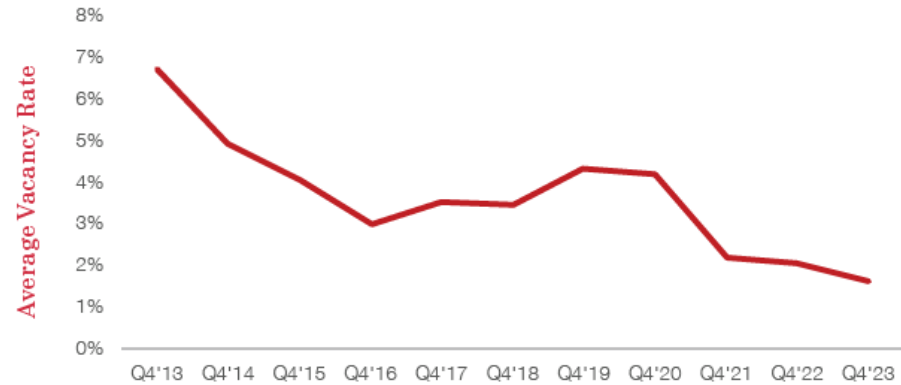
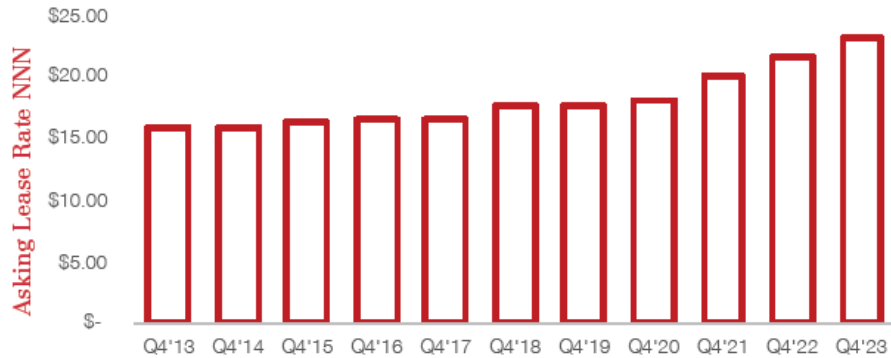
Retail Market



Retail Market Potential Analysis – Washington County Overview

Retail Market

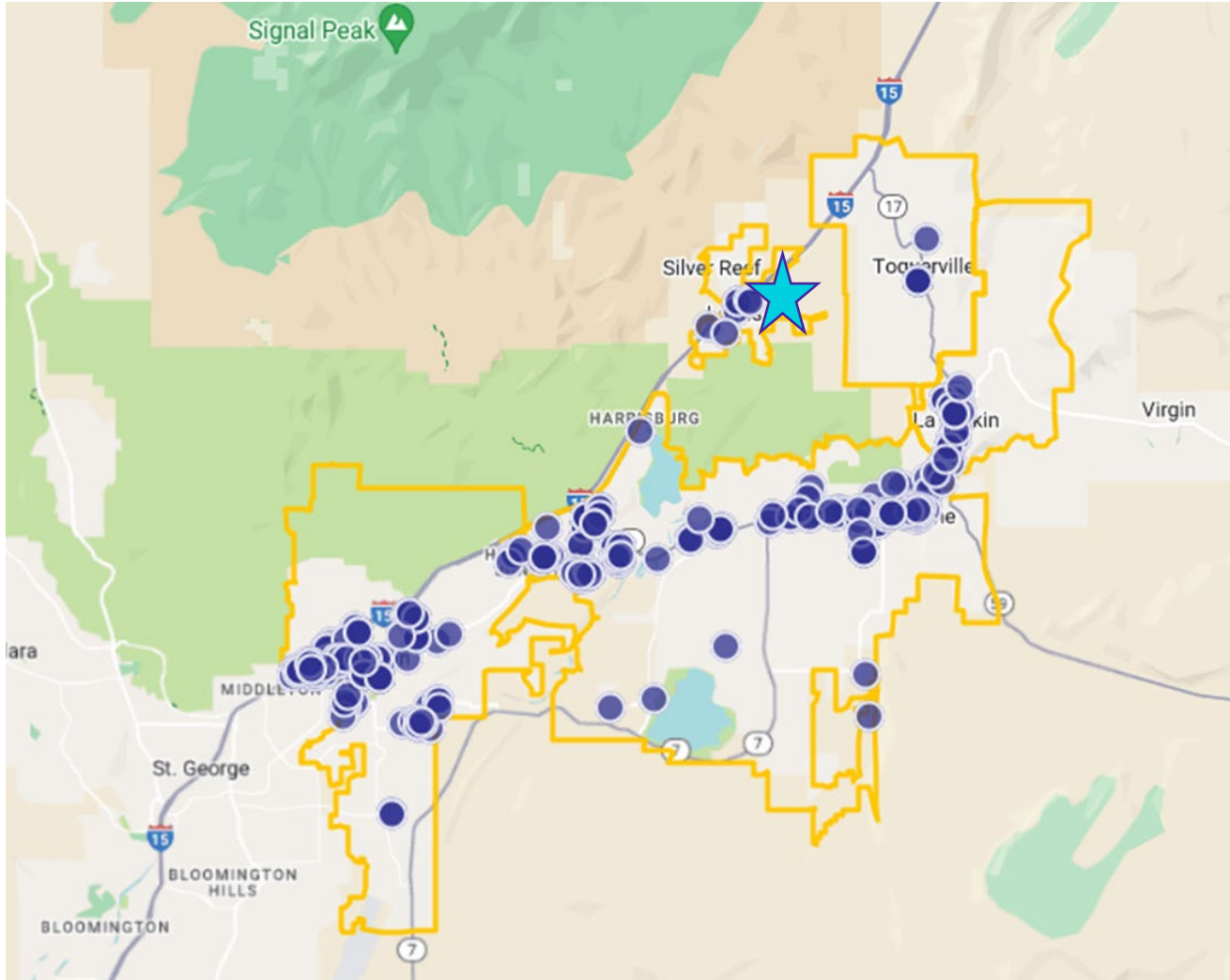
The NAI Southern Utah – Washington County 4Q23 Retail Market Report was obtained and reviewed. According to NAI, the vacancy rate was 1.6% just lower than the 2.1% reported one year earlier . Around 337,000 square feet of retail is currently under construction within the Market that has low vacancy and high demand. NAI reported that leasing prices increased to \$23.00 per square foot providing insight into the demand in the market. NAI noted that the majority of recently completely retail projects were smaller retail and restaurant offerings. As the Gap Analysis will illustrate later in this section there is significant need for additional retail properties.



CMA Retail Market Overview

Retail Market

The area around the Subject Property is characterized by retail properties either located in the City of Washington or along the Utah 9 entering Hurricane and the entrance to Zion National Park. Housing growth created a large gap of retail stores. This demand is expected to grow over the long term. The map below represents an example of the retail clusters located near the Subject Property (the dots do not cover all potential retail properties). The higher concentration of dots are located along the major arterials which surround the Subject Property.



Area History

Retail Market

According to Reonomy in the CMA there is over 2.7mm square feet of retail space. Over the past 20 years, the market brought an average of 69,975 square feet to the market with a significant slowdown after the Great Recession. Over the past ten years, the CMA has seen an average of 46,801 square feet per year and 75,699 over the past five. Given the increasing home development in the area, demand for retail will likely increase in the future. The retail gap analysis provides additional insight into the total demand needed.

Year Built	Grapevine CMA							Washington County, UT				
	Units	Sq. Ft.	Per Unit	Total	Market Share	Growth	% New	Units	Sq. Ft.	Per Unit	Total	Growth
Pre - 2000	138	822,542	5,960	822,542	11%			892	7,262,727	8,142	7,262,727	
2000	21	189,449	9,021	1,011,991	13%	23.0%	39.9%	55	474,401	8,625	7,737,128	6.5%
2001	5	312,561	62,512	1,324,552	15%	30.9%	30.3%	40	1,032,753	25,819	8,769,881	13.3%
2002	12	18,395	1,533	1,342,947	15%	1.4%	6.0%	48	306,639	6,388	9,076,520	3.5%
2003	10	156,750	15,675	1,499,697	16%	11.7%	48.3%	23	324,629	14,114	9,401,149	3.6%
2004	9	68,295	7,588	1,567,992	16%	4.6%	24.5%	27	278,449	10,313	9,679,598	3.0%
2005	3	24,512	8,171	1,592,504	16%	1.6%	5.1%	68	477,474	7,022	10,157,072	4.9%
2006	14	281,666	20,119	1,874,170	17%	17.7%	28.0%	42	1,006,446	23,963	11,163,518	9.9%
2007	8	122,059	15,257	1,996,229	17%	6.5%	15.8%	56	772,959	13,803	11,936,477	6.9%
2008	11	227,124	20,648	2,223,353	18%	11.4%	46.5%	32	488,417	15,263	12,424,894	4.1%
2009	0	0	0	2,223,353	18%	0.0%	0.0%	11	115,735	10,521	12,540,629	0.9%
2010	0	0	0	2,223,353	18%	0.0%	0.0%	7	50,242	7,177	12,590,871	0.4%
2011	4	43,303	10,826	2,266,656	18%	1.9%	25.1%	9	172,812	19,201	12,763,683	1.4%
2012	2	7,774	3,887	2,274,430	18%	0.3%	13.0%	8	59,802	7,475	12,823,485	0.5%
2013	3	12,333	4,111	2,286,763	18%	0.5%	21.3%	11	57,907	5,264	12,881,392	0.5%
2014	3	23,893	7,964	2,310,656	18%	1.0%	20.3%	12	117,943	9,829	12,999,335	0.9%
2015	2	25,922	12,961	2,336,578	18%	1.1%	8.6%	15	301,656	20,110	13,300,991	2.3%
2016	0	0	0	2,336,578	17%	0.0%	0.0%	11	140,197	12,745	13,441,188	1.1%
2017	3	27,371	9,124	2,363,949	17%	1.2%	9.2%	18	298,868	16,604	13,740,056	2.2%
2018	7	178,502	25,500	2,542,451	18%	7.6%	41.5%	25	430,174	17,207	14,170,230	3.1%
2019	5	20,757	4,151	2,563,208	18%	0.8%	10.7%	23	194,694	8,465	14,364,924	1.4%
2020	4	37,683	9,421	2,600,891	18%	1.5%	12.4%	25	303,279	12,131	14,668,203	2.1%
2021	1	4,951	4,951	2,605,842	17%	0.2%	1.8%	24	275,026	11,459	14,943,229	1.9%
2022	10	136,600	13,660	2,742,442	18%	5.2%	32.1%	36	425,442	11,818	15,368,671	2.8%
2023	3	11,437	3,812	2,753,879	18%	0.4%	4.8%	7	239,444	34,206	15,608,115	1.6%
Total	278	2,753,879						1,525	15,608,115			

Source: Reonomy & Zonda

CMA Housing and Population Forecast

Retail Market

Local retail leasing listings are limited due to the growth in the area, that is expected to continue as development continues to press north towards the CMA. As the population grows, so does the opportunity for various types of retail space as various demand thresholds are met. Given the expected population growth that is slightly less than previous three years, similar retail development should be expected. The following page exhibits a limited set of lease rates that are throughout the CMA are plotted on the following page.

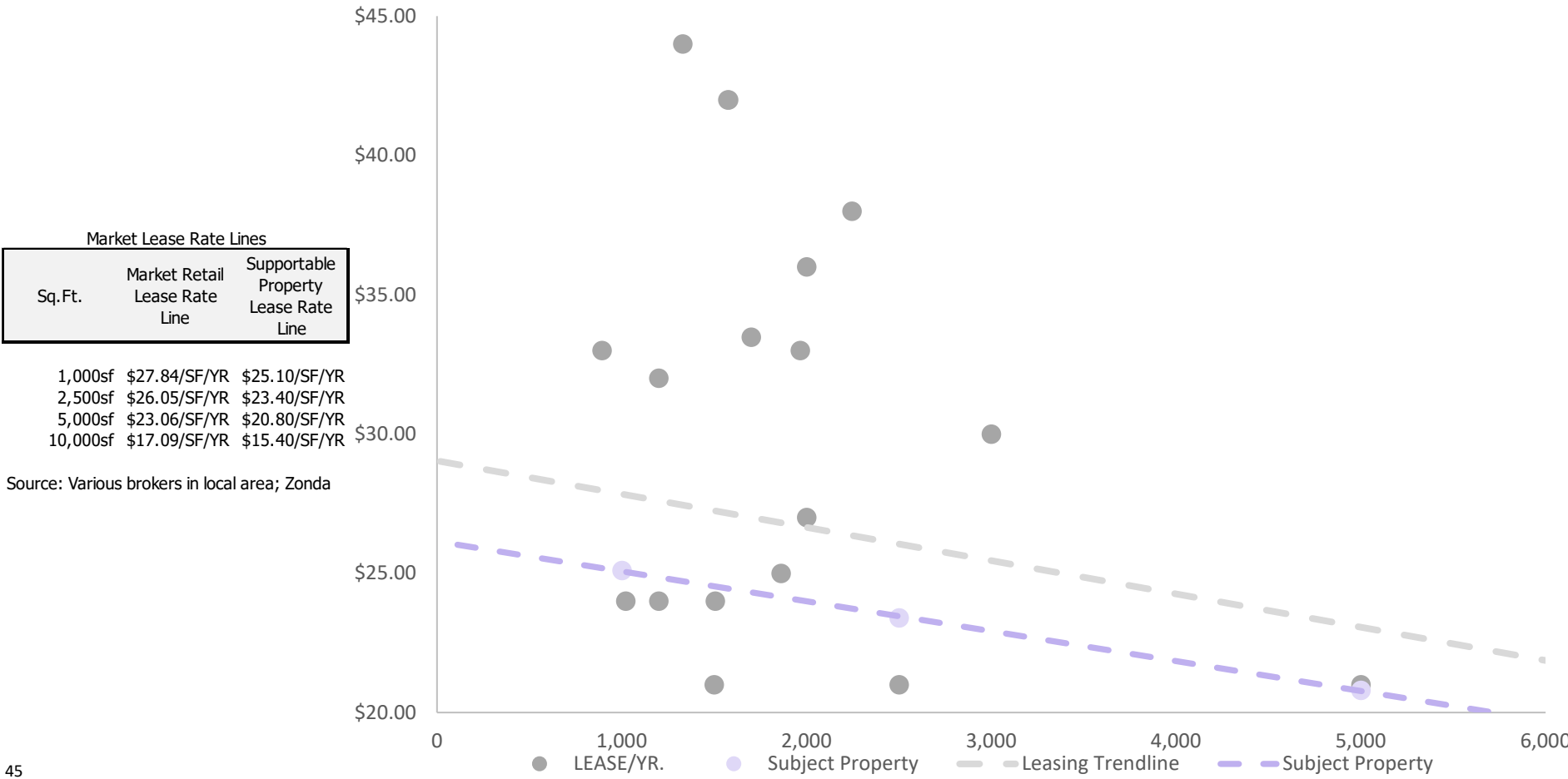
Grapevine CMA	2020 Census	2023 Estimate	2028 Projection
Population	57,653	64,775	76,825
Total Numerical Change	---	7,122	12,050
Total Percent Change	---	12.4%	18.6%
Annual Number Change	---	2,374	2,410
Annual Percent Change	---	4.0%	3.5%
Households	19,418	21,364	24,661
Total Numerical Change	---	1,946	3,297
Total Percent Change	---	10.0%	15.4%
Annual Number Change	---	649	659
Annual Percent Change	---	3.2%	2.9%
Average Household Size	3.0	3.0	3.1
Population	31.7%	31.5%	32.5%
Households	30.8%	30.8%	31.9%

Source: Zonda/ U.S. Census Bureau

CMA Asking Leasing Rates for Retail Space

Retail Market

To gain a further understanding of the retail market in the CMA local leasing data was reviewed and analyzed. Most retail properties are located near major arterials with smaller properties garnering larger returns. Further, most properties are in more desirable areas providing a slight premium despite the age of the property. The exhibits below shows currently known lease offerings near the Subject Property, most of these properties are on older properties that require tenant Improvements (T.I.'s) and technological advances that new space at the Subject Property will offer. The exhibits below represent guidance when determining pricing on the Subject Property.



Closings Values for Retail Space

Retail Market

Recent retail building transactions are available in the CMA. A sample of these transactions is provided in the following table since June 2022. These values (source: Reonomy) provide a cross check against the property residual. These closings can vary depending on the type of commercial use in the CMA with retail buildings such as convenience stores having higher potential values. These closings also provide estimates of the CMA's FAR and year built. The majority of the properties are more desirable locations and will hold a premium over the Subject Property.

Address	Last Sale	Sales Price	Yr Blt	Sq. Ft.	Price Per Sq. Ft.	FAR	Acres	Assessor Market Value	Assessor/ Price Sq. Ft.	Property Type Use
160 E Telegraph St, Washington, UT 84780	8-May-24	\$581,542	1971	2,904	\$200	0.42	0.16	\$437,100	\$151	Retail General
2303 N Coral Canyon Blvd, Washington, UT 84780	22-Apr-24	\$625,000	2002	3,025	\$207	---	--	\$743,600	\$246	Retail General
1004 W Red Cliffs Dr, Washington, UT 84780	7-Mar-24	\$2,531,250	2000	8,610	\$294	0.40	0.50	\$1,468,200	\$171	Retail General
138 W State St, Hurricane, UT 84737	3-Jul-23	\$2,398,646	2004	6,010	\$399	0.23	0.61	\$1,347,900	\$224	Retail General
1180 W State St, Hurricane, UT 84737	3-May-23	\$931,000	1999	7,937	\$117	0.11	1.64	\$2,207,100	\$278	Retail General
480 W State St, Hurricane, UT 84737	6-Apr-23	\$1,669,150	2014	6,048	\$276	0.24	0.57	\$1,307,100	\$216	Retail General
4390 W State St, Hurricane, UT 84737	17-Feb-23	\$962,500	1985	2,728	\$353	0.12	0.54	\$603,600	\$221	Retail Gas Station
5681 W 800 S, Hurricane, UT 84737	2-Aug-22	\$2,660,000	2022	10,000	\$266	0.35	0.66	\$1,070,400	\$107	Retail General
346 W State St, Hurricane, UT 84737	26-Jul-22	\$1,504,688	1994	7,959	\$189	0.18	1.00	\$945,600	\$119	Retail General
965 N Hoodoo Way, Washington, UT 84780	10-Jun-22	\$3,250,000	2017	8,310	\$391	0.12	1.62	\$2,936,100	\$353	Retail Restaurant
Average		\$1,711,378	2001	6,353	\$269	0.24	0.81			
Median		\$1,586,919	2001	6,993	\$271	0.23	0.61			
Total		\$17,113,776		63,531						

As shown, the average price for retail space (6,353 square feet) is \$1.711mm, with a mixture of transaction amounts. Several of the older buildings will likely undergo modernizations and modifications to improve the spaces to current standards that the Subject Property will potentially offer. In a latter section of this report, these value ratios were employed as a crosscheck against the valuation figures determined in the residual land valuation analysis for retail properties.

CMA Retail Market ‘Gap’ Analysis

Retail Market

Retail sales are generally dependent on and generated by the local population. This is true for the CMA as residents will make up the majority of the retail sales. There is an opportunity for different categories of retail space within the CMA due to the growth being experienced in the marketplace. If residents do not have sufficient choice within the CMA to purchase retail goods, they will be drawn outside of the CMA creating a potential sales ‘gap’. This difference ‘gap’ between the CMA’s retail sales revenue and what CMA residents are spending identifies a given category of retail space as over- or under-supplied. However, as with housing, retail levels will need to be monitored carefully at the present time. The retail at the site will generally serve the immediate and surrounding residents as well as other commercial properties. Future planned retail will likely enter the Market when the economy is more normalized.

The table below presents comparisons of retail sales activity within the defined CMA as it compares with how much retail spending is represented by residents within the CMA:

Retail Stores	2023 Estimated Retail Sales	2023 Resident Expenditures	2028 Resident Expenditures	CMA Opportunity Gap or (Surplus)	
				2023	2028
GLA in Shopping Centers w/in the CMA	2,753,879sf	4,123,817sf	4,890,965sf	1,369,938sf	2,137,086sf
Total Retail Sales Incl Eating and Drinking Places	\$841,690,116	\$1,260,395,374	\$1,494,864,911	\$418,705,258	\$653,174,795
2023 Retail Expenditures Per Sq.Ft. of Resident Pop	\$305.64/sf	\$457.68/sf	\$457.68/sf		
2023 Retail Expenditures Per Person of Resident Pop	\$12,994/person	\$19,458/person	\$19,458/person		
Total Pop. in CMA (incl. subject site):	64,775 persons	64,775 persons	76,825 persons		
Added Resident Retail Sales Potential From 2023			\$234,469,537		
Added Total Retail Sales Potential From 2023			\$156,578,401		
Added Resident Retail Sq.Ft. Potential From 2023			512,300sf		
Added Total Retail Sq.Ft. Potential From 2023			342,113sf		

As shown, Commercial CMA residents are spending \$1.260bb annually on retail goods while actual retail sales levels within the Commercial CMA are \$842mm. The surplus of \$418mm retail sales in the CMA reflects expenditures that residents make within of the CMA, this does not mean that there is not demand for certain other retail sales with expansion expected over the next five years based on conservative population growth expectations from Neustar. As a result of the growing population and demand the expected gap could potentially grow to \$653mm should be sufficient retail supply not be added to the CMA. The demand will occur across a broad spectrum of retail types with the range reviewed on the following page. Based on the growing population within the CMA where the Subject Property is located, it could support varied types of potential retail in the CMA. Not all demand is conducive. Still, demand for neighborhood retail will grow over time as new for-sale homes are built in the local area.

Gap Analysis – Potential Retail Targets

Retail Market

The ‘gap’ analysis that is summarized on the previous page is shown in more detail in the Exhibit Package, which presents positive ‘gaps’ in blue and negative gaps in red, as well as the supportable amount of additional square footage per retail category for those categories that reflect positive gaps.

The potential categories are shown in the table to the right. When viewing this table, it must be noted that the opportunities exist throughout the CMA. Given the retail options in the area it is likely that specialty stores, and a focus on various service retailers, restaurants and eateries, and experiential retail will be in demand in the neighborhood.

Limited opportunity exists for the clothing/accessory categories, these categories are trending downward in terms of potential due to the growing impact of online retail competition.

Smaller, boutique versions of department stores are also in demand, but again, these categories are trending downward due to the impact of online retail competitors. Health and personal care stores, and personal services in the form of a fitness/yoga studio, insurance/real estate agencies/brokerages are in demand as well as other experiential retail is in demand. These are uses that are conducive that are somewhat insulated from online competition.

Online competition is growing and will reduce demand for those categories of retail space that offer products easily purchased online. Caution should be applied to select retail-clothing categories. For example, though clothing stores show some potential in the CMA from the gap analysis, this category of retail space is especially susceptible to growing online competition. Local brand specialty shops should plan on online marketing/sales efforts to augment revenues and building designs should accommodate such uses.

