

CBRE

SKYHOUSE

# THE GREATER SALT LAKE AREA MULTIFAMILY MARKET

THE MOST COMPREHENSIVE MULTIFAMILY REPORT | H1 2020 REVIEW + OUTLOOK

# PREFACE

CBRE is pleased to release the H1 2020 Greater Salt Lake Area Multifamily Market Report, the most current and comprehensive multifamily data available for the Salt Lake Area/Wasatch Front market. Produced by Eli Mills and Patrick Bodnar of CBRE, this report has been assembled to empower the decision making of multifamily professionals active in the Utah market.

This report has been prepared with current data sourced from a survey of over half the multifamily market (60,000+ units) along the Wasatch Front Area inclusive of Salt Lake, Utah, Davis and Weber Counties. Minimum reporting requirements were identified for each city and county by class, type and size.

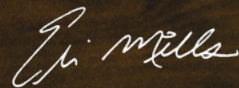
Data contributions and validations to this publication were made by:

- CBRE Research
- CBRE Econometric Advisors
- Yardi Matrix
- Axiometrics
- Western States Multifamily
- Utah Department of Economics
- University of Utah Bureau of Economics and Business Research
- Construction Monitor
- CoStar

Whatever your multifamily needs may be, please reach out to us. CBRE has the most comprehensive data on the market and can provide information on a macro or micro level based on class, city, submarket, zip code, location, age, size, proximity to rail stops, and many other variations.

CBRE consistently leads the market, with national multifamily investment sales totaling over \$33.3 billion in 2019 (Source: Real Capital Analytics). As the leader in multifamily sales every year since 2001, the exposure of CBRE is second-to-none. With 65 locations and over 300 multifamily professionals, including direct lending services, CBRE's unparalleled multifamily platform has a competitive presence in Utah and an enhanced investment reach into the multifamily space, providing our clients with the greatest market exposure available.

We welcome your inquiries into the Utah multifamily market and encourage you to contact us with any questions.



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## Hardware Apartments Row Houses

These brownstones have private street level access and some of the most luxurious finishes of any apartment home in downtown Salt Lake City.

Cover Photo: Skyhouse | Preface Photo: Hardware Apartments

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## COUNTY SNAPSHOTS

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# CBRE SALT LAKE CITY MULTIFAMILY



**61%** MARKET SHARE YTD    **46%** MARKET SHARE 2019

## LARGEST TRANSACTIONS 4 YEARS RUNNING



2020  
**HARDWARE STATION**  
453 UNITS



2019  
**4TH WEST APARTMENTS**  
493 UNITS



2018  
**FAIRSTONE AT RIVERVIEW & ALPINE MEADOWS**  
714 UNITS



2017  
**PARK AT CITY CENTER**  
330 UNITS

## RECORD-SETTING EXPERIENCE

### EXECUTIVE SUMMARY

Despite the challenging worldwide circumstances brought about by COVID-19, the Greater Salt Lake Area continues to be a highly preferred investment market for multifamily assets. The market is on track to, once again, realize sales in excess of \$1 billion dollars for the fourth year in a row. The first half of the year has already posted at \$686 million in total multifamily sales for properties 50 units and greater. This activity demonstrates there is continued interest that is relentless in seeking to get a foothold in the marketplace. The consistent upward trend in trade volume for multifamily assets is a critical indicator that will drive new investment and development in the Salt Lake market, encouraging job and population growth.

Multifamily rent collections have remained strong—above 97% — and delinquencies have been minimal at less than 4%. For the most part, properties have reported that 50% of all leases coming due are being renewed, a strong indication of healthy performance. Absorption of new units has slowed from an average of 22 units leased per month to 15, compared to this time last year, although some select submarkets continue to realize very healthy unit absorption of approximately 4-6 units per week.

The overall lower cost of living and the highly desired, outdoor recreation lifestyle will continue to be a significant driver for talented professionals to migrate to Utah. Many of these professionals will continue to strengthen the multifamily market, seeking the very latest in quality apartment living along the beautiful Wasatch Front.

### TRANSACTION DIVERSITY BY DOLLAR AMOUNT\*

DEAL SIZE	# OF DEALS	SALES VOLUME
<\$10 Million	27	\$102,908,146
\$10-25 Million	8	\$124,980,501
Plus \$25 Million	9	\$572,270,801
<b>Total</b>	<b>44</b>	<b>\$800,159,448</b>

Source: CBRE, Inc.

\*Multifamily transactions greater than \$1M and 10 units.

### HEADLINES TO KNOW

**RENT**  
**\$1,180/MO.**    **2% YOY**

**VACANCY**    **SALES**  
**4.3%**    50+ UNITS H1 2020  
**SLIGHT CHANGE YEAR-OVER-YEAR**    **\$686M**

**PIPELINE**  
**MID-2020 DELIVERIES**  
**2,755 UNITS**

### LOOKING FORWARD

**SALES**    **CAP RATES**  
**SLIGHT DECREASE IN TOTAL VOLUME YOY WILL CREST OVER \$1B**    **CONTINUED COMPRESSION**

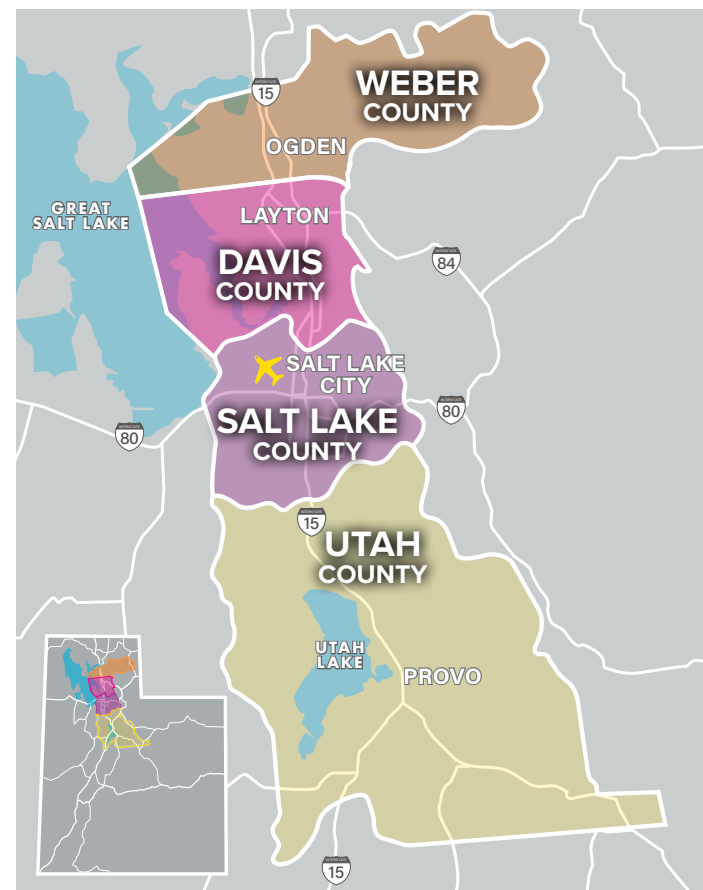
**PIPELINE**  
**2020 EXPECTED DELIVERIES UP 3,753 UNITS**    **S L O W E R ABSORPTION**

**RENT**    **CONCESSIONS**  
**LIMITED RENT GROWTH (DURING COVID)**    **SOME INCREASE (DURING COVID)**

**GREATER SALT LAKE AREA**

The Greater Salt Lake Area, also known as the Wasatch Front, consists of four counties—Salt Lake, Utah, Davis and Weber. Salt Lake City is in the center of the Wasatch Front immediately accessible by commuter rail, light rail and the Salt Lake International Airport, which is just 10 minutes from downtown by car and 15 minutes via light rail. Approximately 2.6 million people (80% of Utah’s population) live within this four-county area.

**THE WASATCH FRONT**



**2019 POPULATION GROWTH RATE COMPARISON**

GREATER SALT LAKE POPULATION GROWTH RATE **1.7%**

U.S. POPULATION GROWTH RATE **0.7%**

Source: Kem C. Gardner Policy Institute 2020 Economic Report to the Governor.

**UTAH ACCOLADES**

**ECONOMY**

- #1 MOST DIVERSE ECONOMY IN THE NATION (HACHMAN INDEX, 2019)
- #1 STATE FOR JOB GROWTH (JUNE 2020)

**FRAMEWORK**

- MASSIVE AIRPORT REDESIGN \$3.8 BILLION
- PUBLIC TRANSIT REACHES 75% OF THE POPULATION

**LIFESTYLE**

UTAH IS NATURE’S PLAYGROUND

HOME TO:

- 15 MAJOR SKI RESORTS
- 5 NATIONAL PARKS
- 7 NATIONAL MONUMENTS
- 5 NATIONAL FORESTS
- 43 STATE PARKS

**DEMOGRAPHICS**

- 3.2 MILLION PEOPLE
- 31.4 YRS (LOWEST MEDIAN AGE IN NATION)
- NATIONAL MEDIAN: 38.2 YRS

Source: Kem C. Gardner Policy Institute, USDA, Utah.gov.

**COVID-19 AND ITS EFFECT ON THE SALT LAKE MARKET**

The effects of COVID-19 have shocked the global economy and the multifamily industry in the Greater Salt Lake Area has certainly experienced its share of changes. However, the Wasatch Front has fared much better than many other competing markets. Nationally, rental rates decreased 2.5% yet Utah is down less than 1%. During this same time period, Salt Lake realized strong collections greater than 97%. Permits for new apartment communities slowed greatly, as did new unit absorption, while tour traffic nearly came to a halt. Fortunately, select properties in certain submarkets continued to see leasing activity pick right back up to as much as 4-6 units leased per week. Many property amenities were shut down for a time, such as fitness centers and community lounges, but most all amenities have since reopened.

