



MULTIFAMILY REPORT

Testing Salt Lake City's Vigor

Summer 2020



Per-Unit Prices Inflate

Investor Appetite Endures

Development Powers Through

SALT LAKE CITY MULTIFAMILY



Rent Growth Tracks Downward

Backed by a long-running economic and demographic expansion, the Salt Lake City multifamily market had a late-cycle growth spurt. The coronavirus crisis may have threatened to inhibit the metro's progress, but the Wasatch Front has taken the hit fairly well compared to most major U.S. metros. Rent gains contracted by 0.2% on a trailing three-month basis as of May, on par with the national growth rate.

The downtown area remains a magnet for both investors and developers. Several large transit-oriented projects are underway including Giv Development and Domain Cos.' \$124 million The Exchange and Ritchie Group's Block 67, adjacent to Vivint Smart Home Arena. Salt Lake County allowed construction to continue during the statewide stay-at-home order, putting the \$4.1 billion expansion of Salt Lake City International Airport ahead of schedule.

Multifamily sales surpassed \$407 million in the first five months of the year—a visible increase from 2019. Meanwhile, developers brought 1,682 units online. The metro's robust economy, less severe coronavirus-induced lockdown and rather low number of COVID-19 infections will likely contribute to its quick recovery from the pandemic, according to a Moody's Analytics report.

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Recent Salt Lake City Transactions

Hardware



City: Salt Lake City
Buyer: Oakmont Properties
Purchase Price: \$200 MM
Price per Unit: \$442,127

Foxboro Terrace



City: North Salt Lake, Utah
Buyer: J. Fisher Cos.
Purchase Price: \$59 MM
Price per Unit: \$247,111

Ashford



City: Salt Lake City
Buyer: Lion Real Estate Group
Purchase Price: \$50 MM
Price per Unit: \$131,556

C9 Flats



City: Salt Lake City
Buyer: De Anza Properties
Purchase Price: \$13 MM
Price per Unit: \$135,309