



THE UNIVERSITY OF UTAH

Kem C. Gardner

POLICY INSTITUTE

INFORMED DECISIONS™

Supply Conditions for Apartment Market

- Supply
 - Building permits issue
 - Vacancy rates
 - Rental rates
 - Downtown market
 - Suburban versus urban
 - Concessions
 - Under construction
 - Rents

Rental Inventory in Major Utah Counties, 2023

County	Rental Inventory	Renter Households	Vacant Units
Salt Lake County	166,594	156,598	9,996
Salt Lake City	60,006	56,406	3,600
Utah County	66,836	62,826	4,010
Davis County	29,990	28,191	1,799
Weber County	27,808	26,140	1,668
Washington County	19,762	18,576	1,186
State	371,870	349,558	22,312

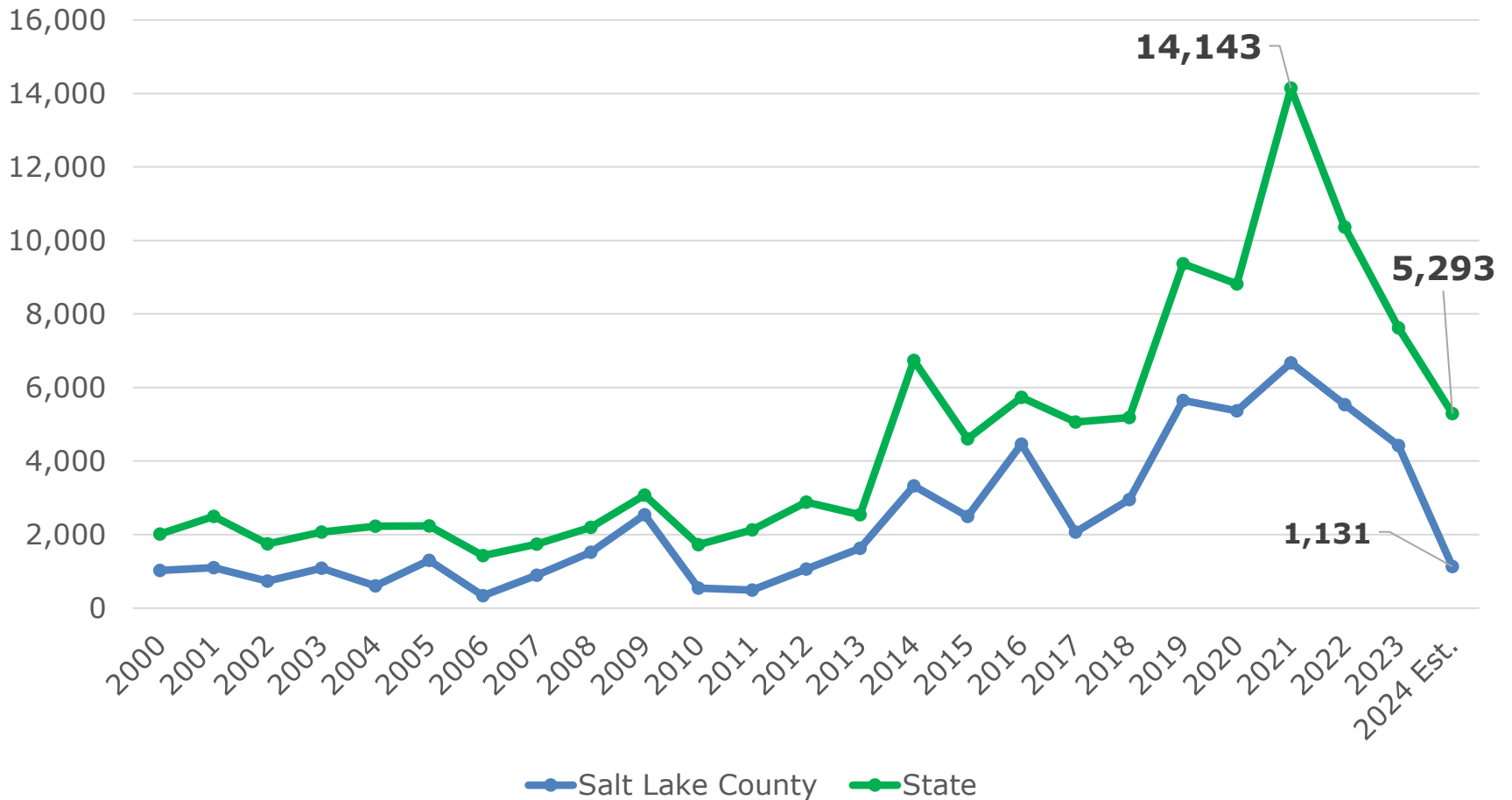
Source: U.S. Census Bureau and Gardner Institute, University of Utah..