Critical questions pertaining to rental rate growth expectations remain largely unknown. Most properties have worked to keep renewals above 50% by offering one-time concessions, eliminating rent bumps at renewals and offering some form of free rent for a time. CBRE Econometric Advisors expects rent and vacancy to bottom out in Q4 2020 and then rebound fairly quickly through 2021. Pent-up demand and low interest rates will continue to buoy up pricing.

Despite the challenges faced with daily operations, aggressive lending rates have investors very enthusiastic about competing for opportunities to purchase assets along the Wasatch Front. Investor capital is hungry for Salt Lake deals and the low interest rate environment is putting downward pressure on cap rates, creating pre-COVID pricing as investors aggressively compete to buy product. Coupled with the lack of available properties to buy in the market, sellers are realizing some of the highest market prices ever paid.

**COVID-19 AND UNEMPLOYMENT**

**JULY 2020 JOB GROWTH**

UTAH **-1.8% YOY**  
U.S. **-7.7% YOY**

**UTAH IS THE #1 STATE FOR THE SMALLEST UNEMPLOYMENT RATE INCREASE (LOWEST JOB LOSSES)**

**JULY 2020 UNEMPLOYMENT**

UTAH **4.5% #1 IN THE NATION**  
U.S. **10.2%**

From February to April, the U.S. shed 25 million jobs as businesses closed and citizens sheltered in place to halt the spread of COVID-19. The unemployment rate surged from a 50-year low (3.5%) in February to levels not seen since the Great Depression (14.7%) in April. Unemployment rates shrank in May to 13.3% as the states economies began to reopen, with further improvement in June at 11.1%.

Source: Kem C. Gardner Policy Institute, June 2020.

**2020 UNEMPLOYMENT FORECAST**

	2020 OVERALL	2019 OVERALL	GREAT RECESSION PEAK UNEMPLOYMENT
Utah	5.3%	2.3%	8.1%
U.S.	15%	3.5%	10.6%

**YOY COLLECTED RENT COMPARISON**

According to the NIMHC Rent Tracker, during the time frame August 1–13th, 2020, 86.9% of rent was paid nationally.\* This is a 2% decrease YOY. The state of Utah is down only 1.4% and Salt Lake City is in the top 5 markets for rent collection during that same time period.

The Top 5 markets with the highest percentage of rent collected during the same time frame YOY are:

MARKETS	AUG. 1-13, 2020	AUG. 1-13, 2019	DIFFERENCE
Virginia Beach	93.8%	95.0%	-1.2%
Riverside	92.7%	96.8%	-4.1%
San Bernardino	92.7%	94.1%	-1.4%
Salt Lake City	92.5%	95.2%	-2.7%
Sacramento	92.5%	94.4%	-1.9%

\*Of 11.4 million units of professionally managed apartment units across the country. Source: Kem C. Gardner Policy Institute, June 2020.

**LENDING DURING THE COVID-19 CRISIS**

The financing markets were not immune to the disruption caused by COVID-19, as many capital sources pulled back or stepped to the sidelines during the first half of 2020 in response to the economic impact of the global pandemic. However, the multifamily sector continues to be a preferred asset class for lenders and liquidity remains readily available for multifamily properties. Historically low interest rates, currently in the 2.75%–3.25% range depending on asset quality and leverage, have fueled continued robust volume within the sector. Much of this liquidity continues to be provided by Fannie Mae, Freddie Mac and HUD; through the first half of 2020, Fannie Mae’s volume was \$33.7 billion, a mere 1.2% decrease from 2019’s record pace, while Freddie Mac’s volume was \$30.2 billion, a 3.2% decrease. Many lenders, including the agencies, have implemented debt service reserve requirements to offset potential concerns regarding collections or vacancy issues due to COVID-19. Overall, the financing market for multifamily assets continues to be dynamic and very attractive for borrowers.

**SILICON SLOPES – UTAH’S TECH CORRIDOR**

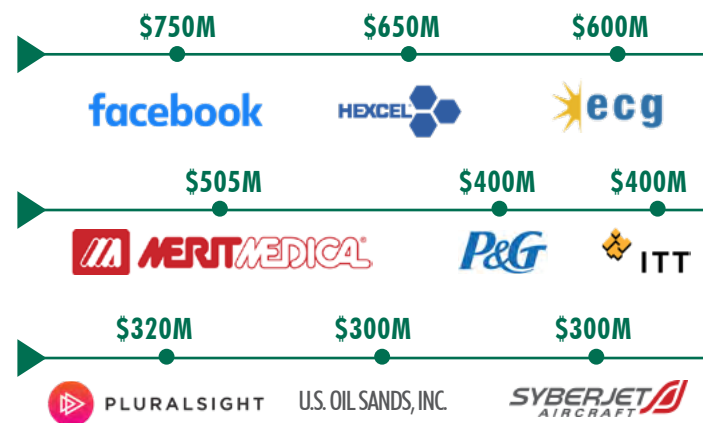
Utah’s technology corridor, known as Silicon Slopes, has become the destination for technology, biotechnology, education, retail and creative firms that thrive in the presence of the Salt Lake Metro’s highly educated and collaborative workforce. The epicenter of Silicon Slopes is located at the convergence of Utah’s two most populated counties: Salt Lake and Utah. Employers locating here can easily recruit employees from both counties.

Silicon Slopes, a two-hour flight from Silicon Valley, has attracted a host of tech companies such as Adobe, Microsoft, IM Flash (Intel/Micron), Dell EMC, eBay, E\*TRADE, Oracle, Vivint Solar, Workfront, DigiCert, Xactware, and the National Security Administration. With a predominantly young workforce in the Salt Lake Metro, employers are finding great value in selecting office space in a market with convenient access to retail and residential options that support a first-class quality of lifestyle.

*“Utah punches above its weight for attracting and retaining talent. We continue to look at this as a great place to hire for Adobe.”*

– Jonathan Francom, Adobe VP

**TOP CAPITAL INVESTMENT PROJECTS**



**OTHER NOTABLE TECH TENANTS**



Source: EDCUtah, 2020 and CBRE US Research, 2020.

**MAP OF SILICON SLOPES**

90 MILES FROM OGDEN TO PROVO

TECH EPICENTER

SANDY TO LEHI



**EMPLOYERS ARE FLOCKING TO UTAH**

Annually, CBRE Research releases a Tech Talent Report, which ranks the top 50 North American tech markets according to their ability to attract and grow talent. For the second year in a row, Utah has ranked #15. The local tech segment has seen steady growth over the past decade.

Many of the largest employers in the U.S. are locating in Utah to take advantage of the low costs, highly educated employment base, ease of air travel and affordable lifestyle that allows for recruiting out-of-state employees. The area provides an incredible lifestyle destination with an abundance of outdoor recreation within a few minutes’ drive of most urban communities. Surrounded by mountains, lakes and canyons, residents have unparalleled access to year-round recreation. [Read more.](#)

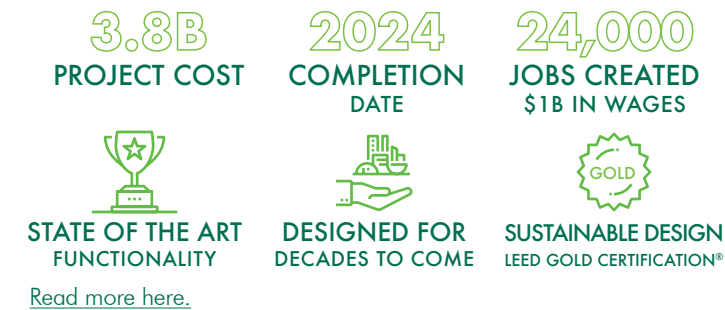
**10-YEAR JOB GROWTH OF NEW EMPLOYERS TO UTAH\***



Source: EDCUtah.

\*Compiled data of announced jobs and investments through EDCUtah.

**SALT LAKE CITY INTERNATIONAL AIRPORT EXPANSION**



**AIRPORT CONSTRUCTION UPDATE**

The effect COVID-19 has had on air traffic has had a positive impact on the reconstruction of the Salt Lake International Airport. The significant decrease in passengers allows work to progress at a much faster pace, shortening the construction timeline by two years and saving an estimated \$300 million dollars. It is anticipated that as of this October 2020, when phase one of the new concourse is open, the old concourses B and C, will be torn down at the same time, rather than in phases as originally planned. The entire airport project is now slated to be completed in December of 2024 rather than early 2027.

**AN EASILY ACCESSIBLE MAJOR WESTERN MARKET**

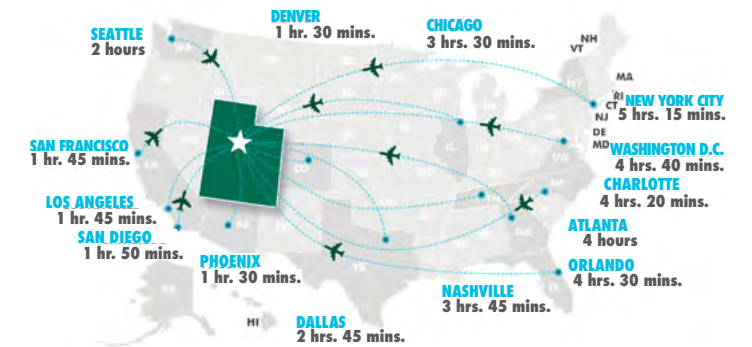
The accessibility of the Salt Lake Metro is one of the reasons for the city’s continued growth. Over 50% of the U.S. population can be reached within a 2.5-hour flight of Salt Lake City, and a day trip from many major markets is easily possible. The Salt Lake International Airport is the 23rd busiest airport in the U.S. and is currently undergoing a \$3.8 billion expansion to accommodate future growth.

