

SALT LAKE CITY, UT MULTIFAMILY REPORT

2024 | MID-YEAR



BERKADIA[®]



Jobs Added / Lost*

LAST 12 MONTHS

13,900

↑ 1.7%

Unemployment*

JUNE 2024

3.0%

↑ 40 BPS YOY

*Seasonally Adjusted

SALT LAKE CITY, UT EMPLOYMENT

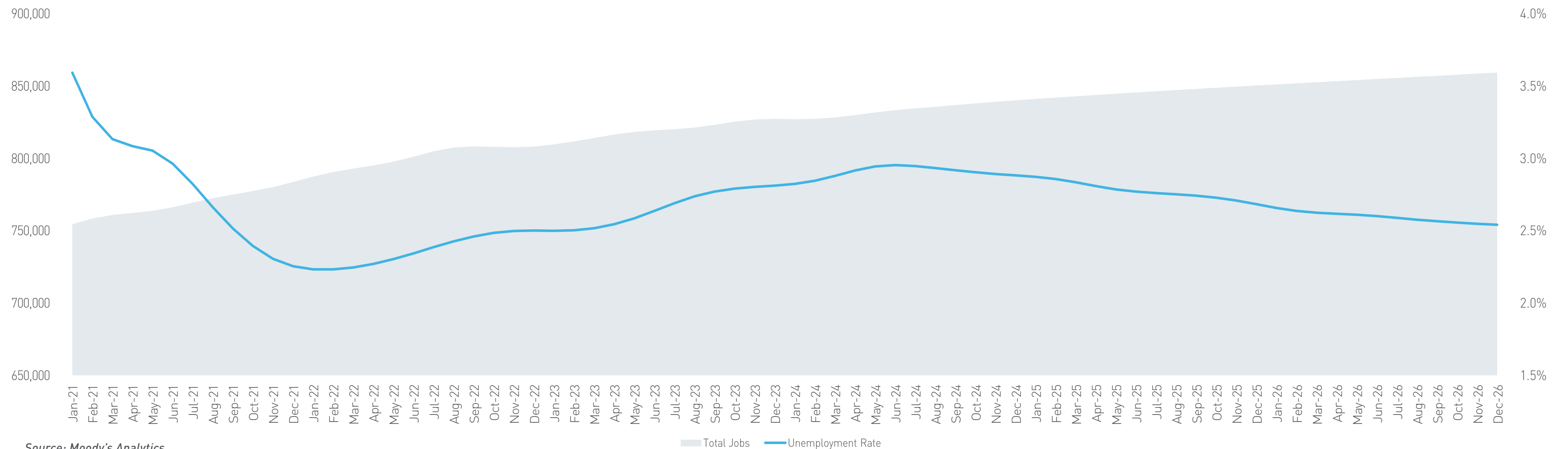
Salt Lake City has one of the nation's hottest job market, creating housing demand and supporting apartment fundamentals. Over the past year, 13,900 net jobs have been added to local payrolls, increasing employment across the metro 1.7%. Meanwhile, unemployment was at 3.0% during June 2024, 110 basis points below the national average. The metro's economy is driven by white-collar industries such as tech and finance, giving Salt Lake City the nickname "Silicon Slopes." These industries are supported by the highly educated workforce in the area. Roughly 67% of the market's population are white-collar workers, compared to 64% nationally. Salt Lake City also boasts a diverse economy with industries such as private education

and healthcare and trade, transportation, and utilities having large market shares of employment. The private education and healthcare sector added the most net jobs compared to other sectors, expanding by 5,200 net employees in the last year. The University of Utah Hospital, a major area employer, has ranked top 10 in the country for quality for the past 14 years. Reported in the Salt Lake Tribune, their hospital and clinic workers have felt the effects of Salt Lake City's growing population and nurse to patient ratios have reached 1:10, creating a demand for more healthcare professionals. Congruently, Intermountain Healthcare unveiled plans for a new urban hospital at Sears block in June. Renderings show that the new hospital will be 12 stories and include a 10-story parking structure.