Low Income Housing Tax Credit Units in Major Counties, 2023

County	Tax Credit Units	% Share
Salt Lake County	19,000	11.4%
Salt Lake City	11,000	18.3%
Utah County	2,400	3.6%
Davis County	2,300	7.7%
Weber County	3,600	12.9%
Washington County	1,800	9.1%
State	37,000	9.9%

Source: Utah Housing Corporation and Gardner Policy Institute..

Building Permits Issued for Apartment Units (2024 est.)



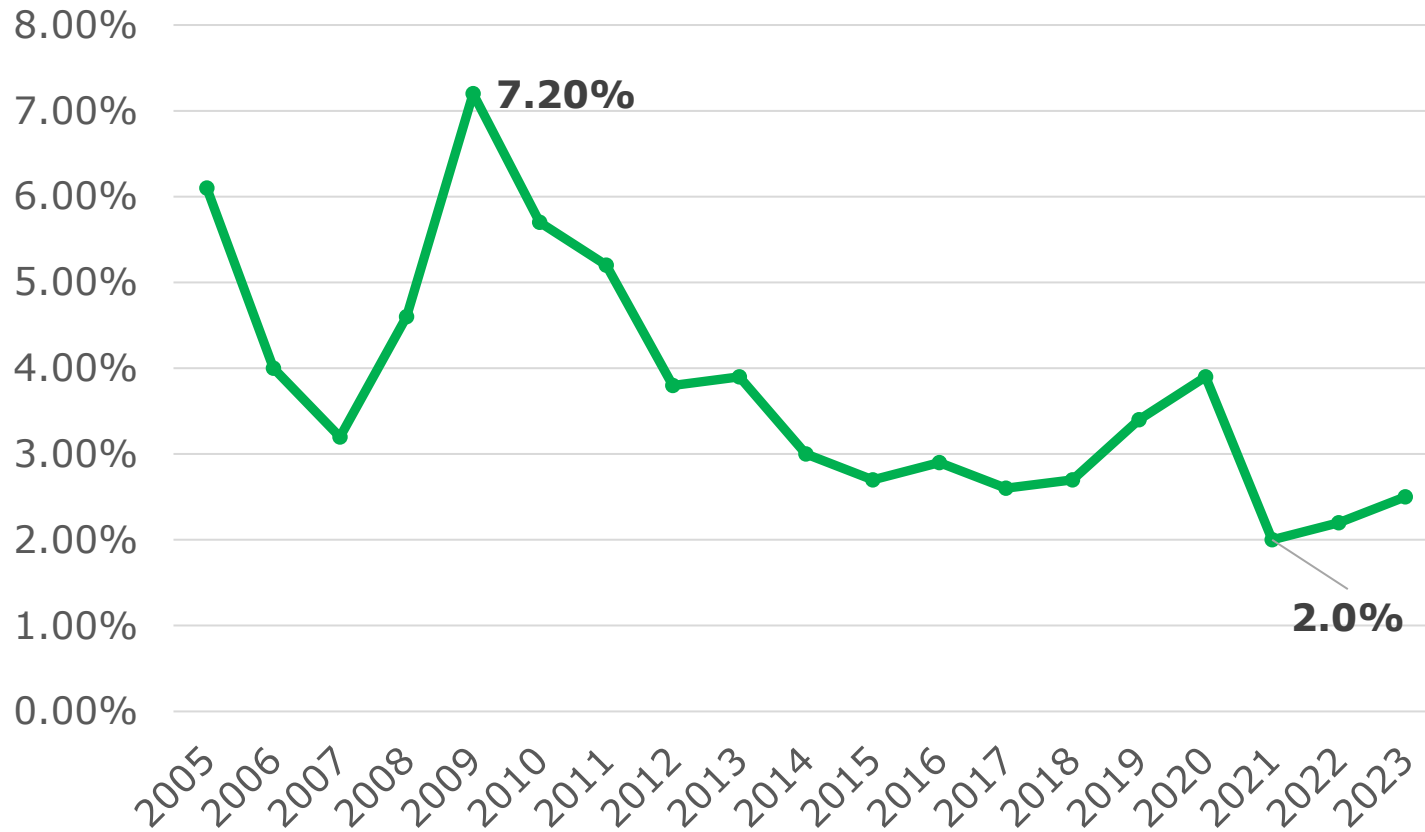
Source: Gardner Institute, University of Utah.

Change in Building Permits from 2021 Peak

	% Chg. SL Co.	SI Co. Permits Issued	% Chg. SL City	SL City Permits Issued	% Chg State	Permits Issued
2021 Peak Yr.	24.4%	6,672	114.9%	3,740	60.4%	14,143
2022	-17.0%	5,535	-44.8%	2,063	-26.7%	10,367
2023	-20.2%	4,419	-2.6%	2,009	-26.5%	7,622
2024	-74.4%	1,131	-59.6%	811	-30.6%	5,293
% Chg. From Peak	-83.0%		78.30%		63.30%	

Source: Gardner Institute, University of Utah..