The Salt Lake Metro has been coined “The Crossroads of the West.” Most major western markets can be reached within an 11-hour drive. I-15 and I-80 run through Salt Lake giving it extraordinary access to interstate distribution. Additionally, there are 1,700 miles of rail track that run through Utah. [Read more here.](#)

Source: Deseret News, May 25, 2020. Photo courtesy of Salt Lake International Airport.

**MAJOR WESTERN U.S. AIRPORT HUB**

WITHIN A 2.5 HOUR FLIGHT OF 50% OF THE U.S. POPULATION

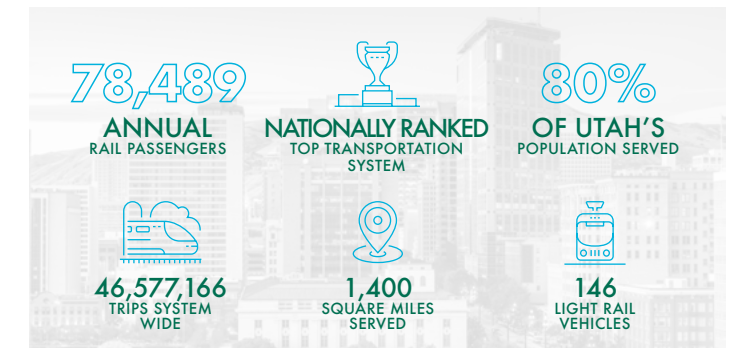


**SALT LAKE METRO’S ROBUST TRANSIT NETWORK**

Utah has invested heavily in light (TRAX) and high-speed (FrontRunner) rail systems, providing transportation alternatives to 80% of the state’s population. This award-winning transportation system extends from Ogden to Provo, a 90-mile area—with buses and van pools, it covers a 1,600-square-mile area.

Phase one of a frequent transit network plan recently kicked off with three routes providing 15-minute service along the heavily traveled roads of 200 South, 900 South and 2100 South. A frequent transit network is any system providing 15 minute or better service. These bus rapid transit routes connect more people with more places and is a positive step toward improving our air quality. The chosen routes are well-traveled and connect people with popular destinations. They were funded in two parts with a .5% increase in sales tax and an \$87 million street reconstruction bond. This is the first phase of a city-wide frequent transit highly accessible network.

**AWARD-WINNING TRANSPORTATION SYSTEM**



Source: SLC.gov, Utah Transit Authority.

### TRANSACTION VOLUME & CAP RATES

The first half of the year had robust sales activity totaling over \$686 million for all properties 50 units and greater. The majority of these sales were deals on the market or under contract prior to the COVID-19 pandemic. Additionally, most of the sales transactions were completed at or near the target pricing desired by the seller despite the unsettled market. Like the rest of the nation, 2nd quarter saw a reduced amount of properties come to the market for sale. This lack of supply in Utah and across the nation has investors competing aggressively for investment opportunities, further driving down cap rates.

#### NOTABLE SALES TRANSACTIONS

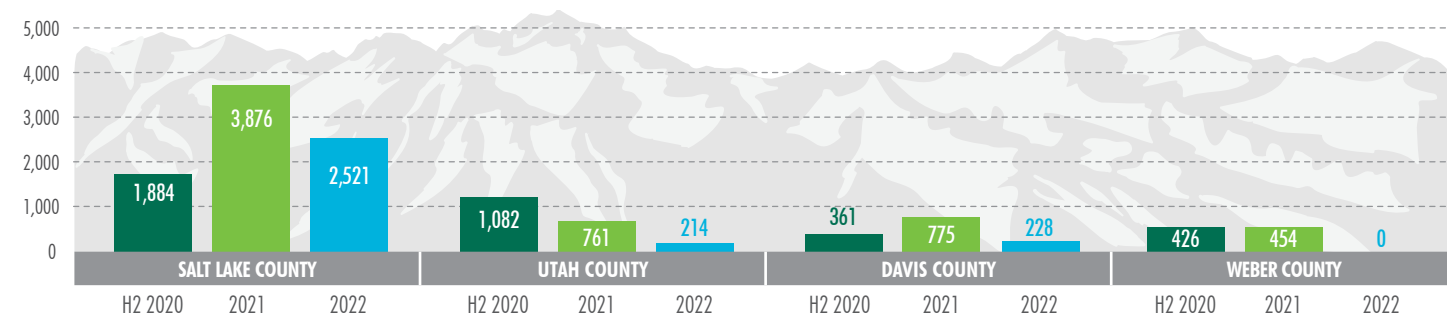
<b>HARDWARE STATION</b> 453 UNITS	<b>ALLOY AT GENEVA</b> 324 UNITS	<b>HAMPTON PLACE</b> 210 UNITS
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#### CONSTRUCTION SUMMARY

COUNTY	COMPLETED 2015–MID-2020	UNDER CONSTRUCTION
Salt Lake	15,104	8,281
Utah	7,189	2,057
Davis	1,660	1,364
Weber	1,910	880
<b>Totals</b>	<b>25,863</b>	<b>12,582</b>

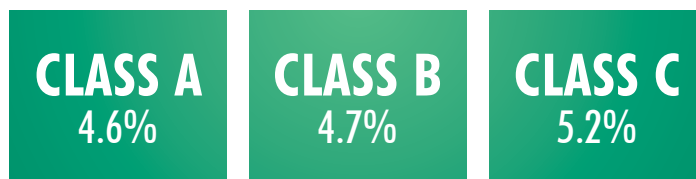
Source: CBRE, Inc. and Western States Multifamily.

#### EXPECTED DELIVERIES BY COUNTY 2020–2022

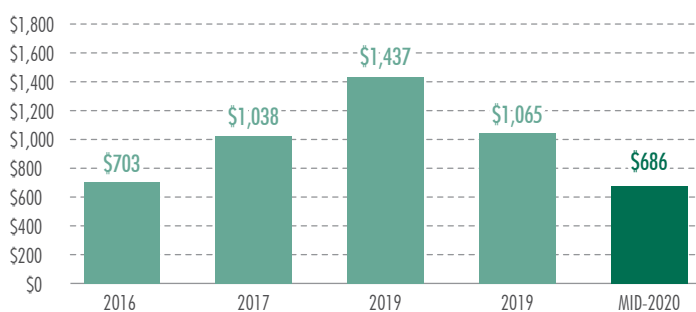


Source: CBRE, Inc.

#### CAP RATES: MID-2020 ALL UNITS

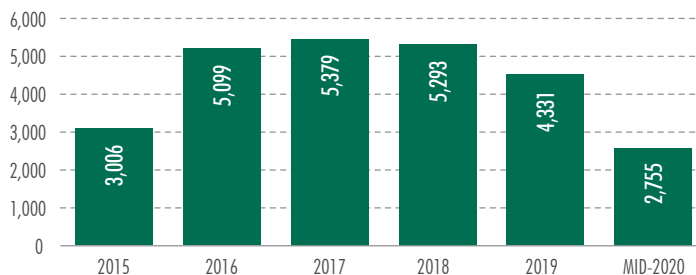


#### SALT LAKE METRO MULTIFAMILY SALES VOLUME > 50 UNITS (\$, MILLIONS)



Source: CBRE Inc.

#### GREATER SALT LAKE AREA COMPLETIONS

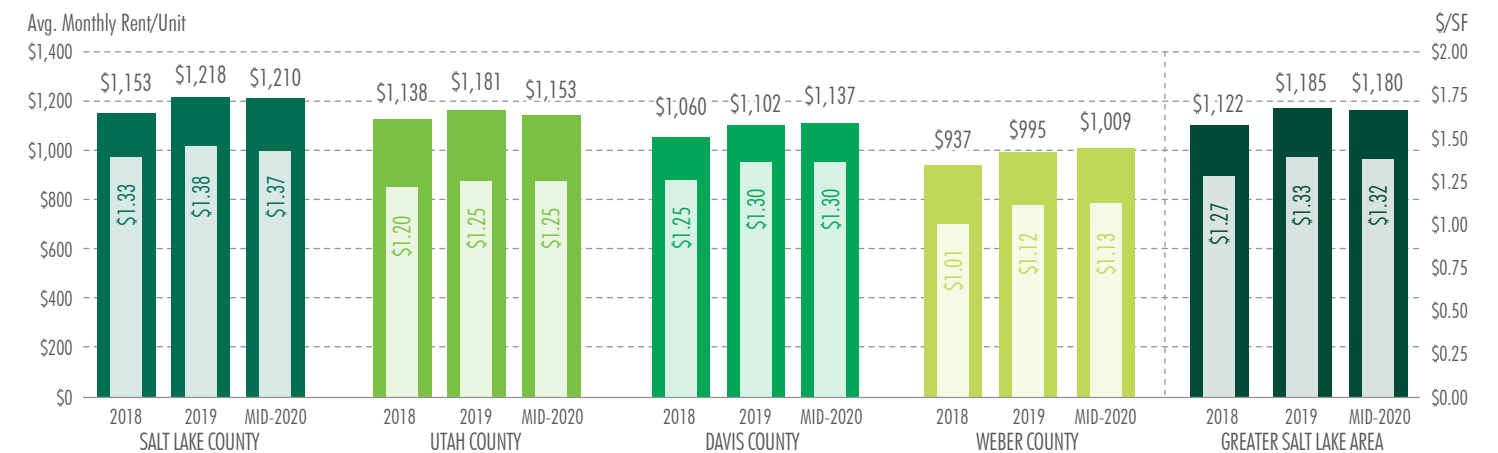


Source: CBRE, Inc.