Potential Retail Stores		
Category	Minimum Square Footage	Type
Dealerships		
New car dealers	25,000-50,000sf	Regional
Manufactured Housing	5,000-25,000sf	Regional
Potential Anchors or Big Box Retailers		
General Merchandise Stores	75,000-200,000sf	Regional
Electronics stores	10,000-30,000sf	Reg/Twn Ctr
Sporting goods stores	5,000-25,000sf	Reg/Twn Ctr
Neighborhood Store		
Supermarkets and other grocery	30,000-50,000sf	Neighborhood
Pharmacies and drug stores	10,000-15,000sf	Neighborhood
Specialty Food Store/Grocery	10,000-20,000sf	Neighborhood
Automotive parts and accessories stores	5,000-10,000sf	Neighborhood
Potential Specialty Stores		
Office supplies and stationery stores	< 10,000sf	Rg/Tn/Nb
Women's clothing stores	< 10,000sf	Rg/Tn/Nb
Shoe stores	< 5,000sf	Rg/Tn/Nb
Experiential Retail	< 10,000sf	Town/Neighbor
Used merchandise stores	< 5,000sf	Town/Neighbor
Health and personal care stores	< 5,000sf	Town/Neighbor
Clothing accessories stores	< 2,500	Town/Neighbor
Jewelry stores	< 2,500	Town/Neighbor
Florists	< 1,000	Town/Neighbor
Luggage and leather goods stores	< 1,000	Town/Neighbor
Gift, novelty, and souvenir stores	< 1,000	Town/Neighbor
Book stores	< 1,000	Town/Neighbor
Art dealers	< 1,000	Town/Neighbor
Potential Food Services		
Full-service restaurants	5,000-10,000sf	Rg/Tn/Nb
Limited-service restaurants	< 5,000sf	Rg/Tn/Nb
Coffee shops	< 2,500sf	Rg/Tn/Nb
Drinking places	< 2,500sf	Town/Neighbor
Ice cream, soft serve & fzn ygrt	< 2,500sf	Rg/Tn/Nb
Bagel/Bakery/Doughnut Shop	< 2,500sf	Town/Neighbor
Bagel shops	< 2,500sf	Town/Neighbor
Meat markets	< 2,500sf	Town/Neighbor
Fish and seafood markets	< 2,500sf	Town/Neighbor
Fruit and vegetable markets	< 2,500sf	Town/Neighbor
Specialty food stores	< 2,500sf	Town/Neighbor
Beer, wine, and liquor stores	< 2,500sf	Town/Neighbor
Services		
Gasoline stations w/ Convenience	2,500-5,000sf	Rg/Tn/Nb
Convenience stores	2,500-5,000sf	Town/Neighbor
Service Retailers	< 2,500sf	T/N/Bus.
Food service contractors	< 2,500sf	Light Ind.
Caterers	< 2,500sf	Bus.Park
Mobile food services	< 2,500sf	Light Ind.
Source: Claritas; Zonda		

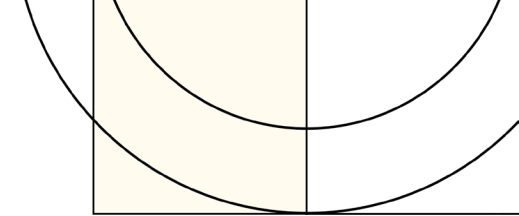
Supportable Commercial Land Values for the Retail Properties

Retail Market

Supportable commercial land values are determined by an application of supportable lease rates applied to leasable square footages, an application of vacancies, and then a capitalization at market-supported cap rates. From these capitalized values are subtracted all vertical costs and fees and margins associated with vertical construction. Below is a summary of commercial land + building values based upon typical FAR assumptions, lease rates, vacancy rates and cap rates:

Category	Retail
Product Assumptions	
FAR Assumptions	0.24
Leasable SF	9,000sf
Annual Lease Rate Per SF (NNN) ⁽¹⁾	\$20.80/sf
Lease Allowances Per SF (NNN)	-\$1.56/sf
Annual Lease Revenue	\$173,160
Assumed Vacancy	10.0%
Effective Annual Lease	\$155,800
Assumed Cap Rate	7.00%
Building+Land Market Value Capitalized Rates	\$2,281,000
Market-Supported Price/SF	\$253/sf

As shown, the different offerings have varied prices per square foot leasing pricing. This pricing can shift depending on the type of property use or type, for example smaller stand-alone buildings will have a higher value than attached retail stores as well as potential absorption rate and future competition. The retail properties, after accounting for vacancies and after applying market-observed cap rates, and assuming a retail FAR of 0.24 the resultant retail value for all buildable square feet at the Subject Property is estimated at \$2,281,000 for 9,000 square feet, or \$253/sf.



Supportable Commercial Land Values for the Retail Properties

Retail Market

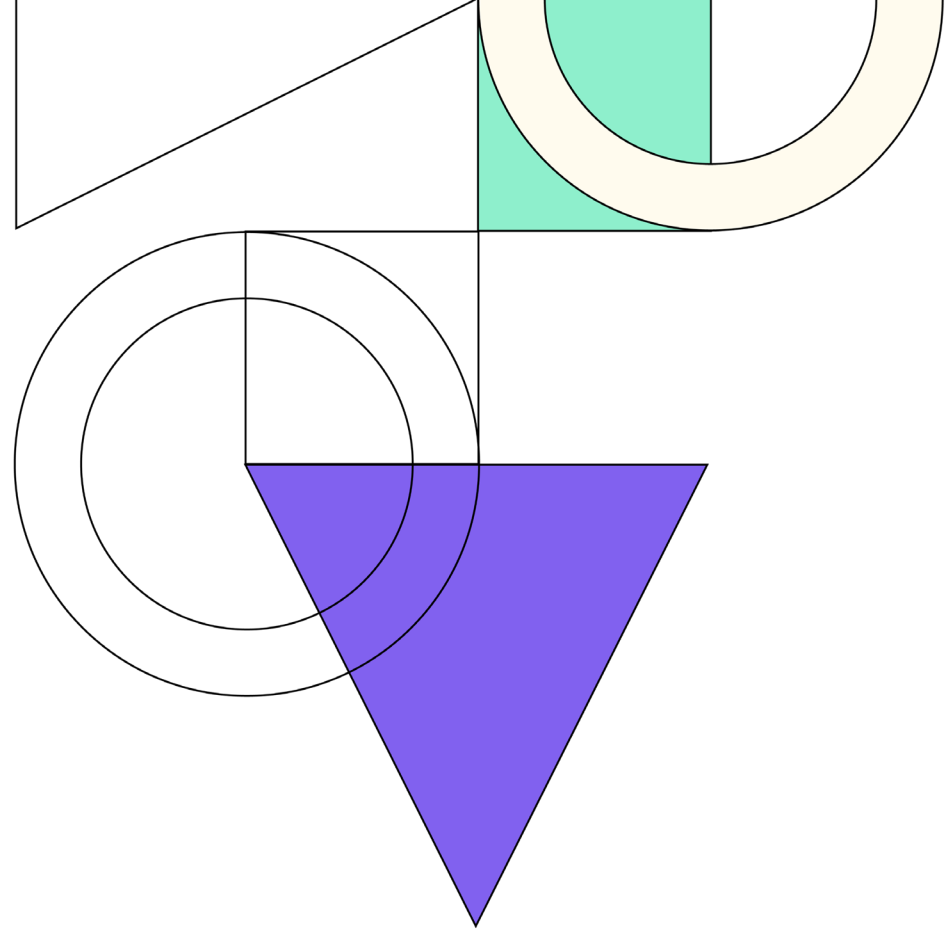
The methodology was applied to the commercial space using the capitalized values shown on the preceding page and the land values shown in the residual analysis below. On the following page is a review of the planned development schedule and potential retail sales per square foot. The finished land values shown below present an effective proxy for market values based on this residual land value methodology. The exhibits assume effective brokerage and marketing efforts are employed, and that supply is sufficient to accommodate the predicted fill-up rates shown in the table to the right. More detail regarding the generation of overall land values is provided in the body of the report.

Category	Retail
Product Assumptions	
FAR Assumptions	0.24
Leasable SF	9,000sf
Annual Lease Rate Per SF (NNN) ⁽¹⁾	\$20.80/sf
Lease Allowances Per SF (NNN)	-\$1.56/sf
Annual Lease Revenue	\$173,160
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Effective Annual Lease	\$155,800
Assumed Cap Rate	7.00%
Building+Land Market Value Capitalized Rates	\$2,281,000
Market-Supported Price/SF	\$253/sf
Per Unit Vertical Direct Construction Costs	
Total Vertical Direct Const./Acre	\$1,233,000
Est. Miscellaneous Per Acre Fees/Charges (Per Acre)	
Est. Per Unit Fees	\$10,398
Other Per Acre Soft Costs and Indirect Costs (Per Acre)	
Total Soft Costs 13.50%	\$232,800
Total Finished Land Values	
Finished Value	\$804,802
Total Square Feet	9,000sf
2023 Value Per Acre	\$933,616
Beginning Absorption Year	2027
Absorption Per Year	20,000sf
Absorption Years	0.5
Acres Absorption Per Year	2.2
Discount Rate = 15%	
Note(1): F.A.R. is 'Floor Area Ratio', which is the usable amount of floor area and the total area of the lot.	
Source: Zonda; RS Means; CBRE	

Retail	
Annual Absorption Potential	20,000sf/yr.
Existing	
Year	Development Schedule
2024	
2025	
2026	
2027	9,000sf
2028	
2029	
2030	
2031	
2032	
2033	
Development Total:	9,000sf

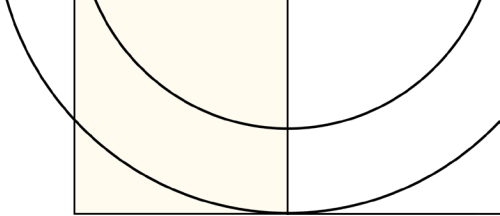
Source: Zonda & The District

Hospitality Market Analysis



Overview and National Expectations

Hotel Market Analysis



Hotel demand in the Southern Utah market area has long been reliant on tourism and leisure-oriented travel to multiple national parks including Zion, Bryce, and the Grand Canyon National Parks. These three parks see some of the highest national park visitation in the Country. Additionally, the area is characterized by outdoor recreational pursuits within and outside the national parks. Most of the hospitality options are located in the immediate St. George area just outside the park's entrances and with limited ingress/egress options. Hotel occupancy has picked up as travel restrictions from the pandemic have been lifted allowing many hotels to have more normalized demand schedules. As the tourism continues to grow in the Market, areas such as the CMA are poised to capitalize on new and existing demand if hospitality options can be provided.

Grapevine is planned to include one 100-room luxury resort hotel expected to be delivered in 2027. Per the District the hotel is planned to be geared towards tourism and leisure travelers looking for a luxury resort feel that has had success at the few luxury resorts located in the Market.

According to historical figures from STR occupancy has increased since the pandemic in 2020 but has begun slowing. While not back yet to 2019 rates, HVS forecasts that occupancy will approach 2019 occupancy after 2027. However, as shown below, Average Daily Rate (‘ADR’) has increased at a higher rate and surpassed 2019 rates with 2023 ending at \$156, roughly 19% higher. Rates are expected to continue increasing over the next four years between 2.0% - 3.0%. Per HVS, ‘With inflation decelerating, fears of a recession receding, and supply growth muted, the overall outlook for the hotel sector is one of modest, steady growth. Demand should continue to grow, supported by accelerating improvement in the group segment, which is the brightest component of the current outlook.’

While not all National Trends are applicable to the local Southern Utah Market, they do provide guidance on the overall expectations for tourism and travel over the next four years. Further, HVS expects that leisure travel should ‘remain well above pre-pandemic norms.’ This is particularly relevant for the Southern Utah market due to the tourism and visitation to the National Parks and other outdoor recreational outlets.

	Occupancy	ADR	% Chg	RevPAR	% Chg
2019	65.9 %	\$131		\$86	
2020	44.0	103	-21.1 %	45	-47.4 %
2021	57.5	125	21.0	72	58.3
2022	62.7	149	19.1	93	29.8
2023	63.0	156	4.6	98	5.1
2024	63.4	159	2.0	101	2.7
2025	63.7	163	2.5	104	3.0
2026	63.9	168	3.0	107	3.3
2027	64.0	173	3.0	110	3.1

Southern Utah Market

Hotel Market Analysis

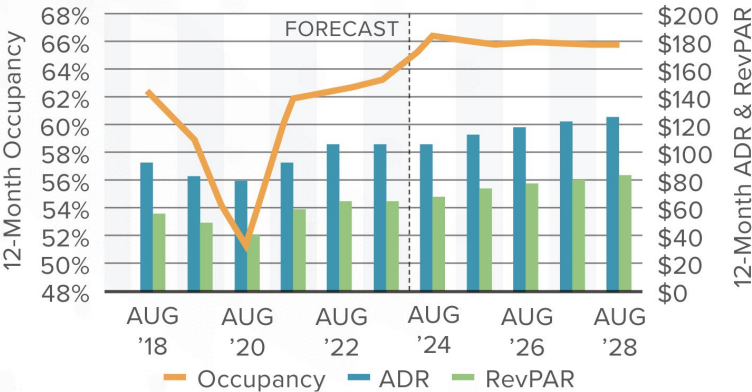
The Matthews Real Estate Investment Services Hospitality Report for 2023 was obtained and reviewed to gain further understanding of the current Southern Utah Market. Per the report, occupancy is similar to the national rate, which is expected to increase closer to the 66% occupancy rate faster than the national rate due to demand in the market. Matthews points out that they measure over 6,800 rooms across 89 properties with an average of 77 rooms per property which is slightly below the plans for the Subject Property. As shown on the exhibit below, ADR is expected to increase to just over \$120/room by 2027. On the lower right is the average sale price per room, most of these sales are for lower scale hotels than the Subject and will have lower values as a result as shown on the following pages. Per Matthews, RevPAR in Southern Utah has been increasing at an annual rate of 1.1%. Overall, the Market remains healthy presently as tourism and recreational pursuits continue to draw visitors to Southern Utah.

Washington County has seen Transient Room Tax increase substantially from 2020 to 2021, which has led to multiple planned hospitality developments. In addition to Black Desert Resort opening and recently announcing that it will host the 2024 FedEx Cup in the fall, there more hospitality programs being planned at the site. St. George has a planned Delta Hotel by Marriott, Home2Suites by Hilton, Residence Inn by Marriott, and an Autograph Collection by Marriott at Desert Color (the top selling planned community in the region), and a Black Stone Hotel per HVS. The Black Stone Hotel will likely feature condo ownership. Additionally, there are multiple custom and glamping sites either opening or expanding. Despite the expected increase in rooms, occupancy is forecasted to remain strong and steady in the market going forward.



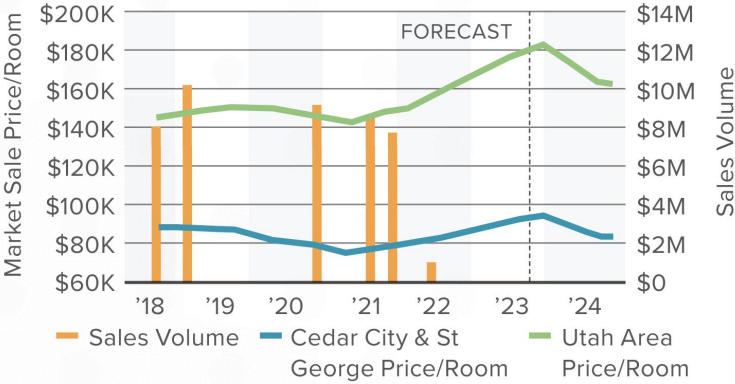
OCCUPANCY, ADR, & RevPAR

SOURCE: COSTAR GROUP



SALES VOLUME & MARKET SALE PRICE PER ROOM

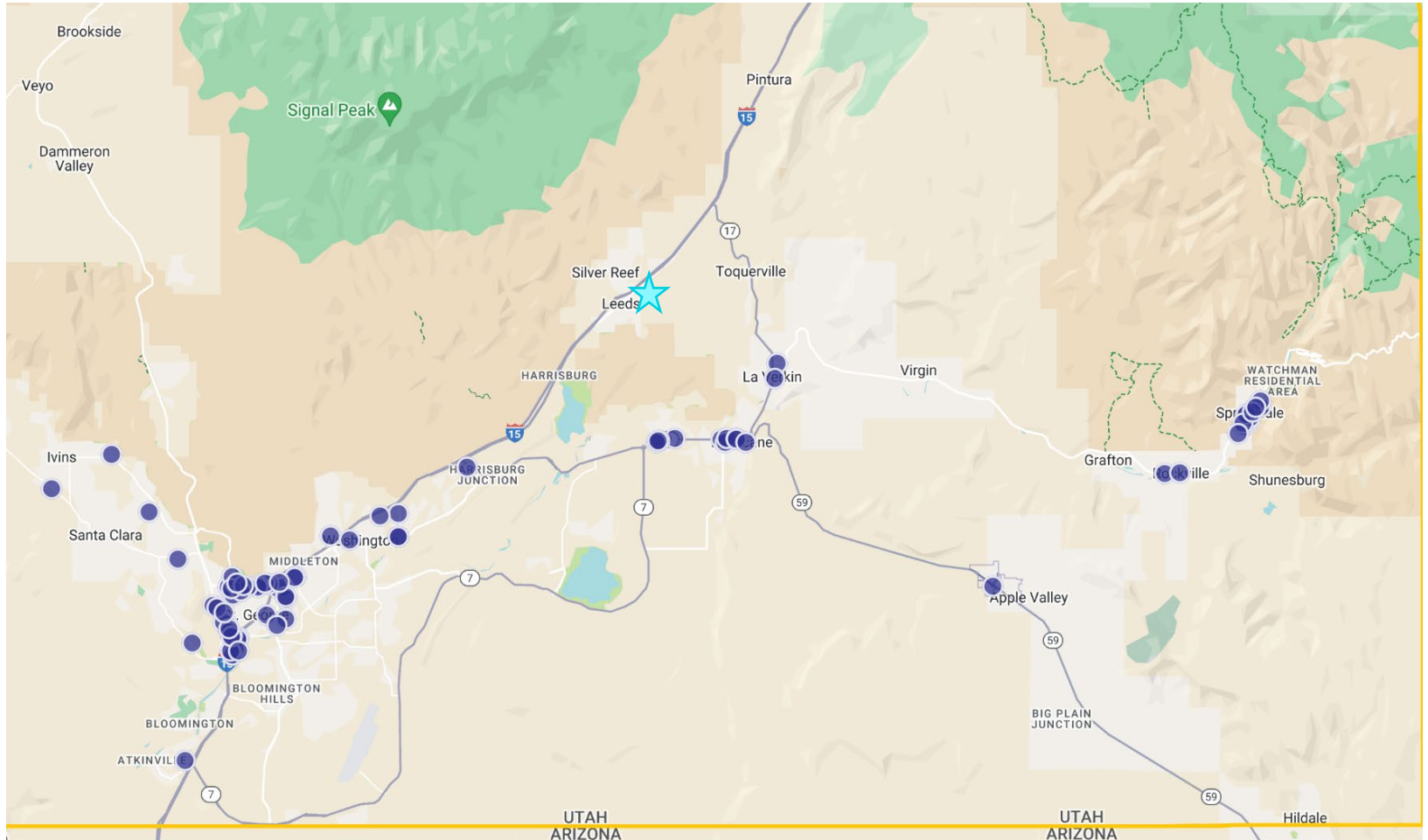
SOURCE: COSTAR GROUP



The Competitive Market

Hotel Market Analysis

As shown below most of the hotel zoned properties are located closer to Interstate 15 in the St. George/Washington area. The blue star represents the general location of the Subject Property. The majority of the likely competitive set will be located along Interstate 15 with some competition along the 9 in Hurricane which present the closest active hotels to the Subject Property.



Comparable Set Analysis

Hotel Market Analysis

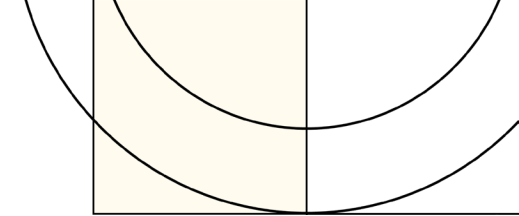
The exhibit below shows the competitive set that was used as guidance to determine an appropriate Average Daily Rate and Value per Key (‘Room’). Most of the hotels in St. George are generally economy to upper midscale hotels and will only likely compete with a subsegment of potential guests. The Subject Property is planned for a luxury resort hotel brand and therefore those hotels in the Market are more comparable. The majority of these hotels are in more desirable resort locations. These hotels provide guidance as to demand and rates. Additionally, the Subject Property plans to offer detached luxury villas that will be unique for the marketplace.

Category	Subject	#1	#2	#3	#4
Hotel Name	100-Key Resort Hotel	Red Mountain Resort	Inn at Entrada	Black Desert Resort	AutoCamp Zion
Affiliation	---	Luxury	Luxury	Luxury	Upper Upscale
Address	---	1275 E. Red Mountain Circle	2588 W. Sinagua Trail	1500 E Black Desert Dr.	1322 East State Route 9
City	Leeds	Mins	St. George	Mins	Virgin
Chain Scale	Luxury	Luxury	Luxury	Luxury	Upper Upscale
Built/Reno	2027	1998	2006	2024	2023
Keys	100	106	60	148	81
Floors	1	2	2	2	1
Average Daily Room Rate	\$475	\$493	\$482	\$414	\$394
Financial Projections					
Occupancy*	60%	60%	60%	60%	60%
ADR	\$475	\$493	\$482	\$414	\$394
Keys	100	106	60	148	81
Rooms Revenue	\$10,399,872	\$11,444,502	\$6,333,480	\$13,418,568	\$6,989,166
Total Revenue	\$10,399,872	\$11,444,502	\$6,333,480	\$13,418,568	\$6,989,166
NOI	\$2,599,968	\$2,861,126	\$1,583,370	\$3,354,642	\$1,747,292
Cap Rate*	9.00%	9.00%	9.00%	9.00%	9.00%
Value	\$28,888,533	\$31,790,283	\$17,593,000	\$37,273,800	\$19,414,350
Value Per Key	\$288,885	\$299,908	\$293,217	\$251,850	\$239,683

* Sources/Assumptions:
 Gross Building SF adjusted to reflect current development prototypes.
 Development costs assume construction of competitive hotels from RS Means.
 Building, Soft, FF&E, and Pre-Opening & Working Capital estimates based on HVS US Hotel Development Cost Survey.
 Cap Rate estimates based on CBRE North America Cap Rate Survey data.
 Occupancy estimates based on running 12-month occupancy rate estimated by hotels in the competitive market area.

