

MID-YEAR 2023

# APARTMENT MARKET REPORT

GREATER SALT LAKE AREA

A Cushman & Wakefield Research Publication



**CUSHMAN &  
WAKEFIELD**



# EXECUTIVE SUMMARY

Our team is pleased to present our annual Salt Lake County *Apartment Market Report* for 2023.

Salt Lake County continues yet another year as one of the nation's strongest multifamily markets.

Despite the completion of several large apartment communities, tight conditions persist. Vacancy rates remain at historically low levels and rental rates continue to grow, thus encouraging further new development.

## THE HIGHLIGHTS OF THIS YEAR'S STUDY INCLUDE:



Overall vacancy rate of 2.5% (does not include projects in lease-up)

Twelfth consecutive year with vacancy below 4.0%



Rental rates increased by 1.4% to an average of \$2.00 PSF (not including concessions)

Over the past five years the average rental rate has risen 54%



Nearly 13,000 units (65 communities) under construction with over 10,000 proposed apartment units (49 projects). However, a majority of proposed new development is currently paused.

With new high rises and office-to-multifamily conversions, Salt Lake City dominates new development, accounting for 62% of all units under construction in the county



Housing prices in Salt Lake County Metropolitan area have increased 98.7% since 2017, compounding the demand for rental units

It is still 45% less expensive to rent versus to own in Salt Lake City, but high rise developments may exert upward pressure on rental rates

## THE FORECAST FOR THE UPCOMING YEAR INCLUDES:

- The suburban apartment market will experience high demand with vacancy below 5% and rental rates increasing nominally.
- The Salt Lake City submarkets (Downtown & Ballpark) will experience higher vacancy rates, downward pressure on rents, slower absorption, and an escalation of rental concessions due to new deliveries.
- Countywide, the number of building permits is expected to decline within the next 18 months.
- Salt Lake City Downtown submarket will continue to hold the largest share of new apartment development in the county.
- With one of the strongest economies in the nation, Utah's employment opportunities will continue to support growing in-migration and corresponding demand for housing.
- Demand from investors remains strong for quality multifamily product.

Thank you to our clients and partners for making Salt Lake County one of the most exciting markets in which to invest in commercial real estate.

Sincerely,

Kip Paul  
Vice Chairman, Investment Sales

Michael King  
Director, Investment Sales

JT Redd  
Investment Sales

Mark Twain once said, “There are three kinds of lies: lies, damned lies, and statistics.” Notwithstanding our report concludes a county vacancy rate of 2.5%\*, as we prepare Broker Opinions of Value for numerous projects, we are seeing vacancy rates as high as 8%. Clearly the downtown market is going to experience higher vacancy rates over the next two years given the number of units that will be delivered. While the suburbs are currently experiencing lower vacancy rates, the softness in the downtown market could spread to the suburbs. As the downtown class A projects weather softness, including increased concessions and in some cases rental rates decreasing, this could easily trickle down to the class A suburban properties as well as class B and C properties in all submarkets. However, assuming the growth of the Salt Lake Valley continues and the fact that the majority of multifamily projects in various stages of planning are now paused, the market may very well see low vacancy rates and increasing rental rates in 2-3 years

\*Does not include projects in lease-up

## SUMMARY OF RENTAL RATE AND VACANCY SURVEY

The Salt Lake County apartment market remains strong with a countywide vacancy rate of 2.5% (does not include projects in lease-up), marking the 12th consecutive year overall vacancy is below 4%. This vacancy rate is 0.3% higher than 2022. In 2023, the number of rental units totaled 154,000 with 150,150 occupied and 3,850 vacant.

The suburban market remains very “tight” while demand for downtown Salt Lake City apartments is easing for the first time in years. One, two, and three-bedroom units are essentially “fully occupied” while studios have a countywide vacancy of 5.4%, **Table 1**

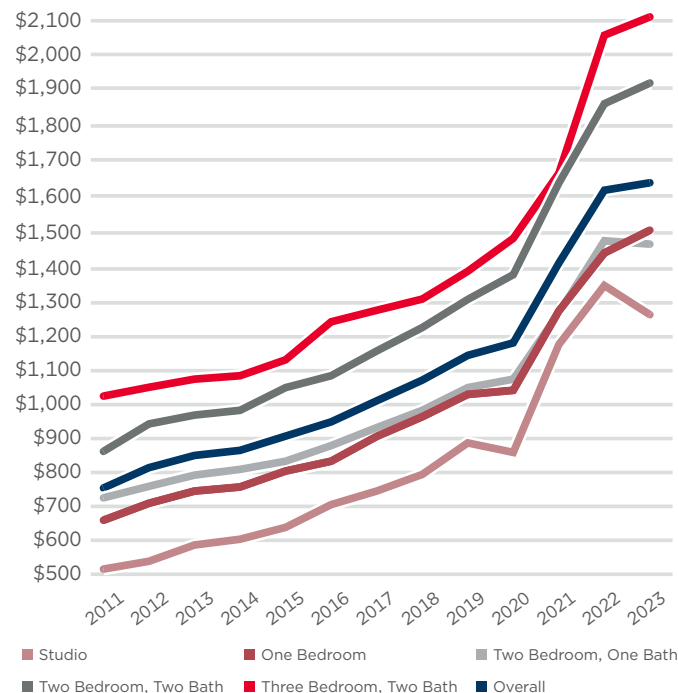


The county is divided into eight submarkets for this survey: Downtown Salt Lake City, North Temple, Granary-Ball Park, Sugar House, South Salt Lake, Mid-Valley, Sandy-Draper, and South Jordan & Herri-man. The Granary-Ball Park submarket has the highest vacancy rate at 4.3% while the Sandy-Draper submarket has the lowest vacancy rate at 1.4%.

The overall low vacancy rate, growing demand for apartment living, and the high cost of single-family homes continues to put upward pressure on rental rates. The average overall rental rate in Salt Lake County increased 1.4% from \$1632, (or an average of \$1.89 psf), in 2022 to \$1,654, (or an average of \$2.00 psf), in 2023. This is the slowest rate increase since 2010 when rental rates fell during the Great Recession, [Table 2](#).

Rental rates in the downtown submarket are 20% to 42% higher than suburban submarkets. The overall average rental rate Downtown is \$2,058 while the Mid-Valley submarket (including Midvale, Murray, West Valley and Taylorsville) has the lowest average rents at \$1,426.

#### CHANGE IN AVERAGE RENTAL RATES BY TYPE OF UNIT



**TABLE 1**  
**APARTMENT VACANCY RATES**

	STUDIO	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
2002	5.7%	5.6%	4.3%	6.0%	4.5%	5.4%
2003	7.4%	8.5%	8.0%	5.7%	3.9%	7.6%
2004	6.3%	6.7%	7.6%	7.7%	7.4%	7.2%
2005	6.6%	5.3%	7.7%	5.5%	7.0%	6.1%
2006	6.0%	3.2%	4.6%	3.2%	3.4%	4.0%
2007	4.2%	2.9%	3.1%	3.4%	3.8%	3.2%
2008	5.7%	4.3%	4.1%	5.2%	4.8%	4.6%
2009	4.9%	6.6%	7.7%	8.0%	6.6%	7.2%
2010	6.6%	5.2%	6.5%	5.5%	6.3%	5.7%
2011	7.2%	5.1%	6.2%	4.4%	3.6%	5.2%
2012	3.4%	3.8%	4.0%	3.6%	3.7%	3.8%
2013	2.0%	3.2%	3.7%	5.1%	4.1%	3.0%
2014	<2.0%	2.5%	2.8%	3.9%	2.8%	3.0%
2015	<2.0%	2.5%	3.8%	2.5%	2.0%	2.7%
2016	<2.0%	3.4%	2.2%	2.4%	2.4%	2.9%
2017	4.9%	2.5%	2.8%	2.6%	2.1%	2.6%
2018	2.0%	2.6%	2.7%	2.9%	3.4%	2.7%
2019	1.1%	3.1%	3.1%	3.8%	3.9%	3.4%
2020	2.5%	3.9%	3.8%	4.5%	2.7%	3.9%
2021	<2.0%	<2.0%	<2.0%	<2.0%	<2.0%	<2.0%
2022	3.3%	2.3%	2.1%	2.0%	2.2%	2.2%
2023	5.4%	2.6%	2.4%	1.9%	1.8%	2.5%