In the News

- 🔗 [Mars to build \\$237M Natures Bakery facility, adding 190 jobs](#)
- 🔗 [DataBank to expand SLC6 data center in Salt Lake City](#)
- 🔗 [Salt Lake City #1 job market in the country](#)

Employment Trends



Source: Moody's Analytics

■ Total Jobs — Unemployment Rate



SALT LAKE CITY, UT

DELIVERIES & ABSORPTION

2024 YEAR TO DATE

DELIVERIES
3,293 UNITS

ABSORPTION
3,584 UNITS

2024 TOTAL*

DELIVERIES
7,991 UNITS

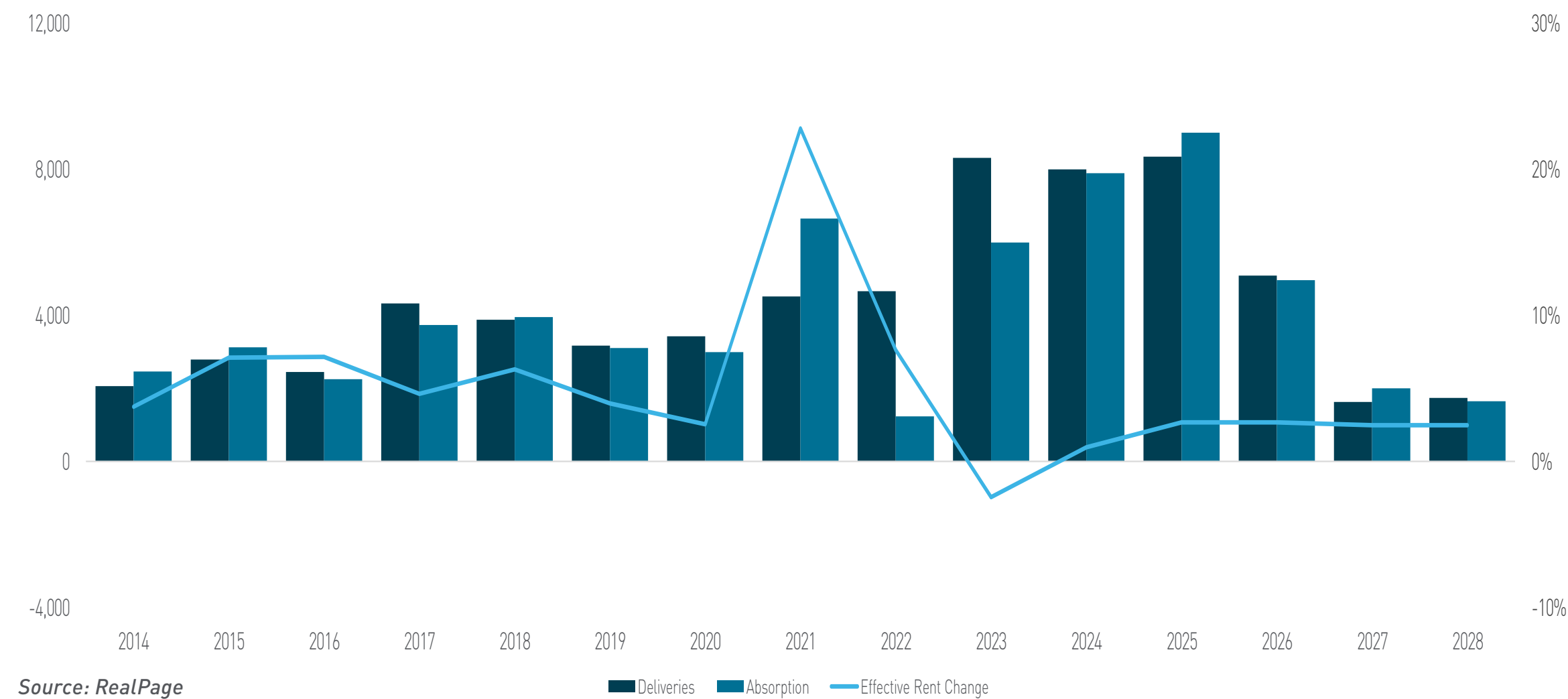
ABSORPTION
7,885 UNITS

*Projected

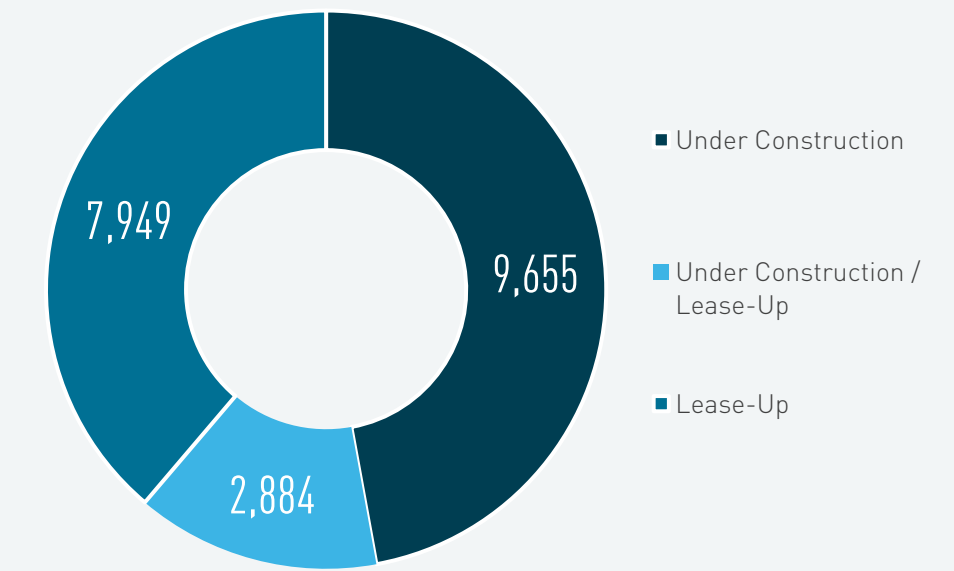
Salt Lake City is on pace to have a record-breaking year in multifamily housing demand. In the first two quarters of 2024 demand has outpaced incoming supply metrowide, with 3,584 net move-ins while 3,293 units were delivered. By the end of 2024, 7,885 net units are projected to be absorbed, eclipsing the previous record from 2021 by over 1,200 units. Meanwhile, an estimated 7,991 units will come online by the end of 2024, just shy of the number of units delivered in 2023. With 20,498 units either under construction or lease up in the market pipeline, incoming inventory will maintain its recent pace of roughly 8,000 to 8,300 units coming online each year, looking ahead at 2025. The sustained multifamily growth in the Greater

Salt Lake City area is underpinned by its growing economy and quality of life that attracts more people to the area. Living in the Salt Lake City metro, residents have access to major tech and finance employers such as Goldman Sachs and SoFi, world-class outdoor activities, and a growing entertainment scene downtown. In April, the former Arizona Coyotes made Salt Lake City their new home, becoming the first NHL team to be based in Utah. Additionally, the metro is surrounded by the Wasatch Mountain Range, home to 10 world-class ski resorts and countless hiking and biking trails. For these reasons, more people have been relocating to Utah, which accounted for 56% of the state's population increase.

