



MULTIFAMILY REPORT

Salt Lake City Market Rebounds

Fall 2021

Occupancy Rate Hits Decade High

Employment Growth Outperforms US

Transaction Activity, Deliveries Moderate

SALT LAKE CITY MULTIFAMILY



Recovery in Full Swing Along the Wasatch Front

The Wasatch Front's long track record of strong population growth, low unemployment and economic health, coupled with the Silicon Slopes' booming tech sector, have all contributed to the multifamily market's quick rebound. Following the upheaval last year, rents temporarily slowed rates down, but they are once again on an upward trajectory. On a trailing three-month basis through August, rents in Salt Lake City grew by 1.5%, to \$1,384, while U.S. rates improved by 1.7% to an average of \$1,526.

As of June, unemployment stood at 3.2%, well below the 5.9% U.S. rate. All sectors expanded, with Salt Lake City's largest sector—trade, transportation and utilities—recovering the most jobs (20,900) year-over-year. The Utah Department of Transportation is working on several large infrastructure projects, including the \$489 million conversion of a section of U.S. Route 89 in Davis County into a freeway. In addition, mirroring nationwide trends, industrial real estate had a record year. One notable lease transaction was Henkel's contract for 832,096 square feet at the under-construction ARA Building D.

Following last year's elevated stock expansion and investment volume, activity across the metro shifted down a gear. Through August, only 1,829 units had come online, and multifamily sales were at \$207 million. However, with high in-migration supporting demand, Yardi Matrix expects rents to grow by 14.2% in 2021.

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Recent Salt Lake City Transactions

Glenwood



City: Provo, Utah
Buyer: MJW Investments
Purchase Price: \$47 MM
Price per Unit: \$243,986

The Boulevard



City: Orem, Utah
Buyer: Investors Capital Group
Purchase Price: \$22 MM
Price per Unit: \$204,000

Ascent at Cottonwood Creek



City: Millcreek, Utah
Buyer: DB Capital Management
Purchase Price: \$16 MM
Price per Unit: \$184,848

Aspire West Valley



City: West Valley City, Utah
Buyer: Clear Capital
Purchase Price: \$15 MM
Price per Unit: \$152,778