Source: Cushman & Wakefield

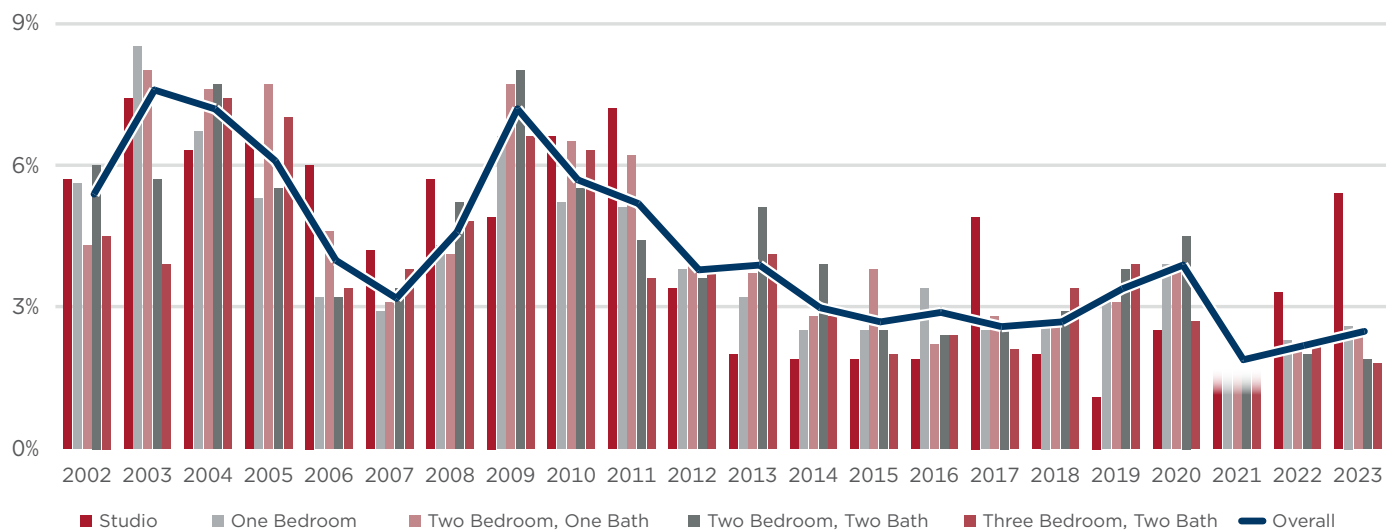


Regius Square, Salt Lake City



Novel Daybreak, South Jordan

## APARTMENT VACANCY RATES



**TABLE 2**  
CHANGE IN AVERAGE RENTAL RATES BY TYPE OF UNIT - SALT LAKE COUNTY

TYPE OF UNIT	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	% CHANGE 2022-2023
Studio	\$538	\$586	\$603	\$638	\$705	\$745	\$794	\$887	\$859	\$1,177	\$1,351	\$1,265	-6.3%
One Bedroom	\$709	\$745	\$757	\$804	\$833	\$906	\$964	\$1,030	\$1,042	\$1,276	\$1,447	\$1,514	4.8%
Two Bedroom, One Bath	\$759	\$792	\$809	\$833	\$879	\$932	\$983	\$1,050	\$1,075	\$1,270	\$1,483	\$1,473	-0.7%
Two Bedroom, Two Bath	\$943	\$969	\$983	\$1,050	\$1,085	\$1,158	\$1,227	\$1,310	\$1,383	\$1,653	\$1,887	\$1,948	3.2%
Three Bedroom, Two Bath	\$1,051	\$1,075	\$1,085	\$1,132	\$1,244	\$1,278	\$1,311	\$1,393	\$1,490	\$1,682	\$2,089	\$2,143	2.6%
Overall	\$814	\$850	\$865	\$907	\$949	\$1,011	\$1,072	\$1,145	\$1,182	\$1,417	\$1,632	\$1,654	1.4%

Source: Cushman &amp; Wakefield



Despite the addition of several large projects, rental rates for one-bedroom, two-bedroom two-bath, and three-bedroom units increased. The rental rate for a studio fell by 6.3%, reflecting the significant increase in studio units recently completed in Salt Lake City. One-bedroom units had the largest overall increase of 4.8% to \$1,514, **Table 3**.

In the Downtown submarket, two-thirds of the recently developed, high end communities offered concessions. Several projects offered as much as two months free rent on select units. Concessions in the suburban markets increased marginally with only 20% of projects surveyed offering any concessions.

In 2022, new apartment construction slowed in Salt Lake County but remained at a high level with building permits issued for 5,525 apartment units. This was the third highest year in the number of units receiving building permits but down 17% from the record year of 2021.

There are currently 65 apartment projects with a total of 12,916 units under construction in Salt Lake County. Approximately 58% of these units (7,422) are in Salt Lake City. There are 49 proposed apartment projects with a total of 10,301 units in Salt Lake County. Over 62% of these units (6,407) are in Salt Lake City.

Overall, we expect the suburban market to experience high demand through 2023 with vacancy below 3% and rental rates increasing 4% to 5%. In contrast, the submarkets in Salt Lake City (including Downtown, North Temple, Granary-Ballpark, and Sugar House), will experience higher vacancy rates edging toward 5%, downward pressure on rental rates, slower absorption of new projects, and an escalation of rental concessions.

*The Salt Lake County apartment market remains strong but new construction and rising rental rates have slowed from historic highs. Demand is greatest in the suburban market while the Salt Lake City market is experiencing an overall increase in vacancy with two-thirds of projects offering rental concessions.*





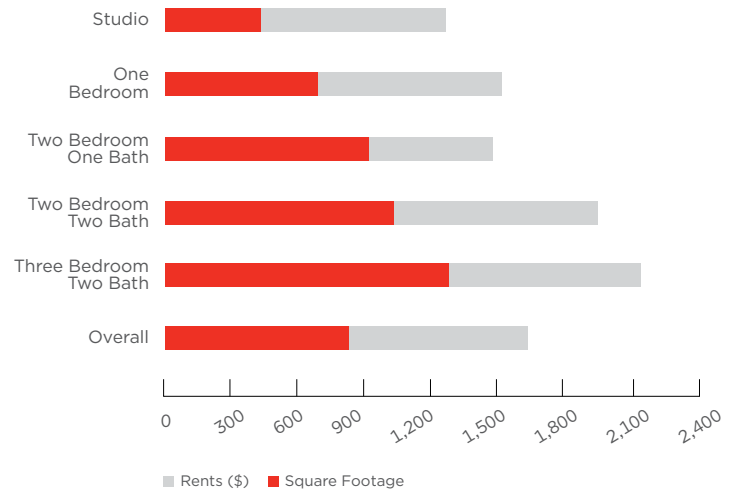
The Quattro, Salt Lake City

**TABLE 3**  
**OVERALL RENTAL AND VACANCY RATES IN 2022 BY TYPE**  
**OF APARTMENT UNIT IN SALT LAKE COUNTY**

TYPE OF UNIT	RENTS	SQUARE FEET	RENT/ S.F.	VACANCY
Studio	\$1,265	429	\$2.95	5.4%
One Bedroom	\$1,514	688	\$2.20	2.6%
Two Bedroom, One Bath	\$1,473	915	\$1.61	2.4%
Two Bedroom, Two Bath	\$1,948	1,029	\$1.89	1.9%
Three Bedroom, Two Bath	\$2,143	1,278	\$1.68	1.8%
Overall	\$1,634	827	\$2.00	2.5%

Source: Cushman & Wakefield

#### OVERALL RATES AND SIZE BY TYPE OF UNIT



## METHODOLOGY

The data in this report provides rental and vacancy information on small (25 units) to large (588 units) in Salt Lake County. The survey was conducted in June and July 2023. This segment of the rental market is comprised of 141 apartment projects with 29,200 rental units including 2,875 studio units (9.8%); 12,749 one-bedroom units (43.6%); 3,150 two-bedroom, one-bath units (10.8%); 8,437 two-bedroom, two-bath units (28.9%); and 2,023 three-bedroom, two-bath units (6.9%).

The oldest community was built in 1909 and the newest in 2023. The apartment areas surveyed are spread throughout the residential areas of Salt Lake County and downtown Salt Lake City. The northernmost property surveyed is located at 1200 North; the southernmost property is located at 14900 South.

Each year, a few recently completed communities are added to the sample to make certain it is representative of the expanding rental inventory.

# 2.5%\*

**OVERALL  
VACANCY RATE**

\*DOES NOT INCLUDE PROJECTS  
IN LEASE-UP

# SUMMARY OF SUBMARKETS

In addition to the countywide survey, eight submarkets were specifically surveyed:

1. **Downtown Salt Lake City**
2. **Sugar House**
3. **Granary-Ballpark**
4. **North Temple**
5. **South Salt Lake**
6. **Mid-Valley**
7. **Cottonwood Heights, Sandy & Draper**
8. **South Jordan, Herriman & West Jordan**

The Downtown submarket has the highest rents at \$2,058 representing a weighted average of all types of units with a rental rate 20% to 42% higher than suburban markets.

The Sugar House and Granary-Ballpark submarkets both have vacancy above 4%.

The Mid-Valley submarket has the lowest average rent at \$1,426, while the North Temple and Granary-Ballpark submarkets have the smallest units at 669 SF and 551 SF respectively with the highest percentage of studio and one-bedroom apartments.

Vacancy for three suburban areas in Salt Lake County (South Jordan & Herriman; Sandy & Draper; Mid-Valley) was 2.1% or less. These units account for over half of the units surveyed, **Map 1** and **Tables 4-11**.