Vacancy Rate in Salt Lake County



Source: Gardner Institute, University of Utah.

Renter Household by Type of Structures

Type	State	Renter Households	Salt Lake County	Renter Households
Single-family homes and basement	35.1%	117,036	29.1%	41,711
Duplex to 19 units	39.1%	130,373	36.4%	52,175
20 to 50 or more units	22.7%	75,690	33.4%	47,875
Other	3.1%	10,338	1.1%	1,576
Total renter households	100.0%	333,437	100.0%	143,339
Population of renters		836,925		329,680

Source: U.S. Census Bureau.

Change in Rental Rates Salt Lake County 2018-2023

	2018	2022	2023	2022-2023	2018-2023	AARC
Studio	\$794	\$1,351	\$1,265	-6.34%	59.32%	9.8%
One Bedroom	\$964	\$1,447	\$1,514	4.80%	57.05%	9.4%
Two Bedroom One Bath	\$983	\$1,483	\$1,473	-0.70%	49.85%	8.4%
Two Bedroom Two Bath	\$1,227	\$1,887	\$1,948	3.20%	58.76%	9.7%
Three Bedroom Two Bath	\$1,311	\$2,089	\$2,143	2.60%	63.46%	10.3%
Overall	\$1,072	\$1,632	\$1,654	1.40%	54.29%	9.1%

Source: Cushman & Wakefield..

Change in Rental Rates in Utah County 2018-2023

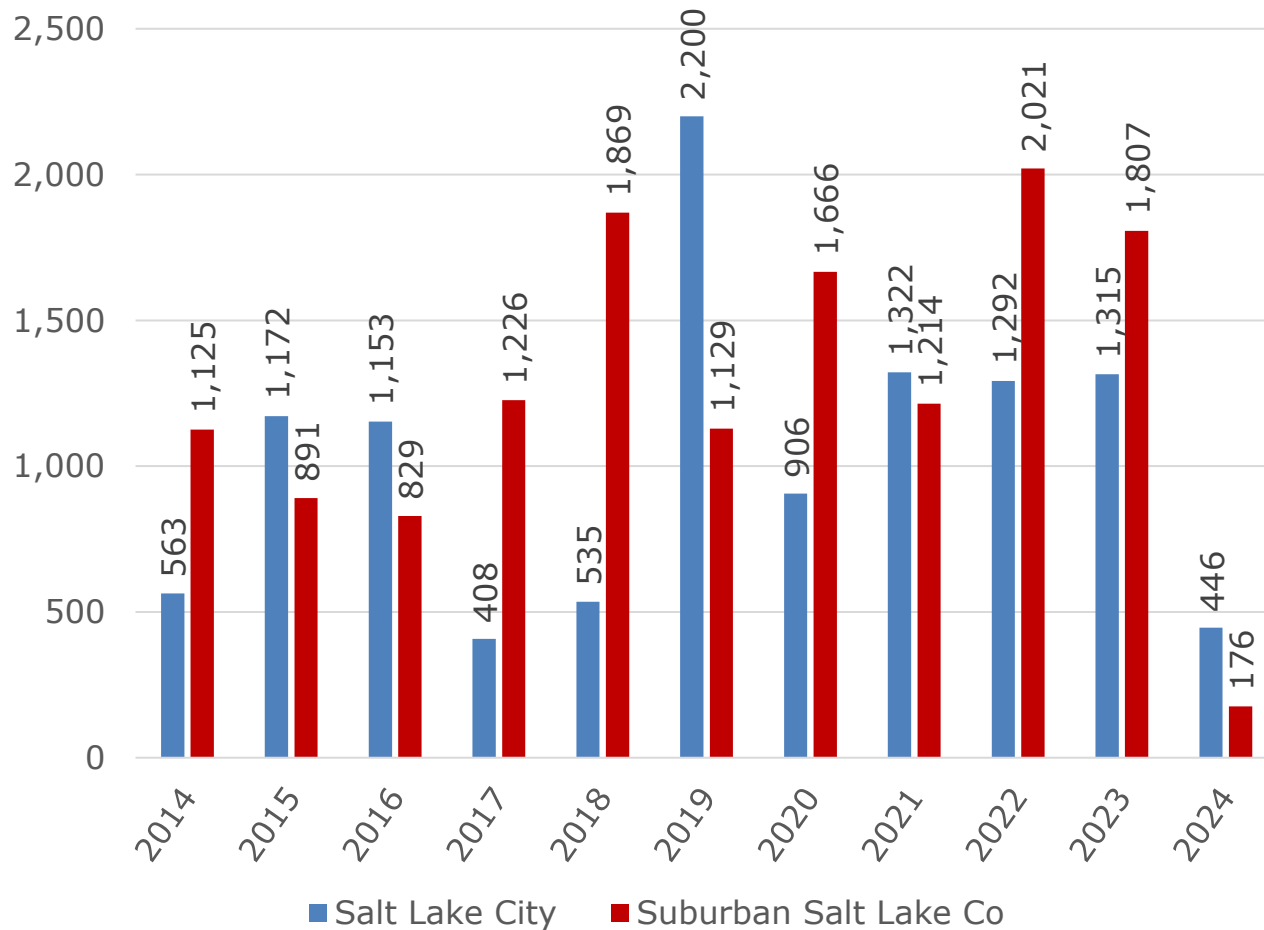
	2018	2022	2023	2022-2023	2018-2023	AARC
One Bedroom	\$1,052	\$1,407	\$1,375	-2.30%	30.70%	5.5%
Two Bedroom One Bath	\$1,115	\$1,497	\$1,477	-1.30%	32.47%	5.8%
Two Bedroom Two Bath	\$1,244	\$1,719	\$1,644	-4.40%	32.15%	5.7%
Three Bedroom	\$1,474	\$1,952	\$2,029	3.90%	37.65%	6.6%
Overall	\$1,207	\$1,624	\$1,582	-2.60%	31.07%	5.6%