### GREATER SALT LAKE SUMMARY

Salt Lake, like many major metros across the country, has enjoyed approximately ten years of an expanding market, realizing significant growth across all economic demographics, from jobs and population to income and new development. Current market conditions have slowed the expansion cycle allowing for a healthy course correction. Despite these changes in the marketplace, interest to develop new apartment communities and purchase existing assets remains strong. Salt Lake's recent history of durable economic fundamentals continues to capture the interest of investor capital and taking a commanding lead as one of the nation's strongest secondary markets.

#### RENTAL RATES BY COUNTY 2018–MID-2020



Source: CBRE, Inc.

#### HISTORICAL RENTAL & VACANCY RATES

GREATER SALT LAKE	2018				2019				MID-2020			
	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY
Salt Lake	\$1,153	868	\$1.33	4.3%	\$1,218	886	\$1.38	4.4%	\$1,210	886	\$1.37	4.4%
Utah	\$1,138	944	\$1.20	4.4%	\$1,181	944	\$1.25	3.2%	\$1,153	936	\$1.25	4.3%
Davis	\$1,060	846	\$1.25	3.0%	\$1,102	848	\$1.30	3.0%	\$1,137	878	\$1.30	3.5%
Weber	\$937	927	\$1.01	2.5%	\$995	889	\$1.12	3.0%	\$1,009	889	\$1.13	4.4%
Greater Salt Lake Averages	\$1,122	880	\$1.27	4.0%	\$1,185	889	\$1.33	4.0%	\$1,180	891	\$1.32	4.3%

Source: CBRE, Inc.

#### GREATER SALT LAKE CURRENT RENTAL & VACANCY RATES

BY CLASS	CLASS A			CLASS B			CLASS C		
	RENT	\$/SF	VACANCY	RENT	\$/SF	VACANCY	RENT	\$/SF	VACANCY
Studio	\$1,200	\$2.19		\$779	\$1.93		\$697	\$1.96	
1 Bed 1 Bath	\$1,171	\$1.56		\$987	\$1.48		\$849	\$1.46	
2 Bed 1 Bath	\$1,293	\$1.31		\$1,134	\$1.28		\$986	\$1.19	
2 Bed 2 Bath	\$1,399	\$1.31		\$1,271	\$1.26		\$1,124	\$1.17	
3 Bed 2 Bath	\$1,643	\$1.22		\$1,435	\$1.15		\$1,250	\$1.07	
Overall	\$1,334	\$1.40	5.0%	\$1,172	\$1.29	4.2%	\$929	\$1.32	3.7%

Source: CBRE, Inc.

#### GREATER SALT LAKE TAKEAWAYS

- 2.42% 12-MONTH RENT GROWTH
- OCCUPANCIES REMAIN HIGH WITH ONLY A 4.3% VACANCY
- DAVIS & WEBER COUNTY POST STRONG RENT GROWTH, 5.1% AND 3.1% RESPECTIVELY

GREATER SALT LAKE HISTORICAL RENTAL RATES & VACANCY: SUMMARY TABLES BY COUNTY AND CITY

SALT LAKE COUNTY	2018				2019				MID-2020			
	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY
Cottonwood Heights	\$1,222	932	\$1.31	4.4%	\$1,261	940	\$1.34	3.2%	\$1,240	940	\$1.32	2.3%
Draper	\$1,288	1,018	\$1.26	2.5%	\$1,361	1,010	\$1.35	2.8%	\$1,335	1,010	\$1.32	3.6%
Herriman	\$1,345	1,178	\$1.14	5.8%	\$1,361	1,129	\$1.21	3.8%	\$1,363	1,129	\$1.21	4.4%
Midvale	\$1,113	833	\$1.34	3.4%	\$1,153	844	\$1.37	4.5%	\$1,154	844	\$1.37	3.8%
Murray	\$1,087	817	\$1.33	5.0%	\$1,174	913	\$1.29	5.4%	\$1,175	913	\$1.29	5.3%
Riverton	\$1,359	1,204	\$1.13	2.9%	\$1,390	1,204	\$1.15	2.4%	\$1,374	1,204	\$1.14	3.8%
Salt Lake City	\$1,249	802	\$1.56	4.6%	\$1,325	774	\$1.71	5.0%	\$1,300	774	\$1.68	4.5%
Sandy	\$1,189	890	\$1.34	4.4%	\$1,288	906	\$1.42	4.8%	\$1,306	906	\$1.44	5.4%
South Jordan	\$1,323	1,044	\$1.27	4.7%	\$1,352	1,057	\$1.28	4.0%	\$1,326	1,057	\$1.25	5.8%
South Salt Lake	\$956	841	\$1.14	4.0%	\$1,061	817	\$1.30	5.1%	\$1,045	817	\$1.28	3.2%
Taylorsville	\$1,073	847	\$1.27	3.2%	\$1,097	828	\$1.32	3.2%	\$1,073	828	\$1.30	4.3%
West Jordan	\$1,098	887	\$1.24	4.0%	\$1,180	943	\$1.25	4.1%	\$1,176	943	\$1.25	4.7%
West Valley City	\$1,024	813	\$1.26	5.0%	\$1,029	798	\$1.29	4.4%	\$1,035	798	\$1.30	4.2%
Downtown	\$1,447	852	\$1.70	5.5%	\$1,517	854	\$1.78	4.7%	\$1,502	854	\$1.76	4.6%
Overall	\$1,153	868	\$1.33	4.3%	\$1,218	886	\$1.38	4.4%	\$1,210	886	\$1.37	4.4%

Source: CBRE, Inc.

UTAH COUNTY	2018				2019				MID-2020			
	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY
Orem	\$1,148	968	\$1.19	4.6%	\$1,167	964	\$1.21	3.6%	\$1,163	964	\$1.21	4.5%
Pleasant Grove	\$1,124	978	\$1.15	4.9%	\$1,183	1,006	\$1.18	1.9%	\$1,181	1,006	\$1.17	4.5%
Provo	\$741	611	\$1.21	0.6%	\$789	641	\$1.23	1.5%	\$778	641	\$1.21	2.0%
Overall	\$1,138	944	\$1.20	4.3%	\$1,181	944	\$1.25	3.2%	\$1,153	936	\$1.25	4.3%

Source: CBRE, Inc.

DAVIS COUNTY	2018				2019				MID-2020			
	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY
Bountiful	\$1,081	958	\$1.13	2.3%	\$1,107	896	\$1.24	0.8%	\$1,144	896	\$1.28	2.4%
Clearfield	\$968	783	\$1.24	3.6%	\$1,036	866	\$1.20	3.4%	\$1,052	866	\$1.21	3.2%
Layton	\$981	787	\$1.25	3.8%	\$1,004	723	\$1.39	2.5%	\$1,001	723	\$1.38	3.8%
North Salt Lake	\$1,205	919	\$1.31	2.6%	\$1,238	908	\$1.36	4.9%	\$1,208	908	\$1.33	4.2%
Overall	\$1,060	846	\$1.25	3.0%	\$1,102	848	\$1.30	3.0%	\$1,137	878	\$1.30	3.0%

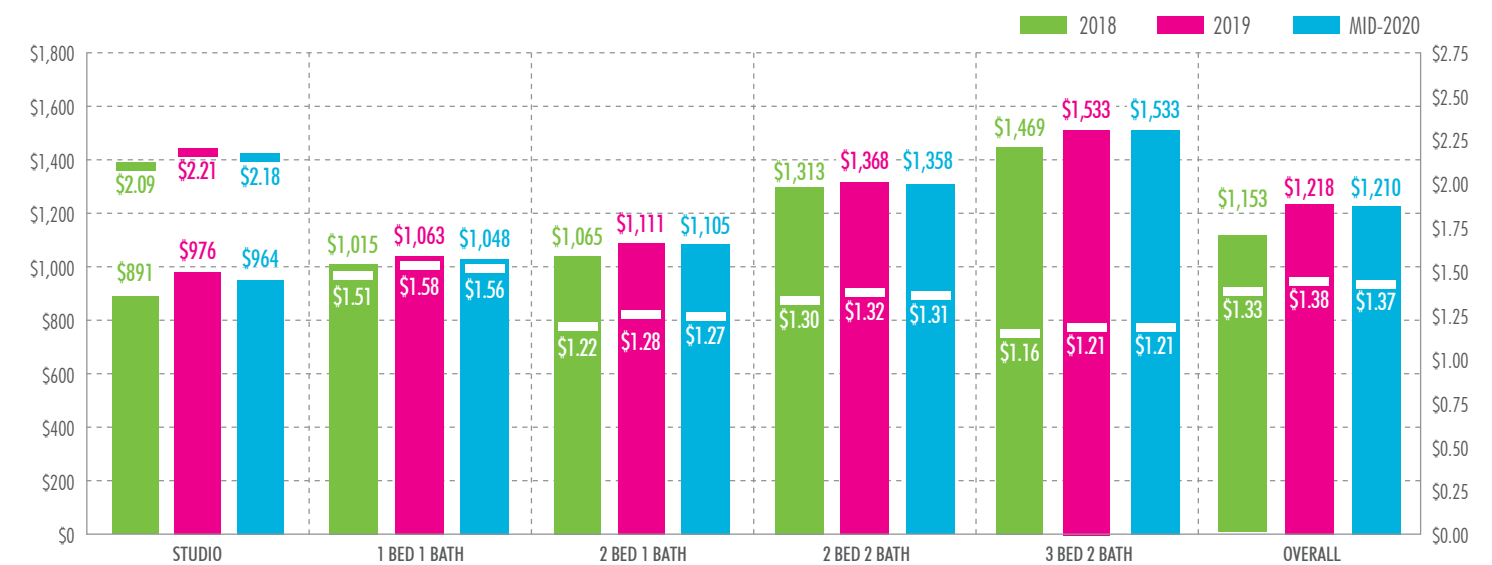
Source: CBRE, Inc.