*Suburban markets are experiencing the lowest vacancy rates with Downtown Salt Lake continuing to command the highest rental rates despite a rise in vacancy.*

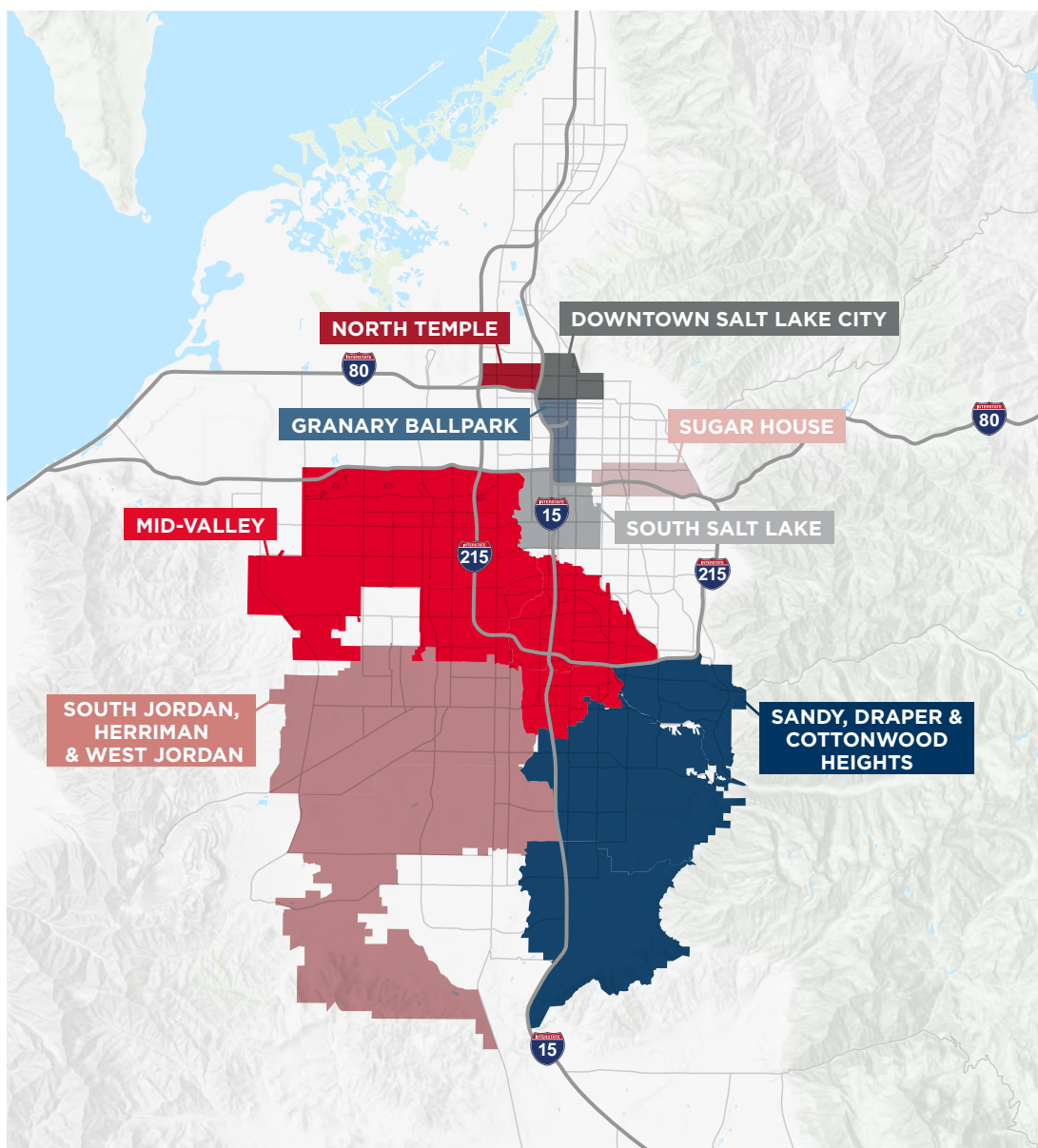




### MAP 1 SUMMARY OF SURVEYED SUBMARKETS

SUBMARKET	AVERAGE MONTHLY RENT*	AVERAGE SF	AVERAGE RENT/SF	VACANCY
Downtown Salt Lake City	\$2,058	799	\$2.58	3.1%
Sugar House	\$2,024	883	\$2.29	4.0%
Granary Ballpark	\$1,345	551	\$2.44	4.3%
North Temple	\$1,370	669	\$2.05	3.2%
South Salt Lake	\$1,863	920	\$2.03	3.1%
Mid-Valley	\$1,426	821	\$1.74	1.5%
Cottonwood Heights, Sandy & Draper	\$1,637	918	\$1.77	1.4%
South Jordan, Herriman & West Jordan	\$1,675	1,007	\$1.66	2.1%

\*Weighted average of all units  
Source: Cushman & Wakefield



Source: Cushman & Wakefield



DOWNTOWN SALT LAKE CITY

Downtown Salt Lake City has grown exponentially over the past several years with record setting development on all fronts. Numerous high rise residential, office, hotel and mixed-use developments are quickly redefining the City’s skyline. While new development has slowed in 2023, downtown Salt Lake City remains vibrant.

Downtown’s urban core is highly walkable to rich amenities and public transportation. Global companies such as Goldman Sachs have a large and expanding presence Downtown and report Salt Lake City as their employees’ No. 1 transfer request location in the world.

Intermountain Health is working on plans to develop a new downtown hospital, bringing state-of-the-art health care to a growing population.

The Central Business District is within a 10-minute drive to the Salt Lake International Airport, a 10-minute drive to the University of Utah Campus and Research & Medical System, and within a 30-minute drive to world class outdoor destinations.

13%

OVERALL AVERAGE RENT PER SQUARE FOOT HIGHER THAN COTTONWOOD HEIGHTS, SANDY & DRAPER THE NEXT-HIGHEST SUBMARKETS SURVEYED

TABLE 4  
APARTMENT DATA FOR DOWNTOWN SALT LAKE CITY SUBMARKET, JULY 2023

	STUDIO	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	4.4%	2.5%	NA	1.4%	NA	3.1%
Rental Rate	\$1,577	\$1,878	NA	\$2,459	NA	\$2,058
Square Feet	505	702	NA	1,043	NA	799
Rent/SF	\$3.12	\$2.68	NA	\$2.36	NA	\$2.58

Source: Cushman & Wakefield



Harvest, Salt Lake City





## SUGAR HOUSE

Considered one of Salt Lake City's most prolific neighborhoods and often referred to as its "second downtown," Sugar House is one of the area's most sought-after urban destinations to live, work, and play. Home to some of the city's best restaurants, coffee shops, breweries, and Westminster College, Sugar House continues to attract an eclectic mix of residents and business alike.

The neighborhood is rapidly expanding on all fronts spurred by the installation of the S-Line, the city's newest addition to its public transportation Light Rail system.

Sugar House Park offers 110+ acres of landmark, rolling green space and Parley's Trail, an 8-mile paved recreational trail for walkers, runners, and cyclists.

# 4.0%

OVERALL VACANCY RATE

**TABLE 5**  
**APARTMENT DATA FOR SUGAR HOUSE SUBMARKET, JULY 2023**

	STUDIO	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	5.2%	3.6%	NA	3.4%	NA	4.0%
Rental Rate	\$1,547	\$1,757	NA	\$2,351	NA	\$2,024
Square Feet	531	768	NA	1,092	NA	883
Rent/SF	\$2.53	\$1.96	NA	\$2.09	NA	\$2.29

Source: Cushman & Wakefield



GRANARY-BALLPARK

The Granary-Ballpark district is adjacent to Downtown Salt Lake City. This is an energetic and gentrifying area evolving from its previous industrial uses. Restaurants, bars, and breweries welcome residents and tourists alike and a growing population is choosing to call the region home. Redevelopment of the Ballpark in the coming years is sure to add a central gathering space to complement this transforming region.

New hotels, restaurants and The Front climbing gym reside in the Granary-Ballpark district including Slackwater Pizza, a favorite among Salt Lake residents. Businesses have creatively remodeled older industrial buildings providing a new and trendy look.

The area is just south of downtown with immediate pedestrian access, bike lanes, TRAX light rail and other forms of public transportation. The proposed Intermountain Health hospital in the downtown area will enhance the desirability of this region for many residents.



TABLE 6  
APARTMENT DATA FOR GRANARY-BALLPARK SUBMARKET, JULY 2023

	STUDIO	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	4.9%	5.9%	NA	1.0%	NA	4.3%
Rental Rate	\$1,092	\$1,446	NA	\$1,828	NA	\$1,345
Square Feet	351	612	NA	1,013	NA	551
Rent/SF	\$3.11	\$2.36	NA	\$1.80	NA	\$2.44

Source: Cushman & Wakefield



Maven West, Granary-BallPark





North Temple

## NORTH TEMPLE

Conveniently located between Downtown Salt Lake and Salt Lake City International Airport, the North Temple area is poised for growth and development. Notable projects include the Rocky Mountain Power mixed-use project, Utah State Fairpark redevelopment, and possible MLB expansion team stadium which will bring tremendous foot-traffic to the already growing area. The area benefits as a transit corridor with a total of five TRAX light rail stations positioned

along North Temple which connect travelers from the airport, to Downtown, and throughout the valley. Additionally, a majority of the historically crime-ridden motels have been demolished.