Comparable Set Analysis

Hotel Market Analysis

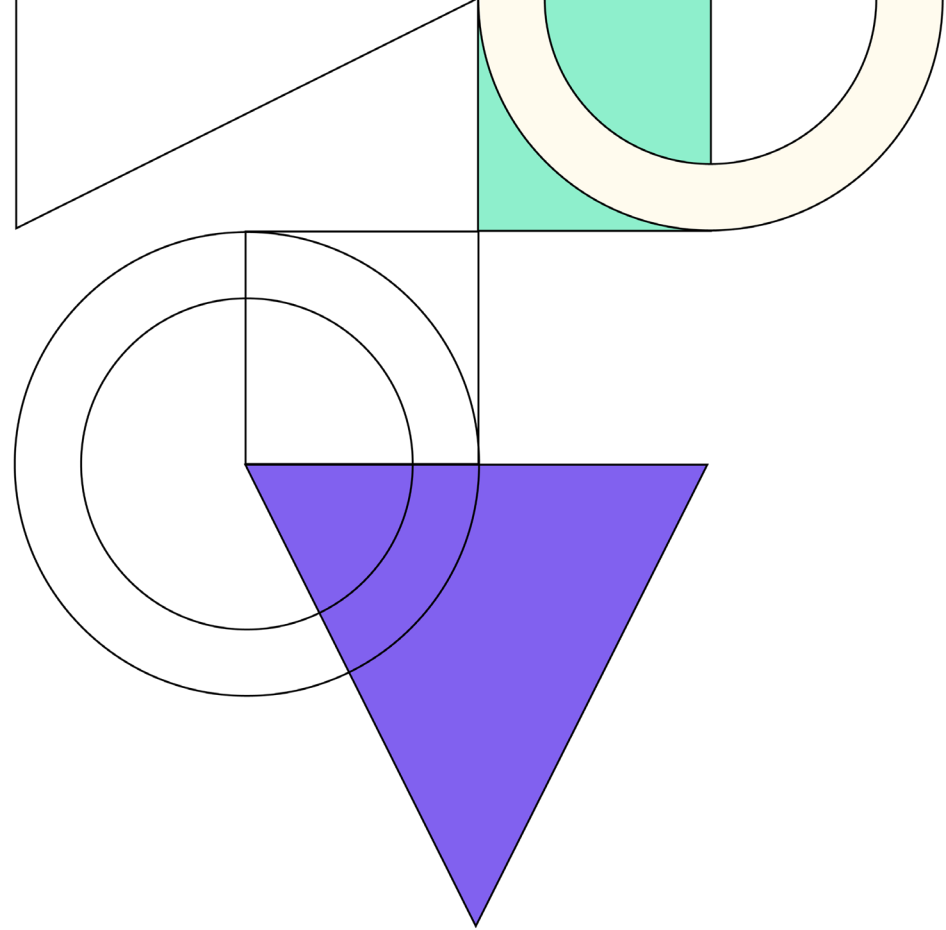


Based on a review of the Subject Property’s planned hotel and existing hotels within the local market area, it is reasonable to assume that the Subject Property’s planned hotel can potentially capture both existing and future demand with a strategically selected product offering. The Subject Property’s location is inferior to the comparable set which assisted in the determination of Average Daily Room Rate. **Given the location of the Subject Property, Zonda Advisory believes that Subject Property’s 100-room luxury resort hotel is a Luxury brand hotel and would be able to achieve an ADR of \$475 similar to the Advenure Autograph Collection Hotel located in St. George with influence on rates and occupancy from the SpringHill Suite and Courtyard Hotels along Interstate 15.** This estimate is consistent with the ADR achieved across the competitive hotels in the CMA. See the appendix for more on scale and brands.

As a further cross check against the value per room, hotel sales between 2019 and the present were reviewed. Due to the limited number of comparable sales, two sales from Iron County were reviewed as well. It should be noted that the two Iron County sales were for lower scale hotels with limited amenities and the Subject Property will obtain significantly higher per room rates.

Address	City	Property	Chain Scale	Built	Keys	Last Sale	Sales Price	Sales Price/Key
44 W 500 N	La Verkin	Best Western	Midscale	2013	69	15-Dec-21	\$7,800,000	\$113,043
780 W STATE ST	Hurricane	Wingate by Wyndham	Midscale	2016	84	1-Feb-19	\$9,863,400	\$117,421
323 S MAIN ST	Cedar City	Rodeway	Economy		36	3-Nov-23	\$1,346,625	\$37,406
625 W 200 S	Parowan	N/A			44	1-Apr-22	\$1,950,000	\$44,318
91 E 2680 S	St George	La Quinta by Wyndham	Upper Midscale	2007	104	17-Dec-20	\$9,250,000	\$88,942
			All	2012	67	8/13/2021	\$6,042,005	\$80,226

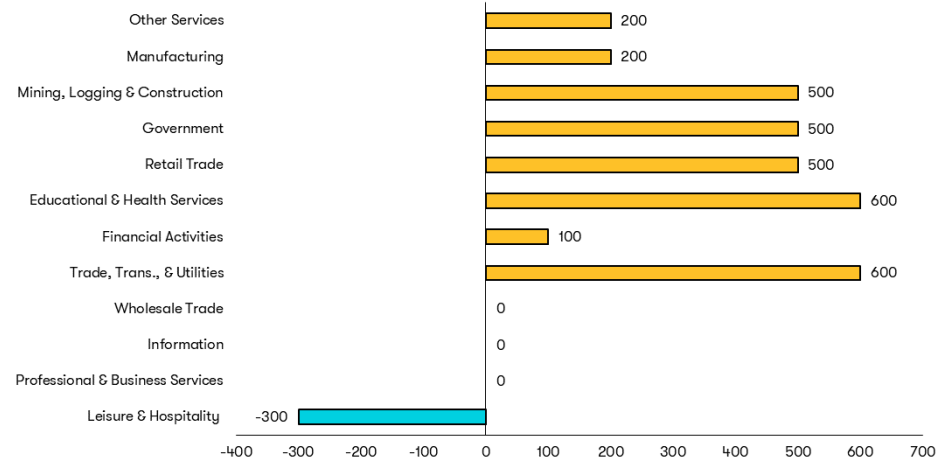
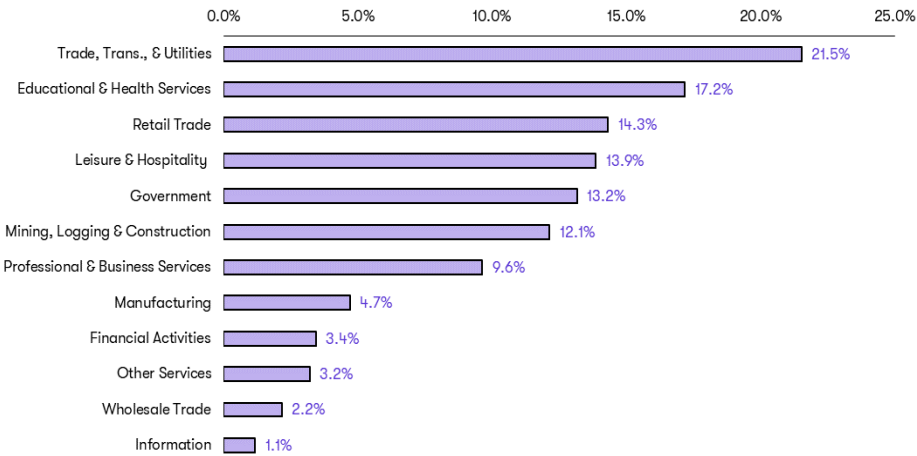
Recent hotel closings between the years 2019 and 2023 yielded an average closing price of \$80,226 per key for five observed closings. This difference between the Subject Property and comparable set can largely be attributed to lower scale, less service, and amenities which requires an adjustment be made for more normalized conditions. Many of these transactions included properties that are inferior to the proposed Subject Property due to age, quality of construction, technology, economic factors, and branding. **When the transaction figures are adjusted to create a more direct comparison between the comparable hotels, hotel sales, and the Subject Property, we have estimated an average Indicated Value Per Room of \$288,885 per key for the proposed Luxury resort hotel. It should be noted that the hotel will be reliant on the continued tourism to the National Parks, other commercial properties activity, as well as the demand for the residential components of the District.**



Appendix

Employment and Job Growth

Economic Overview



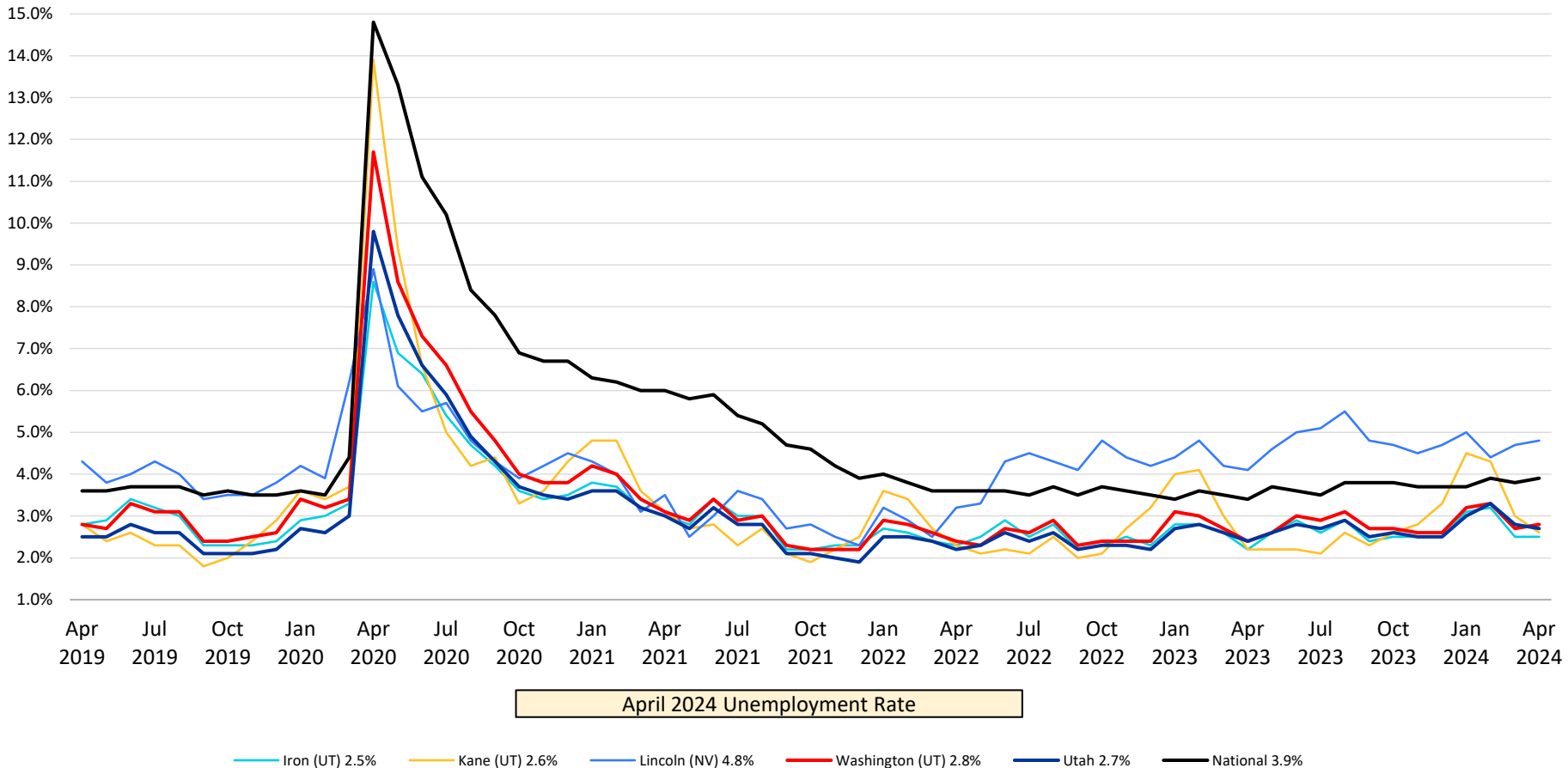
Ranked by Current Industry Sector Capture			Net Jobs			Capture %	YOY %
Sector	Apr 2024	Apr 2023	1-Yr	3-Yr	5-Yr		
Trade, Trans., & Utilities	18,800	18,200	600	2,100	2,900	21.5%	3.3%
Educational & Health Services	15,000	14,400	600	2,100	2,800	17.2%	4.2%
Retail Trade	12,500	12,000	500	1,900	2,900	14.3%	4.2%
Leisure & Hospitality	12,100	12,400	-300	1,300	2,000	13.9%	-2.4%
Government	11,500	11,000	500	1,300	1,700	13.2%	4.5%
Mining, Logging & Construction	10,600	10,100	500	1,000	2,700	12.1%	5.0%
Professional & Business Services	8,400	8,400	0	1,500	2,600	9.6%	0.0%
Manufacturing	4,100	3,900	200	200	600	4.7%	5.1%
Financial Activities	3,000	2,900	100	100	400	3.4%	3.4%
Other Services	2,800	2,600	200	500	800	3.2%	7.7%
Wholesale Trade	1,900	1,900	0	200	0	2.2%	0.0%
Information	1,000	1,000	0	200	200	1.1%	0.0%
Total Non-Farm	87,300	84,900	2,400	10,300	16,700	100.0%	2.8%

Unemployment Trends

Economic Overview

To further break down the economic characters of the area, Zonda Advisory has provided a historical look at select county unemployment rates, as well as against the state and national rates. As some rates begin to fall, there are some additional factors to consider when reviewing unemployment rate trends. These include fewer people looking for work and demographic shifts as workers who delayed retirement during the recession now begin to leave the workforce, leaving job openings to fill.

Washington County is represented by the red-colored line, where Grapevine is located. The County’s unemployment rate stood at 2.8% through April, just above the State (2.7%) rate, and below National (3.9%) rates.



Population and Households

Demographic Overview

St. George Market	Total Population		
	2020 Census	2023 Estimate	2028 Projection
Population	182,009	205,516	236,677
Total Numerical Change	---	23,507	31,161
Total Percent Change	---	12.9%	15.2%
Annual Number Change	---	7,836	6,232
Annual Percent Change	---	4.1%	2.9%
Households	63,023	69,277	77,352
Total Numerical Change	---	6,254	8,075
Total Percent Change	---	9.9%	11.7%
Annual Number Change	---	2,085	1,615
Annual Percent Change	---	3.2%	2.2%
Average Household Size	2.9	3.0	3.1

Source: Zonda/ U.S. Census Bureau

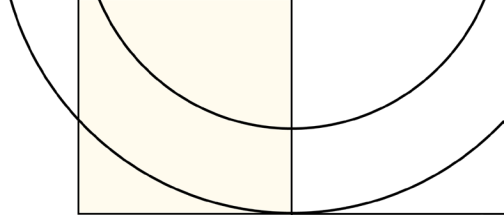
Grapevine CMA	Total Population		
	2020 Census	2023 Estimate	2028 Projection
Population	57,653	64,775	76,825
Total Numerical Change	---	7,122	12,050
Total Percent Change	---	12.4%	18.6%
Annual Number Change	---	2,374	2,410
Annual Percent Change	---	4.0%	3.5%
Households	19,418	21,364	24,661
Total Numerical Change	---	1,946	3,297
Total Percent Change	---	10.0%	15.4%
Annual Number Change	---	649	659
Annual Percent Change	---	3.2%	2.9%
Average Household Size	3.0	3.0	3.1

Population	31.7%	31.5%	32.5%
Households	30.8%	30.8%	31.9%

Source: Zonda/ U.S. Census Bureau

Age Distribution

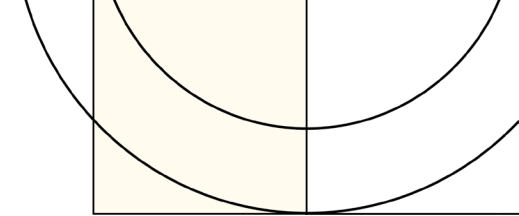
Demographic Overview



St. George Market							Grapevine CMA						
2020 Census			2023 Estimate		2028 Projection		2020 Census			2023 Estimate		2028 Projection	
Age Group	Total	%	Total	%	Total	%	Age Group	Total	%	Total	%	Total	%
0-24	66,312	36.4%	74,952	36.5%	83,236	35.2%	0-24	21,130	36.7%	23,597	36.4%	27,115	35.3%
25-34	19,427	10.7%	21,941	10.7%	24,155	10.2%	25-34	6,252	10.8%	7,066	10.9%	7,777	10.1%
35-44	20,781	11.4%	23,458	11.4%	27,517	11.6%	35-44	7,097	12.3%	7,949	12.3%	9,617	12.5%
45-54	16,551	9.1%	18,677	9.1%	21,381	9.0%	45-54	5,298	9.2%	5,971	9.2%	7,095	9.2%
55-64	18,657	10.3%	21,059	10.2%	22,397	9.5%	55-64	6,087	10.6%	6,906	10.7%	7,546	9.8%
65-74	22,523	12.4%	25,399	12.4%	30,897	13.1%	65-74	7,086	12.3%	7,993	12.3%	10,118	13.2%
75-84	13,543	7.4%	15,286	7.4%	20,756	8.8%	75-84	3,737	6.5%	4,213	6.5%	6,013	7.8%
85+	4,215	2.3%	4,744	2.3%	6,338	2.7%	85+	966	1.7%	1,080	1.7%	1,544	2.0%
	182,009	100.0%	205,516	100.0%	236,677	100.0%		57,653	100.0%	64,775	100.0%	76,825	100.0%
Annual Change							Annual Change						
0-24	-	-	2,880	4.2%	1,657	2.1%	0-24	-	-	822	3.7%	704	2.8%
25-34	-	-	838	4.1%	443	1.9%	25-34	-	-	271	4.2%	142	1.9%
35-44	-	-	892	4.1%	812	3.2%	35-44	-	-	284	3.9%	334	3.9%
45-54	-	-	709	4.1%	541	2.7%	45-54	-	-	224	4.1%	225	3.5%
55-64	-	-	801	4.1%	268	1.2%	55-64	-	-	273	4.3%	128	1.8%
65-74	-	-	959	4.1%	1,100	4.0%	65-74	-	-	302	4.1%	425	4.8%
75-84	-	-	581	4.1%	1,094	6.3%	75-84	-	-	159	4.1%	360	7.4%
85+	-	-	176	4.0%	319	6.0%	85+	-	-	38	3.8%	93	7.4%
Median Age	37.0		37.0		38.0		Median Age	35.0		35.0		36.0	
Source: Zonda/ U.S. Census Bureau							Source: Zonda/ U.S. Census Bureau						

Household Income

Demographic Overview



St. George Market	2020 Census		2023 Estimate		2028 Projection	
Annual Household Inc.	Total HH	%	Total HH	%	Total HH	%
Under \$25,000	8,493	14%	8,072	12%	6,949	9%
\$25,000-\$34,000	6,298	10%	6,487	9%	4,751	6%
\$35,000-\$49,000	8,134	13%	9,031	13%	8,177	11%
\$50,000-\$74,000	12,302	20%	13,731	20%	13,360	17%
\$75,000-\$99,000	8,374	13%	9,174	13%	11,730	15%
\$100,000-\$149,000	11,841	19%	13,306	19%	15,369	20%
\$150,000 - \$199,999	3,946	6%	4,572	7%	8,104	11%
\$200,000+	3,635	6%	4,904	7%	8,912	12%
	63,023	100%	69,277	100%	77,352	100%
Household Income: Median	\$66,820		\$70,107		\$86,592	
Household income: Average	\$88,161		\$93,641		\$114,990	

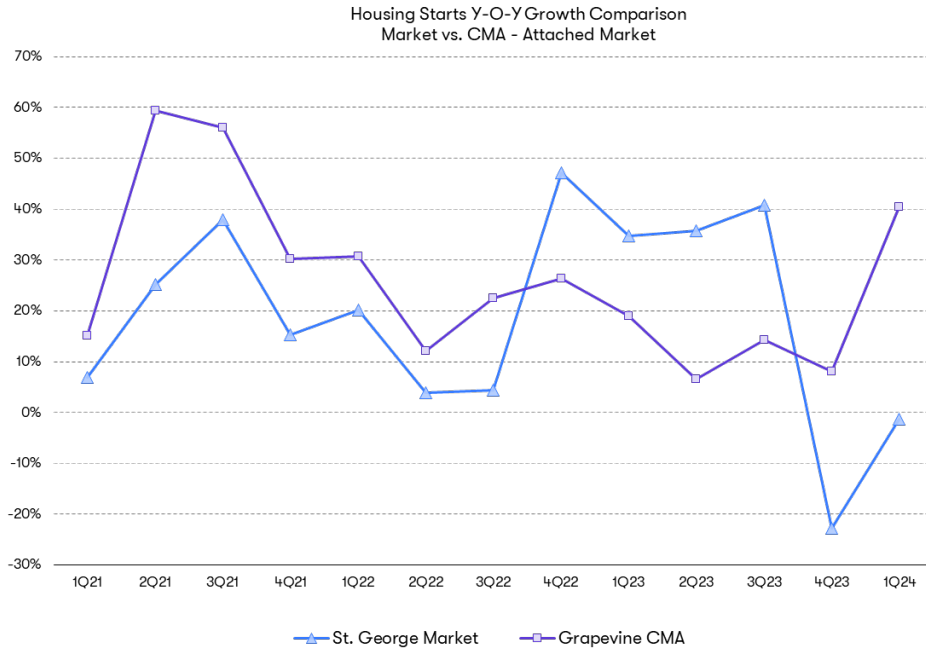
Source: Zonda/ U.S. Census Bureau

Grapevine CMA	2020 Census		2023 Estimate		2028 Projection	
Annual Household Inc.	Total HH	%	Total HH	%	Total HH	%
Under \$25,000	2,679	13.8%	2,550	11.9%	2,505	10.2%
\$25,000-\$34,000	2,048	10.5%	2,135	10.0%	1,619	6.6%
\$35,000-\$49,000	2,311	11.9%	2,647	12.4%	2,489	10.1%
\$50,000-\$74,000	3,611	18.6%	4,069	19.0%	4,098	16.6%
\$75,000-\$99,000	2,453	12.6%	2,709	12.7%	3,652	14.8%
\$100,000-\$149,000	4,084	21.0%	4,559	21.3%	5,174	21.0%
\$150,000 - \$199,999	1,078	5.6%	1,274	6.0%	2,495	10.1%
\$200,000+	1,154	5.9%	1,421	6.7%	2,629	10.7%
	19,418	100.0%	21,364	100.0%	24,661	100.0%
Household Income: Median	\$73,442		\$75,357		\$90,299	
Household income: Average	\$86,982		\$90,736		\$109,651	

Source: Zonda/ Neustar/ U.S. Census Bureau

Housing Starts Activity - Attached

Housing Market Overview – New Home Production

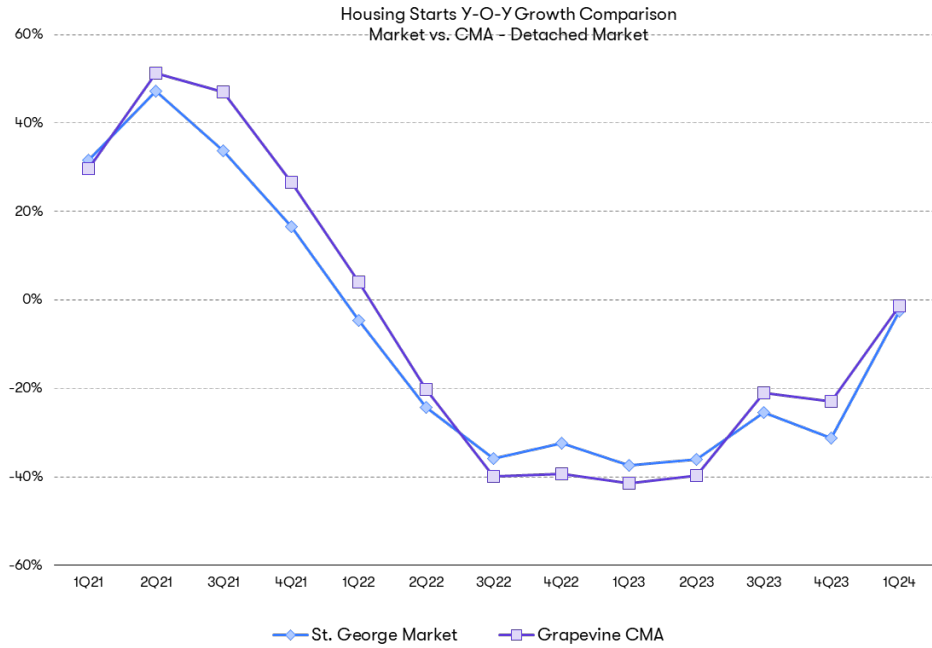


Attached Market Comparison

Quarter	St. George Market		Grapevine CMA	
	Ann Starts	% YOY Growth	Ann Starts	% YOY Growth
1Q20	554	*	192	*
2Q20	543	*	170	*
3Q20	515	*	180	*
4Q20	611	*	219	*
1Q21	592	6.9%	221	15.1%
2Q21	680	25.2%	271	59.4%
3Q21	710	37.9%	281	56.1%
4Q21	704	15.2%	285	30.1%
1Q22	711	20.1%	289	30.8%
2Q22	706	3.8%	304	12.2%
3Q22	741	4.4%	344	22.4%
4Q22	1,036	47.2%	360	26.3%
1Q23	958	34.7%	344	19.0%
2Q23	958	35.7%	324	6.6%
3Q23	1,043	40.8%	393	14.2%
4Q23	800	-22.8%	389	8.1%
1Q24	946	-13%	483	40.4%
Hist. Avg.	753	19.1%	297	26.2%

