

Yardi® Matrix

Prosperity Rules In Salt Lake City

Multifamily Report Fall 2017

Rent Gap Gradually Widens

Construction Sector Gets a Boost

Investment Activity Tapers



SALT LAKE CITY MULTIFAMILY

Yardi® Matrix

Market Analysis

Fall 2017

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Demand Breaks Records in Utah's Capital

Salt Lake City's multifamily market continues to be one of the strongest in the country. Thanks to solid employment gains that are producing high demand across asset classes, the city remains attractive to investors and developers alike.

Two job sectors alone—professional and business services, along with education and health services—have added more than 16,000 positions year-over-year through July. The metro's education sector is likely to remain a reliable job source, due in part to Pluralsight, a Utah-based online training provider, which announced its 10-year plan to make 2,400 new hires. Despite the U.S.'s construction labor shortage, this sector has also gained traction in Salt Lake City. About 2,000 workers are slated to join the city's \$3 billion airport redevelopment project. Westport Capital Partners is working on a mixed-use project that includes a 170,000-square-foot University of Utah health center. Moreover, the U.S. Department of Defense's effort to upgrade nuclear weapons has led Sunset Ridge Development to break ground on a 75,000-square-foot Aerospace Research Park at Hill Air Force Base.

The total multifamily pipeline consists of roughly 18,800 units in different stages of development. With occupancy at 96.5% as of August and more than three quarters of the pipeline geared toward high-income residents, rents should continue to increase, but at a slower rate. These fundamentals have led Yardi Matrix to project 4.6% rent growth by year-end.

Recent Salt Lake City Transactions

Rockledge at Quarry Bend



City: Sandy, Utah
Buyer: ColRich Group
Purchase Price: \$94 MM
Price per Unit: \$225,690

The Vue



City: Salt Lake City
Buyer: De Anza Properties
Purchase Price: \$75 MM
Price per Unit: \$355,450

Lions Gate



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

Stillwater



City: Murray, Utah
Buyer: Starwood Capital Group
Purchase Price: \$55 MM
Price per Unit: \$120,000

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