**<2%** VACANCY RATE OF  
THREE-BEDROOM UNITS

**TABLE 7**  
**APARTMENT DATA FOR NORTH TEMPLE SUBMARKET, JULY 2023**

	STUDIO	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	4.7%	2.9%	3.2%	2.3%	1.5%	3.2%
Rental Rate	\$1,079	\$1,338	\$1,395	\$1,738	\$1,858	\$1,370
Square Feet	398	657	820	872	1,195	669
Rent/SF	\$2.71	\$2.04	\$1.70	\$1.99	\$1.56	\$2.05

Source: Cushman & Wakefield



SOUTH SALT LAKE

South Salt Lake is a “Small City with a Big Opportunity.” The city has worked in earnest on a comprehensive development plan while adding new parks, trails, and bike paths. The region has grown with a new generation of diverse residents and a strong sense of community.

The South Salt Lake General Plan 2040 seeks to grow the area responsibly while maintaining strong community centered neighborhoods and a diverse population. The City looks to encourage mixed use density at or near transit and transportation routes, enhance economic and social opportunities and

celebrate its image through urban design and streetscape improvement. South Salt Lake wants to build new neighborhoods with commercial neighborhood nodes while preserving legacy residential areas and updating existing commercial corridors.



TABLE 8  
APARTMENT DATA FOR SOUTH SALT LAKE SUBMARKET, JULY 2023

	STUDIO	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	2.7%	3.6%	NA	2.9%	3.1%	3.1%
Rental Rate	\$1,358	\$1,553	NA	\$2,056	\$2,686	\$1,863
Square Feet	519	653	NA	1,126	1,433	920
Rent/SF	\$2.62	\$2.38	NA	\$1.83	\$1.87	\$2.03

Source: Cushman & Wakefield







Moda Union, Midvale

## MID-VALLEY

The Mid-Valley area combines Midvale, Murray, West Valley City, and Taylorsville into one submarket. Mid-Valley is centrally located in the Salt Lake Valley with easy access to I-15 and I-215. Trax light rail is available with 2 lines to support commuters.

Midvale offers several office parks and the shops at Fort Union. Ally Bank, Veritas Funding, LLC, Sportsman's Warehouse, and Bed Bath & Beyond (formerly Overstock) are all located in Midvale. The direct interchange between I-15 and I-215 is in the center of Midvale.

Murray is home to Intermountain Health, the largest employer in Salt Lake County, as well as the Fashion Place Mall.

West Valley City is home to the Maverik Center, developed for the Olympic hockey and speed skating events and used extensively today. Multiple well established business parks are in West Valley City such as Lake Park Corporate Center, West Ridge, Decker Lake Business Center, and Metro Business Park.

Taylorsville, bordering on West Valley City to the south, is focused on its 20/20 Vision campaign which centers on new business and economic growth taking place across the city.

**<2%** OVERALL  
VACANCY RATE

**TABLE 9**  
**APARTMENT DATA FOR MID-VALLEY SUBMARKET, JULY 2023**

	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	<2.0%	<2.0%	<2.0%	<2.0%	1.5%
Rental Rate	\$1,401	\$1,442	\$1,611	\$1,882	\$1,426
Square Feet	715	902	996	1,170	821
Rent/SF	\$1.96	\$1.60	\$1.62	\$1.61	\$1.74

Source: Cushman & Wakefield



COTTONWOOD HEIGHTS, SANDY, AND DRAPER

Cottonwood Heights, Sandy, and Draper are situated in the southwest corner of the Salt Lake Valley and centrally bridge the Salt Lake City and Provo/Orem metropolitans.

The area offers direct visibility from the I-15 Freeway and access to the FrontRunner high speed commuter train. It is home to multiple Class-A office destinations and a key part of the Silicon Slopes region.

Leading technology companies bring a vibrant, top-quality workforce to the area from around the

world. No other tech hub offers the same access to an unparalleled outdoor quality of life.

With the current plans for the 600-acre re-development at The Point (site of the former state prison), a new “work-live” city will surely see this region grow exponentially.



TABLE 10  
APARTMENT DATA FOR COTTONWOOD HEIGHTS, SANDY, AND DRAPER SUBMARKET, JULY 2023

	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	1.0%	2.9%	1.3%	1.1%	1.4%
Rental Rate	\$1,406	\$1,540	\$1,680	\$1,963	\$1,637
Square Feet	709	960	1,000	1,180	918
Rent/SF	\$1.98	\$1.60	\$1.68	\$1.66	\$1.77

Source: Cushman & Wakefield



Arcadia, Sandy



Daybreak, South Jordan



## SOUTH JORDAN, HERRIMAN, AND WEST JORDAN

South Jordan, Herriman, and West Jordan have undergone a rapid growth in population over the last several years with multiple new home developments and businesses.

The area is home to Daybreak, Utah's fastest growing master-planned community, and the nation's 10th quickest growing community. Daybreak offers diverse development, unique to any other location in the valley, with both for-rent and for-sale product.

Daybreak is home to some of Utah's largest employers including Rio Tinto's Regional

Headquarters (one of only five in the world), and the University of Utah South Jordan Health Center.

The area provides easy access to major transportation corridors and freeways, as well as public transportation via TRAX Light Rail. These two cities offer excellent amenities and preferred retail destinations in Salt Lake County.

**1,007<sub>SF</sub>**  
SUBMARKET WITH THE LARGEST  
AVERAGE UNIT SIZE

**TABLE 11**  
**APARTMENT DATA FOR SOUTH JORDAN, HERRIMAN, AND WEST JORDAN SUBMARKET, JULY 2023**

	ONE BEDROOM	TWO BEDROOM ONE BATH	TWO BEDROOM TWO BATH	THREE BEDROOM TWO BATH	OVERALL
Vacancy	2.4%	2.4%	2.0%	1.4%	2.1%
Rental Rate	\$1,418	\$1,605	\$1,757	\$1,979	\$1,675
Square Feet	780	972	1,057	1,300	1,007
Rent/SF	\$1.82	\$1.65	\$1.66	\$1.52	\$1.66

Source: Cushman & Wakefield

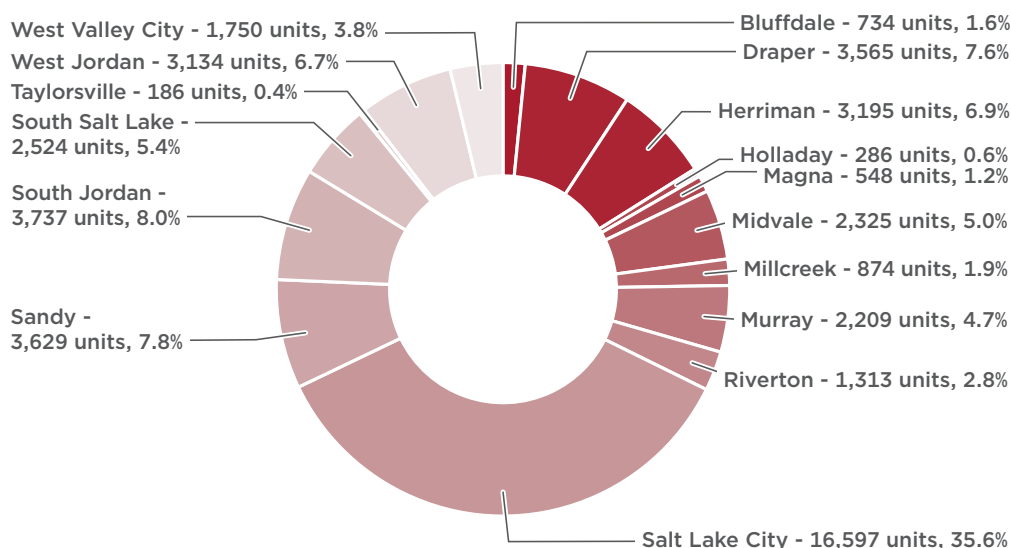




# RENTAL INVENTORY AND APARTMENT CONSTRUCTION TRENDS

Since 2000, 248 market-rate apartment projects with 46,606 units were built in Salt Lake County. Salt Lake City holds the largest development share with 36% or 16,597 units. All other cities have less than 10% of new units developed, *Figure 1*.

**FIGURE 1**  
**NUMBER AND PERCENT SHARE OF NEW MARKET RATE APARTMENT UNITS BY CITY, SINCE 2000**



**36%**

**OF ALL NEW  
APARTMENT UNITS BUILT  
SINCE 2000 ARE LOCATED  
IN SALT LAKE CITY**



## BUILDING PERMITS

In 2022, building permits were issued for 5,535 new apartment units in Salt Lake County. This is the third highest year in the number of units receiving building permits but down 17% from the record year of 2021. Total permits for 2023 are not likely to exceed 4,500. The permit data includes market-rate units of all sizes as well as tax credit units. By comparison, the annual average of permits issued from 2000-2010 was 1,126, well below the average of 4,399 since 2015. The recent surge of apartment development has added 35,200 units to the market since 2015, **Figure 2** and **Table 12**.

