



MULTIFAMILY REPORT

Tale of 2 Salt Lake Cities

October 2023

Rents Still Down YoY

Transactions Grind to a Halt

Robust Pipeline Points to Record Year

SALT LAKE CITY MULTIFAMILY



Rents Tread Water, Economy Still Stellar

Despite some snags, the Salt Lake City multifamily market remained resilient to overall economic turmoil. Rents continued to appreciate, rising 0.2% on a trailing three-month basis through August, to \$1,592, but remained significantly below the \$1,728 U.S. average. Year-over-year, rent movement remained negative, however, at -0.6%. Robust supply dented occupancy, which was down 140 basis points in the 12 months ending in July, to 94.8%, and is bound to continue facing an uphill battle in the short term.

In the 12 months ending in June, Salt Lake City employment expanded 3.0%, or 51,300 jobs, while the U.S. rate hit 2.8%. Two sectors lost 1,600 jobs combined—trade, transportation and utilities and financial activities—while leisure and hospitality (16,200 jobs) and education and health services (11,300) led job gains. Unemployment was among the lowest in the country, at 2.7% in July, ahead of the 3.5% national figure but trailing the 2.4% state rate. Notably, the metro's unemployment rate has been below 3.0% for more than two years.

Developers delivered 2,076 units in 2023 through August and had a robust pipeline of projects under construction (20,549 units). Yardi Matrix forecasts a record for deliveries by year-end, which could outbalance demand. Transaction activity remained tepid, with just \$115 million in multifamily assets trading in 2023 through August, for a price per unit that decreased to \$210,789.

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Contacts

Jeff Adler

Vice President & General
Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(303) 615-3676

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Doug Ressler

Media Contact
Doug.Ressler@Yardi.com
(480) 695-3365

Author

Anca Gagiuc

Senior Associate Editor

Recent Salt Lake City Transactions

Northshore



City: Saratoga Springs, Utah
Buyer: Millburn & Co.
Purchase Price: 62 MM
Price per Unit: \$269,565

Gordon Lane



City: Salt Lake City
Buyer: Millburn & Co.
Purchase Price: \$25 MM
Price per Unit: 203,763

Park Station



City: Midvale, Utah
Buyer: Peak Capital Partners
Purchase Price: \$20 MM
Price per Unit: \$213,684

Westgate



City: Salt Lake City
Buyer: Preserve Partners
Purchase Price: \$7 MM
Price per Unit: \$76,181