WEBER COUNTY	2018				2019				MID-2020			
	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY	RENT	SF	\$/SF	VACANCY
Ogden	\$846	827	\$1.02	2.6%	\$887	787	\$1.13	2.8%	\$910	787	\$1.16	4.3%
Roy	\$992	1,081	\$0.92	4.2%	\$1,087	1,078	\$1.01	2.5%	\$1,056	1,078	\$0.98	4.4%
West Haven	\$762	893	\$0.85	0.4%	\$843	893	\$0.94	2.3%	\$868	893	\$0.97	4.3%
Overall	\$937	927	\$1.01	2.5%	\$995	889	\$1.12	3.0%	\$1,009	889	\$1.13	4.4%

Source: CBRE, Inc.

SALT LAKE COUNTY

HISTORICAL RENTAL RATES BY UNIT TYPE (AVERAGE MONTHLY AND PER SQ. FT. RATES)



Source: CBRE, Inc.

DOWNTOWN RENTAL RATE COMPARISON BY CLASS (A & B ONLY)

DOWNTOWN CATEGORY	CLASS A		CLASS B	
	RENT	\$/SF	RENT	\$/SF
Studio	\$1,314	\$2.34	\$1,011	\$2.42
1 Bed 1 Bath	\$1,493	\$2.06	\$1,127	\$1.65
2 Bed 1 Bath	\$1,659	\$1.59	\$1,620	\$1.48
2 Bed 2 Bath	\$1,824	\$1.75	\$1,584	\$1.60
3 Bed 2 Bath	\$2,359	\$1.86	\$2,013	\$1.44
Overall	\$1,664	\$1.94	\$1,363	\$1.61

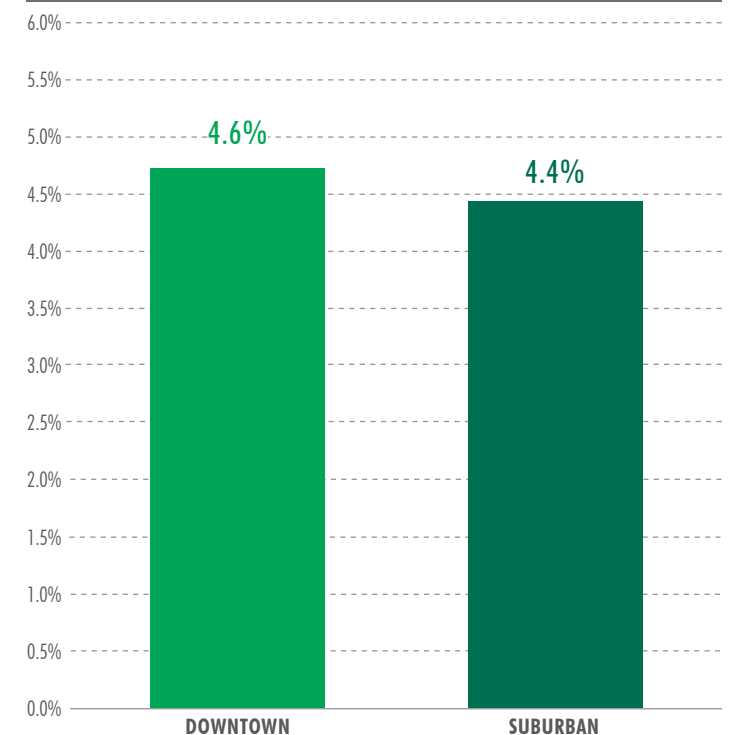
Source: CBRE, Inc.

SUBURBAN RENTAL RATE COMPARISON BY CLASS (A & B ONLY)

SUBURBAN CATEGORY	CLASS A		CLASS B	
	RENT	\$/SF	RENT	\$/SF
Studio	\$1,216	\$2.23	\$917	\$1.87
1 Bed 1 Bath	\$1,204	\$1.63	\$999	\$1.52
2 Bed 1 Bath	\$1,298	\$1.28	\$1,157	\$1.31
2 Bed 2 Bath	\$1,456	\$1.35	\$1,290	\$1.29
3 Bed 2 Bath	\$1,717	\$1.29	\$1,476	\$1.19
Overall	\$1,366	\$1.46	\$1,193	\$1.32

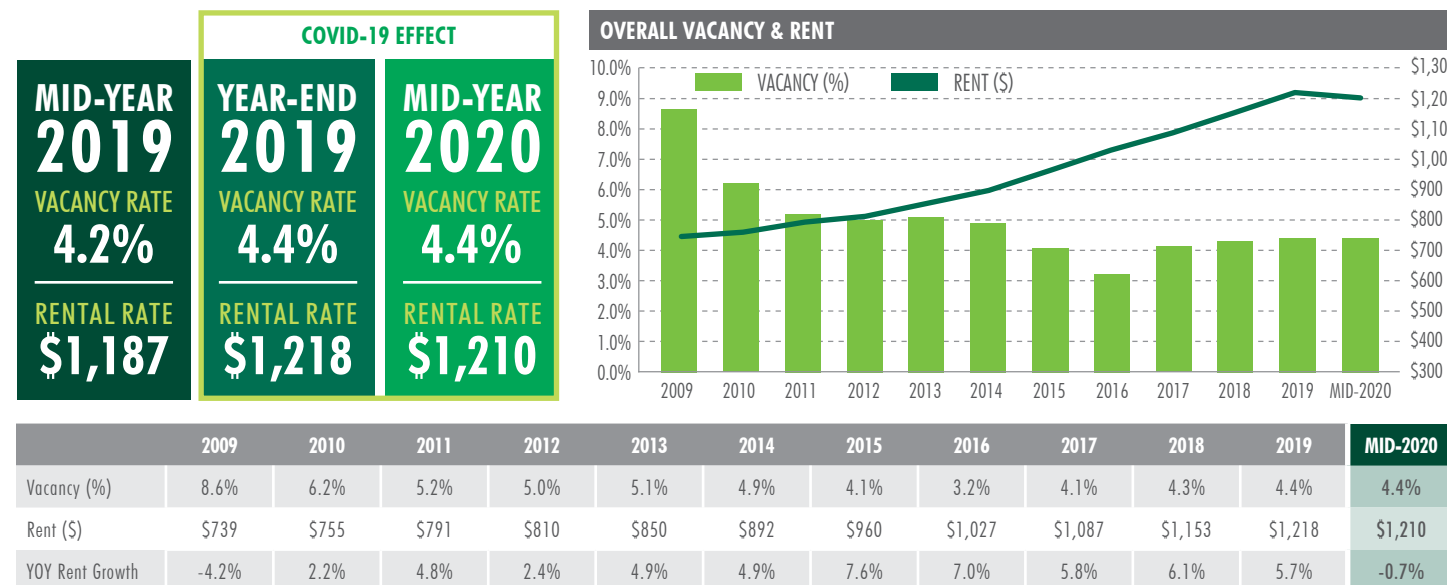
Source: CBRE, Inc.

VACANCY COMPARISON BY LOCATION



Source: CBRE, Inc.

SALT LAKE COUNTY

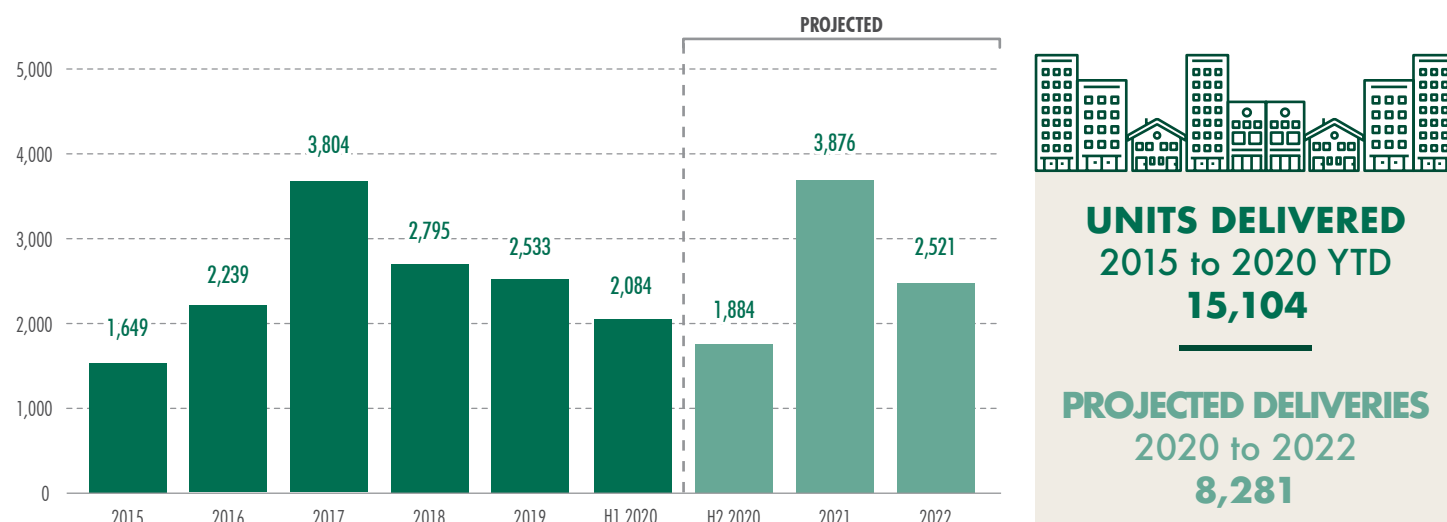


Source: CBRE, Inc.