Housing Starts Activity - Detached

Housing Market Overview – New Home Production



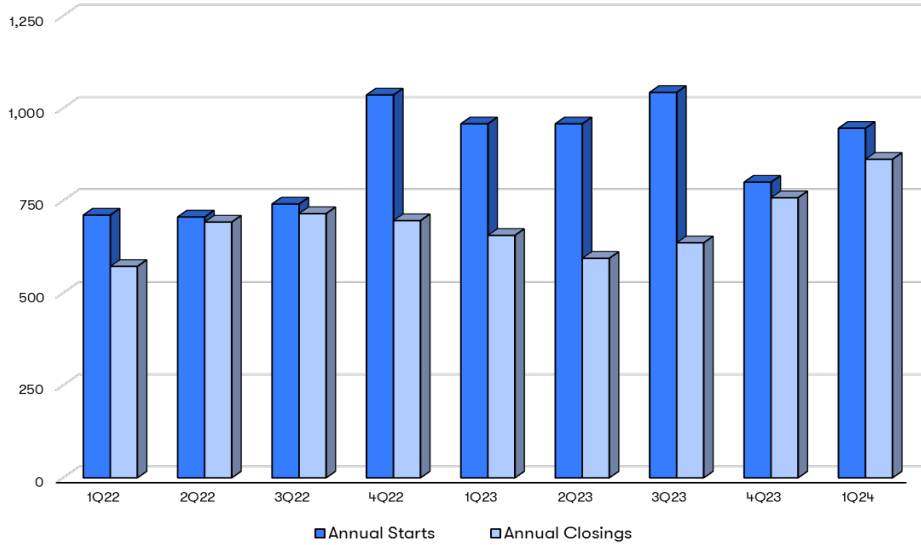
Detached Market Comparison

Quarter	St. George Market		Grapevine CMA	
	Ann Starts	% YOY Growth	Ann Starts	% YOY Growth
1Q20	1,857	*	853	*
2Q20	1,842	*	834	*
3Q20	2,074	*	922	*
4Q20	2,223	*	1,006	*
1Q21	2,443	31.6%	1,106	29.7%
2Q21	2,712	47.2%	1,262	51.3%
3Q21	2,773	33.7%	1,356	47.1%
4Q21	2,592	16.6%	1,273	26.5%
1Q22	2,329	-4.7%	1,150	4.0%
2Q22	2,054	-24.3%	1,007	-20.2%
3Q22	1,779	-35.8%	815	-39.9%
4Q22	1,755	-32.3%	773	-39.3%
1Q23	1,457	-37.4%	673	-41.5%
2Q23	1,313	-36.1%	608	-39.6%
3Q23	1,327	-25.4%	644	-21.0%
4Q23	1,207	-31.2%	596	-22.9%
1Q24	1,421	-2.5%	664	-1.3%
Hist. Avg.	1,950	-7.7%	914	-5.2%

New Housing Starts and Closings Activity Comparison - Attached

Housing Market Overview – New Home Production

Attached Annual Starts & Closings - St. George Market



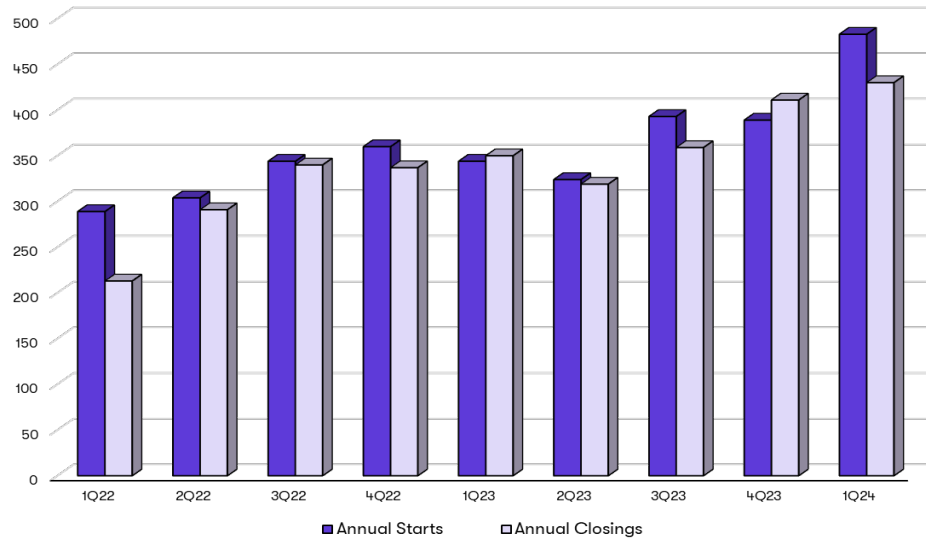
Grapevine CMA - Attached

Quarter	Annual Starts	Annual Closings	Housing Inv	VDL Inv	Future Lots
1Q22	289	213	298	378	4,110
2Q22	304	291	270	381	4,204
3Q22	344	340	274	507	4,180
4Q22	360	337	313	425	4,119
1Q23	344	350	292	482	4,645
2Q23	324	319	275	579	4,560
3Q23	393	359	308	549	4,512
4Q23	389	411	291	515	4,488
1Q24	483	430	345	548	4,299
9 Qtr Hist. Avg.	359	339	296	485	4,346

St. George Market - Attached

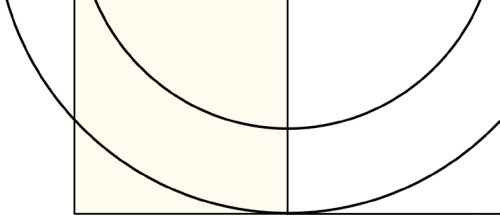
Quarter	Annual Starts	Annual Closings	Housing Inv	VDL Inv	Future Lots
1Q22	711	572	561	743	6,724
2Q22	706	692	532	654	7,206
3Q22	741	715	582	752	7,078
4Q22	1,036	696	931	698	6,812
1Q23	958	656	863	824	7,620
2Q23	958	594	896	944	7,720
3Q23	1,043	636	989	953	7,589
4Q23	800	758	973	860	7,639
1Q24	946	862	947	856	7,412
9 Qtr Hist. Avg.	878	687	808	809	7,311

Attached Annual Starts & Closings - Grapevine CMA

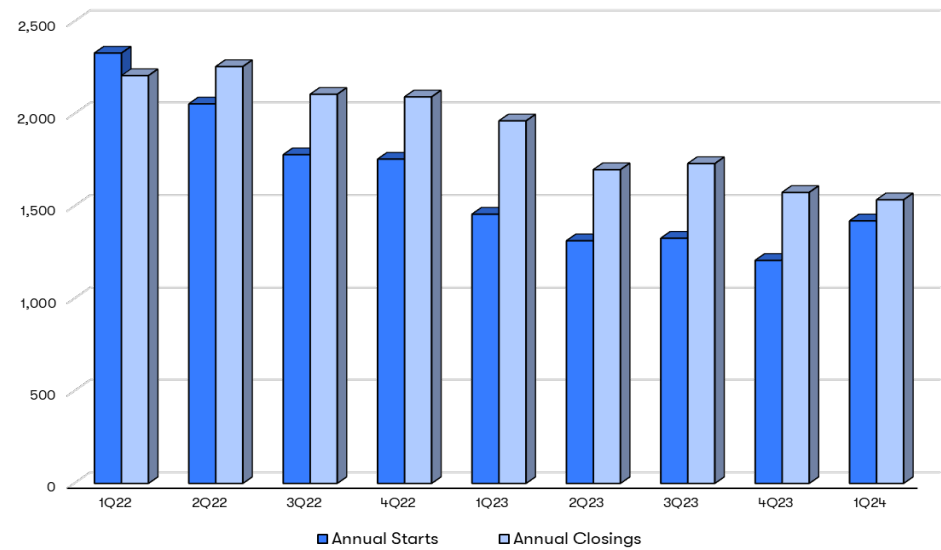


New Housing Starts and Closings Activity Comparison - Detached

Housing Market Overview – New Home Production



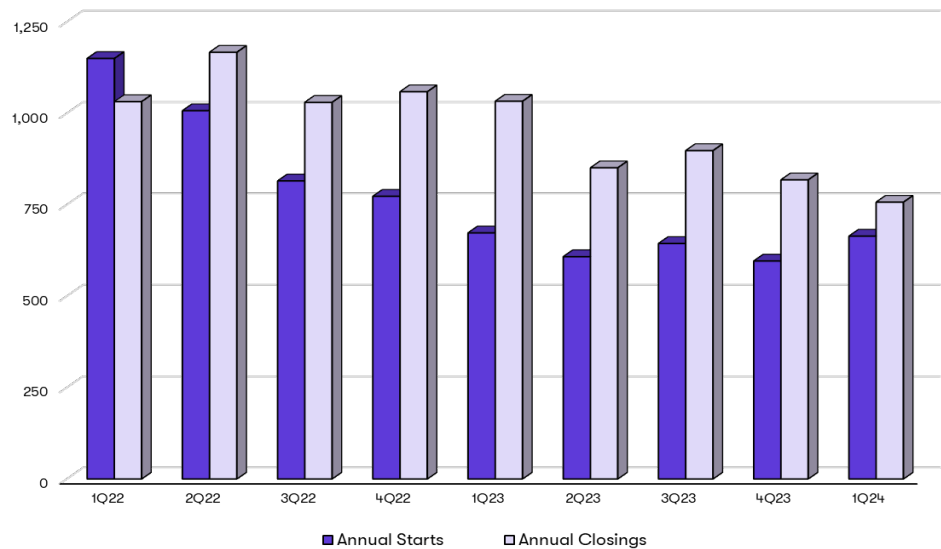
Detached Annual Starts & Closings - St. George Market



St. George Market - Detached

Quarter	Annual Starts	Annual Closings	Housing Inv	VDL Inv	Future Lots
1Q22	2,329	2,207	1,577	3,242	60,369
2Q22	2,054	2,256	1,354	3,454	60,203
3Q22	1,779	2,106	1,349	3,535	59,669
4Q22	1,755	2,092	1,284	3,274	59,277
1Q23	1,457	1,962	1,072	3,605	59,276
2Q23	1,313	1,698	969	3,593	59,534
3Q23	1,327	1,731	945	3,596	59,170
4Q23	1,207	1,575	916	3,681	59,073
1Q24	1,421	1,535	958	3,564	58,779
9 Qtr Hist. Avg.	1,627	1,907	1,158	3,505	59,483

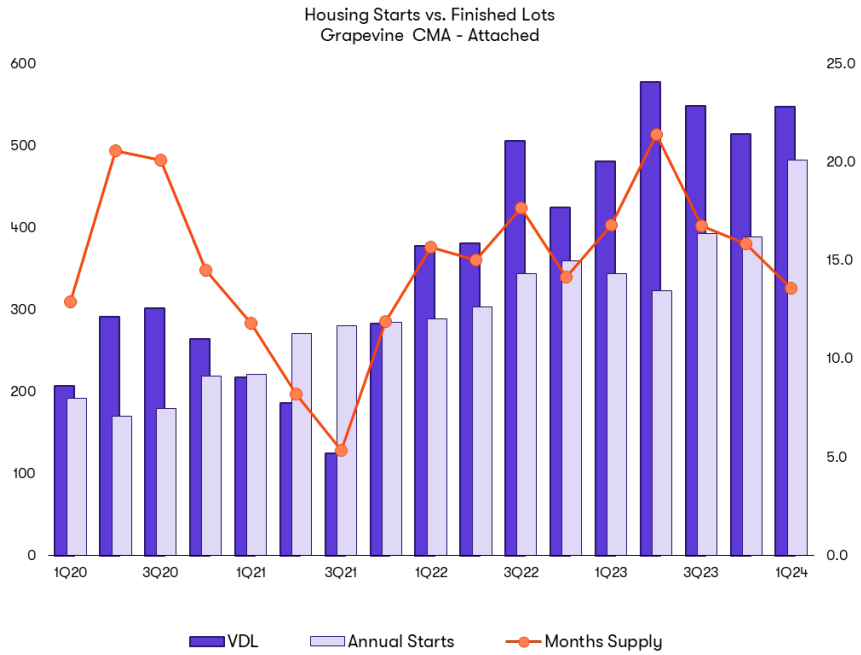
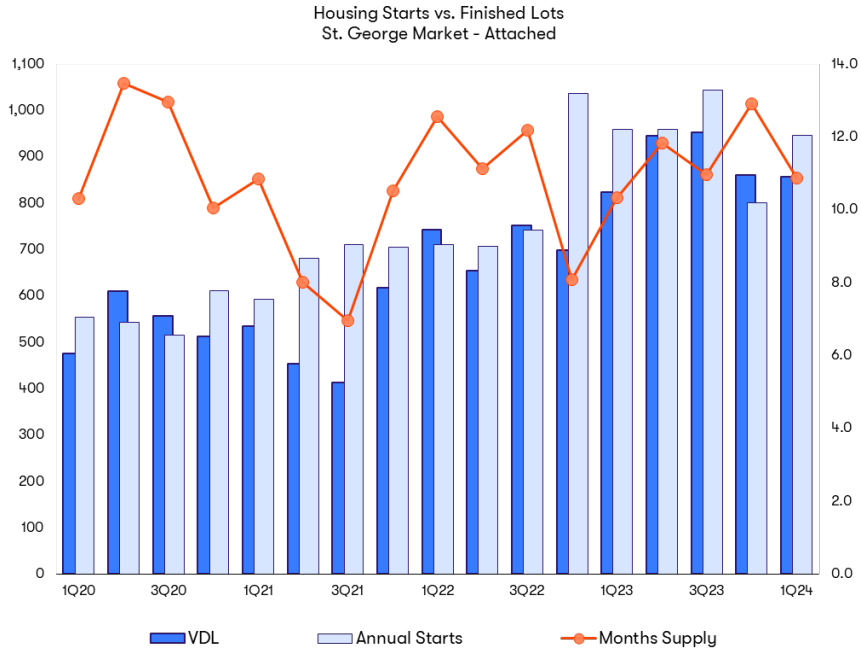
Detached Annual Starts & Closings - Grapevine CMA



Grapevine CMA - Detached

Quarter	Annual Starts	Annual Closings	Housing Inv	VDL Inv	Future Lots
1Q22	1,150	1,032	896	1,445	32,973
2Q22	1,007	1,167	688	1,441	33,147
3Q22	815	1,030	706	1,615	32,635
4Q22	773	1,059	633	1,581	32,849
1Q23	673	1,033	536	1,779	32,609
2Q23	608	851	445	1,740	32,708
3Q23	644	898	452	1,673	32,601
4Q23	596	818	411	1,661	32,672
1Q24	664	757	443	1,633	32,501
9 Qtr Hist. Avg.	770	961	579	1,619	32,744

Vacant Developed Lots and Months of Supply - Attached Lot Supply

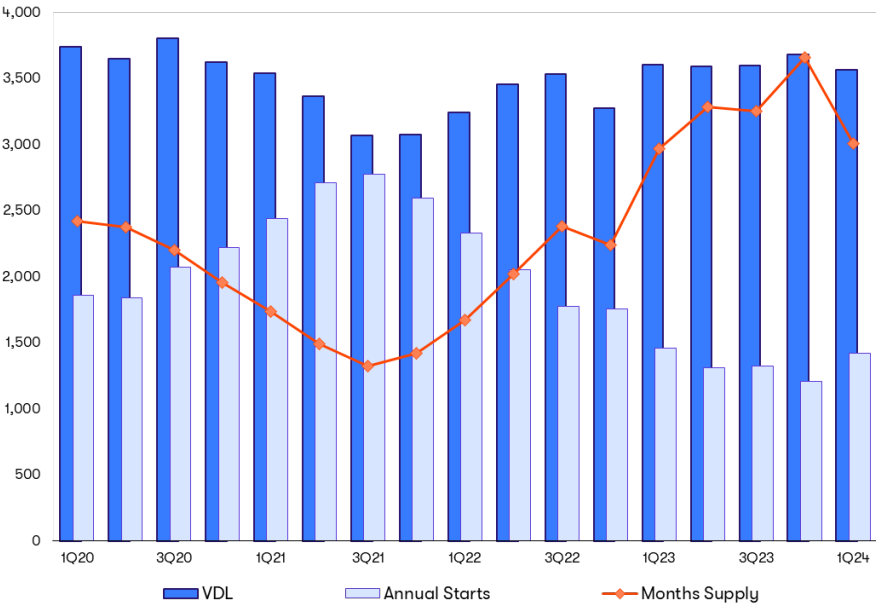


Quarter	St. George Market - Attached			Grapevine CMA - Attached		
	VDL	Annual Starts	Months Supply	VDL	Annual Starts	Months Supply
1Q21	535	592	10.8	218	221	11.8
1Q22	743	711	12.5	378	289	15.7
1Q23	824	958	10.3	482	344	16.8
1Q24	856	946	10.9	548	483	13.6
Hist. Avg	674	753	10.7	367	297	14.8

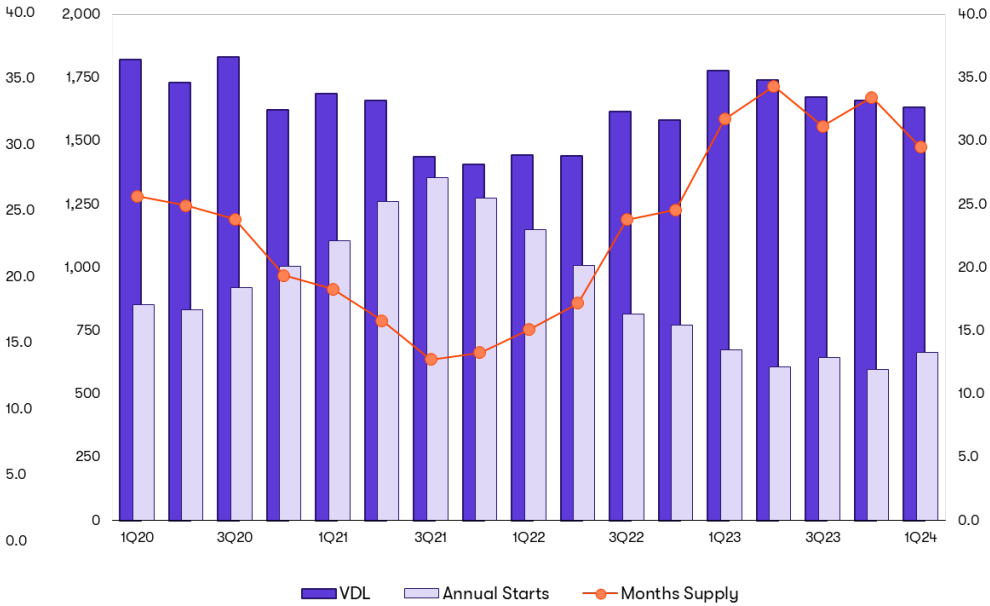
Vacant Developed Lots and Months of Supply - Detached

Lot Supply

Housing Starts vs. Finished Lots
St. George Market - Detached



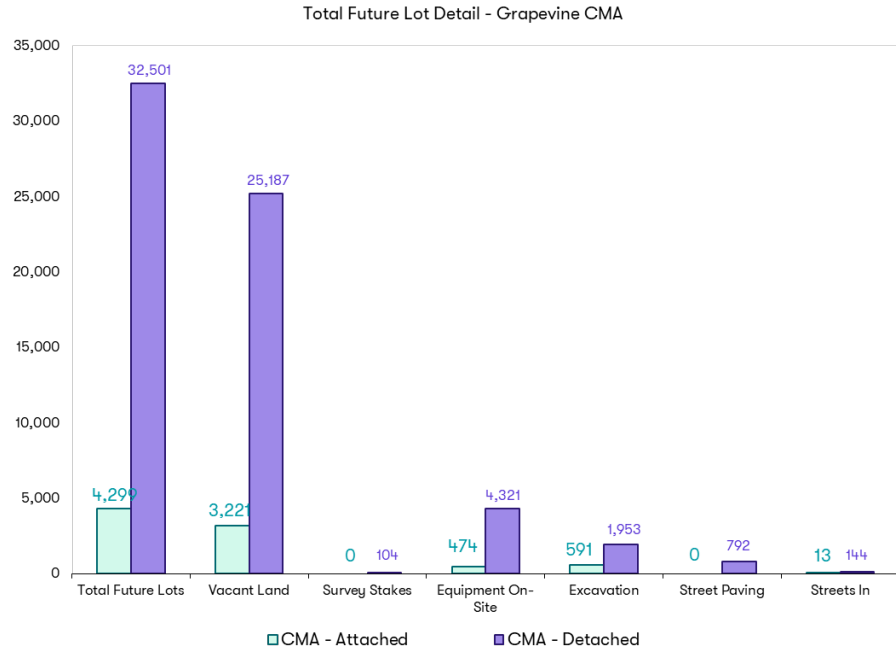
Housing Starts vs. Finished Lots
Grapevine CMA - Detached



Quarter	St. George Market - Detached			Grapevine CMA - Detached		
	VDL	Annual Starts	Months Supply	VDL	Annual Starts	Months Supply
1Q21	3,542	2,443	17.4	1,687	1,106	18.3
1Q22	3,242	2,329	16.7	1,445	1,150	15.1
1Q23	3,605	1,457	29.7	1,779	673	31.7
1Q24	3,564	1,421	30.1	1,633	664	29.5
Hist. Avg	3,495	1,950	21.5	1,633	914	214

