

Yardi® Matrix

# Salt Lake City's Viable Growth

Multifamily Report Summer 2018

Developers Target Upscale Segment

Rent Growth Outpaces Nation

Per-Unit Prices Inflate



# SALT LAKE CITY MULTIFAMILY

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## Market Analysis

Summer 2018

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## Increasing Migration Sustains Demand

An influx of young professionals continues to boost multifamily development along the Wasatch Front. Salt Lake City's growing population and solid employment gains are attracting investors and developers alike.

Up 2.7% year-over-year, job growth occurred across almost all sectors. Salt Lake City added 36,300 positions in the 12 months ending in April, with trade, transportation and utilities leading the way. The sector added 9,400 jobs, followed by professional and business services, and construction, which added a combined 12,500 jobs. Apart from the \$3.6 billion airport renovation project and the \$690 million prison relocation that are both well underway, roughly \$450 million is being invested in Interstate 15, a highway considered to be essential for the development of the state's Silicon Slopes technology corridor. The project is part of the Utah Department of Transportation's \$1.5 billion 2018 plan to improve the metro's infrastructure. Although a host of major infrastructure projects are set to rise across the SLC metro, a limited labor availability and rising housing costs could turn into headwinds for the rental market.

Salt Lake City's downtown remains vibrant with development activity. As of June, roughly 8,600 units were under construction across the metro. We expect rents to increase by 4.9% in 2018, as demand continues to improve.

## Recent Salt Lake City Transactions

Santa Fe



City: Salt Lake City  
Buyer: Kennedy Wilson  
Purchase Price: \$80 MM  
Price per Unit: \$161,585

Avida



City: Murray, Utah  
Buyer: Timberlane  
Purchase Price: \$67 MM  
Price per Unit: \$168,125

Pinnacle Fort Union



City: Cottonwood Heights, Utah  
Buyer: Buchanan Street Partners  
Purchase Price: \$32 MM  
Price per Unit: \$198,438

Creekview



City: Midvale, Utah  
Buyer: Kennedy Wilson  
Purchase Price: \$13 MM  
Price per Unit: \$147,727