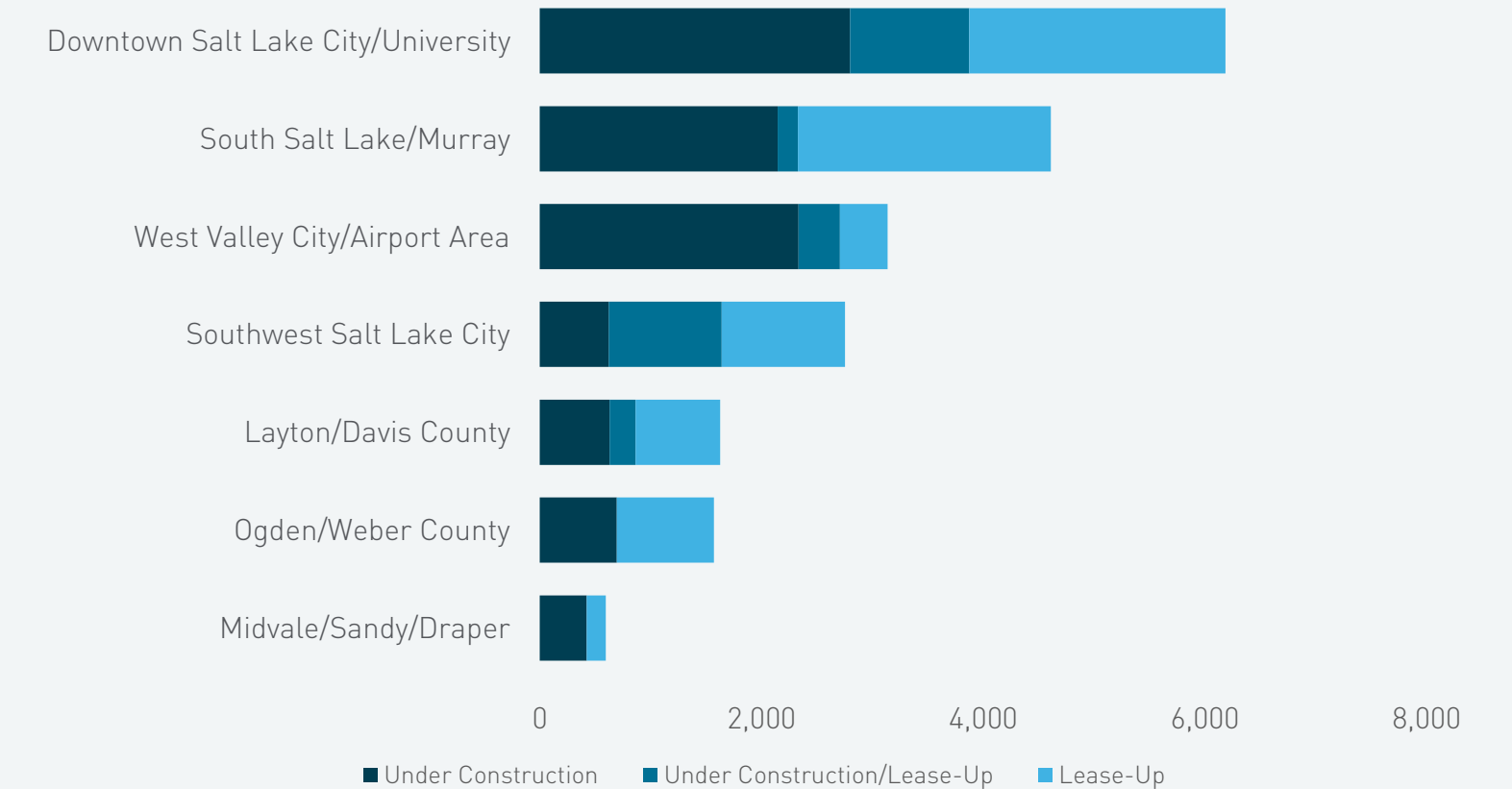
Deliveries, Absorption, & Effective Rent Change