Source: Cushman & Wakefield..

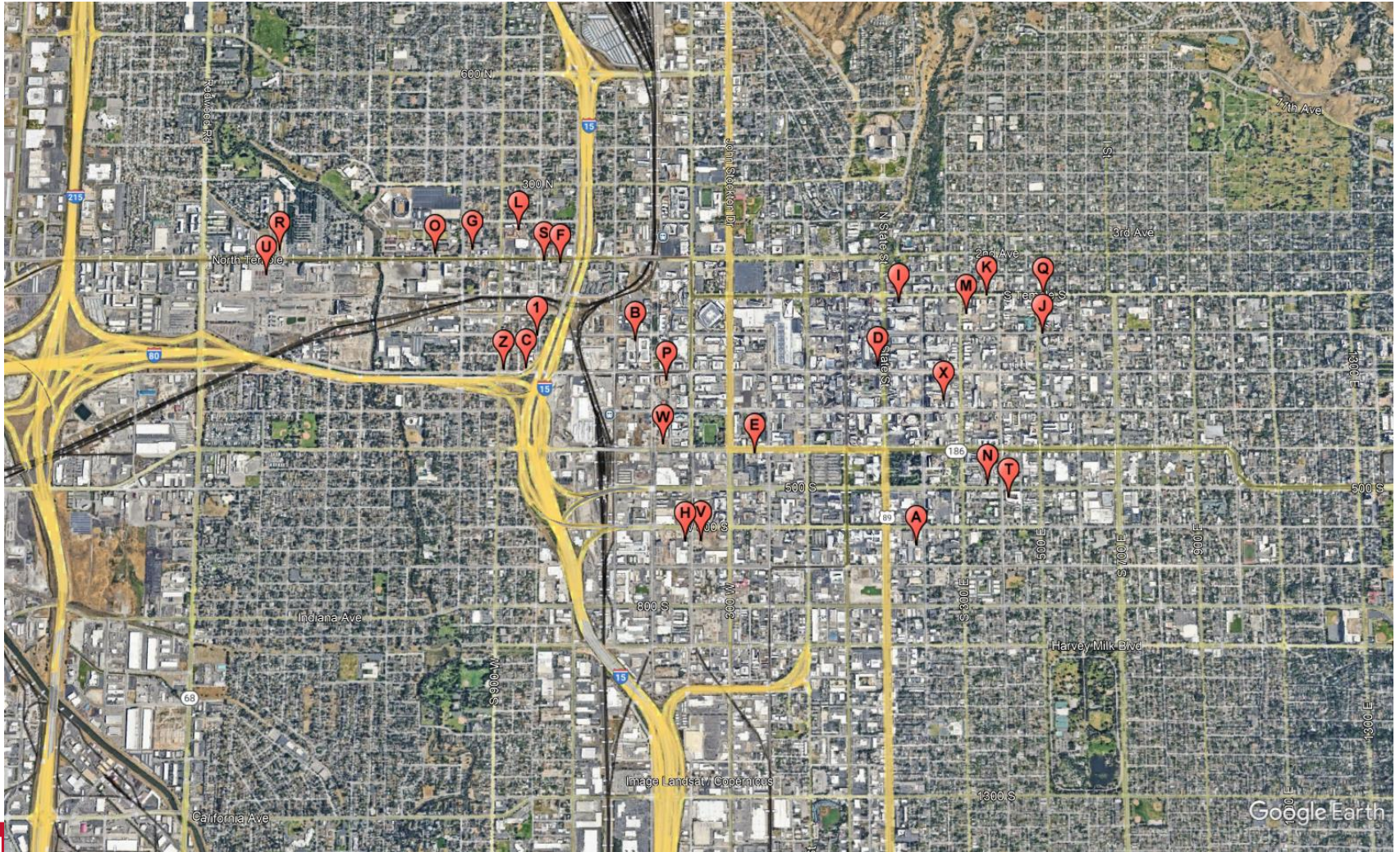
Downtown Salt Lake City Rental Market

- Suburban versus Urban (Salt Lake City)
- Units under construction
- Units in completed projects but vacant, 1,500
 - Of 3,700, 60%.
- Concessions
- Rents for large new projects
- Vacancy rate
- Rent premium
- Outlook