Development Status of Future Lots and Future Supply

Future Lot Supply

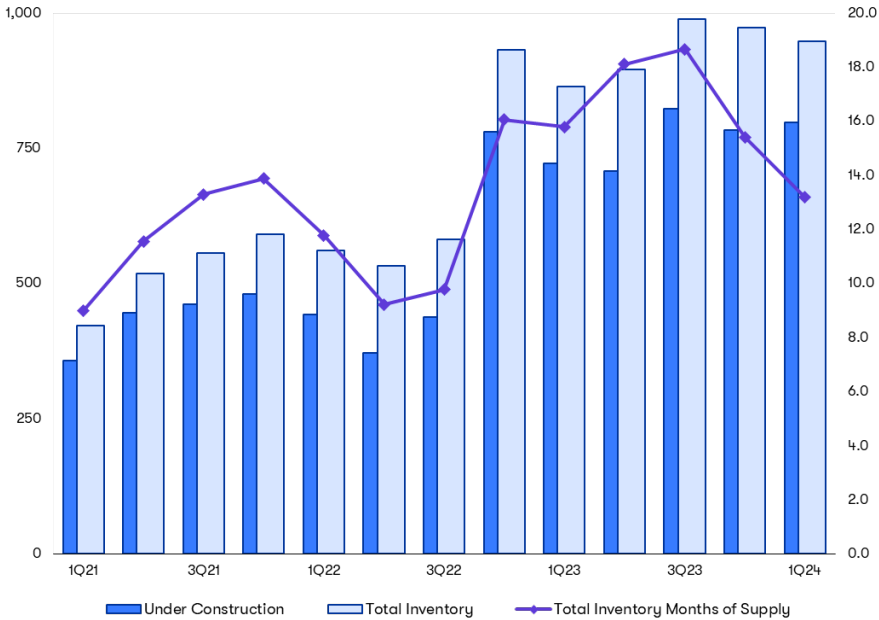


1Q24	St. George Market		Grapevine CMA	
Attached Future Lot Detail				
Total Future Lots	7,412	100.0%	4,299	100.0%
Vacant Land	5,537	74.7%	3,221	74.9%
Survey Stakes	99	1.3%	0	0.0%
Equipment On-Site	675	9.1%	474	11.0%
Excavation	910	12.3%	591	13.7%
Street Paving	97	1.3%	0	0.0%
Streets In	94	1.3%	13	0.3%
In-Process	1,875	25.3%	1,078	25.1%
Detached Future Lot Detail				
Total Future Lots	58,779	100.0%	32,501	100.0%
Vacant Land	49,336	83.9%	25,187	77.5%
Survey Stakes	123	0.2%	104	0.3%
Equipment On-Site	4,952	8.4%	4,321	13.3%
Excavation	3,186	5.4%	1,953	6.0%
Street Paving	974	1.7%	792	2.4%
Streets In	208	0.4%	144	0.4%
In-Process	9,443	16.1%	7,314	22.5%

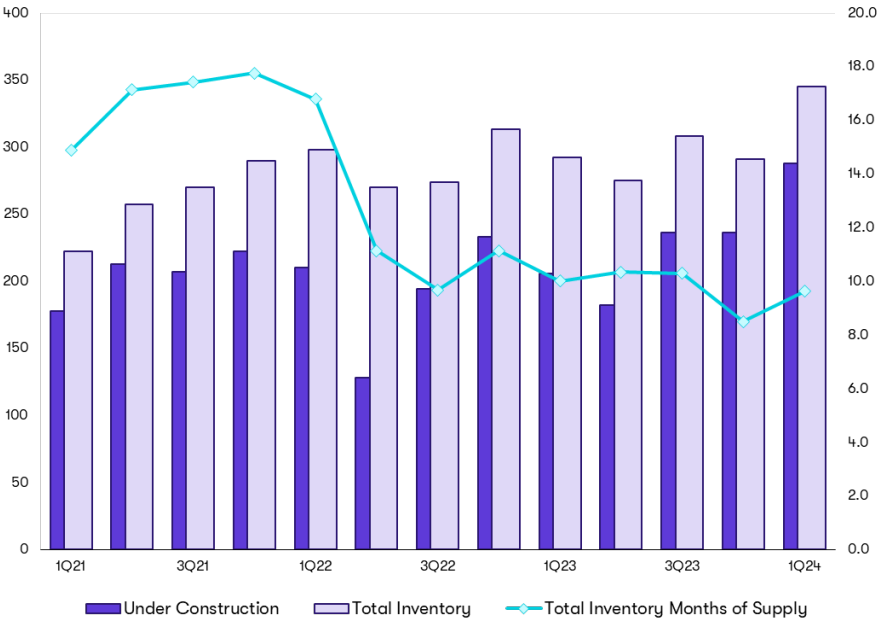
Total Housing Inventory - Attached

Housing Inventory

St. George Market - Attached



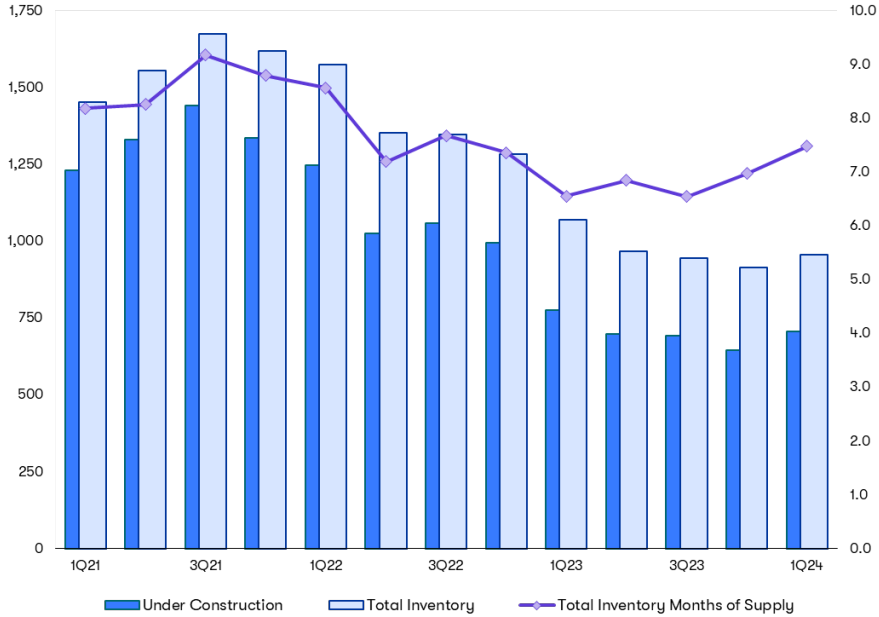
Grapevine CMA - Attached



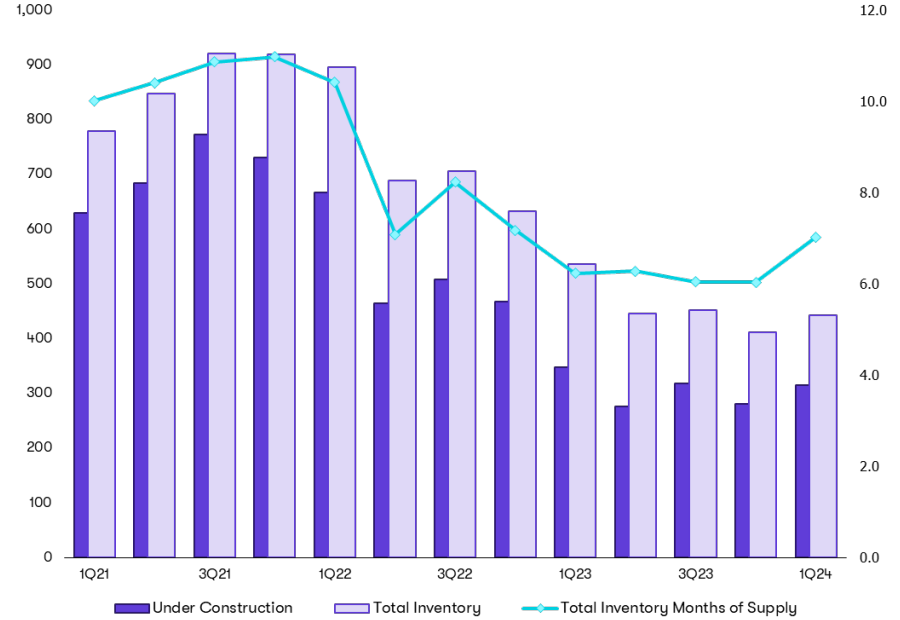
St. George Market - Attached						Grapevine CMA - Attached				
Quarter	Finished Vacant	Under Construction	Models	Total Inventory	Total Inventory Months of Supply	Finished Vacant	Under Construction	Models	Total Inventory	Total Inventory Months of Supply
1Q21	46	358	18	422	9.0	40	178	4	222	14.9
2Q21	54	446	18	518	11.6	40	213	4	257	17.1
3Q21	79	461	16	556	13.3	61	207	2	270	17.4
4Q21	94	480	17	591	13.9	65	222	3	290	17.8
1Q22	100	442	19	561	11.8	83	210	5	298	16.8
2Q22	140	372	20	532	9.2	135	128	7	270	11.1
3Q22	124	438	20	582	9.8	73	194	7	274	9.7
4Q22	133	780	18	931	16.1	75	233	5	313	11.1
1Q23	122	721	20	863	15.8	79	206	7	292	10.0
2Q23	169	708	19	896	18.1	87	182	6	275	10.3
3Q23	150	823	16	989	18.7	66	236	6	308	10.3
4Q23	175	784	14	973	15.4	50	236	5	291	8.5
1Q24	137	798	12	947	13.2	52	288	5	345	9.6
Hist. Avg	117	585		720	13.5	70	210		285	12.7

Total Housing Inventory - Detached Housing Inventory

St. George Market - Detached



Grapevine CMA - Detached



St. George Market - Detached

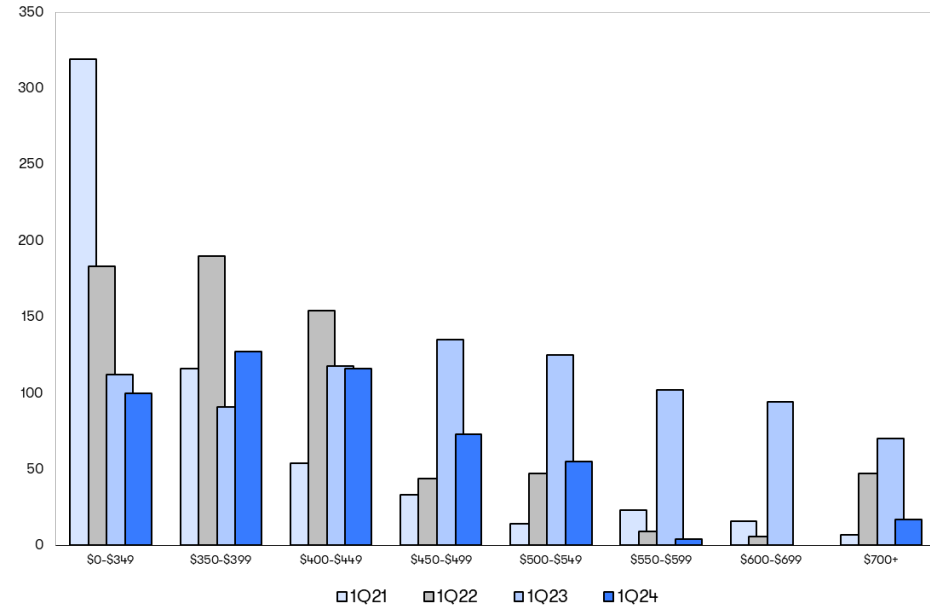
Grapevine CMA - Detached

Quarter	Finished Vacant	Under Construction	Models	Total Inventory	Total Inventory Months of Supply	Finished Vacant	Under Construction	Models	Total Inventory	Total Inventory Months of Supply
1Q21	178	1,233	44	1,455	8.2	122	630	26	778	10.0
2Q21	186	1,333	37	1,556	8.3	142	684	22	848	10.4
3Q21	200	1,444	32	1,676	9.2	131	773	17	921	10.9
4Q21	256	1,336	29	1,621	8.8	172	731	16	919	11.0
1Q22	297	1,249	31	1,577	8.6	212	666	18	896	10.4
2Q22	297	1,027	30	1,354	7.2	208	464	16	688	7.1
3Q22	263	1,060	26	1,349	7.7	187	507	12	706	8.2
4Q22	260	997	27	1,284	7.4	153	467	13	633	7.2
1Q23	268	777	27	1,072	6.6	174	347	15	536	6.2
2Q23	231	700	38	969	6.8	156	275	14	445	6.3
3Q23	210	693	42	945	6.6	120	318	14	452	6.0
4Q23	229	646	41	916	7.0	118	281	12	411	6.0
1Q24	206	708	44	958	7.5	113	315	15	443	7.0
Hist. Avg	237	1,016		1,287	7.7	154	497		667	8.2

12-Month Starts by Price - Attached

Price Distribution

Rolling 12-Month Starts By Price
St. George Market - Attached

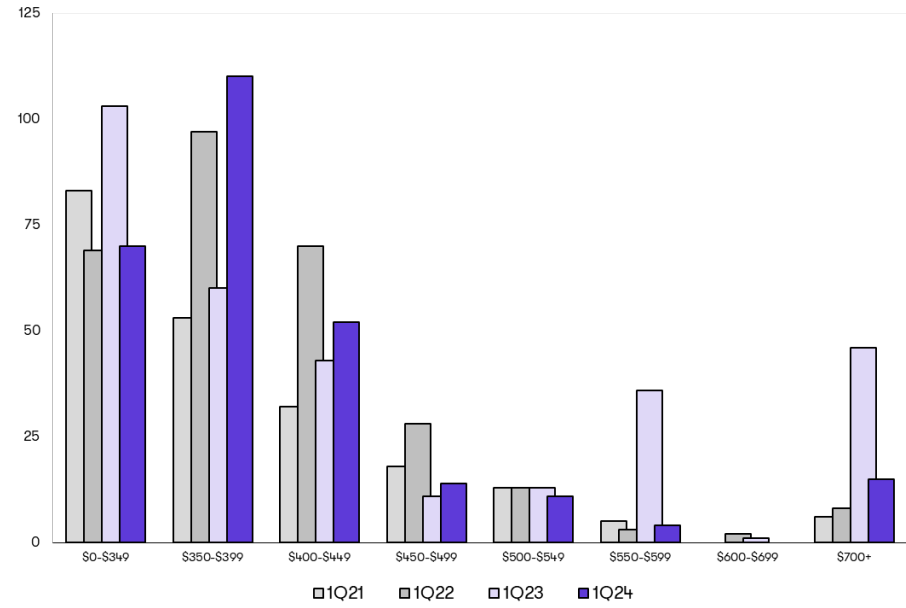


St. George Market - Attached

12-Month Annual Starts by Price Segment

Quarter	\$0-\$349	\$350-\$399	\$400-\$449	\$450-\$499	\$500-\$549	\$550-\$599	\$600-\$699	\$700+
1Q21	319	116	54	33	14	23	16	7
1Q22	183	190	154	44	47	9	6	47
1Q23	112	91	118	135	125	102	94	70
1Q24	100	127	116	73	55	4	0	17
Market Share	54.8%	19.9%	9.3%	5.7%	2.4%	4.0%	2.7%	1.2%
1Q21	26.9%	27.9%	22.6%	6.5%	6.9%	1.3%	0.9%	6.9%
1Q22	13.2%	10.7%	13.9%	15.9%	14.8%	12.0%	11.1%	8.3%
1Q24	20.3%	25.8%	23.6%	14.8%	11.2%	0.8%	0.0%	3.5%

Rolling 12-Month Starts By Price
Grapevine CMA - Attached



Grapevine CMA - Attached

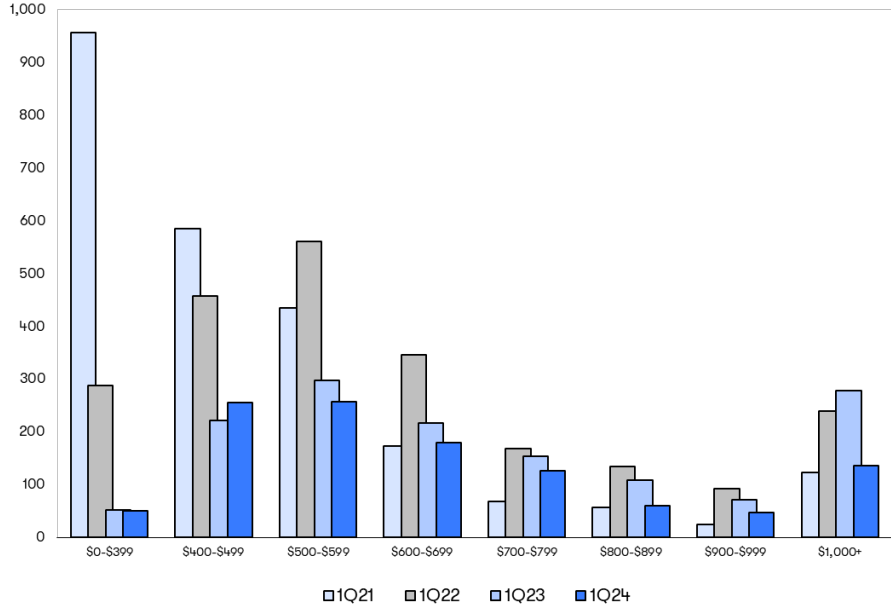
12-Month Annual Starts by Price Segment

Quarter	\$0-\$349	\$350-\$399	\$400-\$449	\$450-\$499	\$500-\$549	\$550-\$599	\$600-\$699	\$700+
1Q21	83	53	32	18	13	5	0	6
1Q22	69	97	70	28	13	3	2	8
1Q23	103	60	43	11	13	36	1	46
1Q24	70	110	52	14	11	4	0	15
Market Share	39.5%	25.2%	15.2%	8.6%	6.2%	2.4%	0.0%	2.9%
1Q21	23.8%	33.4%	24.1%	9.7%	4.5%	10.0%	0.7%	2.8%
1Q22	32.9%	19.2%	13.7%	3.5%	4.2%	11.5%	0.3%	14.7%
1Q24	25.4%	39.9%	18.8%	5.1%	4.0%	14%	0.0%	5.4%

12-Month Starts by Price - Detached

Price Distribution

Rolling 12-Month Starts By Price
St. George Market - Detached

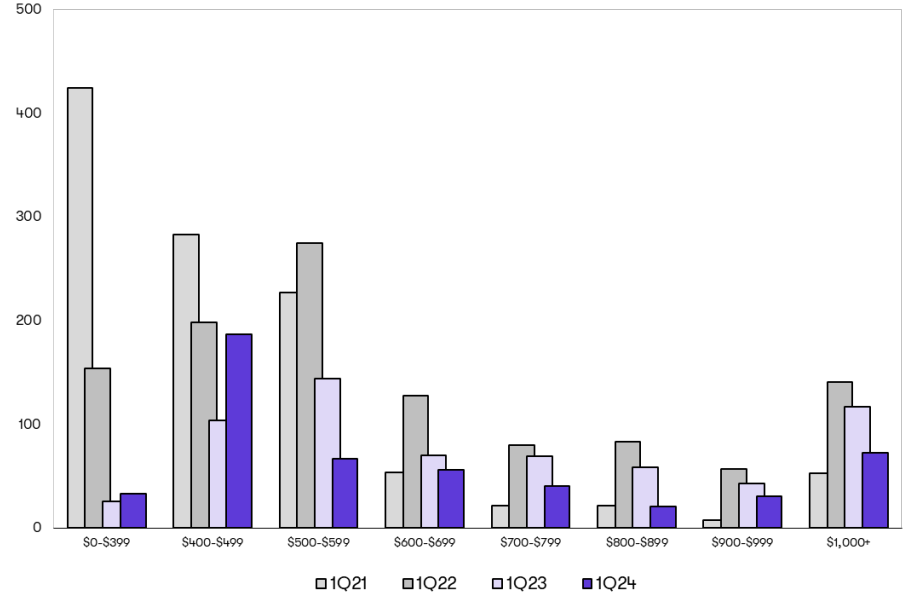


St. George Market - Detached

12-Month Annual Starts by Price Segment

Quarter	\$0-\$399	\$400-\$499	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1,000+
1Q21	957	585	435	173	69	57	25	123
1Q22	288	457	561	346	168	135	92	240
1Q23	52	222	297	217	154	108	71	278
1Q24	51	255	258	179	127	60	47	136
Market Share								
1Q21	39.5%	24.1%	17.9%	7.1%	2.8%	2.4%	1.0%	5.1%
1Q22	12.6%	20.0%	24.5%	15.1%	7.3%	5.9%	4.0%	10.5%
1Q23	3.7%	15.9%	21.2%	15.5%	11.0%	7.7%	5.1%	19.9%
1Q24	4.6%	22.9%	23.2%	16.1%	11.4%	5.4%	4.2%	12.2%

Rolling 12-Month Starts By Price
Grapevine CMA - Detached



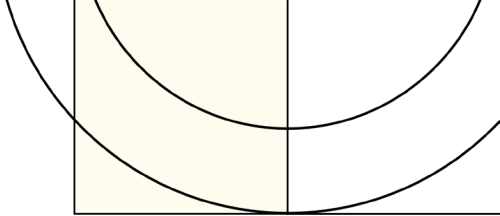
Grapevine CMA - Detached

12-Month Annual Starts by Price Segment

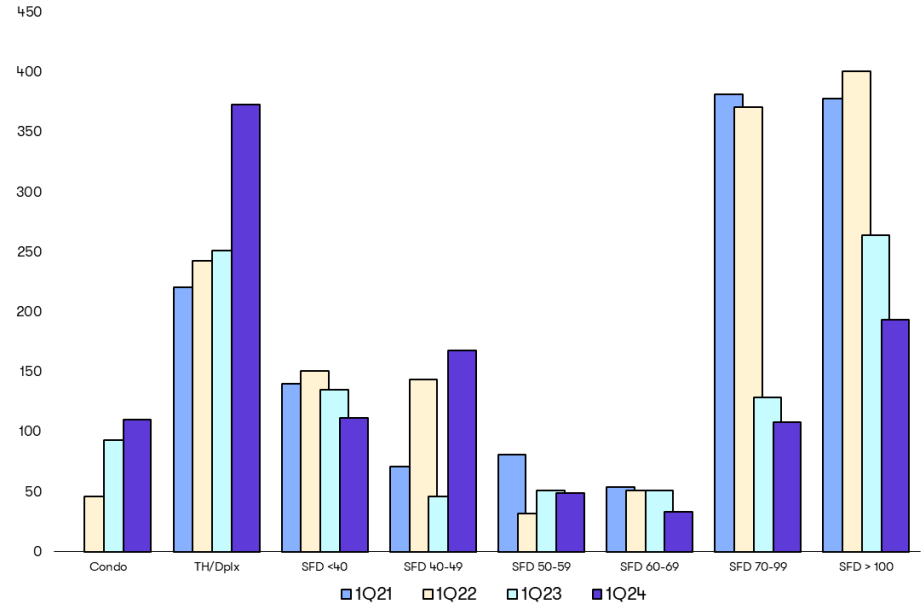
Quarter	\$0-\$399	\$400-\$499	\$500-\$599	\$600-\$699	\$700-\$799	\$800-\$899	\$900-\$999	\$1,000+
1Q21	424	283	227	54	22	22	8	53
1Q22	154	198	275	128	80	83	57	141
1Q23	26	104	144	70	69	59	43	117
1Q24	33	187	67	56	41	21	31	73
Market Share								
1Q21	38.8%	25.9%	20.8%	4.9%	2.0%	2.0%	0.7%	4.8%
1Q22	13.8%	17.7%	24.6%	11.5%	7.2%	7.4%	5.1%	12.6%
1Q23	4.1%	16.5%	22.8%	11.1%	10.9%	9.3%	6.8%	18.5%
1Q24	6.5%	36.7%	13.2%	11.0%	8.1%	4.1%	6.1%	14.3%