Market Pipeline



Top Submarket Pipelines

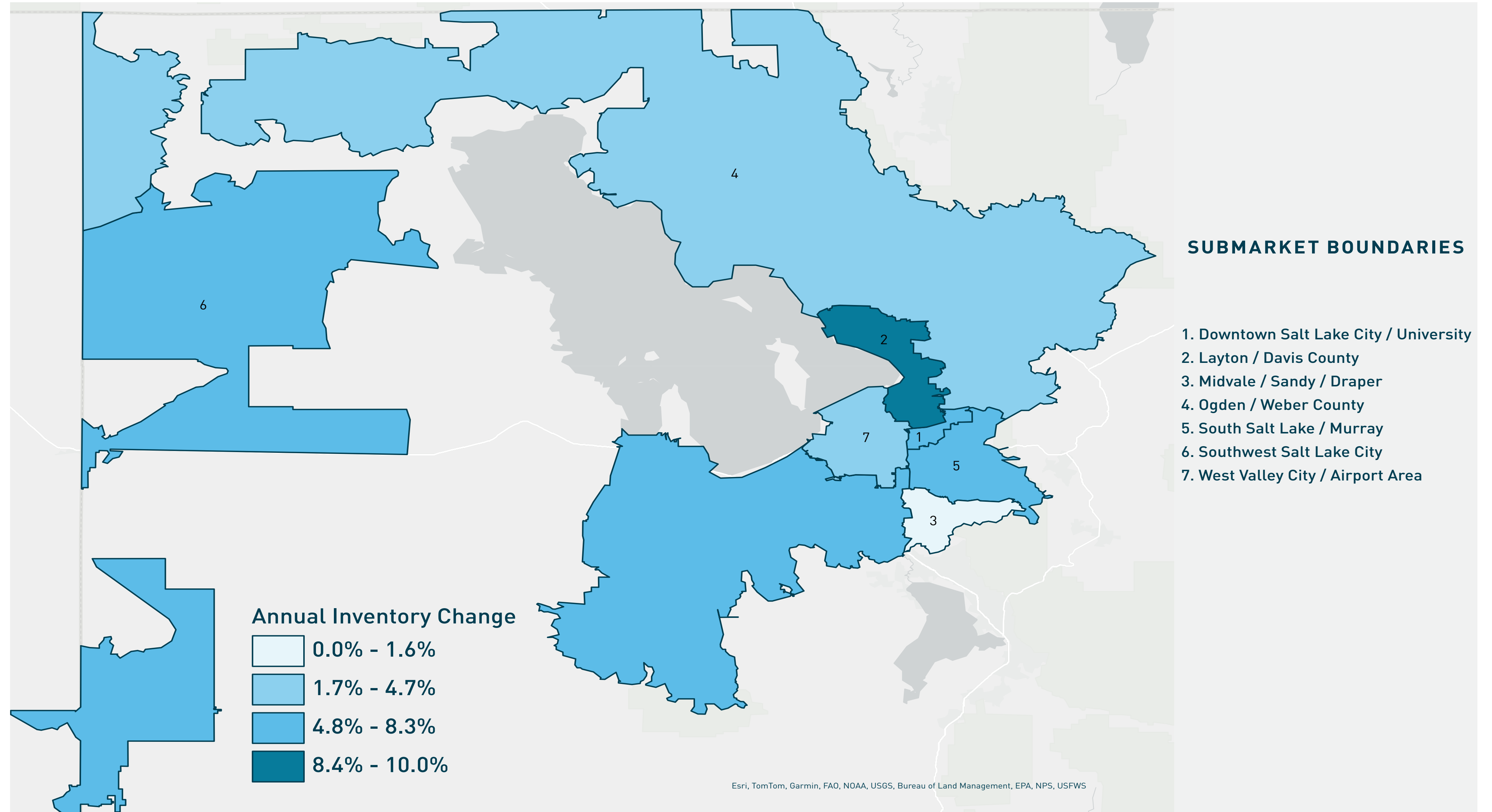




SALT LAKE CITY, UT

SUBMARKET MID-YEAR 2024 ANNUAL INVENTORY CHANGE

In the first half of 2024, each submarket had demand outpace deliveries. Compared to the other submarkets in the metro, the South Salt Lake/ Murray submarket had the highest number of deliveries and net move-ins. During the first two quarters of 2024, 1,078 units came online while 1,260 units were absorbed within the submarket. South Salt Lake/Murray has a prime location that caught the attention of residents and multifamily developers alike. It neighbors Downtown Salt Lake and the University of Utah, allowing quick access to major employers while also being closer to the mountains for a more affordable price compared to the Downtown Salt Lake/University submarket. Looking ahead, it seems as if the focus will shift back to Downtown Salt Lake/University, since a majority of projects in the pipeline are based in that submarket. Currently, there are 2,800 units under construction, 2,313 units lease up, and 1,074 that are both.