SALT LAKE COUNTY TAKEAWAYS

**STRONG MONTHLY COLLECTIONS OVER 97%**      **CLASS C 3-BDRMS AVERAGE RENT INCREASED \$70**      **SIX PROPERTIES IN LEASE-UP DOWNTOWN, THREE NEARING STABILIZATION**

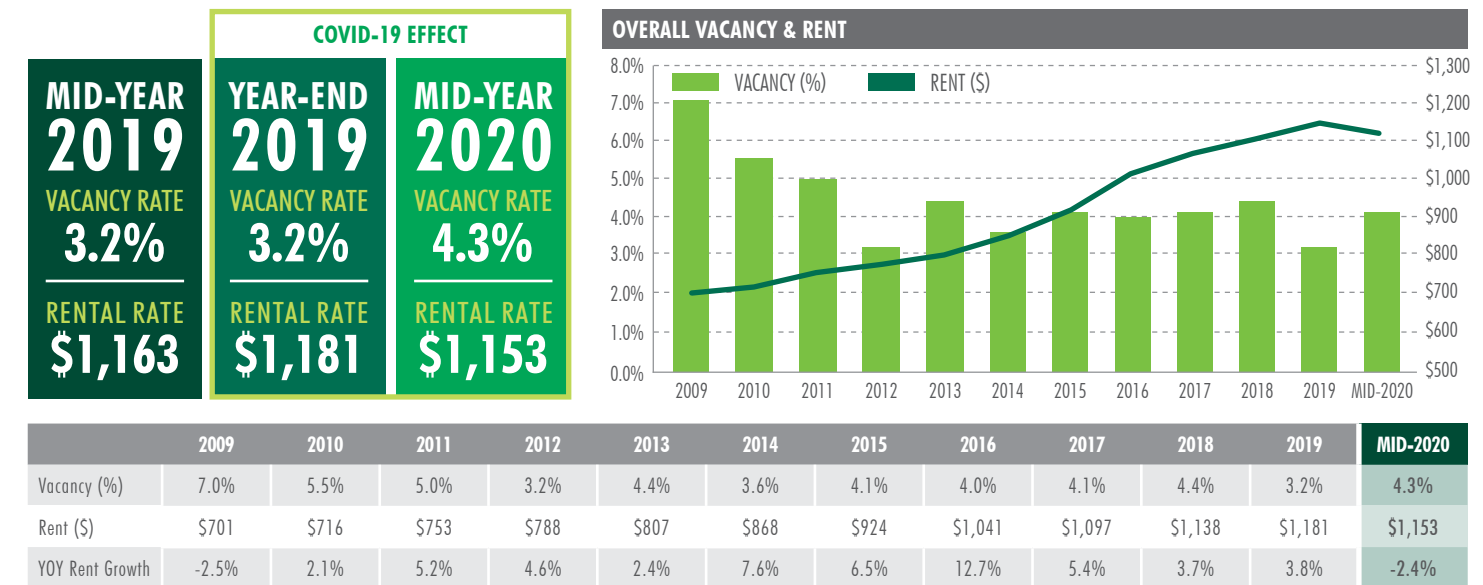
SALT LAKE COUNTY UNITS DELIVERED/PROJECTED 2015-2022\*



Source: Western States Multifamily.

\*Projected units are those currently under construction with an estimated completion date.

UTAH COUNTY

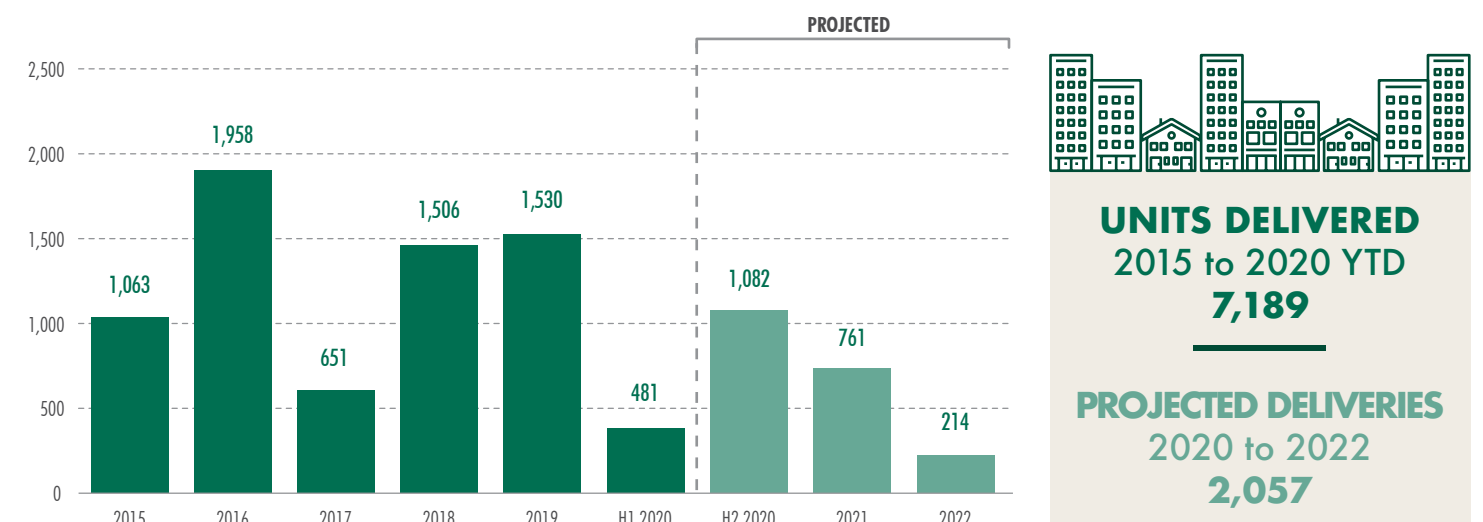


Source: CBRE, Inc.

UTAH COUNTY TAKEAWAYS

**VACANCY INCREASED BY 1.1% TO 4.3%**      **OF ALL THE UNITS CURRENTLY DELIVERED, 82% ARE LEASED**      **YOY RENT DOWN 1%**

UTAH COUNTY UNITS DELIVERED/PROJECTED 2015-2022\*

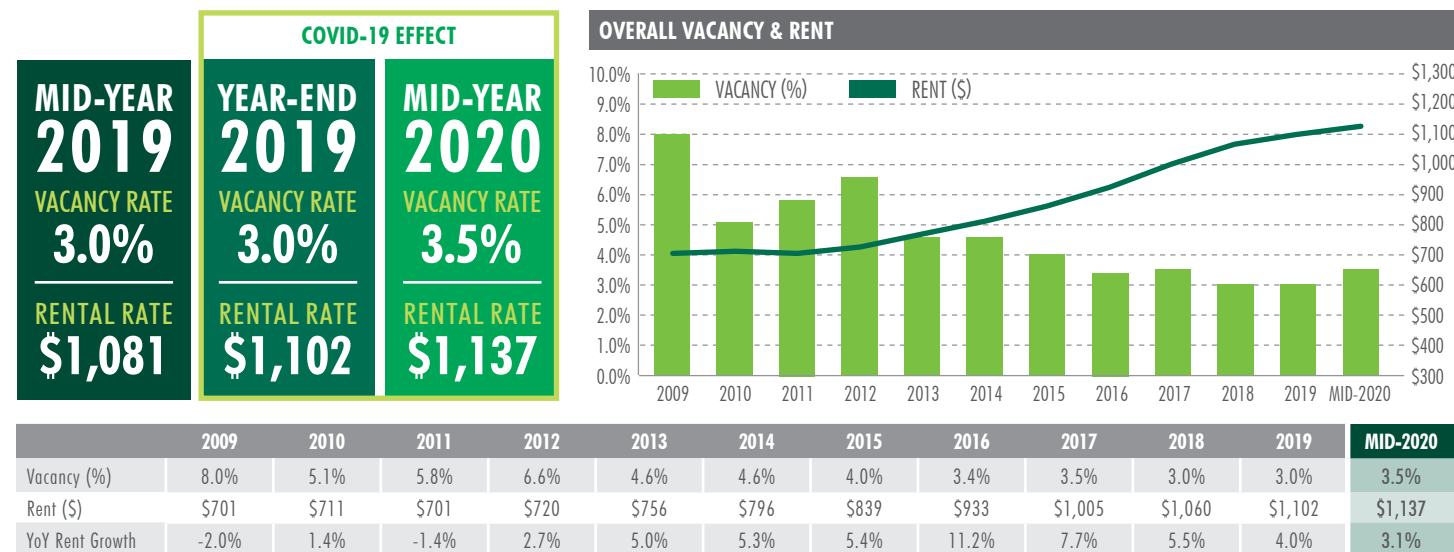


Source: Western States Multifamily.

\*Projected units are those currently under construction with an estimated completion date.



