

Yardi® Matrix

Salt Lake City Steps Up

Multifamily Report Summer 2019

Per-Unit Prices Inflate

Employment Gains Drive Demand

Rent Growth Steady Despite Record Deliveries

SALT LAKE CITY MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Utah's Capital Continues to Gain Steam

Despite recent inventory expansion, which brought 20,000 units online since 2015, the metro's multifamily market continues to be strong, backed by job and population gains. However, only 745 units were delivered during the first five months of 2019, keeping rent growth and occupancy above averages.

Salt Lake City ranked among the top metros in job creation, with the addition of 34,100 positions across most sectors, for a 2.6% expansion. Leisure and hospitality led growth with 7,300 jobs. Utah's ski resorts attracted a record 5.1 million visitors during the last winter season, many of them choosing to fly in through Salt Lake City International Airport, which is undergoing a \$3.6 billion redevelopment. Furthermore, the Federal Aviation Administration also awarded roughly \$19 million in infrastructure grants for three other airports in Utah. Tourism is expected to be impacted by the closing of the Salt Lake Temple and the Temple Square until 2024—which draw as many as 5 million visitors annually—due to major renovations.

Meeting demand for temporary jobs in the hospitality sector presented some difficulties, not only from a general labor shortage perspective but also because of the limited living and co-living options in the resort area. More than 7,900 units were underway in the metro as of May, but because of high demand, we expect rents to increase by 4.6% in 2019.

Recent Salt Lake City Transactions

Fairstone at Riverview



City: Taylorsville, Utah
Buyer: Kennedy Wilson
Purchase Price: \$81 MM
Price per Unit: \$177,973

Herriman Towne Center



City: Herriman, Utah
Buyer: Millburn & Co.
Purchase Price: \$49 MM
Price per Unit: \$160,362

Overlook at Sunset Point



City: Layton, Utah
Buyer: Capital Real Estate
Purchase Price: \$38 MM
Price per Unit: \$88,744

Timbergate



City: Herriman, Utah
Buyer: ColRich Multifamily
Purchase Price: \$37 MM
Price per Unit: \$128,038