SALT LAKE CITY, UT

RENT & OCCUPANCY

Effective Rent

Q2 2024
\$1,555
 ↓ 2.5% YOY

Occupancy

Q2 2024
93.9%
 ↓ 40 BPS YOY

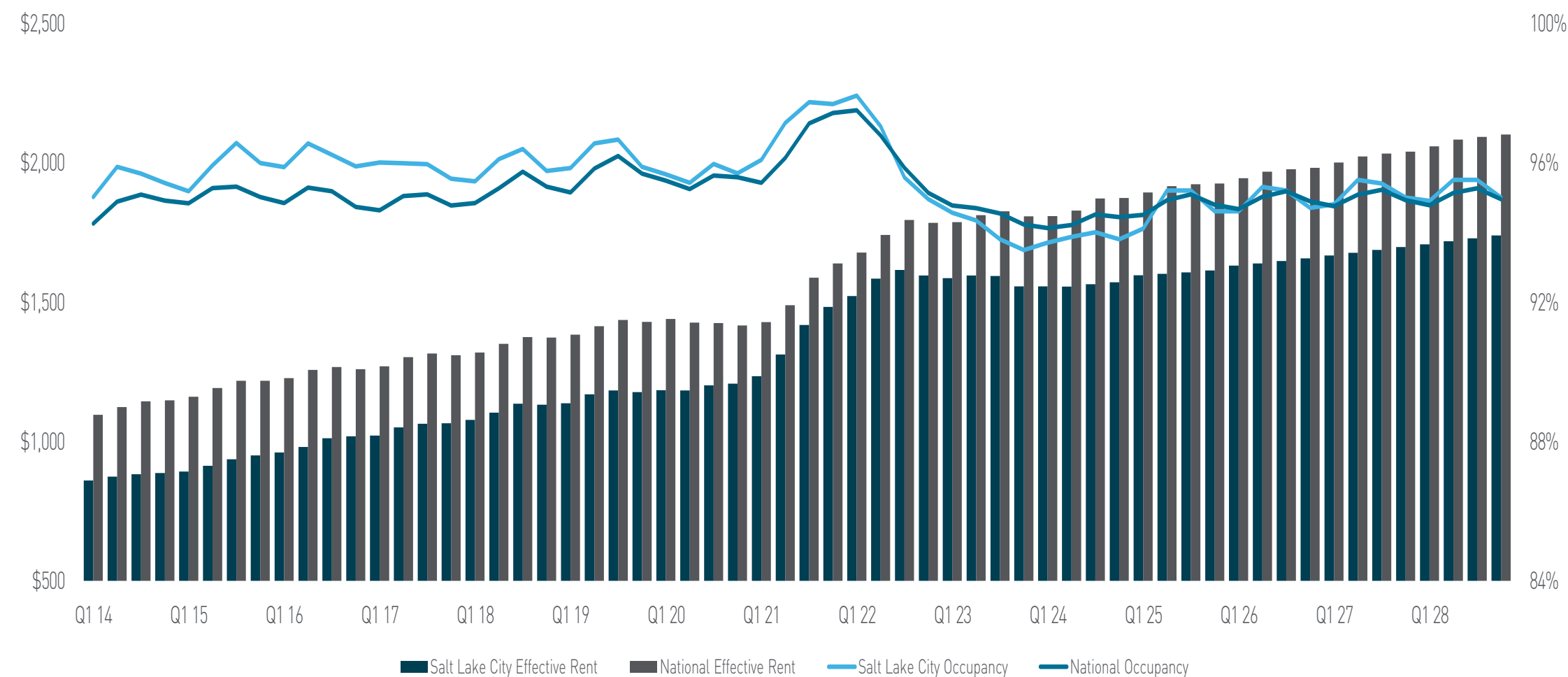
As of midyear 2024, the average effective rent was \$1,555 per month across the metro, down 2.5% annually. Meanwhile, occupancy was also down 40 basis points year over year, resting at 93.9% during the second quarter of 2024. The dip in effective rent and occupancy can be explained by the imbalance between inventory and net absorption during 2023. With over 8,000 units coming online and only 5,992 units being absorbed, the lack of demand drove effective rent prices down and the abundance of units lowered occupancy. Despite occupancy dropping at the metro level, the Downtown Salt Lake/University and South Salt Lake/Murray submarkets saw positive occupancy change annually. Downtown Salt Lake/