Building Permits for Apartments in Suburban SL County and Salt Lake City



Location of Projects Under Construction in Downtown and Periphery, August 2024



Worthington Towers

200 East 300 South

359 Units, 6th floor studios @ 3.60/sf, 1X1 @\$3.25, 2X2 \$2.80/sf



Demand Conditions for Apartment Market

- Why Utah High Growth State
- Demographics
- Employment
- Housing prices
- Vouchers

Why Is Utah a High Growth State?

1. Labor Market; Supply, Cost, and Quality
2. Geography/Transportation Infrastructure. (rail, surface roads, and air)
3. Demographic Growth and Characteristics.
4. Quality of Life.
5. State's Fiscal Condition and Business Climate.
6. High Growth Region.
7. Rise of Utah's High-Tech Sector
8. Favorable Distribution of Income.

Numeric Increase in Population 2012 to 2022

***21.8% increase ranks 1st among all states**

	State	Numeric Increase 2012-2022	% Chg.
1	Texas	4,787,601	19.0%
2	Florida	3,399,286	18.0%
3	California	1,709,840	4.6%
4	Georgia	1,200,995	12.4%
5	North Carolina	1,124,650	11.7%
6	Washington	1,042,956	15.5%
7	Arizona	952,025	14.9%
8	Colorado	792,577	15.7%
9	Tennessee	696,028	11.0%
10	Virginia	659,920	8.2%
11	South Carolina	646,985	14.0%
12	Utah	605,468	21.8%*

Source: U.S. Census Bureau.

Top-Ranked States by Numeric Increase in Employment, (July 2013 to July 2023)

***34.5% increased ranks first among all states**

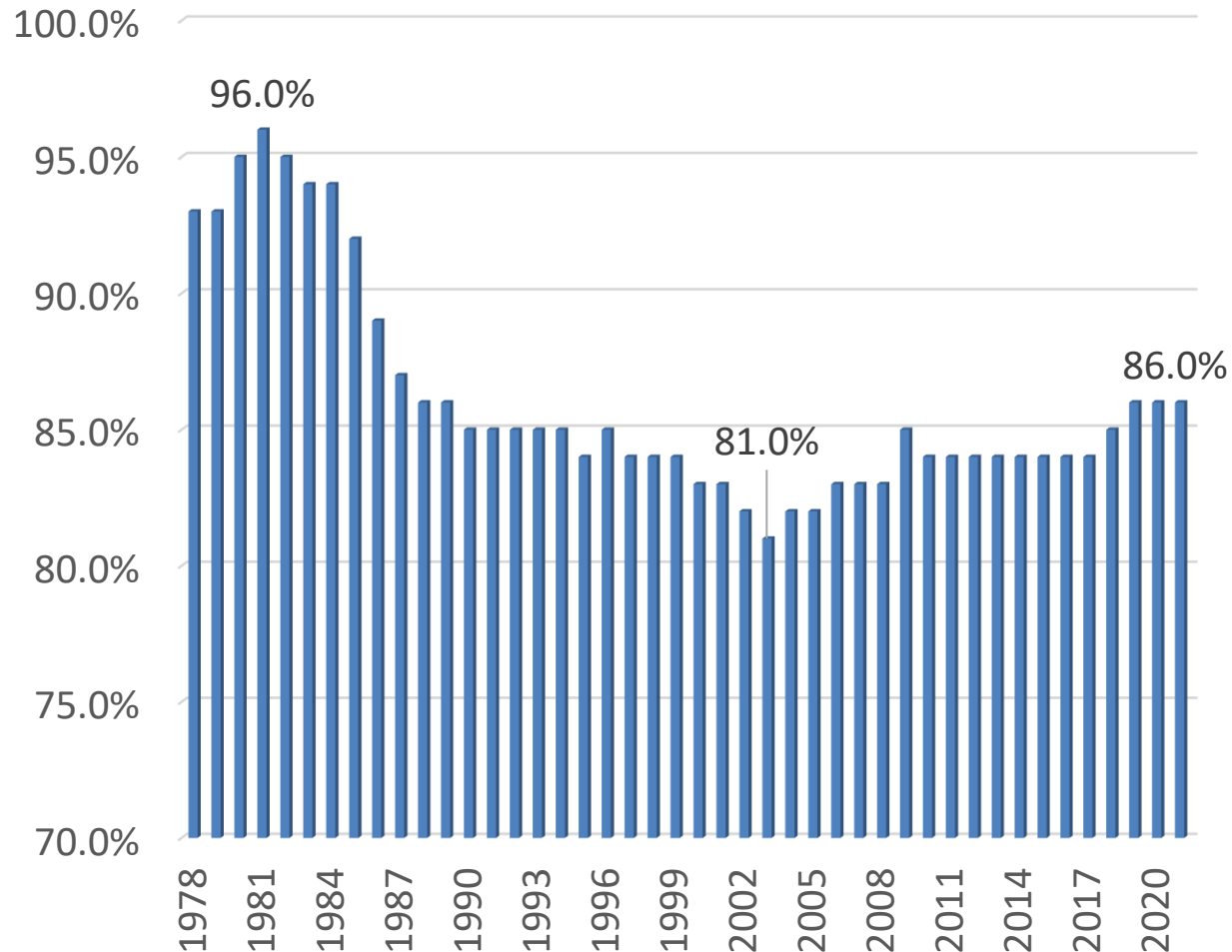
Rank	State	Numeric Change	% Chg.
1	California	2,978.4	19.8%
2	Texas	2,711.0	24.2%
3	Florida	2,194.1	29.4%
4	Georgia	881.7	22.0%
5	North Carolina	909.0	22.9%
6	New York	788.0	8.8%
7	Arizona	645.1	26.3%
8	Washington	658.7	22.0%
9	Colorado	536.1	22.4%
10	Tennessee	566.5	20.7%
11	Utah	441.4	34.5%*