*2022 was the third highest year in the number of units receiving building permits but down 17% from the record year of 2021.*

*Salt Lake City holds the largest share of new apartment development in the county.*

**TABLE 12**  
**PERMITS ISSUED FOR NEW APARTMENTS**

YEAR	UNITS	YEAR	UNITS
1980	1,402	2002	733
1981	1,197	2003	1,084
1982	861	2004	1,388
1983	2,667	2005	1,302
1984	7,691	2006	338
1985	3,374	2007	916
1986	2,529	2008	1,521
1987	109	2009	2,442
1988	98	2010	541
1989	61	2011	1,581
1990	218	2012	1,695
1991	117	2013	1,685
1992	115	2014	2,788
1993	1,524	2015	2,496
1994	1,231	2016	4,461
1995	2,318	2017	2,065
1996	2,673	2018	2,951
1997	727	2019	5,649
1998	1,473	2020	5,365
1999	1,185	2021	6,672
2000	1,024	2022	5,535
2001	1,098	June 2023	2,745

Source: Kem Gardner Policy Institute



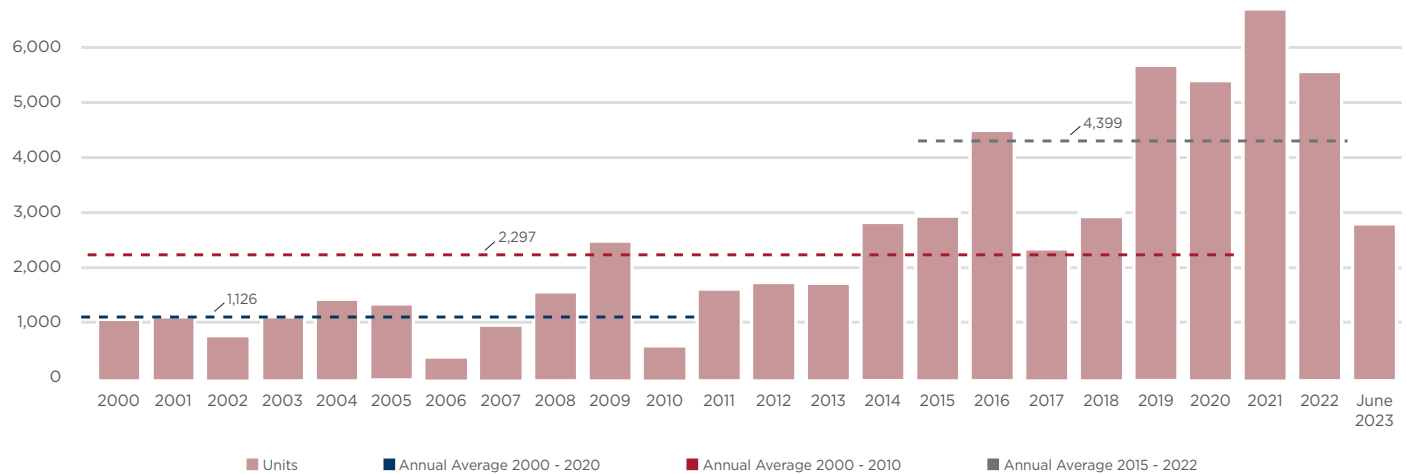
27 Nine Flats, Salt Lake City



Arcadia, Sandy



**FIGURE 2**  
Permits Issued for New Apartments



Source: Kem Gardner Policy Institute

## APARTMENT PROJECTS UNDER CONSTRUCTION

There are currently 12,916 units (65 projects) under construction in Salt Lake County representing an over 8% increase in overall rental units. Salt Lake City dominates new development with over 57%, (7,422 units) in 41 projects under construction. Of the 54 projects under construction in Salt Lake County, 10 are affordable totaling 2,172 units, [Table 13](#) and [Map 2](#).

**TABLE 13**  
APARTMENT PROJECTS UNDER CONSTRUCTION IN SALT LAKE COUNTY

PROJECT	UNITS	ADDRESS	CITY
Skyline Peaks	423	12558 South Pony Express Road	Draper
Reveal	174	13589 South 600 West	Draper
Residential Apartments 35	216	14787 Academy Parkway	Herriman
Holladay Hills	614	4835 Highland Drive	Holladay
The Grandeur Apartments	361	1924 East Rodeo Walk Drive	Holladay
Cottonwood Highland	250	1353 East Villa Vista Avenue	Millcreek
Lofts on 35th	50	4565 West 3500 South	Millcreek
The Highland	50	3816 South Highland Drive	Millcreek
The Westerly at Millcreek	95	1354 East 3205 South	Millcreek
Opus Green	139	4186 South Main Street	Millcreek
Richmond Apartments	328	1280 East Villa Vista Avenue	Millcreek
Residences at Fireclay (Affordable)	40	152 West 4250 South	Murray
Vine	130	184 East Vine Street	Murray
Current	305	4994 South Commerce Drive	Murray
4800 Lofts	371	4800 South Galleria Drive	Murray
Viviano at Riverton	364	13077 South Kruger Lane	Riverton
Richmond Flats (Affordable)	55	2960 South Richmond Street	Salt Lake City
Victory Heights (Affordable)	88	1060 East 100 South	Salt Lake City
144 South Apartments (Affordable)	110	144 South 500 East	Salt Lake City
Euclid Station Flats (Affordable)	120	37 North 800 West	Salt Lake City
Spark (Affordable)	200	1500 West North Temple	Salt Lake City
The Alta Vue (Affordable)	207	820 West 200 South	Salt Lake City

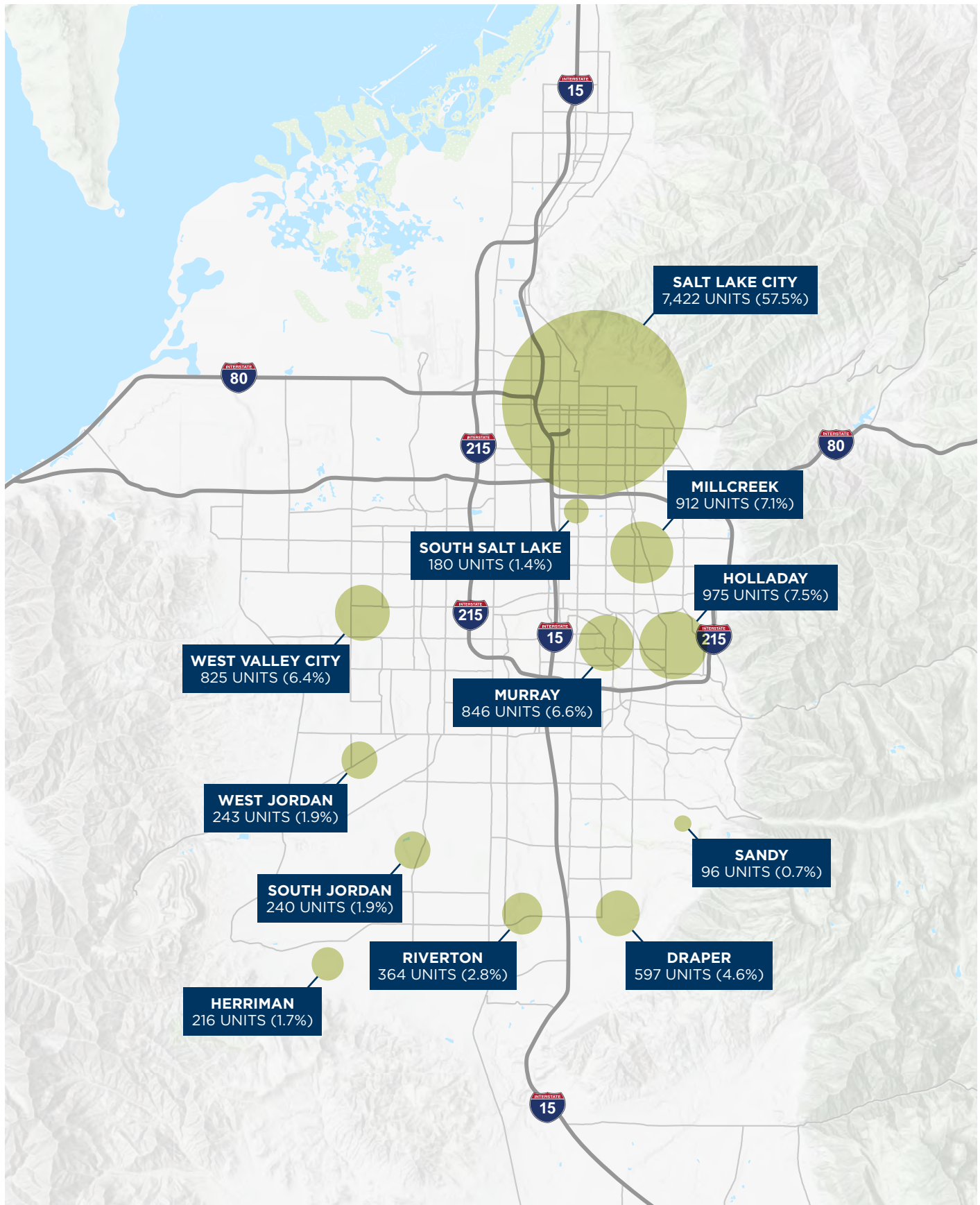
**TABLE 13 (CONTINUED)**  
**APARTMENT PROJECTS UNDER CONSTRUCTION IN SALT LAKE COUNTY**