CMA Product Distribution – Annual Starts and Closings

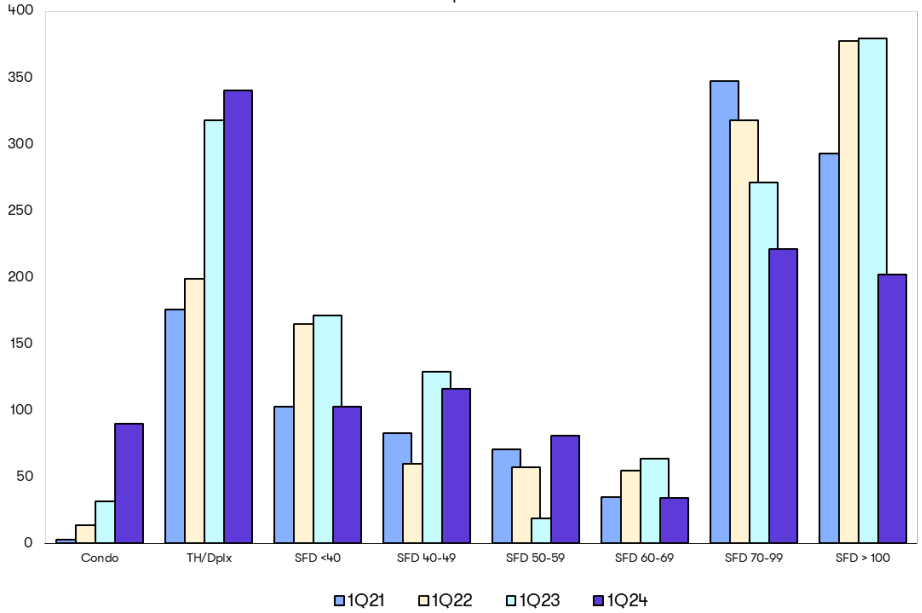
Product Distribution



Product Distribution by Density (Product Type and Lot Frontage in Ft.) - Annual Starts
Grapevine CMA



Product Distribution by Density (Product Type and Lot Frontage in Ft.) - Annual Closings
Grapevine CMA

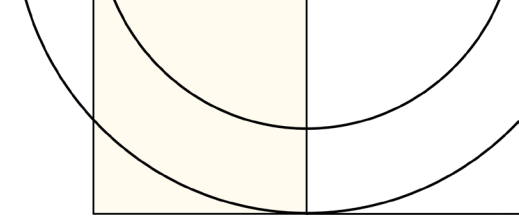


Grapevine CMA Annual Starts by Product Type/Lot Size									
Quarter	Condo	TH/Dplx	SFD <40	SFD 40-49	SFD 50-59	SFD 60-69	SFD 70-99	SFD > 100	Total
1Q21	0	221	140	71	81	54	382	378	1,327
1Q22	46	243	151	144	32	51	371	401	1,439
1Q23	93	251	135	46	51	51	129	264	1,020
1Q24	110	373	112	168	49	33	108	194	1,147
Market Share									
1Q21	0.0%	16.7%	10.6%	5.4%	6.1%	4.1%	28.8%	28.5%	100%
1Q22	3.2%	16.9%	10.5%	10.0%	2.2%	3.5%	25.8%	27.9%	100%
1Q23	9.1%	24.6%	13.2%	4.5%	5.0%	5.0%	12.6%	25.9%	100%
1Q24	9.6%	32.5%	9.8%	14.6%	4.3%	2.9%	9.4%	16.9%	100%

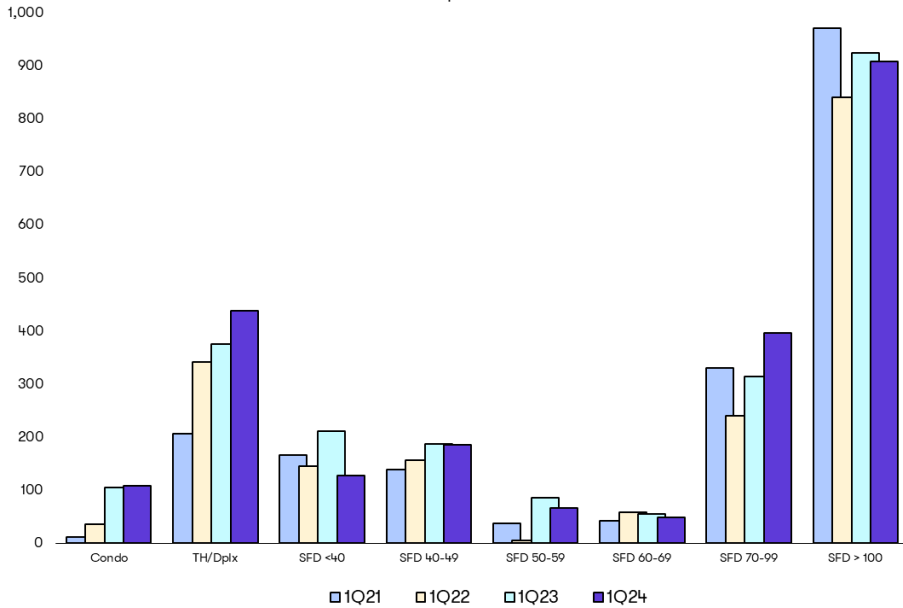
Grapevine CMA Annual Closings by Product Type/Lot Size									
Quarter	Condo	TH/Dplx	SFD <40	SFD 40-49	SFD 50-59	SFD 60-69	SFD 70-99	SFD > 100	Total
1Q21	3	176	103	83	71	35	347	293	1,111
1Q22	14	199	165	60	57	55	318	377	1,245
1Q23	32	318	171	129	19	64	271	379	1,383
1Q24	90	340	103	116	81	34	221	202	1,187
Market Share									
1Q21	0.3%	15.8%	9.3%	7.5%	6.4%	3.2%	31.2%	26.4%	100%
1Q22	1.1%	16.0%	13.3%	4.8%	4.6%	4.4%	25.5%	30.3%	100%
1Q23	2.3%	23.0%	12.4%	9.3%	1.4%	4.6%	19.6%	27.4%	100%
1Q24	7.6%	28.6%	8.7%	9.8%	6.8%	2.9%	18.6%	17.0%	100%

CMA Product Distribution – Vacant Developer Lots and Total Inventory

Product Distribution

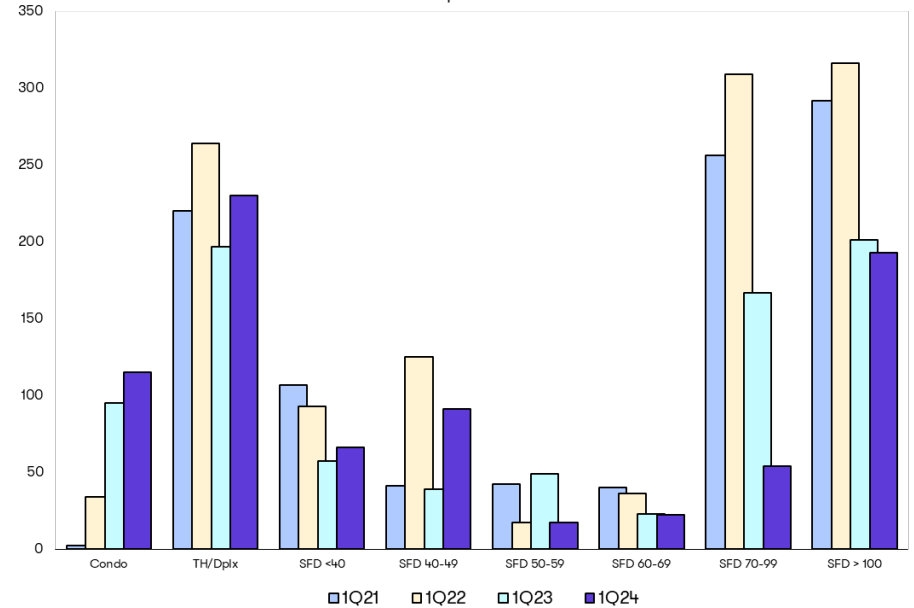


Product Distribution by Density (Product Type and Lot Frontage in Ft.) - VDL
Grapevine CMA



Grapevine CMA Vacant Developed Lots by Product Type/Lot Size									
Quarter	Condo	TH/ Dplx	SFD <40	SFD 40-49	SFD 50-59	SFD 60-69	SFD 70-99	SFD > 100	Total
1Q21	12	206	166	139	38	43	331	970	1,905
1Q22	36	342	145	156	5	58	241	840	1,823
1Q23	106	376	211	187	86	56	315	924	2,261
1Q24	109	439	127	186	67	49	396	908	2,281
Market Share									
1Q21	0.6%	10.8%	8.7%	7.3%	2.0%	2.3%	17.4%	50.9%	100%
1Q22	2.0%	18.8%	8.0%	8.6%	0.3%	3.2%	13.2%	46.1%	100%
1Q23	4.7%	16.6%	9.3%	8.3%	3.8%	2.5%	13.9%	40.9%	100%
1Q24	4.8%	19.2%	5.6%	8.2%	2.9%	2.1%	17.4%	39.8%	100%

Product Distribution by Density (Product Type and Lot Frontage in Ft.) - Total Inventory
Grapevine CMA



Grapevine CMA Total Inventory by Product Type/Lot Size									
Quarter	Condo	TH/ Dplx	SFD <40	SFD 40-49	SFD 50-59	SFD 60-69	SFD 70-99	SFD > 100	Total
1Q21	2	220	107	41	42	40	256	292	1,000
1Q22	34	264	93	125	17	36	309	316	1,194
1Q23	95	197	57	39	49	23	167	201	828
1Q24	115	230	66	91	17	22	54	193	788
Market Share									
1Q21	0.2%	22.0%	10.7%	4.1%	4.2%	4.0%	25.6%	29.2%	100%
1Q22	2.8%	22.1%	7.8%	10.5%	1.4%	3.0%	25.9%	26.5%	100%
1Q23	11.5%	23.8%	6.9%	4.7%	5.9%	2.8%	20.2%	24.3%	100%
1Q24	14.6%	29.2%	8.4%	11.5%	2.2%	2.8%	6.9%	24.5%	100%

New, Resale, and Foreclosures by Housing Type - CMA

Resale Activity

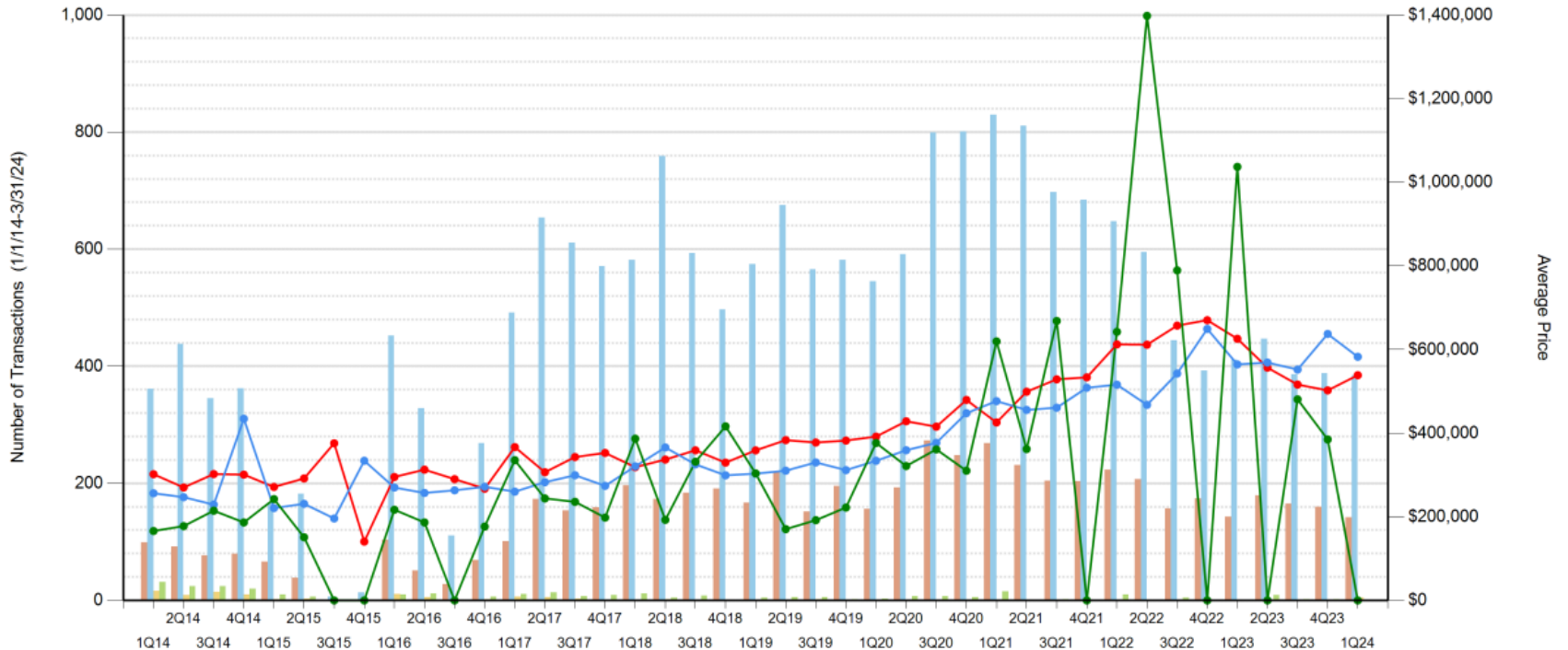
New, Resale, and Foreclosures By Housing Type

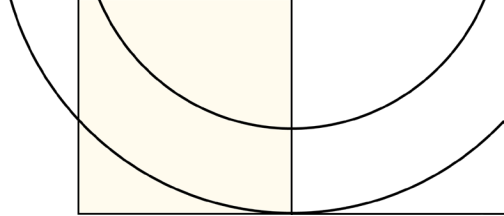
Grapevine CMA

Date Range: 5/1/2023 - 4/30/2024

Transaction Type	Single Family					TH/Plex/Other				Condominium				Other/Unkn	Total
	Count	Avg Price	Avg SF	\$ / SF	Avg Lot SF	Count	Avg Price	Avg SF	\$ / SF	Count	Avg Price	Avg SF	\$ / SF	Count	Count
New	385	\$620,681	2,308	\$285.6	7,551	198	\$385,169	1,521	\$253.9	48	\$305,011	1,362	\$339.3	1	632
Regular Resale	1,205	\$643,620	2,188	\$307.5	16,837	199	\$481,163	1,819	\$262.5	49	\$317,047	1,189	\$303.0	184	1,637
Foreclosure	2	n/a	4,599	---	13,504	2	---	3,437	---	0	---	---	---	0	4
REO Sale	3	\$386,667	1,521	\$265.0	11,326	1	\$572,000	1,907	\$300.0	0	---	---	---	0	4
Selection Totals	1,595	\$638,178	2,211	\$303.7	14,573	400	\$435,214	1,693	\$258.5	97	\$311,637	1,245	\$314.8	185	2,277

 New - Transaction Count  Regular Resale - Transaction Count  Foreclosure - Transaction Count  REO Sale - Transaction Count
 New - Average Price  Regular Resale - Average Price  Foreclosure - Average Price  REO Sale - Average Price





CMA Comparable Subdivisions Detail – Detached

Competitive Market Comparables & Positioning

Project Project Detail	Size				Base Price	— Typical Spending — Options / Upgrades		Lot Premiums	Estimated Closing Price	Est. Closing \$/ SF	— Pymt Impacting — Mo. HOA		Base Tax	Addl Taxes
8	Desert Sands/ Lakeside Ivory Homes Hurricane Detached - 7,500 OR 75 Expected Sell-Out By 05/25 at 0.85 per mo.													
Contracts / Sales Pace / SPL3M: 18 / 0.9 / 0.3	1,943	3/2.5	1	2	\$739,900	\$8,000	\$0	\$747,900	\$385	\$290	0.6%	0.0%		
Annual Starts / L12M Start Rate: 3 / 0.3	2,036	4/3.5	1	3	\$730,000	\$8,000	\$0	\$738,000	\$362	\$290	0.6%	0.0%		
Annual Closings/ L12M Closing Rate: 12 / 1.0	2,145	2/2	1	3	\$830,000	\$8,000	\$0	\$838,000	\$391	\$290	0.6%	0.0%		
Total Units / Occupancy / Occ. Rate: 29 / 16 / 55%	2,423	3/3.5	2	2	\$900,000	\$8,000	\$0	\$908,000	\$375	\$290	0.6%	0.0%		
	2,137				\$799,975	\$8,000	\$0	\$807,975	\$378	\$290	0.6%	0.0%		
9	Heritage Place Sullivan Homes Washington Detached - 8,250 OR 75 Expected Sell-Out By 08/26 at 0.92 per mo.													
Contracts / Sales Pace / SPL3M: 26 / 0.9 / 0.3	1,399	3/2	1	3	\$519,000	\$0	\$10,000	\$529,000	\$378	\$0	0.6%	0.0%		
Annual Starts / L12M Start Rate: 2 / 0.2	1,803	3/2	1	3	\$539,000	\$0	\$10,000	\$549,000	\$304	\$0	0.6%	0.0%		
Annual Closings/ L12M Closing Rate: 12 / 1.0	1,824	3/3	1	3	\$569,000	\$0	\$10,000	\$579,000	\$317	\$0	0.6%	0.0%		
Total Units / Occupancy / Occ. Rate: 51 / 26 / 51%	1,922	3/2	1	3	\$569,000	\$0	\$10,000	\$579,000	\$301	\$0	0.6%	0.0%		
	1,971	4/2	1	3	\$629,000	\$0	\$10,000	\$639,000	\$324	\$0	0.6%	0.0%		
	2,202	4/3	1	3	\$579,000	\$0	\$10,000	\$589,000	\$267	\$0	0.6%	0.0%		
	2,263	3/2.5	1	3	\$679,000	\$0	\$10,000	\$689,000	\$304	\$0	0.6%	0.0%		
	2,388	3/2.5	1	3	\$659,000	\$0	\$10,000	\$669,000	\$280	\$0	0.6%	0.0%		
	2,492	3/2.5	1	3	\$609,000	\$0	\$10,000	\$619,000	\$248	\$0	0.6%	0.0%		
	2,562	3/2.5	1	3	\$709,000	\$0	\$10,000	\$719,000	\$281	\$0	0.6%	0.0%		
	2,083				\$606,000	\$0	\$10,000	\$616,000	\$301	\$0	0.6%	0.0%		

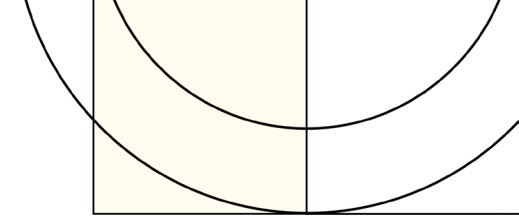
CMA Comparable Subdivisions Detail – Detached

Competitive Market Comparables & Positioning

Project					— Typical Spending —			Estimated	Est.	— Pymt Impacting —						
Project Detail					Size	Base	Options /	Lot	Closing	Closing	Mo.	Base	Addl			
					(SF)	Price	Upgrades	Premiums	Price	\$/ SF	HOA	Tax	Taxes			
10	Desert Sands/ Sedero Ence Homes Hurricane Detached - 8,625 OR 75 Expected Sell-Out By 10/ 24 at 1.82 per mo.															
Contracts / Sales Pace / SPL3M: 49 / 1.8 / 3.0					1,210	3/2	1	2	\$407,500	\$45,000	\$10,000	\$462,500	\$382	\$60	1.2%	0.0%
Annual Starts / L12M Start Rate: 19 / 1.6					1,590	3/2	1	2	\$441,500	\$45,000	\$10,000	\$496,500	\$312	\$60	1.2%	0.0%
Annual Closings / L12M Closing Rate: 17 / 1.4					1,660	3/2	1	3	\$463,500	\$45,000	\$10,000	\$518,500	\$312	\$60	1.2%	0.0%
Total Units / Occupancy / Occ. Rate: 60 / 30 / 50%					1,760	3/2	1	3	\$467,500	\$45,000	\$10,000	\$522,500	\$297	\$60	1.2%	0.0%
					1,872	4/2	1	3	\$471,500	\$45,000	\$10,000	\$526,500	\$281	\$60	1.2%	0.0%
					1,948	3/2.5	1	2	\$526,500	\$45,000	\$10,000	\$581,500	\$299	\$60	1.2%	0.0%
					2,015	4/2	1	3	\$481,500	\$45,000	\$10,000	\$536,500	\$266	\$60	1.2%	0.0%
					2,114	4/2	1	3	\$495,500	\$45,000	\$10,000	\$550,500	\$260	\$60	1.2%	0.0%
					2,224	4/3	1	3	\$501,500	\$45,000	\$10,000	\$556,500	\$250	\$60	1.2%	0.0%
					2,345	3/3.5	1	3	\$556,500	\$45,000	\$10,000	\$611,500	\$261	\$60	1.2%	0.0%
					2,350	4/3.5	1	2	\$558,500	\$45,000	\$10,000	\$613,500	\$261	\$60	1.2%	0.0%
					2,384	4/3.5	1	3	\$545,500	\$45,000	\$10,000	\$600,500	\$252	\$60	1.2%	0.0%
					1,956				\$493,083	\$45,000	\$10,000	\$548,083	\$286	\$60	1.2%	0.0%
11	Collina Tinta/ Ridge at Zion Vista Interstate Homes Hurricane Detached - 9,000 OR 75 Expected Sell-Out By 09/ 27 at 0.73 per mo.															
Contracts / Sales Pace / SPL3M: 20 / 0.7 / 0.3					2,049	3/2	1	3	\$719,900	\$0	\$0	\$719,900	\$351	\$35	0.6%	0.0%
Annual Starts / L12M Start Rate: 6 / 0.5					2,270	3/3	1	3	\$829,900	\$0	\$0	\$829,900	\$366	\$35	0.6%	0.0%
Annual Closings / L12M Closing Rate: 7 / 0.6																
Total Units / Occupancy / Occ. Rate: 49 / 9 / 18%																
					2,160				\$774,900	\$0	\$0	\$774,900	\$358	\$35	0.6%	0.0%
12	Coral Canyon/ Solis-Sky Series Cole West Home Washington Detached - 8,925 OR 85 Expected Sell-Out By 08/ 24 at 1.88 per mo.															
Total Units/ Remaining: 20 / 5					2,525	5/3	1	3	\$644,900	\$200,000	\$100,000	\$944,900	\$374	\$136	0.6%	0.0%
Contracts: 15					2,655	5/4	1	3	\$679,900	\$200,000	\$100,000	\$979,900	\$369	\$136	0.6%	0.0%
Sales Pace Overall: 1.9					2,780	5/3	1	3	\$709,900	\$200,000	\$100,000	\$1,009,900	\$363	\$136	0.6%	0.0%
Sales Pace L3M: 0.2																
					2,653				\$678,233	\$200,000	\$100,000	\$978,233	\$369	\$136	0.6%	0.0%

