



MULTIFAMILY REPORT

Salt Lake City Fights Slowdown

April 2023

Occupancy On Par With US Rate

Deliveries Decelerate Significantly

Short-Term Rent Growth Still Negative

SALT LAKE CITY MULTIFAMILY



Signs of Stagnation Along The Wasatch Front

Mirroring nationwide trends, the Salt Lake City multifamily market continues to adapt to the weakening economic landscape. In November, rent growth turned negative, and by February, rates had posted a 0.5% decline on a trailing three-month basis, to \$1,568. The national figure contracted by only 0.1%, to \$1,702. Meanwhile, occupancy declined 180 basis points in the 12 month ending in January, clocking in at 95.2% and on par with the U.S. rate.

The Wasatch Front job market expanded by 2.8% in 2022, having added 28,900 positions. Three sectors, including financial services and professional and business services, shed a combined 5,300 jobs. Tech unicorns MX, Route and Podium have already reduced their workforce and other layoffs are expected, as tech companies continue to navigate macroeconomic concerns. Despite these challenges, several large infrastructure projects are moving forward, including the 10-year, \$4.1 billion Salt Lake City International Airport capital improvement program. The second phase is on track for completion this year.

Deliveries dropped significantly, with only a 230-unit project coming online in the first two months of the year. Construction starts ground to a halt as many developers have postponed projects until the economy stabilizes. The market volatility also pushed many investors to the sidelines, bringing sales to a standstill.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Laura Calugar

Senior Editor

Recent Salt Lake City Transactions

Downtown West



City: Salt Lake City
Buyer: Tailwind Investment Group
Purchase Price: \$83 MM
Price per Unit: \$197,767

Tuscany Cove



City: West Valley, Utah
Buyer: Preserve Partners
Purchase Price: \$31 MM
Price per Unit: \$123,339

Downtown 360



City: Salt Lake City
Buyer: Hill Street Realty
Purchase Price: \$31 MM
Price per Unit: \$205,559