PROJECT	UNITS	ADDRESS	CITY
The Nest at Rio Grande (Affordable)	220	382 South Rio Grande	Salt Lake City
Village at North Station (Affordable)	769	1925 West North Temple	Salt Lake City
Solis at Jackson Station (Affordable)	363	182 North 900 West	Salt Lake City
Convexity Tower	359	200 East 300 South	Salt Lake City
Fair Grounds	58	118 North 1000 West	Salt Lake City
Studio Squared	64	767 West North Temple	Salt Lake City
Izzy North	71	555 East 2100 South	Salt Lake City
Izzy South	71	542 East 2100 South	Salt Lake City
South Temple	118	508 East South Temple	Salt Lake City
The Zephyr	138	360 West 200 South	Salt Lake City
The Revival	142	355 South 200 West	Salt Lake City
Dewitt	149	346 South 500 East	Salt Lake City
Entry Note	171	735 West North Temple	Salt Lake City
Cinq	203	530 West 200 South	Salt Lake City
RIO	210	210 South 500 West	Salt Lake City
The Citizen	264	500 South Denver Street	Salt Lake City
Alta Stone at Gateway	288	565 West 100 South	Salt Lake City
Camber Apartments	422	430 West 300 North	Salt Lake City
SUR17 Townhomes	47	385 West 1700 South	Salt Lake City
Tradition Pointe	78	1425 South Jefferson Street	Salt Lake City
Sloane	88	764 South 200 West	Salt Lake City
TwentyOnes	108	2100 South 2100 East	Salt Lake City
South Temple Tower	255	136 East South Temple	Salt Lake City
The Whitney	264	375 Whitney Avenue	Salt Lake City
Box 500	89	543 South 500 West	Salt Lake City
Montaire Sugar House	344	1121 & 1132 Ashton Avenue	Salt Lake City
The Lusso Apartments	175	1025 West North Temple Street	Salt Lake City
Astra Tower	377	89 East 200 South	Salt Lake City
Lotus Zeppelin	54	2233 South 700 East	Salt Lake City
The Residences at Sugar Alley	186	2188 South Highland Drive	Salt Lake City
Tag 343	55	343 South 400 East	Salt Lake City
Sugarmont Place Apartments	77	2195 South 900 East	Salt Lake City
Esplanade Apartments (Affordable)	101	29 North 1000 West	Salt Lake City
Bueno Avenue Apartments - 192 Beds (Student Housing)	65	129 South 700 East	Salt Lake City
Trolley North - 607 Beds (Student Housing)	199	675 East 500 South	Salt Lake City
Orchard Townhomes	96	11170 Apple Cider Drive	Sandy
Vida at Daybreak Phase II	240	11321 South Grandville Avenue	South Jordan
One Burton	180	2364 South Main Street	South Salt Lake
Momentum	243	3361 West Jordan Line Pkwy	West Jordan
H2O Lofts	282	2882 South Decker Lake Drive	West Valley City
Erin Hills Estates	61	5491 West Fade Court	West Valley City
Decker Station Apartments	219	3100 South Decker Lake Drive	West Valley City
Back 9 Apartments	263	2600 West 3800 South	West Valley City
<b>Total</b>	<b>12,196</b>		

Source: Cushman & Wakefield



**MAP 2**  
**APARTMENT PROJECTS UNDER CONSTRUCTION, BY CITY**



## PROPOSED APARTMENT PROJECTS

Forty-nine projects totaling 10,301 units are proposed in Salt Lake County, [Table 14](#). These projects are in various stages of the approval process. Some are well into the entitlement phase, while others are simply in the initial stages of discussion between the planning office and the developer. However, a majority of projects are now paused, due to the current economic climate.

Salt Lake City has the largest share of proposed units at 62% (6,407 units). No other city possesses 7% or more of the proposed units, [Figure 3](#) and [Map 3](#).

**TABLE 14**  
**PROPOSED APARTMENT PROJECTS IN SALT LAKE COUNTY**

NAME	UNITS	ADDRESS	CITY
Wasatch Rock	320	6695 Wasatch Boulevard	Cottonwood Heights
Canyon Centre Heights	112	7358 South Canyon Centre Parkway	Cottonwood Heights
Rockwell Pointe	508	356 Marion Vista Drive	Draper
Village Lofts	280	4402 West 13400 South	Herriman
Arbor Park	192	8315 Arbor Park Drive	Magna
Sole at Rockwell Point	506	2820 South 8400 Street	Magna
Sunset Gardens	89	380 East 7200 South	Midvale
The Westerly at Millcreek	215	1300 East 3300 South	Millcreek
Millcreek Flats	217	1350 Miller Avenue	Millcreek
Millcreek Townhomes	32	4350-4360 South 900 East	Millcreek
Liberty Duet	54	353 East 500 South	Salt Lake City
Carlton Hotel	76	140 East South Temple	Salt Lake City
Southern Highlands	153	919 South 400 West	Salt Lake City
At 2100 Phase II	160	1967 South 300 West	Salt Lake City
Silo Park North	160	425 West 500 South	Salt Lake City
G3	184	634 South 400 West	Salt Lake City
Lotus Alchemy	214	28 West 700 South	Salt Lake City
465 Main Street	217	465 South Main Street	Salt Lake City
The Huxley	226	74 South 600 West	Salt Lake City
421 Lofts	235	421-435 South 400 East	Salt Lake City
Kozo House	242	613 West 200 North	Salt Lake City
Overland on Third	246	336 South 300 East	Salt Lake City
Station 424	249	424 South 700 East	Salt Lake City
9th East	264	410 South 900 East	Salt Lake City
Pacific Yard	277	443 West 700 South	Salt Lake City
Oro	316	850 East 2100 South	Salt Lake City
Big Lots Site	370	370 East 200 South	Salt Lake City
Villa Nueva Lofts	35	915 West 200 North	Salt Lake City
Collaborative 541	51	541 South Redwood Road	Salt Lake City
Metropolitan	72	200 South 305 East	Salt Lake City
theQUINCI	80	1106 South Redwood Road	Salt Lake City

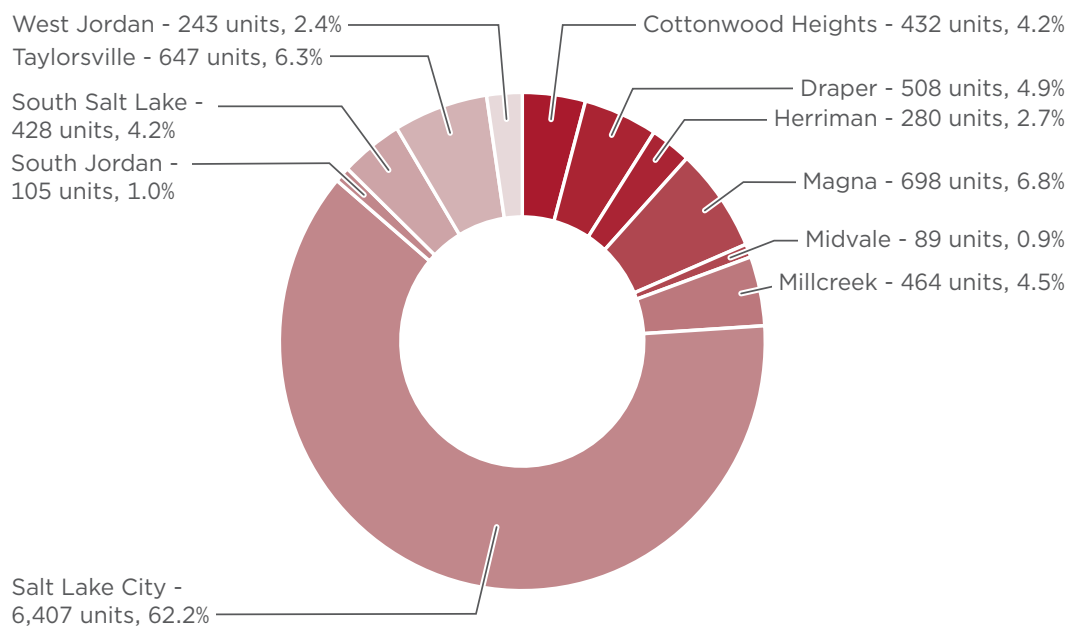


**TABLE 14 (CONTINUED)**  
**PROPOSED APARTMENT PROJECTS IN SALT LAKE COUNTY**

NAME	UNITS	ADDRESS	CITY
theJUNE	102	624 South 300 West	Salt Lake City
Liberty Uptown	109	327 East 200 South	Salt Lake City
Chicago Street Apartments	143	27 North Chicago Street	Salt Lake City
Maven State	150	1799 South State Street	Salt Lake City
Flats at Folsom	188	16 South 800 West	Salt Lake City
Edison Apartments	197	250 South 200 East	Salt Lake City
465 South Main	244	465 South Main Street	Salt Lake City
Station 424	249	424 South 700 East	Salt Lake City
Pacific Yard	292	704 South 400 West	Salt Lake City
801 South State	360	801 South State Street	Salt Lake City
South West Temple	340	370 South West Temple Street	Salt Lake City
Lusso Apartments Phase II	152	1011 West North Temple Street	Salt Lake City
Residential Apartments 39	105	14787 Academy Parkway	South Jordan
Utopia	188	125 West Utopia Avenue	South Salt Lake
Liberty on Main	120	28 East 2100 South	South Salt Lake
160 West Burton	120	160 West Burton Avenue	South Salt Lake
Volta Taylorsville	647	3815 West 5400 South	Taylorsville
Momentum	243	3361 Jordan Line Parkway	West Jordan
<b>Total</b>	<b>10,301</b>		