CMA Comparable Subdivisions Detail – Detached

Competitive Market Comparables & Positioning



Project Detail					Size	— Typical Spending —			Estimated	Est.	— Pymt Impacting —					
					(SF)	Bd/ Ba	Level	Pkg	Base Price	Options / Upgrades	Lot Premiums	Closing Price	Closing \$/ SF	Mo. HOA	Base Tax	Addl Taxes
13	Green Spring/ Reserve Perry Homes Utah Washington Detached - 9,900 OR 90 Expected Sell-Out By 09/24 at 0.75 per mo.															
Contracts / Sales Pace / SPL3M: 79 / 0.8 / 0.2					2,458	3/2.5	1	3	\$789,000	\$0	\$0	\$789,000	\$321	\$20	0.6%	0.0%
Annual Starts / L12M Start Rate: 1/ 0.1					3,413	6/3	1	3	\$898,000	\$0	\$0	\$898,000	\$263	\$20	0.6%	0.0%
Annual Closings / L12M Closing Rate: 3 / 0.3					3,750	4/3.5	1	3	\$989,000	\$0	\$0	\$989,000	\$264	\$20	0.6%	0.0%
Total Units / Occupancy / Occ. Rate: 82 / 77 / 94%																
					3,207				\$892,000	\$0	\$0	\$892,000	\$283	\$20	0.6%	0.0%
14	Hawkeye Pointe Salt City Construction Washington Detached - 10,925 OR 95 Expected Sell-Out By 08/35 at 0.04 per mo.															
Contracts / Sales Pace / SPL3M: 1/ 0.0 / 0.2					1,924	3/3	1	3	\$1,050,000	\$0	\$0	\$1,050,000	\$546	\$23	0.5%	0.0%
Annual Starts / L12M Start Rate: 1/ 0.1					2,733	3/2.5	1	3	\$1,199,900	\$0	\$0	\$1,199,900	\$439	\$23	0.5%	0.0%
Annual Closings / L12M Closing Rate: 0 / 0.0					2,818	4/3	1	3	\$1,174,900	\$0	\$0	\$1,174,900	\$417	\$23	0.5%	0.0%
Total Units / Occupancy / Occ. Rate: 7 / 0 / 0%					3,088	5/3.5	1	3	\$1,199,900	\$0	\$0	\$1,199,900	\$389	\$23	0.5%	0.0%
					3,790	4/4.5	1	3	\$1,399,900	\$0	\$0	\$1,399,900	\$369	\$23	0.5%	0.0%
					2,871				\$1,204,920	\$0	\$0	\$1,204,920	\$432	\$23	0.5%	0.0%
15	Shooting Star Holmes Homes Washington Detached - 10,000 OR 100 Expected Sell-Out By 04/27 at 0.35 per mo.															
Contracts / Sales Pace / SPL3M: 13 / 0.3 / 1.7					2,334	3/2.5	1	2	\$730,000	\$58,400	\$20,000	\$808,400	\$346	\$150	0.5%	0.0%
Annual Starts / L12M Start Rate: 3 / 0.3					2,540	3/2.5	1	2	\$699,900	\$55,992	\$20,000	\$775,892	\$305	\$150	0.5%	0.0%
Annual Closings / L12M Closing Rate: 6 / 0.5					2,655	3/2.5	2	2	\$750,000	\$60,000	\$20,000	\$830,000	\$313	\$150	0.5%	0.0%
Total Units / Occupancy / Occ. Rate: 25 / 9 / 36%																
					2,510				\$726,633	\$58,131	\$20,000	\$804,764	\$321	\$150	0.5%	0.0%
16	Shooting Star Ivory Homes Washington Detached - 10,000 OR 100 Expected Sell-Out By 07/24 at 0.56 per mo.															
Contracts / Sales Pace / SPL3M: 13 / 0.6 / 2.0					2,069	3/3.5	2	3	\$629,000	\$0	\$0	\$629,000	\$304	\$150	0.6%	0.0%
Annual Starts / L12M Start Rate: 2 / 0.2					3,035	4/5	2	3	\$719,000	\$0	\$0	\$719,000	\$237	\$150	0.6%	0.0%
Annual Closings / L12M Closing Rate: 0 / 0.0					3,190	5/3.5	2	3	\$710,000	\$0	\$0	\$710,000	\$223	\$150	0.6%	0.0%
Total Units / Occupancy / Occ. Rate: 15 / 0 / 0%					3,202	4/3.5	2	3	\$805,000	\$0	\$0	\$805,000	\$251	\$150	0.6%	0.0%
					2,874				\$715,750	\$0	\$0	\$715,750	\$254	\$150	0.6%	0.0%

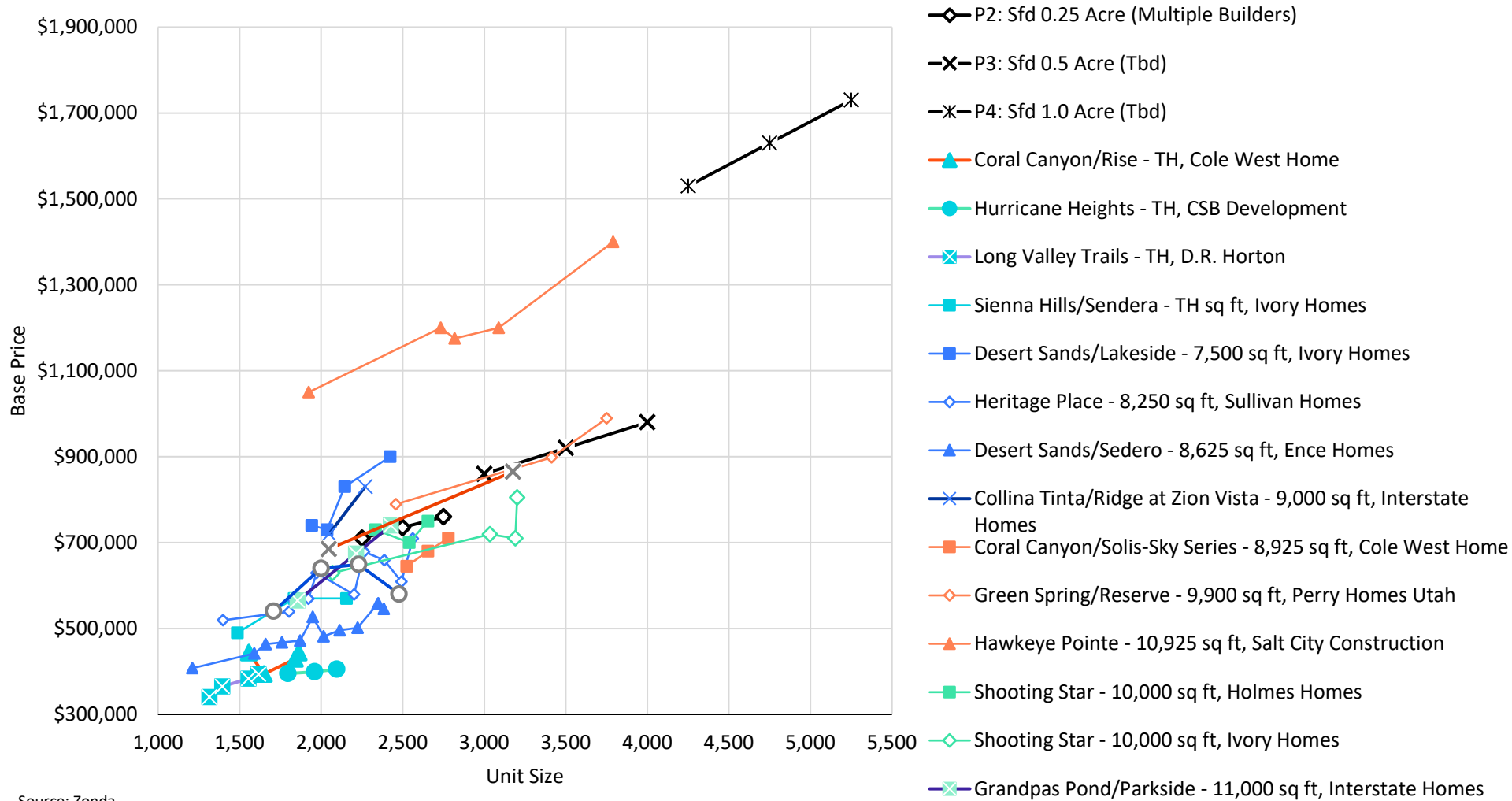
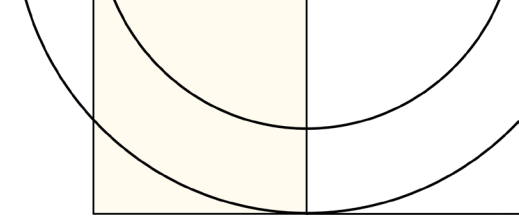
CMA Comparable Subdivisions Detail – Detached

Competitive Market Comparables & Positioning

Project Detail					— Typical Spending —			Estimated	Est.	— Pymt Impacting —		
Size	Base	Options /	Lot	Closing	Closing	Mo.	Base	Addl				
(SF)	Price	Upgrades	Premiums	Price	\$/ SF	HOA	Tax	Taxes				
17 Grandpas Pond/ Parkside Interstate Homes Hurricane Detached - 11,000 OR 100 Expected Sell-Out By 08/ 25 at 0.63 per mo.												
Contracts / Sales Pace / SPL3M: 49 / 0.6 / 0.2	1,856	4/2	1	2	\$565,000	\$0	\$0	\$565,000	\$304	\$0	1.0%	0.0%
Annual Starts / L12M Start Rate: 2 / 0.2	2,215	4/2.5	2	3	\$674,000	\$0	\$0	\$674,000	\$304	\$0	1.0%	0.0%
Annual Closings / L12M Closing Rate: 1/ 0.1	2,428	4/3.5	1	3	\$739,900	\$0	\$0	\$739,900	\$305	\$0	1.0%	0.0%
Total Units / Occupancy / Occ. Rate: 59 / 47 / 80%												
	2,166				\$659,633	\$0	\$0	\$659,633	\$304	\$0	1.0%	0.0%
18 Cottonwood Hollow Interstate Homes La Verkin Detached - 12,100 OR 110 Expected Sell-Out By 07/ 25 at 0.93 per mo.												
Contracts / Sales Pace / SPL3M: 40 / 0.9 / 0.3	1,709	4/3	1	3	\$540,000	\$0	\$0	\$540,000	\$316	\$0	0.6%	0.0%
Annual Starts / L12M Start Rate: 8 / 0.7	2,000	4/3	1	3	\$639,900	\$0	\$0	\$639,900	\$320	\$0	0.6%	0.0%
Annual Closings / L12M Closing Rate: 3 / 0.3	2,230	4/3.5	1	2	\$649,000	\$0	\$0	\$649,000	\$291	\$0	0.6%	0.0%
Total Units / Occupancy / Occ. Rate: 54 / 34 / 63%	2,478	4/2.5	2	2	\$579,900	\$0	\$0	\$579,900	\$234	\$0	0.6%	0.0%
	2,104				\$602,200	\$0	\$0	\$602,200	\$290	\$0	0.6%	0.0%
19 Finley Farms Desert Sage Homes Washington Detached - 13,200 OR 120 Expected Sell-Out By 11/ 34 at 0.21 per mo.												
Contracts / Sales Pace / SPL3M: 3 / 0.2 / 0.3	2,047	4/2.5	1	2	\$685,000	\$0	\$0	\$685,000	\$335	\$0	0.9%	0.0%
Annual Starts / L12M Start Rate: 3 / 0.3	3,176	5/4	2	3	\$865,000	\$0	\$0	\$865,000	\$272	\$0	0.9%	0.0%
Annual Closings / L12M Closing Rate: 0 / 0.0												
Total Units / Occupancy / Occ. Rate: 29 / 0 / 0%												
	2,612				\$775,000	\$0	\$0	\$775,000	\$303	\$0	0.9%	0.0%

CMA Price Position Graph – New Home Base Prices – Detached

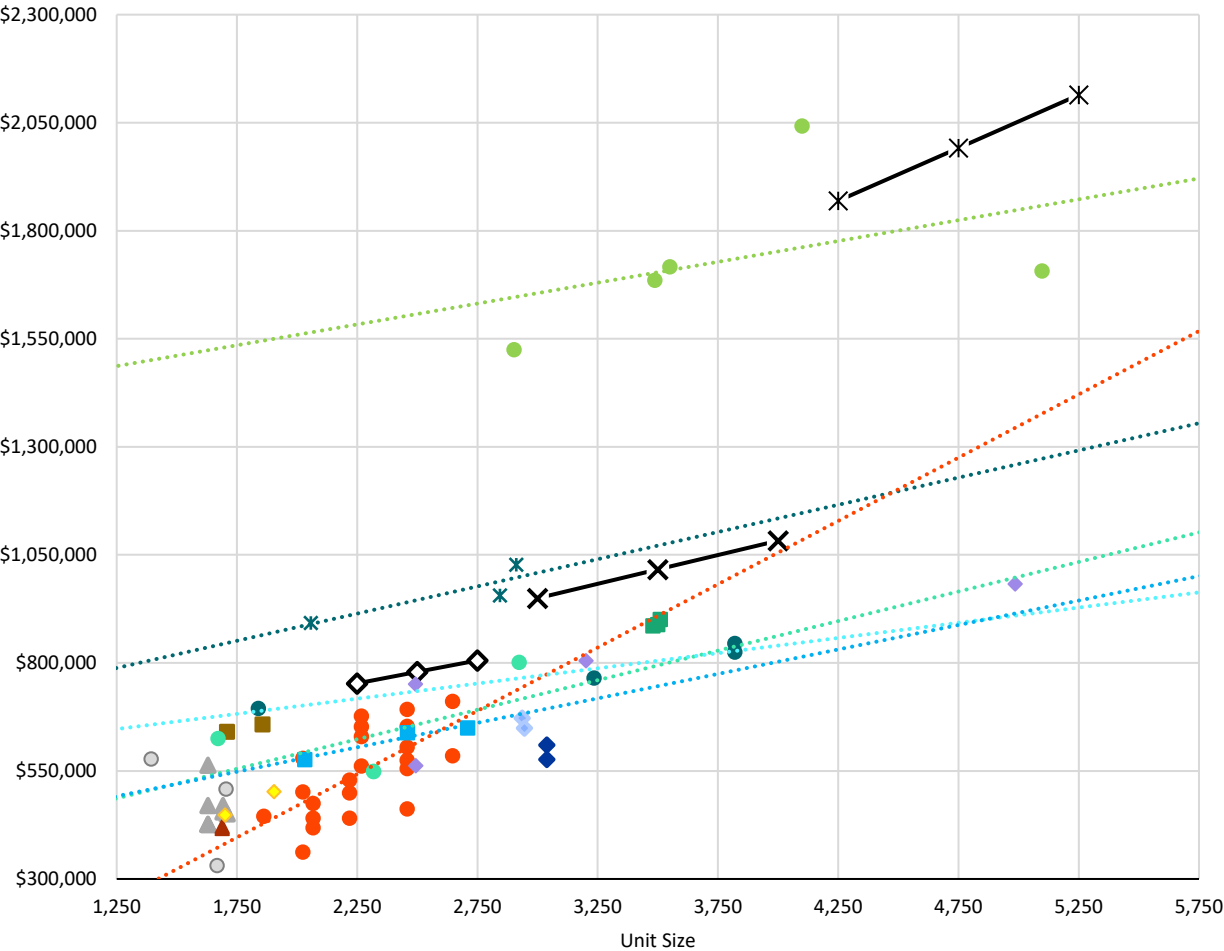
Competitive Market Comparables & Positioning



CMA Price Position Graph – New Home Closing Prices – Detached

Competitive Market Comparables & Positioning

New Home Closings Versus Subject Estimated Closing Price

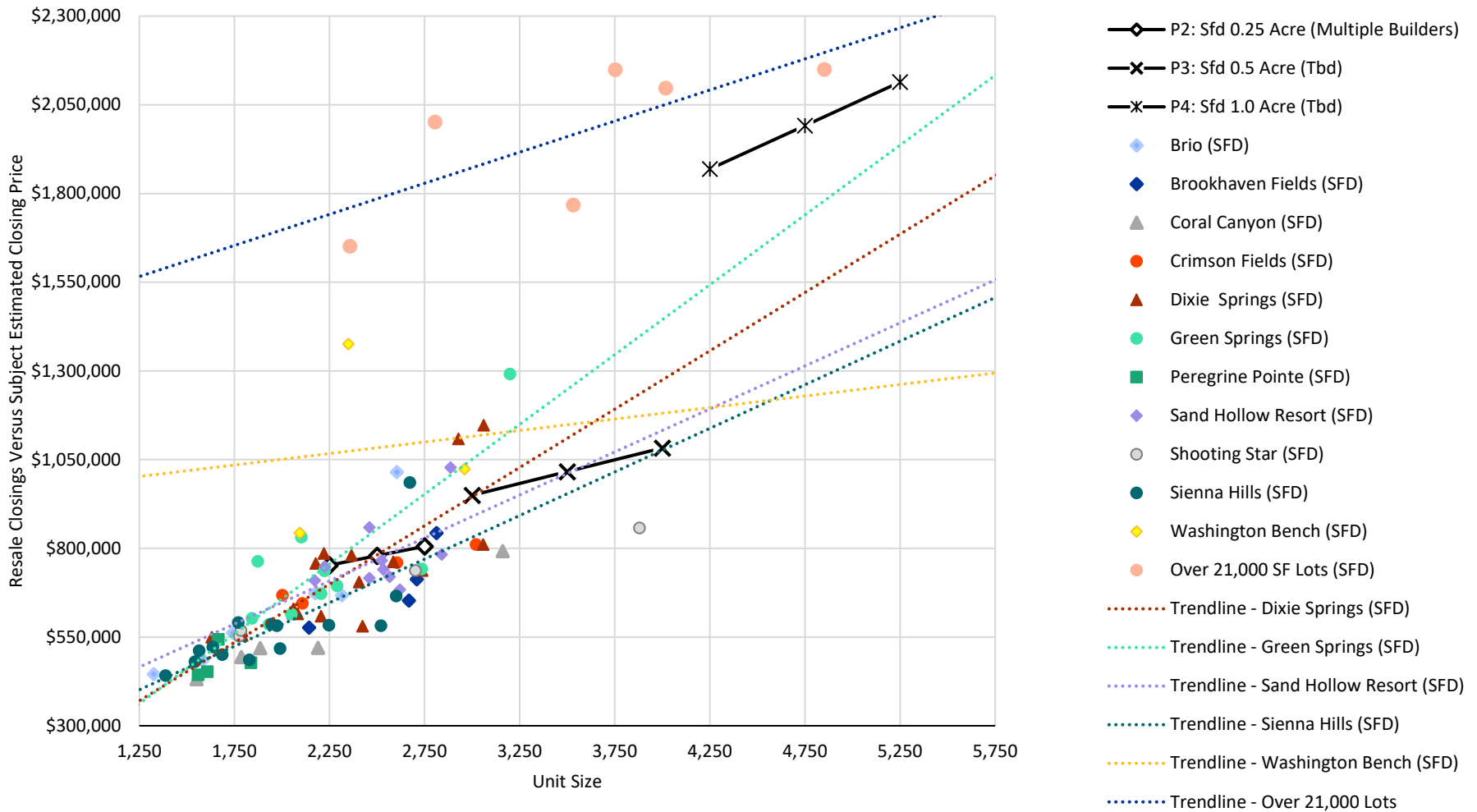


- P2: Sfd 0.25 Acre (Multiple Builders)
- P3: Sfd 0.5 Acre (Tbd)
- P4: Sfd 1.0 Acre (Tbd)
- Collina Tinta/Ridge at Zion Vista-Interstate Homes (SFD)
- Cottonwood Hollow-Interstate Homes (SFD)
- Desert Sands/Lake Side-Ivory Homes (SFD)
- Franklin Fields-S&S Construction (SFD)
- Long Valley Standing Rock East-DR Horton (SFD)
- Long Valley Starr Springs-DR Horton (SFD)
- Painted Sands-Northmen Construction (SFD)
- Peregrine Pointe West-Perry Homes (SFD)
- Roadrunner Ridge-Taylor Built Homes (SFD)
- Shooting Star-Holmes Homes (SFD)
- Star Valley-Gemstone Homes (SFD)
- Sunrise Valley Red Mesa-Desert Ventures (SFD)
- Sunrise Valley Red Waters-Ence Homes (SFD)
- Sunrise Valley Riverbend-S&S Construction (SFD)
- Large Lot Closings CMA Since 2023
- Trendline - Collina Tinta/Ridge at Zion Vista-Interstate Homes (SFD)
- Trendline - Long Valley Starr Springs-DR Horton (SFD)
- Trendline - Peregrine Pointe West-Perry Homes (SFD)
- Trendline - Sunrise Valley Red Mesa-Desert Ventures (SFD)
- Trendline - Sunrise Valley Riverbend-S&S Construction (SFD)

Source: Zonda

CMA Price Position Graph – Resale Home Closing Prices - Detached

Competitive Market Comparables & Positioning



Source: Zonda

Gap Analysis by Retail Type Demand

Retail Gap Analysis

The table shows the gap or surplus of retail product located within the CMA and the corresponding potential square footage needed in the CMA.