DAVIS COUNTY

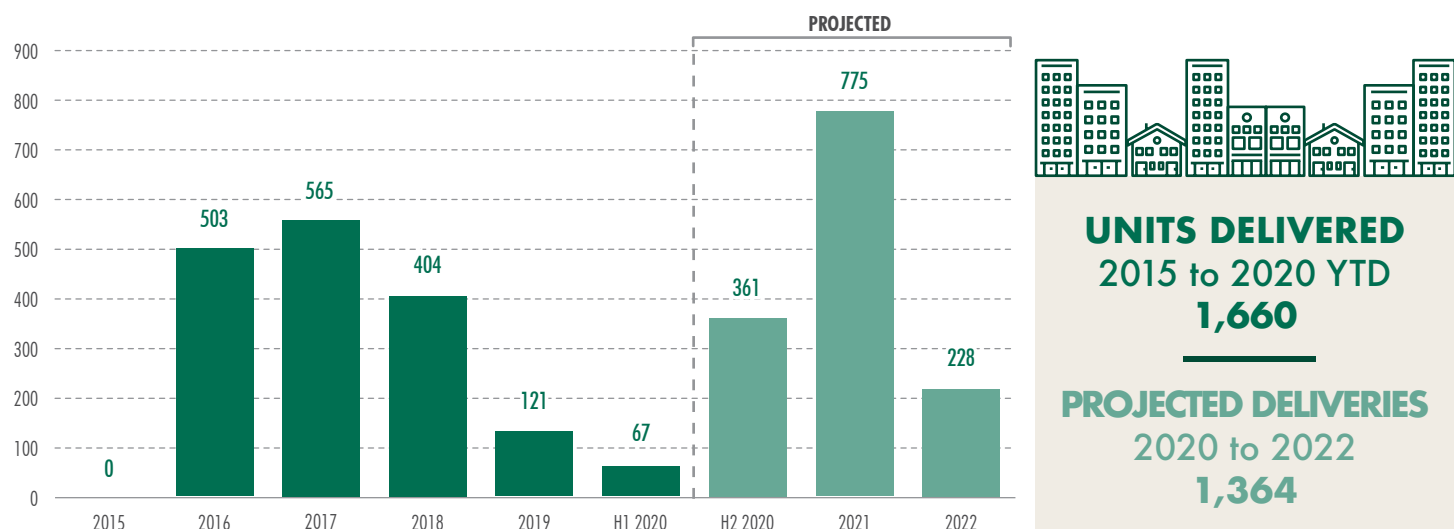


Source: CBRE, Inc.

DAVIS COUNTY TAKEAWAYS

- ROBUST YOY RENT GROWTH AT 5%
- LOW, NEW UNIT PIPELINE KEEPING VACANCY TIGHT
- BOUNTIFUL CITY HAD THE HIGHEST RENT GROWTH ACROSS THE WASATCH FRONT

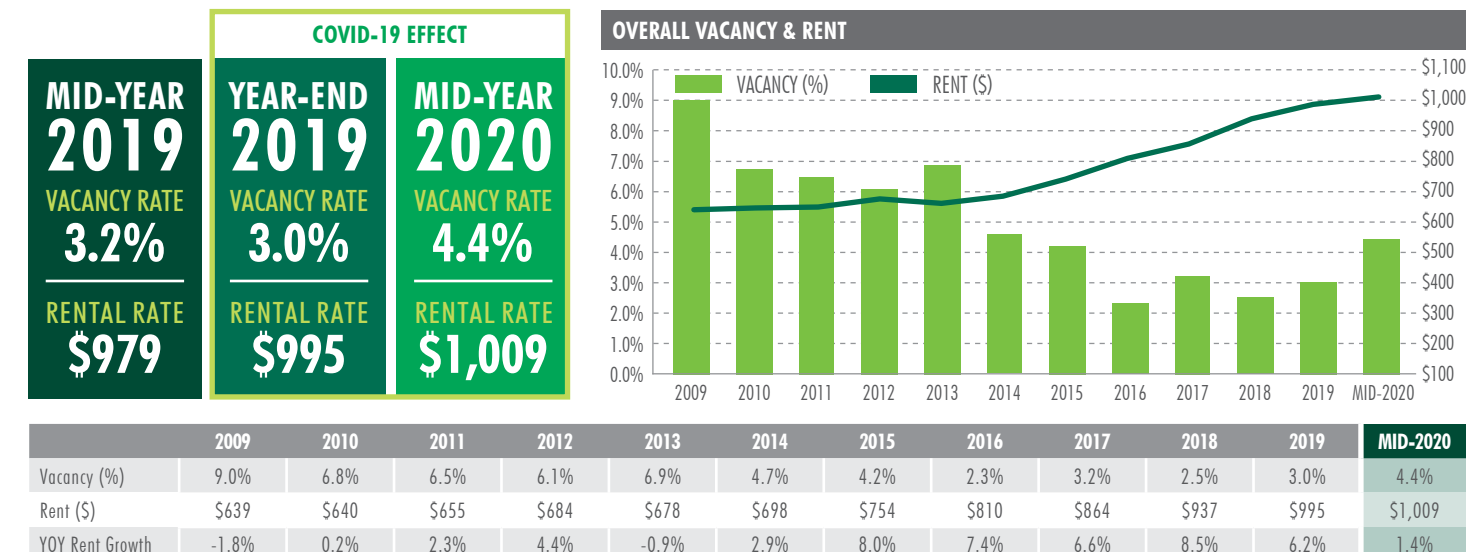
DAVIS COUNTY UNITS DELIVERED/PROJECTED 2015-2022\*



Source: Western States Multifamily.

\*Projected units are those currently under construction with an estimated completion date.

WEBER COUNTY

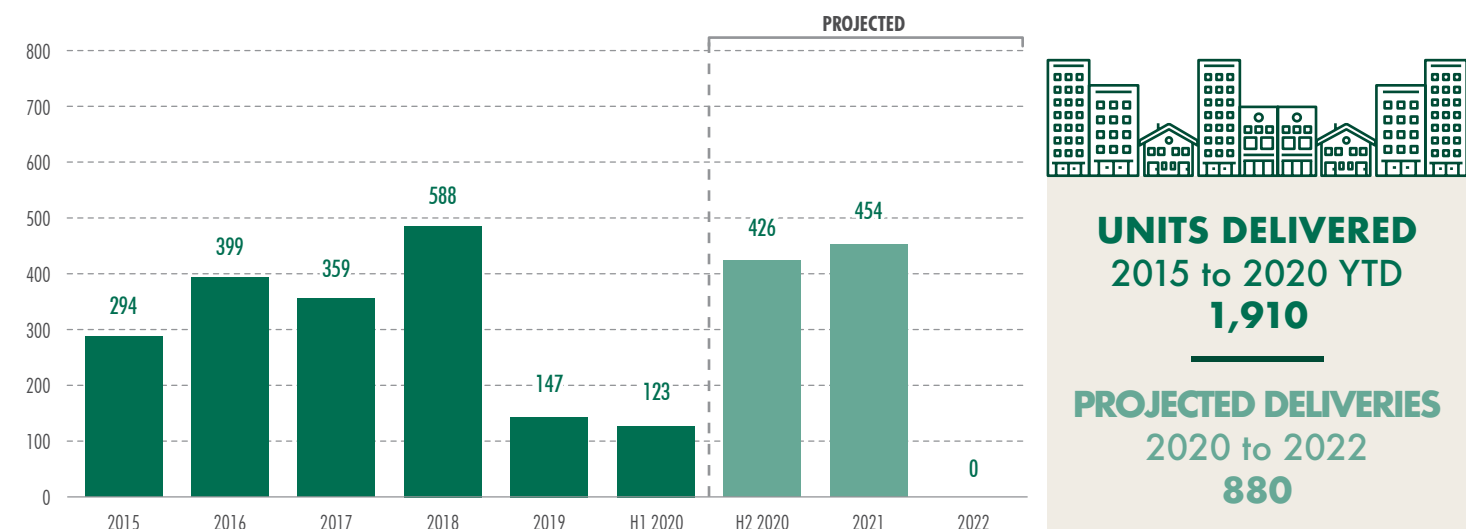


Source: CBRE, Inc.

WEBER COUNTY TAKEAWAYS

- STUDIO AND 1 BDRMS HAD THE GREATEST RENT GROWTH
- VACANCY INCREASED 1.2% YOY TO 4.4% OVERALL
- AVERAGE MONTHLY RENT SURPASSES \$1,000 FOR THE FIRST TIME TO \$1,009

WEBER COUNTY UNITS DELIVERED/PROJECTED 2015-2022\*



Source: Western States Multifamily.

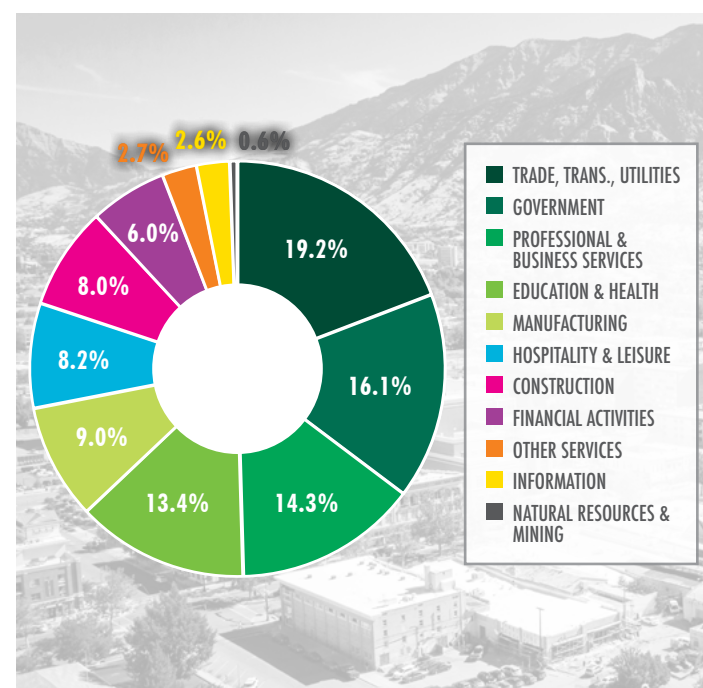
\*Projected units are those currently under construction with an estimated completion date.