Source: Cushman & Wakefield

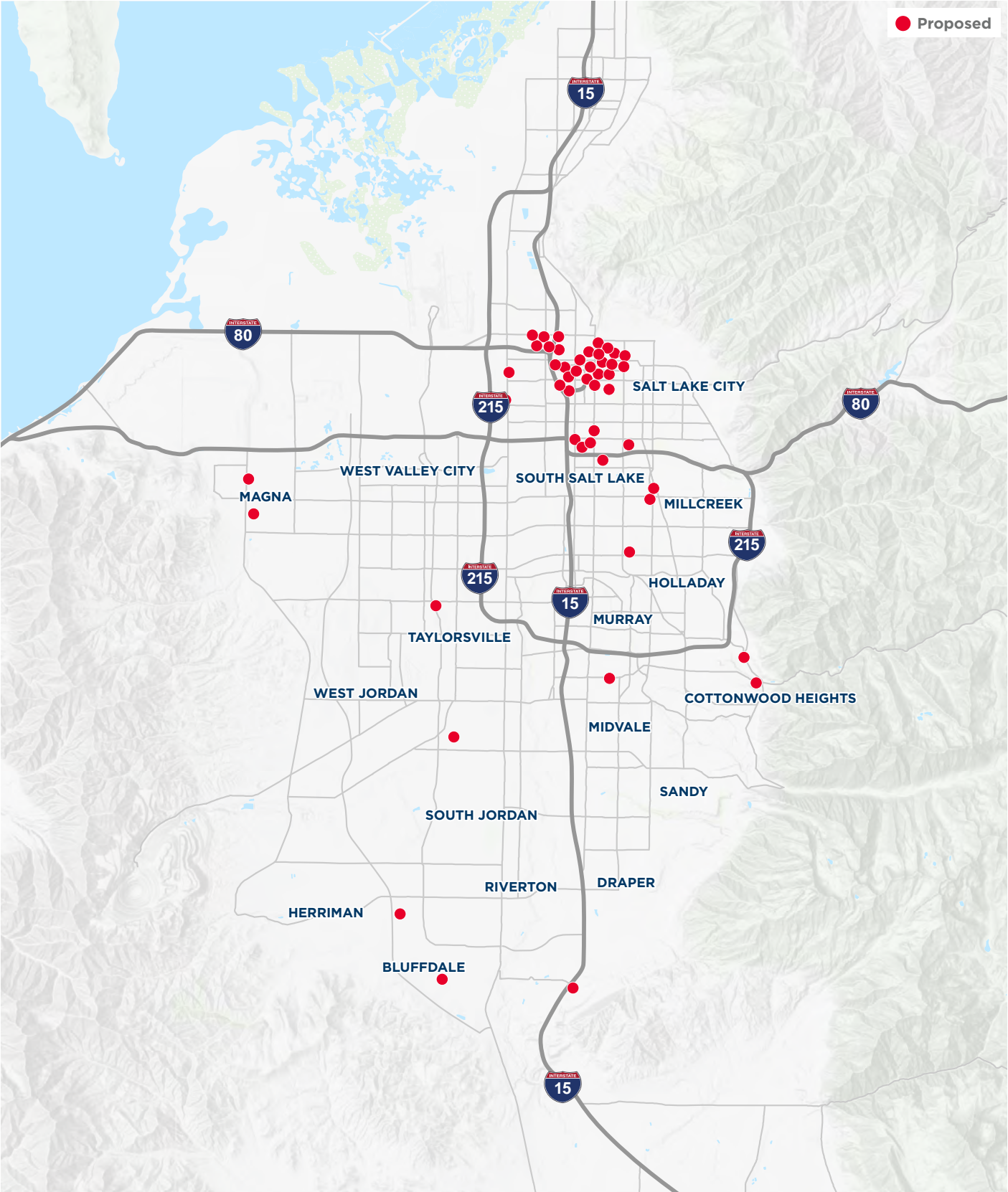
**FIGURE 3**  
**SHARE OF PROPOSED APARTMENT UNITS BY CITY**



**62%**

**OF ALL PROPOSED  
 APARTMENT PROJECTS  
 ARE LOCATED IN SALT  
 LAKE CITY**

**MAP 3**  
**DISTRIBUTION OF PROPOSED APARTMENT PROJECTS IN SALT LAKE COUNTY**



Source: Cushman & Wakefield



## HOUSING MARKET AND DEMAND FOR RENTAL UNITS

With the housing market pricing many households out of home ownership, rental demand has increased significantly. In the past 5 years, housing prices in the Salt Lake County Metropolitan area have increased 98.9%, essentially doubling from 2017. Of the 100 largest metropolitan areas in the country, Salt Lake County Metropolitan area has seen the sixth largest increase in housing prices, **Table 15**.

After two years of double-digit increases in both the median price of homes and average rental rates in Salt Lake County, 2022 featured price corrections as the rate of increase for both slowed. In 2022, housing prices increased by 5.1%, the lowest rate since 2014, and the average rental rate was up only 1.4%, the slowest rate since 2010. Despite the limited increase in rental rates in 2022 & 2023 to date, average rental rates are up 54% over the last 5 years, which is about half the rate of increase in housing prices, **Figure 4**.

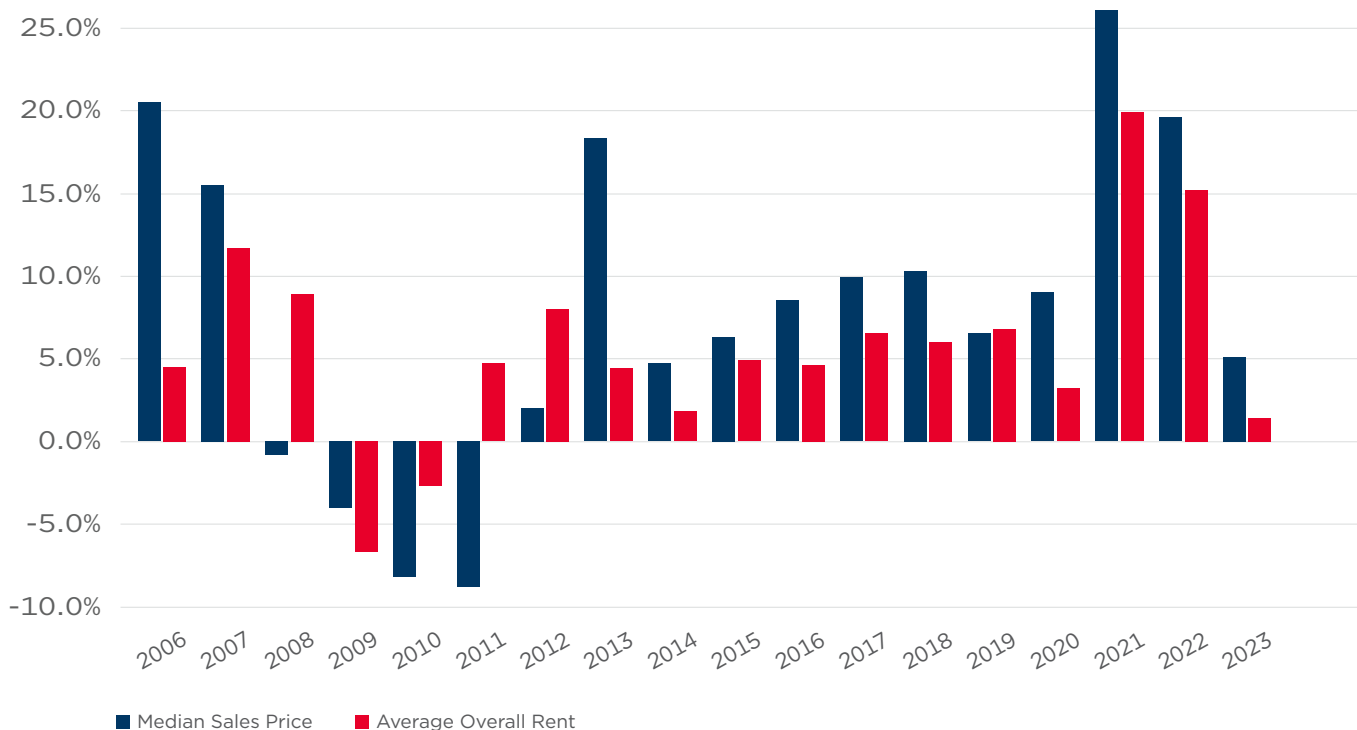
**TABLE 15**  
**TOP FIVE RANKED METROPOLITAN AREAS BY PERCENT CHANGE IN HOUSING PRICE INDEX (2017-2022)**