Source: U.S. Bureau of Labor Statistics

Utah is Low Cost Destination for Employers

1. Relatively low wages.
2. Business friendly with less regulation.
3. Right to work state, 4.1% union membership, fourth lowest in the country.

Utah's Average Wage Rate as Percent of National Average Wage Rate (source: BLS)



Source: U.S. Bureau of Labor Statistics.

Annual Average Wage by Occupation 2022

	Utah	Colorado	Arizona	US
Management Occupations	\$111,160	\$149,300	\$115,560	\$131,200
Computer and Mathematical Occupations	\$94,850	\$116,620	\$98,400	\$108,130
Health Care Practitioners	\$90,120	\$99,690	\$93,250	\$96,770
Business and Financial Operations	\$73,720	\$88,330	\$77,380	\$86,080
Construction Occupations	\$52,380	\$57,430	\$52,470	\$58,400
Sales and Related Services	\$49,520	\$61,270	\$48,500	\$50,370
Transportation and Material Moving Occupations	\$44,280	\$48,520	\$43,410	\$43,930
Production Occupations	\$44,090	\$48,120	\$45,460	\$45,370
Office and Administrative Support	\$42,370	\$48,660	\$44,010	\$45,550
Food Preparation and Serving	\$30,300	\$37,280	\$37,260	\$32,130
All Occupations	\$57,360	\$67,870	\$58,620	\$61,900

Source: U.S. Bureau of Labor Statistics

Top Ranked States: Median Household Income, 2022

Rank	State	Median Household Income
1	Maryland	\$90,203
2	DC	\$90,088
3	Massachusetts	\$89,645
4	New Jersey	\$89,296
5	New Hampshire	\$88,465
6	California	\$84,907
7	Hawaii	\$84,857
8	Washington	\$84,247
9	Connecticut	\$83,771
10	Colorado	\$82,254
11	Virginia	\$80,963
12	Utah	\$79,449