University occupancy rose 20 basis points year over year reaching 93.5%. Meanwhile, occupancy rose 30 basis points annually in South Salt Lake/Murray. With the median age of metro residents being 33.0, the Salt Lake City area boasts a strong renter pool, which will underpin the forecasted increases in effective rent and occupancy. Looking forward, the uptick in demand during 2024 and continuing into 2025 will positively impact effective rent and occupancy rates. By the same time next year, occupancy is projected to jump to 95.2%, an increase of 130 basis points annually, and effective rent is predicted to rise 3.0%, reaching \$1,601 per month.

Submarket Performance

SUBMARKET NAME	Q2 2024 OCCUPANCY	YOY (BPS)	Q2 2024 EFFECTIVE RENT	YOY
Downtown Salt Lake City/University	93.5%	20	\$1,744	-6.0%
Layton/Davis County	93.6%	-100	\$1,428	-3.8%
Midvale/Sandy/Draper	94.4%	-20	\$1,609	-0.7%
Ogden/Weber County	92.8%	-180	\$1,468	-1.4%
South Salt Lake/Murray	94.9%	30	\$1,570	-2.1%
Southwest Salt Lake City	94.0%	-60	\$1,588	-2.0%
West Valley City/Airport Area	92.8%	-80	\$1,398	-4.8%

Salt Lake City vs. National Effective Rent & Occupancy



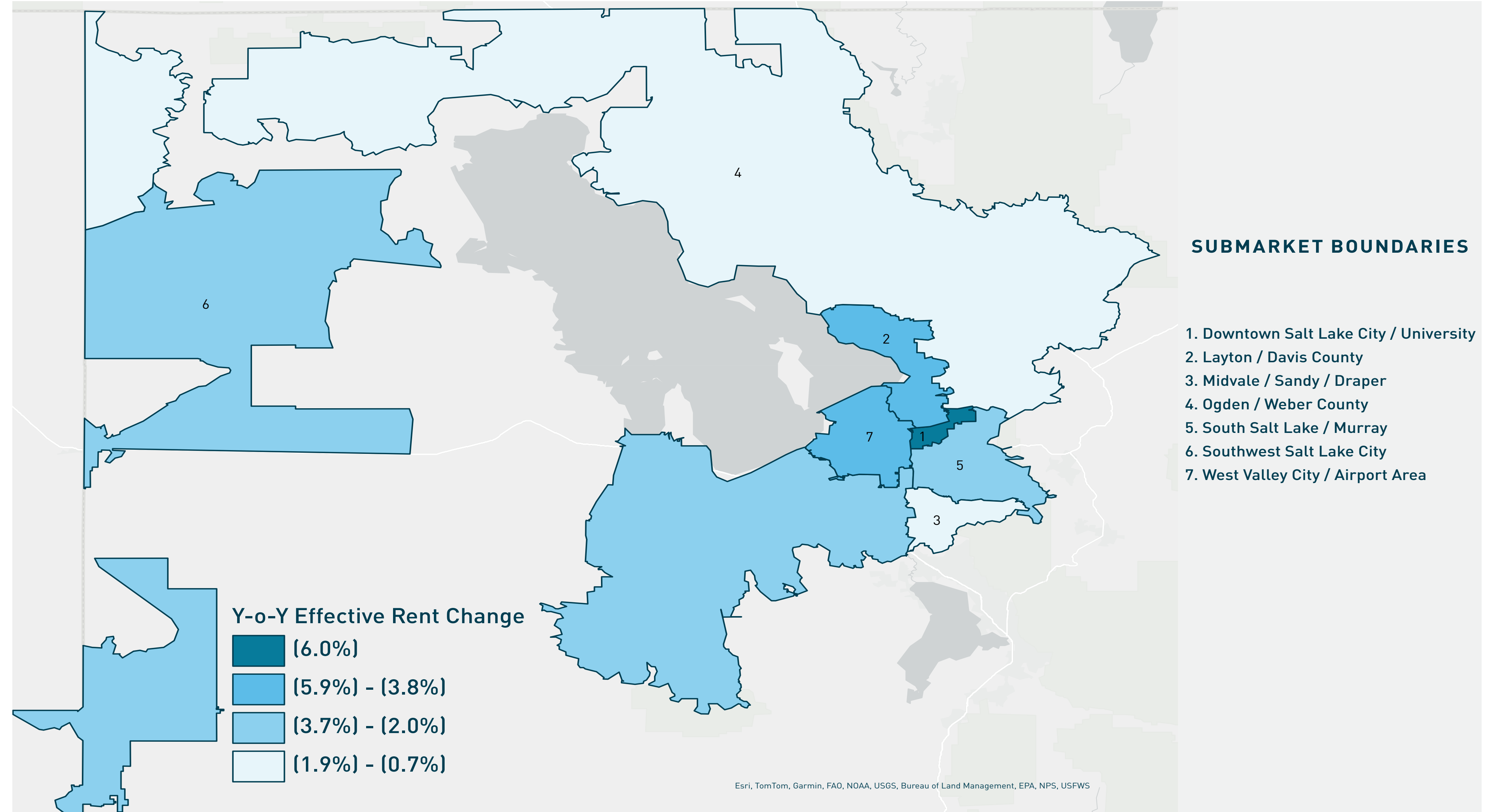
Source: RealPage *Note: Effective rent and occupancy reflect stabilized properties and does not include preleased units or properties in lease-up. A newly constructed property is considered stabilized once it becomes 85% occupied.*