### MARKET ECONOMIC SUMMARY

Following 10 years of expansion, the national economy suffered a shock in the second quarter of 2020 as fallout from the COVID-19 pandemic and subsequent statewide stay-at-home orders drove down consumer spending and business confidence. The national unemployment rate spiked to 14.7% in April before trending back down slightly to 11.1% in June, the result of retail establishments reopening and offices allowing employees to return to work. Economic uncertainty persists, however, as cases of the virus spiked through July and definite return-to-work plans were postponed.

The economic impact of the COVID-19 crisis in Salt Lake City has been significant, though relatively strong economic conditions preceding the pandemic helped to cushion some of the shock. Salt Lake City experienced less severe job losses than the national average, with the unemployment rate spiking to 11.2% in April and dropping back down to 6.2% in June, among the lowest rates in the country at the time. Looking ahead, the length and intensity of the pandemic in Salt Lake City remains uncertain. Still, a diverse employment base and expanding populace has positioned Salt Lake City relatively well for an eventual recovery.

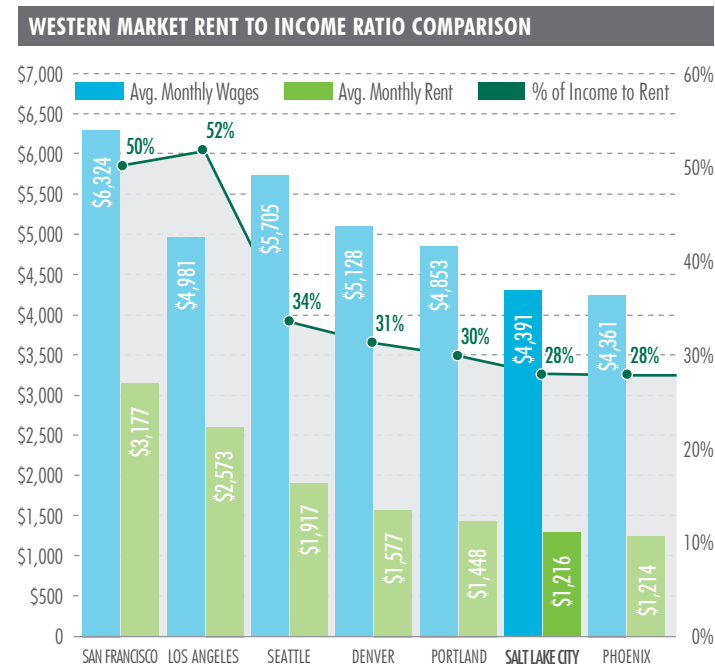
### LARGEST EMPLOYMENT SECTORS IN THE GREATER SALT LAKE AREA



Source: Department of Workforce Services—Utah's Employment Summary, July 2020.

### RENT AFFORDABILITY ACROSS WESTERN MARKETS

Part of Salt Lake's growth story is that of investors searching for yield in untapped secondary markets that offer the ability to grow rents. The affordability quotient—coupled with the influx of high-paying jobs—increases the interest of investors to this market.



Source: Yardi, U.S. Bureau of Labor Statistics.

### ECONOMIC DRIVERS OF DEMAND



### UTAH ACCOLADES



### WHY INVEST IN UTAH

Our diverse economy is anchored in financial services, information technology, health care, aerospace and defense, energy, life sciences and outdoor products, each with industry employment indices above the national average.

"Utah Leads the Nation in Economic Diversity"

"Fastest Growing and Youngest Population in the Nation"

"New and Upcoming 11,000-acre Inland Port"

"Lowest Unemployment Rate in the Nation July 2020—Utah 4.5% | U.S. 10.2%"

"Utah is the Most Multi-lingual State with Over 130 Languages Spoken"

"#1 STATE FOR JOB GROWTH IN THE TECH INDUSTRY"

"#1 State for Economic Outlook Ranking 11 Years Running"

"FORBES TOP 10 RANKED CITY BEST POSITIONED TO RECOVER FROM CORONAVIRUS"

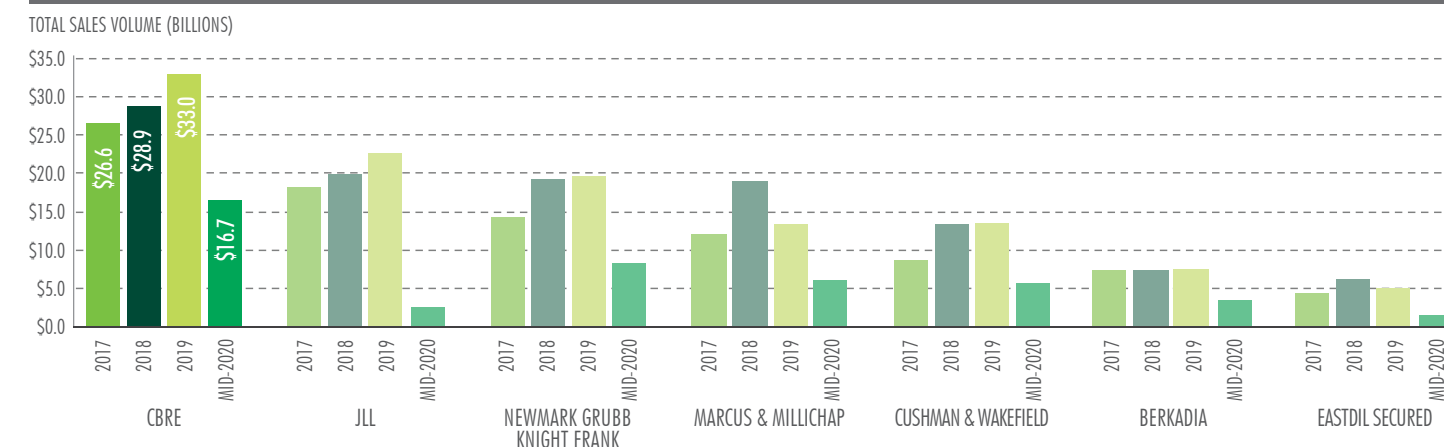
"UNRIVALED OUTDOOR RECREATION WITH 5 NATIONAL PARKS, 15 MAJOR SKI RESORTS & NUMEROUS STATE & REGIONAL PARKS"

Source: Utah Economic Council's 2020 Economic Report to the Governor Highlights, Hachman Index 2018-2019, ALEC, Utah Department of Workforce Services, Cyberstates, Forbes, U.S. Census.

### THE CBRE DIFFERENCE



### 2017-H1 2020 U.S. MULTIFAMILY INVESTMENT SALES VOLUME (BILLIONS)



Source: RCA Data Integration, July 2020.

\*Volume includes all properties that are 10 units and up or valued at over \$1 million.

FOR A MARKET VALUATION ON YOUR PROPERTY OR MORE INFORMATION CONTACT:

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**CBRE MULTIFAMILY**



**TOP FIRM  
SINCE 2001  
U.S. MULTIFAMILY  
(PER RCA)**



**\$33.3B+**  
MULTIFAMILY SALES  
TRANSACTIONS IN 2019



**300+ PROFESSIONALS**  
U.S. MULTIFAMILY



**#1 FREDDIE MAC**  
ORIGINATOR  
2019



**\$30.4B**  
MULTIFAMILY  
FINANCING 2019

SEATTLE • PORTLAND • SACRAMENTO • OAKLAND • SAN FRANCISCO • WALNUT CREEK • SAN JOSE • VENTURA COUNTY  
LOS ANGELES • BEVERLY HILLS • ONTARIO • ANAHEIM • SOUTH BAY • NEWPORT BEACH • SAN DIEGO • TUCSON  
PHOENIX • LAS VEGAS • RENO • **SALT LAKE CITY** • DENVER • ALBUQUERQUE • SAN ANTONIO • AUSTIN • HOUSTON  
DALLAS • OKLAHOMA CITY • TULSA • KANSAS CITY • FAYETTEVILLE • ST. LOUIS • DES MOINES • MINNEAPOLIS  
MILWAUKEE • CHICAGO • INDIANAPOLIS • NASHVILLE • TOLEDO • LANSING • GRAND RAPIDS • DETROIT • CLEVELAND  
COLUMBUS • CINCINNATI • ATLANTA • JACKSONVILLE • ORLANDO • TAMPA • NAPLES • MIAMI • FT. LAUDERDALE  
WEST PALM BEACH • CHARLESTON • COLUMBIA • GREENVILLE • CHARLOTTE • GREENSBORO • RALEIGH • NORFOLK  
RICHMOND • MCLEAN • WASHINGTON, DC • BALTIMORE • PITTSBURGH • PHILADELPHIA • SADDLE BROOK  
NEW YORK CITY • BUFFALO • STAMFORD • HARTFORD • BOSTON

**QUATTRO APARTMENTS**

Salt Lake City's first multifamily  
car stacking system.

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