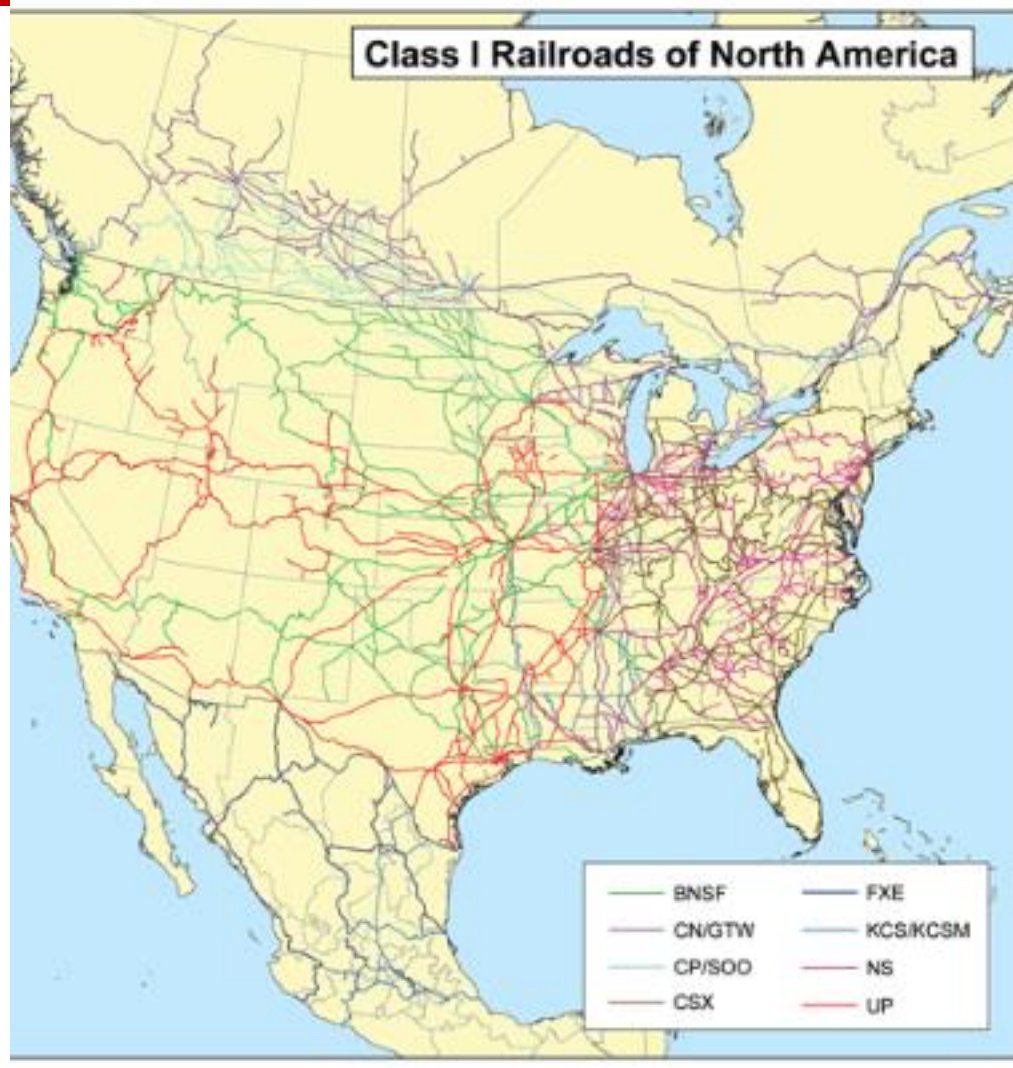
Source: U.S. Census, ACS..

Interstate Highway System

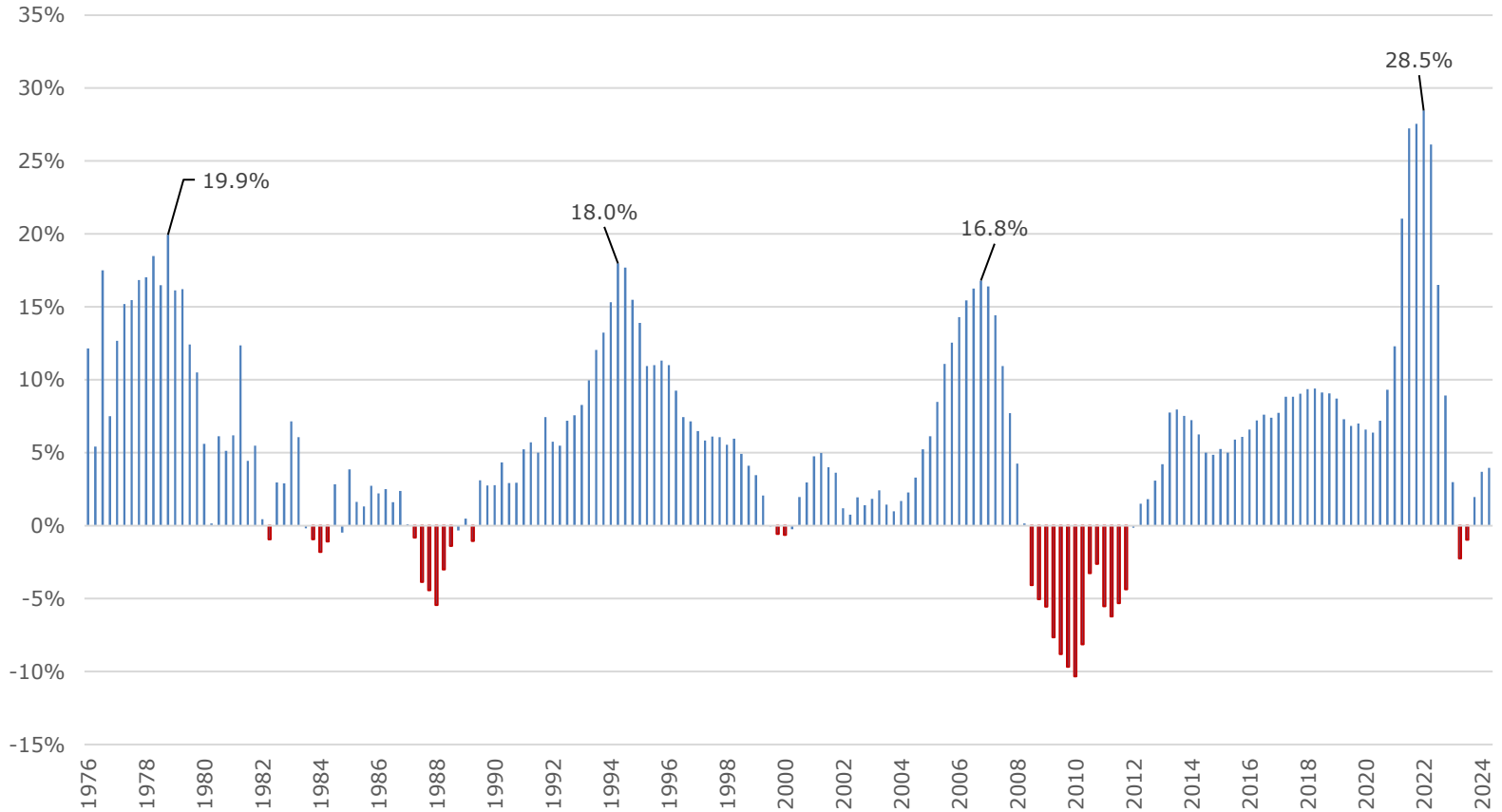
Drive time from SLC: Seattle 12h 30 m, Portland 11h 31m
San Fran. 10h 44m, LA 10h 22m, San Diego 11h 16m