Grapevine CMA Retail CMA						
Retail Stores	2023 Estimated Retail Sales	2023 Resident Expenditures	2028 Resident Expenditures	CMA Opportunity Gap or (Surplus)		2023 How Much ⁽¹⁾ ?
				2023	2028	
GLA in Shopping Centers w/in the CMA	2,753,879sf	4,123,817sf	4,890,965sf	1,369,938sf	2,137,086sf	1,369,938sf
Total Retail Sales Incl Eating and Drinking Places	\$841,690,116	\$1,260,395,374	\$1,494,864,911	\$418,705,258	\$653,174,795	2,137,086sf
2023 Retail Expenditures Per Sq.Ft. of Resident Pop	\$305.64/sf	\$457.68/sf	\$457.68/sf			
2023 Retail Expenditures Per Person of Resident Pop	\$12,994/person	\$19,458/person	\$19,458/person			
Total Pop. in CMA (incl. subject site):	64,775 persons	64,775 persons	76,825 persons			
Added Resident Retail Sales Potential From 2023			\$234,469,537			
Added Total Retail Sales Potential From 2023			\$156,578,401			
Added Resident Retail Sq.Ft. Potential From 2023			512,300sf			
Added Total Retail Sq.Ft. Potential From 2023			342,113sf			
Totals						
Total retail trade including food and drink	\$841,690,116	\$1,260,395,374	\$1,494,864,911	\$418,705,258	\$653,174,795	
Total retail trade	\$771,653,972	\$1,105,898,481	\$1,311,627,183	\$334,244,509	\$539,973,211	
Motor Vehicle and Parts Dealers						
Motor vehicle and parts dealers	211,307,697	257,295,671	\$305,160,014	\$45,987,974	\$93,852,317	59,111sf
Automobile dealers	132,687,825	207,972,961	\$246,661,872	\$75,285,136	\$113,974,047	96,768sf
New car dealers	111,902,881	185,528,612	\$220,042,233	\$73,625,731	\$108,139,352	94,635sf
Used car dealers	20,784,943	22,444,349	\$26,619,639	\$1,659,406	\$5,834,696	2,133sf
Other motor vehicle dealers	55,360,572	27,121,587	\$32,166,977	(\$28,238,985)	(\$23,193,595)	-
Recreational vehicle dealers	39,156,740	11,286,381	\$13,385,970	(\$27,870,359)	(\$25,770,770)	-
Motorcycle, boat, and other motor vehicle dealers	16,203,832	15,835,206	\$18,781,007	(\$368,626)	\$2,577,175	-
Boat dealers	270,214	6,315,920	\$7,490,862	\$6,045,706	\$7,220,648	7,771sf
Motorcycle, ATV, and all other motor vehicle dealers	15,933,618	9,519,286	\$11,290,145	(\$6,414,332)	(\$4,643,473)	-
Automotive parts, accessories, and tire stores	23,259,300	22,201,123	\$26,331,166	(\$1,058,177)	\$3,071,866	-
Automotive parts and accessories stores	10,313,451	14,001,022	\$16,605,612	\$3,687,571	\$6,292,161	4,740sf
Tire dealers	12,945,849	8,200,101	\$9,725,554	(\$4,745,748)	(\$3,220,295)	-
Furniture and Home Furnishings Stores						
Furniture and home furnishings stores	33,119,043	23,911,670	\$28,359,924	(\$9,207,373)	(\$4,759,119)	-
Furniture stores	15,909,921	13,227,932	\$15,688,705	(\$2,681,989)	(\$221,216)	-
Home furnishings stores	17,209,121	10,683,738	\$12,671,218	(\$6,525,383)	(\$4,537,903)	-
Floor covering stores	12,482,663	4,811,823	\$5,706,960	(\$7,670,840)	(\$6,775,703)	-
Other home furnishings stores	4,726,459	5,871,916	\$6,964,260	\$1,145,457	\$2,237,801	1,705sf
Window treatment stores	0	309,739	\$367,359	\$309,739	\$367,359	115sf
All other home furnishings stores	4,726,459	5,562,176	\$6,596,900	\$835,717	\$1,870,441	311sf
Electronics and Appliance Stores						
Electronics and appliance stores	4,367,483	17,816,490	\$21,130,866	\$13,449,007	\$16,763,383	6,338sf
Household appliance stores	701,085	3,209,315	\$3,806,339	\$2,508,230	\$3,105,254	1,182sf
Electronics stores	3,666,398	14,607,174	\$17,324,526	\$10,940,776	\$13,658,128	5,156sf

Gap Analysis by Retail Type Demand

Retail Gap Analysis

Grapevine CMA Retail CMA							
Retail Stores	2023 Estimated Retail Sales	2023 Resident Expenditures	2028 Resident Expenditures	CMA Opportunity Gap or (Surplus)		2023 How Much ^{(1)?}	2028 How Much ^{(1)?}
				2023	2028		
Building Material and Garden Equipment and Supplies Dealers							
Building material and garden equipment and supplies dealers	109,709,846	75,846,385	\$89,955,979	(\$33,863,461)	(\$19,753,867)	-	-
Building material and supplies dealers	96,485,225	63,996,944	\$75,902,203	(\$32,488,281)	(\$20,583,022)	-	-
Home centers	45,926,788	35,940,098	\$42,625,983	(\$9,986,690)	(\$3,300,805)	-	-
Paint and wallpaper stores	3,079,847	2,578,243	\$3,057,870	(\$501,604)	(\$21,977)	-	-
Hardware stores	3,824,832	5,647,696	\$6,698,329	\$1,822,864	\$2,873,497	1,718sf	2,708sf
Other building material dealers	43,653,758	19,830,907	\$23,520,022	(\$23,822,851)	(\$20,133,736)	-	-
Lawn and garden equipment and supplies stores	13,224,622	11,849,441	\$14,053,775	(\$1,375,181)	\$829,153	-	781sf
Outdoor power equipment stores	2,071,549	2,439,448	\$2,893,255	\$367,899	\$821,706	347sf	774sf
Nursery, garden center, and farm supply stores	11,153,073	9,409,993	\$11,160,520	(\$1,743,080)	\$7,447	-	7sf
Food and Beverage Stores							
Food and beverage stores	90,229,152	158,097,726	\$187,508,418	\$67,868,574	\$97,279,266	25,582sf	36,668sf
Grocery stores	90,229,152	142,783,190	\$169,344,941	\$52,554,038	\$79,115,789	19,809sf	29,821sf
Supermarkets and other grocery	89,485,899	137,300,580	\$162,842,409	\$47,814,681	\$73,356,510	18,023sf	27,650sf
Convenience stores	743,253	5,482,610	\$6,502,532	\$4,739,357	\$5,759,279	1,786sf	2,171sf
Specialty food stores	0	3,973,779	\$4,713,015	\$3,973,779	\$4,713,015	1,498sf	1,776sf
Meat markets	0	1,218,441	\$1,445,106	\$1,218,441	\$1,445,106	459sf	545sf
Fish and seafood markets	0	478,520	\$567,538	\$478,520	\$567,538	180sf	214sf
Fruit and vegetable markets	0	825,706	\$979,311	\$825,706	\$979,311	311sf	369sf
Other specialty food stores	0	1,451,111	\$1,721,059	\$1,451,111	\$1,721,059	547sf	649sf
All other specialty food stores	0	686,590	\$814,315	\$686,590	\$814,315	802sf	951sf
Beer, wine, and liquor stores	0	11,340,758	\$13,450,463	\$11,340,758	\$13,450,463	12,829sf	15,215sf
Health and Personal Care Stores							
Health and personal care stores	32,243,334	66,410,136	\$78,764,318	\$34,166,802	\$46,520,984	10,169sf	13,846sf
Pharmacies and drug stores	26,590,870	56,599,314	\$67,128,403	\$30,008,444	\$40,537,533	8,931sf	12,065sf
Cosmetics, beauty supplies, and perfume stores	1,544,379	4,123,406	\$4,890,477	\$2,579,027	\$3,346,098	768sf	996sf
Optical goods stores	797,406	1,951,865	\$2,314,968	\$1,154,459	\$1,517,562	344sf	452sf
Other health and personal care stores	3,310,678	3,735,550	\$4,430,469	\$424,872	\$1,119,791	126sf	333sf
Food	1,334,614	1,321,644	\$1,567,508	(\$12,970)	\$232,894	-	69sf
All other health and personal care stores	1,976,064	2,413,907	\$2,862,963	\$437,843	\$886,899	414sf	838sf
Gasoline Stations							
Gasoline stations	65,843,581	74,947,059	\$88,889,352	\$9,103,478	\$23,045,771	2,709sf	6,859sf
Clothing and Clothing Accessories Stores							
Clothing and clothing accessories stores	25,604,474	49,362,018	\$58,544,763	\$23,757,544	\$32,940,289	16,790sf	23,279sf
Clothing stores	23,863,177	34,260,192	\$40,633,566	\$10,397,015	\$16,770,389	7,348sf	11,852sf
Men's clothing stores	242,309	1,046,755	\$1,241,481	\$804,446	\$999,172	569sf	706sf
Women's clothing stores	3,108,348	5,794,536	\$6,872,485	\$2,686,188	\$3,764,137	1,898sf	2,660sf
Children's and infants' clothing stores	1,698,182	1,750,090	\$2,075,657	\$51,908	\$377,475	37sf	267sf
Family clothing stores	16,031,267	20,817,073	\$24,689,643	\$4,785,806	\$8,658,376	3,382sf	6,119sf
Clothing accessories stores	575,769	1,791,033	\$2,124,216	\$1,215,264	\$1,548,447	859sf	1,094sf
Other clothing stores	2,207,302	3,060,704	\$3,630,082	\$853,402	\$1,422,780	603sf	1,005sf
Shoe stores	628,441	5,924,798	\$7,026,980	\$5,296,357	\$6,398,539	3,743sf	4,522sf
Jewelry, luggage, and leather goods stores	1,112,857	9,177,029	\$10,884,218	\$8,064,172	\$9,771,361	5,699sf	6,906sf
Jewelry stores	1,112,857	6,318,930	\$7,494,431	\$5,206,073	\$6,381,574	3,679sf	4,510sf
Luggage and leather goods stores	0	2,858,098	\$3,389,786	\$2,858,098	\$3,389,786	2,020sf	2,396sf

Gap Analysis by Retail Type Demand

Retail Gap Analysis

				CMA		2023	2028
	2023 Estimated	2023 Resident	2028 Resident	Opportunity Gap or (Surplus)		How	How
Retail Stores	Retail Sales	Expenditures	Expenditures	2023	2028	Much ⁽¹⁾ ?	Much ⁽¹⁾ ?
Sporting Goods, Hobby, Musical Instrument, and Book Stores							
Sporting goods, hobby, musical instrument, and book stores	14,946,187	19,330,695	\$22,926,756	\$4,384,508	\$7,980,569	5,164sf	9,400sf
Sporting goods, hobby, and musical instrument stores	13,920,621	17,157,574	\$20,349,373	\$3,236,953	\$6,428,752	3,813sf	7,572sf
Sporting goods stores	10,873,682	12,212,532	\$14,484,412	\$1,338,850	\$3,610,730	1,577sf	4,253sf
Hobby, toy, and game stores	1,003,747	3,631,666	\$4,307,260	\$2,627,919	\$3,303,513	3,095sf	3,891sf
Sew ing, needlew ork, and piece goods stores	1,954,497	605,141	\$717,715	(\$1,349,356)	(\$1,236,782)	-	-
Musical instrument and supplies stores	88,695	708,235	\$839,987	\$619,540	\$751,292	730sf	885sf
Book stores and new s dealers	1,025,566	2,173,121	\$2,577,384	\$1,147,555	\$1,551,818	1,352sf	1,828sf
Book stores	1,025,566	2,042,697	\$2,422,697	\$1,017,131	\$1,397,131	1,198sf	1,646sf
New s dealers and new s stands	0	130,424	\$154,687	\$130,424	\$154,687	154sf	182sf
General Merchandise Stores							
General merchandise stores	136,443,597	140,781,988	\$166,971,459	\$4,338,391	\$30,527,862	4,089sf	28,773sf
Department stores	7,671,500	16,840,527	\$19,973,346	\$9,169,027	\$12,301,846	8,642sf	11,595sf
Other general merchandise stores	128,772,097	123,941,462	\$146,998,114	(\$4,830,635)	\$18,226,017	-	17,178sf
Warehouse clubs and supercenters	126,770,951	113,013,457	\$134,037,188	(\$13,757,494)	\$7,266,237	-	6,848sf
All other general merchandise stores	2,001,146	10,928,005	\$12,960,926	\$8,926,859	\$10,959,780	8,414sf	10,330sf
Miscellaneous Store Retailers							
Miscellaneous store retailers	9,533,065	25,070,095	\$29,733,849	\$15,537,030	\$20,200,784	15,143sf	19,689sf
Florists	93,090	1,195,746	\$1,418,189	\$1,102,656	\$1,325,099	1,075sf	1,292sf
Office supplies, stationery, and gift stores	2,217,142	5,181,150	\$6,144,992	\$2,964,008	\$3,927,850	2,889sf	3,828sf
Office supplies and stationery stores	808,637	2,110,783	\$2,503,449	\$1,302,146	\$1,694,812	1,269sf	1,652sf
Gift, novelty, and souvenir stores	1,408,506	3,070,367	\$3,641,543	\$1,661,861	\$2,233,037	1,620sf	2,176sf
Used merchandise stores	200,604	3,662,145	\$4,343,409	\$3,461,541	\$4,142,805	3,374sf	4,038sf
Other miscellaneous store retailers	7,022,229	15,031,053	\$17,827,258	\$8,008,824	\$10,805,029	7,806sf	10,531sf
Pet and pet supplies stores	2,022,959	4,668,547	\$5,537,030	\$2,645,588	\$3,514,071	2,579sf	3,425sf
Art dealers	689,796	2,261,562	\$2,682,277	\$1,571,766	\$1,992,481	1,532sf	1,942sf
Manufactured	0	1,810,862	\$2,147,734	\$1,810,862	\$2,147,734	1,765sf	2,093sf
All other miscellaneous store retailers	4,309,474	6,290,082	\$7,460,217	\$1,980,608	\$3,150,743	1,930sf	3,071sf
Tobacco stores	1,259,065	1,563,219	\$1,854,022	\$304,154	\$594,957	296sf	580sf
All other miscellaneous store retailers	3,050,410	4,726,863	\$5,606,195	\$1,676,453	\$2,555,785	1,634sf	2,491sf
Non-store Retailers							
Non-store retailers	38,306,513	197,028,548	\$233,681,485	\$158,722,035	\$195,374,972	448,367sf	551,907sf
Electronic shopping and mail-order houses	30,850,303	189,094,732	\$224,271,753	\$158,244,429	\$193,421,450	447,018sf	546,388sf
Vending machine operators	0	956,792	\$1,134,783	\$956,792	\$1,134,783	2,703sf	3,206sf
Direct selling establishments	7,456,211	6,977,024	\$8,274,950	(\$479,187)	\$818,739	-	2,313sf
Fuel dealers	133,700	3,548,454	\$4,208,568	\$3,414,754	\$4,074,868	9,646sf	11,511sf
Other direct selling establishments	7,322,511	3,428,569	\$4,066,381	(\$3,893,942)	(\$3,256,130)	-	-
Food Services and Drinking Places							
Food services and drinking places	70,036,144	154,496,893	\$183,237,728	\$84,460,749	\$113,201,584	47,772sf	64,028sf
Special food services	1,202,346	11,683,863	\$13,857,395	\$10,481,517	\$12,655,049	5,928sf	7,158sf
Food service contractors	672,818	9,068,465	\$10,755,458	\$8,395,647	\$10,082,640	4,749sf	5,703sf
Caterers	421,637	2,360,916	\$2,800,114	\$1,939,279	\$2,378,477	1,097sf	1,345sf
Mobile food services	107,891	254,483	\$301,824	\$146,592	\$193,933	83sf	110sf
Drinking places	0	5,349,598	\$6,344,776	\$5,349,598	\$6,344,776	3,026sf	3,589sf
Restaurants and other eating places	68,833,798	137,463,431	\$163,035,555	\$68,629,633	\$94,201,757	38,818sf	53,282sf
Full-service restaurants	35,328,329	69,033,584	\$81,875,802	\$33,705,255	\$46,547,473	19,064sf	26,328sf
Limited-service restaurants	29,083,048	58,065,823	\$68,867,724	\$28,982,775	\$39,784,676	16,393sf	22,503sf
Cafeterias, grill buffets, and buffets	1,726,354	1,480,097	\$1,755,437	(\$246,257)	\$29,083	-	16sf
Snack and non-alcoholic beverage bars	2,696,066	8,883,926	\$10,536,590	\$6,187,860	\$7,840,524	3,500sf	4,435sf

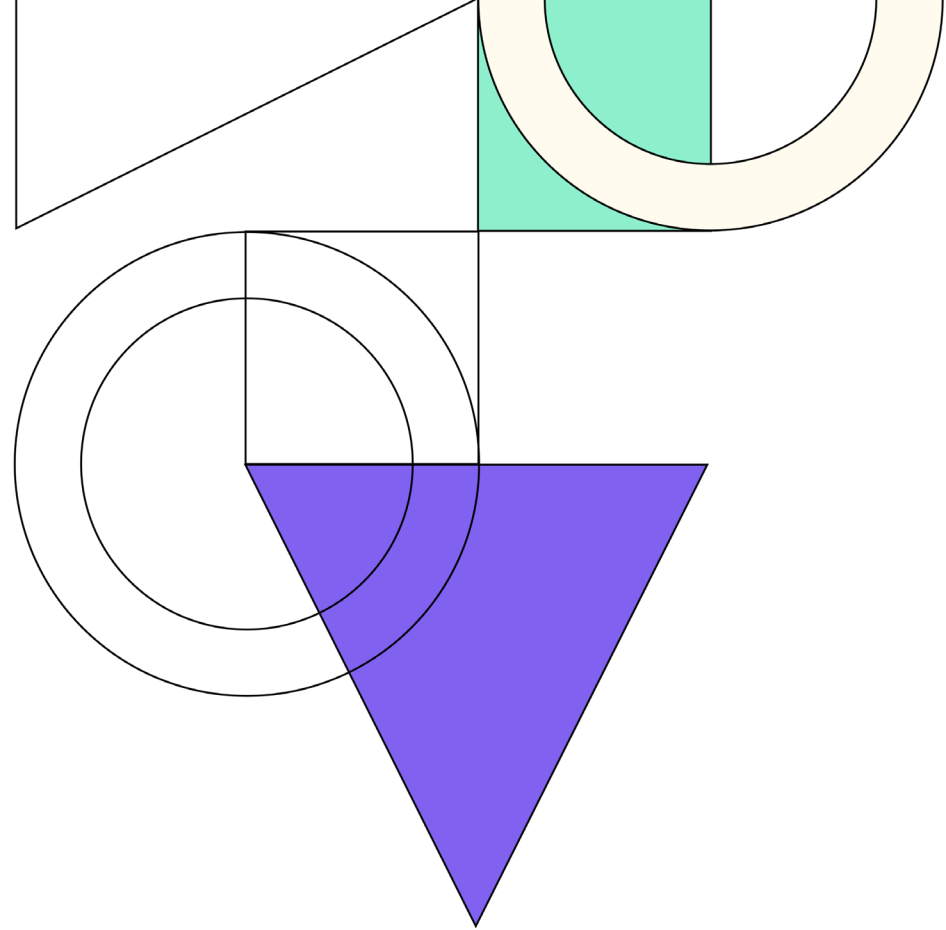
Source: Claritas; Zonda

Hotel Scales

Hospitality

Chain Scale	Marriott	Hilton	IHG	Hyatt	Choice	Wyndham	Radisson	Best Western	Red Lion
Luxury	Ritz-Carlton St. Regis Luxury Collection W Hotels Edition Le Merdien JW Marriott	Waldorf Astoria LXR Conrad	InterContinental	Park Hyatt Andaz Miraval Unbound					
Upper Upscale	Marriott Westin Renaissance Sheraton Autograph Tribute Design Gaylord	Hilton Canopy Curio Signia Embassy Suites	Kimpton Indigo	Grand Hyatt Centric Regency Thompson Joel de Vivre Destination Alila		Wyndham Grand Dolce	Blu Red Radisson Collection		
Upscale	Courtyard SpringHill AC Aloft Delta Four Points Residence Inn Element	Garden Inn Tapestry Tempo DoubleTree Homewood	Voco EVEN Crowne Plaza Staybridge	Hyatt Place Hyatt House Caption	Cambria Ascend	Wyndham Dazzler	Radisson Park Plaza	Premier Sadie Vib	Hotel RL
Upper Midscale	Fairfield Moxy TownePlace	Hampton Inn Motto Home2Suites	Holiday Inn Holiday Inn Express		Comfort Inn Comfort Suites Clarion	La Quinta Trademark Tryp Wyndham Garden	Country Inn Park Inn	Best Western Plus Glo Executive Stay Adien	Red Lion Hotel
Midscale		Tru	avid Candlewood		Sleep Inn Quality MainStay	Wingate Baymont Americinn Ramada Hawthorn		Best Western	Red Lion Inn Signature GuestHouse
Economy					EconoLodge Rodeway Suburban Extended Woodspring	Microtel Super 8 Days Inn Howard Johnson Travelodge			Americas Best Value Knights Inn

Appendix: Methodology



Methodology

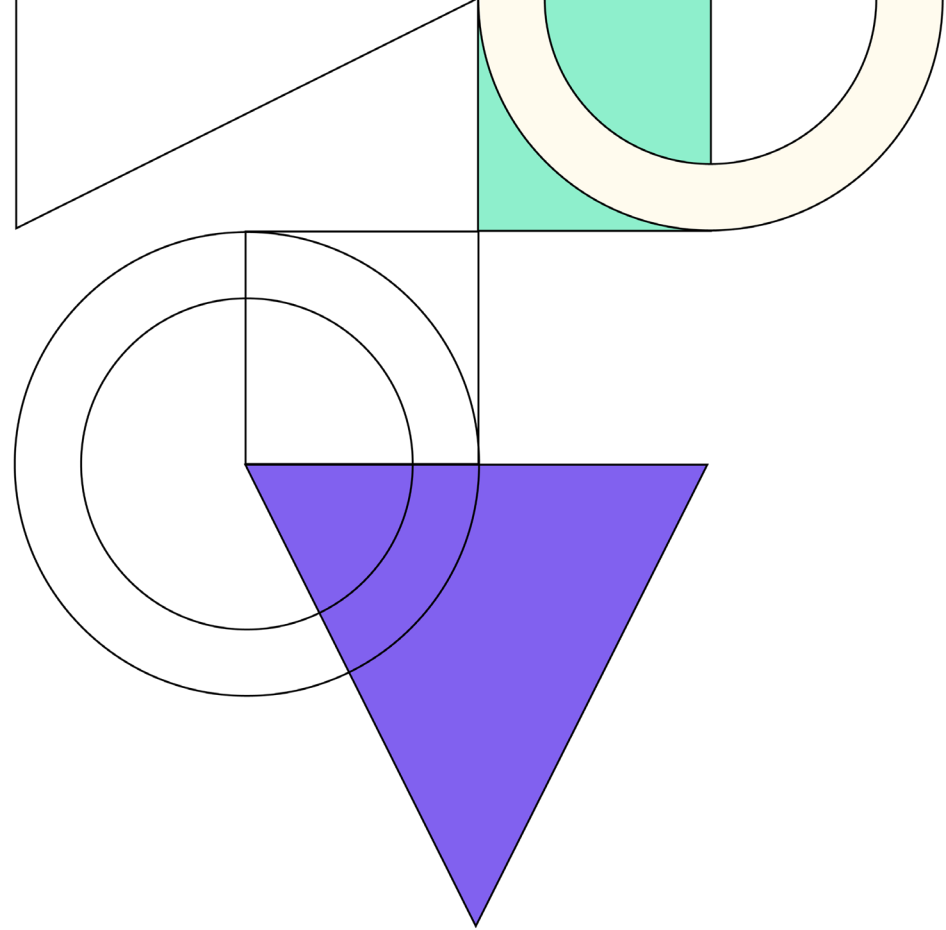
Appendix

The St. George Market and the Grapevine Competitive Market Area were analyzed by evaluating historical trends in housing supply, demographics, employment, and household formation to determine economic expansion trends and associated levels of housing demand. Further, to supplement the data indicating increasing demand from surrounding areas into the broader Market area, we reviewed nearby major employment centers and known workforce commuting patterns.

The Zonda housing survey monitors the supply of detached and attached homes on a quarterly basis. Our survey tracks all condominium, townhome, duplex, and single-family construction activity in the St. George area. The survey allows us to accurately track the size of the total market, as well as supply and demand within the sub-markets. Further, it helps us establish the depth of the market and the scope of the competition. In this study, Zonda Advisory supplemented the quarterly data with specific fieldwork needed to analyze the Competitive Market Area within the overall Market.

Definitions

- **Annual Starts:** The number of homes started during the last four quarters. A “start” occurs when a slab or foundation is initiated.
- **Annual Closings:** The number of homes closed during the last four quarters. A “closing” occurs when a home is moved into and occupied. Zonda tracks move-ins, as they are a better indicator of demand than deed deliveries.
- **Square Footage:** All measures of a home size are in terms of air-conditioned space.
- **Models:** Must be fully finished, furnished, and decorated.
- **Finished Vacant:** Construction is complete, the site is clean, but there is no evidence of occupancy.
- **Finished Vacant Months of Supply:** F/V months of supply is calculated by dividing the number of F/V homes by the current annual closings pace; and then multiplying by twelve to yield months.
- **Vacant Developed Lots:** Also referred to as “VDL” and “Finished Lots”; a lot on a recorded plat with streets and utilities in place, ready for construction of a new home.
- **Vacant Developed Lots Months of Supply:** VDL months-of-supply is calculated by dividing the number of VDL by the current annual starts pace; and then multiplying by twelve to yield months.
- **Future Lots:** Lots that are platted, but not yet developed.



Appendix: Disclaimer

Disclaimer

Appendix

It is understood by Grapevine Basic Local District (“Client”) that Zonda can make no guarantees about the recommendations in this study, primarily because these recommendations must be based and, in some cases, inferred from facts discovered by Zonda during the course of the study. To protect the Client and to assure that Zonda’s research results will continue to be accepted as objective and impartial by the business community, it is understood that Zonda’s fee for this study is in no way dependent upon the specific conclusions reached or the nature of the advice given in this report.

Reasonable efforts have been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions and other information developed by Zonda from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agents and representatives or any other data source used in preparing or presenting this study. This report is based on market-wide information that was current as of the end of 1Q24 and Zonda has not undertaken any update of its research effort since such date. While every reasonable effort was made to collect this information and it is deemed reliable, it cannot be guaranteed for accuracy.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, Zonda makes no warranty or representation that any of the projected values or results in this study will actually be achieved.



Thank you!

Zonda

4000 Macarthur Boulevard, Suite 400

Newport Beach, California 92660

(949) 579-1229

