

## Development marches on at Daybreak

**Expansion» Utah's largest master-planned community keeps on growing.**

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Updated:

You might expect it to be a lot more quiet at the Daybreak community in South Jordan these days amid an economic downturn that has hit Utah's home building industry hard.

But unlike some areas of the Wasatch Front, where development has all but stopped, developer Kennecott Land is still embarking on a slew of development projects in Utah's largest housing community.

A new housing area for seniors built by Ivory Homes will debut in June. A 68,000 square foot retail development with Daybreak's first retail shops also will be completed around the same time. And work will begin in June on the community's first apartment complex, a 315-unit project scheduled to open fall 2010.

Also in the works: A 175,000 square foot University of Utah Health Center set to open in late 2010. And although home building is down sharply from its peak in 2006, there are some encouraging signs here. In the first quarter, 90 single-family homes and condos sold in Daybreak, up 11 percent from first quarter 2008. Right now, any year-over-year increase in housing units is a cause for celebration. To put that into perspective, "We're selling a home a day," said Ty McCutcheon, Kennecott Land's vice president of community development.

Home prices in the community range from the \$130,000s to more than \$800,000.

The 4,126-acre Daybreak, framed by the Oquirrh Mountains, debuted in 2004. It was like nothing the Wasatch Front had ever seen, with its nearly two dozen model homes designed by no less than seven builders. Today there are 10 builders.

Daybreak is still Utah's largest residential community, with 1,950 occupied condominiums, townhomes and single-family homes along. On the commercial side, it now has about 415,000 square feet of office and industrial space. Another 547,000 square feet of commercial space is in development in the medical center, retail development and additional industrial space.

Think that's pretty big? At buildout, Daybreak is expected to have as much as 20,000 single-family and multi-family units and 14 million square million square feet of office, retail and other commercial space.

James Wood, director of the University of Utah Bureau of Business and Economic Research, Daybreak is unique from other housing projects in Utah.

Its appeal is that is "it's a true mixed use project, where you have a range of residential options as well as commercial choices," he said.

Kennecott Land was established in 2001, the development company grew out of Kennecott Utah Copper Corp., a wholly owned subsidiary of international mining conglomerate Rio Tinto.

Daybreak occupies part of about 93,000 acres acquired years ago by Kennecott Utah Copper.

Kennecott Land is not actually building the homes in Daybreak. It's serving as a master developer, selling lots to builders who handle actual construction of homes, including Ivory Homes and Garbett Homes.

Ivory's housing development for people age 55 and older will be a mix of 500 condos, townhomes and single-family detached homes.

On the commercial side, Kennecott tends to be more involved. It develops its own office buildings, which it leases.

It is partnering with apartment developer Western National Realty to build and manage its 315-unit apartment complex.

And Kennecott also is developing the 68,000 square feet of retail space currently under construction will be spread out over five buildings scheduled for completion in June. Through the summer and fall, tenants including a coffee shop, ice cream store, Mexican restaurant, dry cleaner, hair salon and youth multisport facility will move in. Daybreak will not yet release any names of tenants except for Zions Bank.

What about that grocery store that Kennecott has been talking about for years? Still no deal yet, says said Scott Kaufman, director of commercial development at Kennecott Land.

"We're patiently waiting for the right operator and the right concept," he said.

In other words, the division has yet to ink a deal with an operator they want and that also has the means to build a new store right now.

The good news for Daybreak is that it probably has seen the worst of the housing downturn, said Eric Allen, director of the Utah/Idaho region of Metrostudy, a housing tracking firm.

He said Daybreak has undoubtedly been affected by the downturn, but not as much as some other areas that have focused primarily on higher price points.

Daybreak's uptick in first-quarter sales are just one sign that the community -- and the Wasatch Front's home building industry as a whole -- is poised for a turnaround.

"I think we're very near the bottom, if we're not already there," he said. "The market should start to stabilize this year."

## Largest Housing Subdivisions in Salt Lake Area

Community/2008 housing starts

Single family, condos and townhomes

1. Daybreak South Jordan 342

2. Foxboro North Salt Lake 249

3. Highbury West Valley 211
4. Stansbury Park, Tooele County 102
5. Harvest Hills, Saratoga Springs 91

Source: MetroStudy

#### Daybreak Facts

Located between 10200 South and 11800 South from 4000 West to state Route 111 (about 7200 West)

Contains 1,950 occupied homes

Opened in 2004

Will have 1,056 acres of open space

Price range of home, condos and townhomes for sale in Daybreak: \$130,000 to more than \$800,000