

**YARDI<sup>®</sup>** Matrix

# Salt Lake Growth Story

Multifamily Fall Report 2016

**New Employment Drives Rent Escalation**

**Investment Reaches Post-Bubble High**

**Will Demand for Apartments Outpace Supply?**



# SALT LAKE CITY MULTIFAMILY

**YARDI**® Matrix

## Market Analysis

Fall 2016

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## Rapid Growth Story

Salt Lake City's multifamily market continues to produce gains, fueled by the favorable demographic picture, robust employment and Utah's strong economy. A healthy influx of professional jobs and the area's relative affordability are attracting residents and lifting demand for apartments.

The metro's universities and medical institutions beget a skilled workforce that attracts technology and medical firms, while large firms such as Goldman Sachs, Adobe, eBay and accounting's Big Four have established outposts that hire many of these graduates. Furthermore, the number of high-paying science, technology, engineering and math (STEM) jobs is expected to grow over the next few years.

Out-of-state investors, particularly those from California, are being lured to the area by the operating costs, which are a fraction of what they would be in neighboring metros. Investor interest is expected to grow, especially now that Google Fiber has flipped the switch on its super-high-speed network in Salt Lake City, providing service in the city center starting in August. Apartment development is on pace to reach another high in 2016, with more than 6,700 units under construction. Most of the development is occurring along the downtown region, with headline projects underway in Salt Lake City, Orem and Sandy. The supply of new rentals is outstripping construction, with metrowide vacancy dropping below 4%.

## Recent Salt Lake City Transactions

### Sandalwood



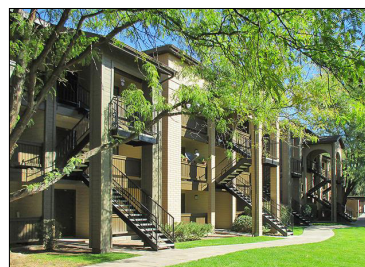
City: Salt Lake City  
Buyer: ColRich Group  
Purchase Price: \$53 MM  
Price per Unit: \$189,511

### Brighton Place



City: Salt Lake City  
Buyer: Friedkin Investment Co.  
Purchase Price: \$44 MM  
Price per Unit: \$132,216

### Eagles Landing



City: Salt Lake City  
Buyer: QVT Mount Auburn Capital  
Purchase Price: \$30 MM  
Price per Unit: \$80,247

### Goldstone Place



City: Salt Lake City  
Buyer: Walter Hick Jr.  
Purchase Price: \$22 MM  
Price per Unit: \$96,491