RANK	METRO AREA	5-YEAR Q1
1	Boise, Idaho	138.8%
2	Phoenix, Arizona	105.8%
3	Austin, Texas	101.8%
4	Tampa Bay, Florida	101.0%
5	Cape Coral, Florida	99.6%
6	Salt Lake City, Utah	98.9%

Source: Federal Housing Finance Agency

*Home prices are up 98.9% since 2017 with Salt Lake Metropolitan area seeing the 6th greatest increase in home prices in the top 100 metropolitan areas of the country. This has resulted in many more households looking for rental units in Salt Lake County.*

**FIGURE 4**  
**Percent Change in Median Sales Price of Home Compared to Percent Change in Overall Rent**





Based on the median home value of \$600,000 in Salt Lake County as of September 2023 and assuming current market financing metrics, the average annual mortgage obligation comes out to roughly \$53,753 per year.

When compared to the Average Annual Rent for Salt Lake County of \$19,848, it is currently 63% cheaper to rent in Salt Lake County than it is to own a home. Furthermore, when looking at annual housing costs as a percentage of average household income of \$103,503, renting yields an affordability ratio of 19.18% compared to 51.93% to own.

Finally, when factoring the quality level of the home that you can get for \$53,753 per year vs. the quality level of a rental unit at \$19,848 per year, residents are able to get a much higher quality design and finishes renting than if they were to own, without the obligation of renovation, maintenance, and upkeep costs.



# SALT LAKE COUNTY: DEMOGRAPHIC AND EMPLOYMENT TRENDS

The demand for housing, both owner and renter occupied, is driven by demographic and employment change. Utah continues to be one of the country's best places to live and work with an unparalleled quality of life.

The population of Salt Lake County was 1,207,538 in July 2022. The population has increased steadily over the past thirteen years at an average annual growth rate of 1.3%, adding approximately 14,475 individuals each year. While demographic growth slowed to about 1% over the past two years, there is no noticeable impact on the high demand for rental housing, [Table 16](#).

After the loss of 17,000 jobs in 2020 due to the pandemic, employment recovered quickly in 2021, with an increase of 29,450 jobs and a further increase of 34,278 jobs in 2022. This 4.6% increase in 2022 is the highest rate of increase in recent years. The total

**TABLE 16**  
**DEMOGRAPHIC TRENDS FOR SALT LAKE COUNTY**

YEAR	POPULATION	CHANGE	NET MIGRATION
2010	1,032,281	12,960	-750
2011	1,049,380	17,099	4,782
2012	1,065,591	16,210	4,454
2013	1,078,405	12,814	669
2014	1,090,830	12,425	662
2015	1,106,942	16,111	5,041
2016	1,123,506	16,564	5,546
2017	1,145,202	21,696	11,086
2018	1,161,347	16,145	6,564
2019	1,174,562	13,215	4,035
2020	1,185,238	10,676	3,982
2021	1,197,450	9,327	2,370
2022	1,207,538	9,998	3,180

Source: Kem Gardner Policy Institute, University of Utah.

number of jobs in Salt Lake County in 2022 was 783,531. This high rate of job growth resulted in an unemployment rate of 2.3% with a labor shortage continuing in Salt Lake County, **Table 17**.

Utah has one of the fastest growing economies with one of the lowest unemployment rates in the nation. Utah is expected to enjoy continued strong employment and net in-migration. Employment migration accounts for a substantial part of the increase in population.

# 17%

**INCREASE IN SALT LAKE  
COUNTY'S POPULATION  
SINCE 2010**



*The Charles, Salt Lake City*

**TABLE 17  
EMPLOYMENT TRENDS IN SALT LAKE COUNTY (YEAR-END ESTIMATES)**

YEAR	NONFARM JOBS	CHANGE	% CHANGE	UNEMPLOYMENT RATE
2000	545,153	13,824	---	3.2%
2005	554,983	19,709	---	4.1%
2006	579,780	24,797	4.5%	2.9%
2007	601,224	21,444	3.7%	2.5%
2008	602,927	1,703	0.3%	3.3%
2009	573,449	-29,478	-4.9%	7.4%
2010	571,259	-2,190	-0.4%	7.8%
2011	583,122	11,863	2.1%	6.5%
2012	603,934	20,812	3.6%	5.2%
2013	624,370	20,436	3.4%	4.2%
2014	639,466	15,096	2.4%	3.7%
2015	661,297	21,831	3.4%	3.3%
2016	684,445	23,148	3.5%	3.2%
2017	700,603	16,158	2.4%	3.1%
2018	718,017	17,414	2.5%	3.0%
2019	736,746	18,729	2.6%	2.7%
2020	719,784	-16,962	-2.3%	5.1%
2021	749,253	29,469	4.1%	2.8%
2022	783,531	34,278	4.6%	2.3%

Source: Utah Department of Workforce Services



# RENTAL MARKET OUTLOOK

In 2023, the suburban Salt Lake County apartment market will experience high demand with a vacancy rate below 3% and rental rates increasing 4-5%.

The Salt Lake City market, (including Downtown, North Temple, Granary-Ballpark), will experience vacancy rates climbing to 5% or higher, slower absorption of new projects, many proposed projects placed on hold, downward pressure on rental rates and an escalation of concessions.

In 2024, with the addition of several hundred new apartment units, it is likely vacancy rates will rise

and rental rates will decline. Countywide, the number of building permits issued for apartment units will fall from 5,500 units in 2022 to likely not exceed 4,500 in 2023, marking the lowest level since 2017. The next 18 months will be a period of transition for the four Salt Lake City submarkets while the suburban markets will continue to strengthen and favor landlords.





## Why Invest in Salt Lake City?

Core market fundamentals are top of mind for investors looking to place capital in real estate in today's unstable climate. Investors can't control the macro i.e., interest rates, leverage levels, or equity availability. What investors can control is the markets they invest in, with a hyper focus on strong local core fundamentals.

Over the past 10 years, the State of Utah increased its share of National Real GDP by 20.37%, the largest contribution growth in the country by a significant margin. Why does this matter?

Positive growth of Real Gross Domestic Product is an overall signal of economic health and investors want to have conviction in the fiscal stability of the markets they are investing in. Economic health is spearheaded by positive job growth, population growth, income growth, and economic diversity; all major drivers that directly impact the performance of all asset classes in commercial real estate.

Utah and its metros consistently rank among the highest in the country across these important categories:

- Oxford Economics recently released a study that forecasts the top 10 metros for job growth over the next 5 years, Salt Lake City ranked 9th in the country
- The Hachman Index measures economic diversity on a state level across the country, Utah's economy is ranked as the 2nd most diverse in the country
- Millennials (ages 25 to 40) are the largest workforce in the country, Utah is the youngest state in the country with a median age of 31 years old
- U.S. News & World Report has ranked Utah as having the nation's best economy and the country's No. 1 overall state across all category rankings

The list of accolades seems to never end and is certainly supported and confirmed when looking at the incredible growth Utah has experienced in its share of National Real GDP over the past 10 years.







## ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.



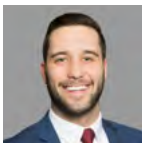
**Kip Paul**

Vice Chairman - Investment Sales  
Tel: +1 801 303 5555  
[kip.paul@cushwake.com](mailto:kip.paul@cushwake.com)



**Kathey Hart**

Senior Brokerage Specialist - Executive Team  
Tel: +1 801 303 5560  
[kathey.hart@cushwake.com](mailto:kathey.hart@cushwake.com)



**Michael King**

Director - Investment Sales  
Tel: +1 801 303 5421  
[michael.king@cushwake.com](mailto:michael.king@cushwake.com)



**Chris Fiander-Carr, CFA**

Financial Analyst  
Tel: +1 801 303 5448  
[chris.fiandercarr@cushwake.com](mailto:chris.fiandercarr@cushwake.com)



**JT Redd**

Investment Sales  
Tel: +1 801 303 5569  
[jt.redd@cushwake.com](mailto:jt.redd@cushwake.com)



**Pete Andrews**

Senior Marketing Specialist  
Tel: +1 801 303 5410  
[peter.andrews@cushwake.com](mailto:peter.andrews@cushwake.com)