Each submarket saw a dip in effective rents over the past year. After a record amount of inventory hit the market in 2023, apartment operators across the metro were pressured to raise concessions. The Midvale/Sandy/Draper submarket was the least impacted and offered the lowest concessions, 4.3% of asking rent. With demand outpacing deliveries by nearly 50% during the past two quarters, the submarket was able to withstand major effective rent decreases unlike the Downtown Salt Lake City/ University submarket. Looking ahead at the next 12 months, each submarket will experience positive rent change. The Ogden/ Weber County submarket is projected to see the biggest rise in effective rent and occupancy over the next year. By midyear 2025, effective rent is expected to increase 3.7%. The submarket boasts one of the lower effective rents per month, attracting new residents to the area.

SALT LAKE CITY, UT




SUBMARKET MID-YEAR 2024 ANNUAL RENT CHANGE




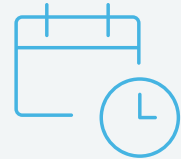
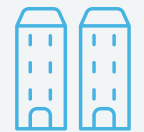
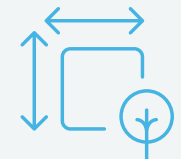


SALT LAKE CITY, UT SALES

2024 Year to Date*

	VOLUME Nondisclosure		PRICE PER UNIT (AVG) Nondisclosure
	TRANSACTIONS 5		CAP RATE (AVG) Nondisclosure

What's Trading?*

	UNITS (AVG) 273		YEAR BUILT (AVG) 2000s
	BUILDINGS (AVG) 8		ACRES (AVG) 12.71

Top Buyers*

BUYER	LOCATION
DiNapoli Capital Partners	Walnut Creek, CA
Millburn & Company	Salt Lake City
TruAmerica Multifamily	Los Angeles
Guardian Life Insurance	New York
Peak Capital Partners	Provo, UT

Top Sellers*

SELLER	LOCATION
Wasatch Group	Logan, UT
Investors Capital	Seattle

Source: MSCI Real Capital Analytics
*\$50m+

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Sources: RealPage; Moody's Analytics; Real Capital Analytics

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