Railroad System



Utah Is Prone to Rapid Acceleration of Housing Prices, Prices, (quarterly year over percent change)



Source: Federal Housing Finance Agency, purchase only.

Metro Areas Ranked by Median Sales Price of Single-Family Home, Salt Lake & St. George Top 14%

(2nd qtr 2024)

(data from 202 Metro Areas)

Rank	Metro Area	Median Sale Price	Rank	Metro Area	Median Sales Price
1	San Jose CA	\$2,008,000	16	Nassau NY	\$729,000
2	San Francisco CA	\$1,449,000	17	Newark NJ	\$713,000
3	Anaheim CA	\$1,437,200	18	New York NY	\$705,700
4	Honolulu HI	\$1,101,500	19	White Plains NY	\$698,800
5	San Diego CA	\$1,050,000	20	Denver CO	\$669,900
6	Salinas CA	\$1,035,700	21	Washington DC	\$666,600
7	Ventura CA	\$927,900	22	Miami FL	\$646,000
8	San Luis Obispo CA	\$895,300	23	Santa Fe NM	\$639,200
9	Boulder CO	\$888,300	24	Fort Collins CO	\$637,000
10	Naples FL	\$867,000	25	Reno NV	\$620,000
11	Los Angeles CA	\$854,800	26	Portland	\$608,500
12	Seattle WA	\$829,600	27	Riverside CA	\$600,000
13	Boston MA	\$793,400	28	Salt Lake City Metro	\$583,200
14	Bridgeport CT	\$792,800	29	St. George UT	\$583,100
15	Barnstable Town MA.	\$775,900		US	\$422,100

Source: National Association of Realtors.

States Ranked by Percent Increase in Housing Price Index

Rank	State	% Chg.
1	Florida	168.85%
2	Nevada	167.30%
3	Idaho	163.91%
4	Arizona	162.26%
5	Utah	146.65%
46	Maryland	53.05%
47	West Virginia	52.72%
48	Louisiana	49.28%
49	Illionois	48.83%
50	Connecticut	48.51%

Source: Federal Housing Finance Agency.

Change in Mortgage Payment in Five Years, 2019-2024 (single-family home, condo, townhome, twin home)

	Wasatch Front Counties		
	2019 2 nd Qtr	2024 3 rd Qtr	
Median Sales Price (Q2)	\$330,000	\$520,000	
5% Down Payment	\$16,500	\$26,000	
Amount Financed	\$313,500	\$494,000	
Principal & Interest*	\$1,497	\$2,676	
Property Tax .007% home value	\$193	\$303	
Private Mortgage Ins. 1% of loan	\$261	\$412	
Home Insurance	\$100	\$100	
Monthly Mortgage Pmt	\$2,051	\$3,491	170.2%
Income Required to Qualify	\$82,040	\$139,640	120.1%

*2019 interest rate 4.0%, 2024 6.5%

Source: Gardner Policy Institute.

Median Income of Renter Household, 2023

Category	State	Salt Lake
Median Household Income 2023	\$61,383	\$65,086
Median Household Income 2015	\$39,238	\$40,387
% Increase	56.0%	61.2%
Average Annual Rate of Change	5.75%	6.14%

Source: U.S. Census Bureau, American Community Survey.

2025 Forecast for Apartment Market in Wasatch Front Counties

- Level of new construction will decline for second year, reducing excess supply in the market.
- Suburban vacancy rate peaks at 6%, no growth in rental rates in 2025.
- Salt Lake City market will struggle with increasing vacancy rate, could reach near double-digit. Substantial concessions continue, no change in rental rates.
- Second year of correction, transitioning to normal market conditions by 2026; lower vacancy rates and modest rent increases.