



MARKET AT A GLANCE



OCCUPANCY RATE **95.9%**
Down **10 bps** since 3Q16



ASKING RENT **\$1,094**
Up **2.5%** since 3Q16

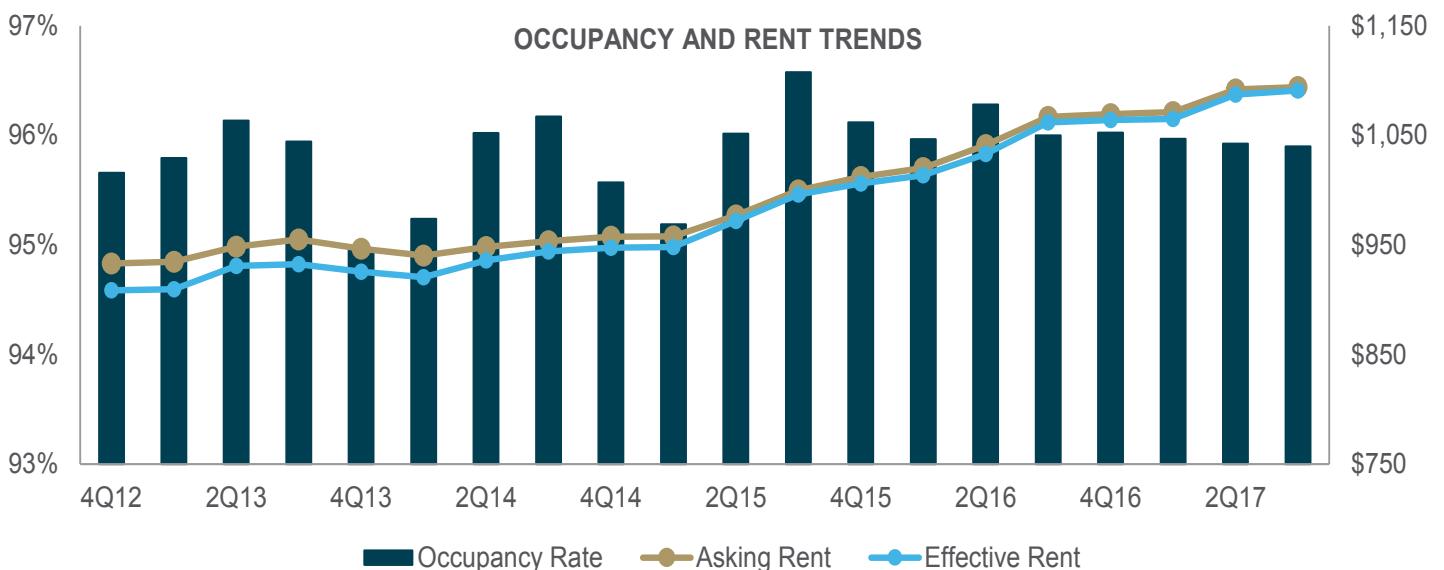


CONCESSIONS **0.3%**
Down **10 bps** since 3Q16

OCCUPANCY AND RENT TRENDS

ASKING RENT RISES 2.5% ANNUALLY WITH 2.3% JOB GROWTH

Multifamily builders completed 3,080 apartments in the 12 months ending in September of this year, a 33% increase over the prior 12-month period. More than two-thirds of the new inventory in the metro area came online in the Central Salt Lake City and Midvale/Sandy submarkets. The 1,118 deliveries in central Salt Lake City were distributed among five multifamily properties, all midrise communities. Of these properties, the largest one was the five-story, 493-unit 4th West community, which was completed in August of this year. Metrowide annual apartment absorption trailed deliveries by 2%, resulting in a 10-basis-point dip in occupancy to 95.9% at the end of the third quarter. Occupancy in the Central Salt Lake City submarket countered the metro trend, rising 20 basis points to 96.2%, suggesting the sustained desirability of urban-core living. Recent robust annual rent appreciation cooled, though remained positive. Third-quarter average asking rent in the metro area was \$1,094 per month, a 2.5% annual gain, compared to 6.5% appreciation in the prior year. The greatest rates of rent growth were in the neighboring South Salt Lake/Cottonwood and Southwest Salt Lake City submarkets.



SALT LAKE CITY

MULTIFAMILY REPORT

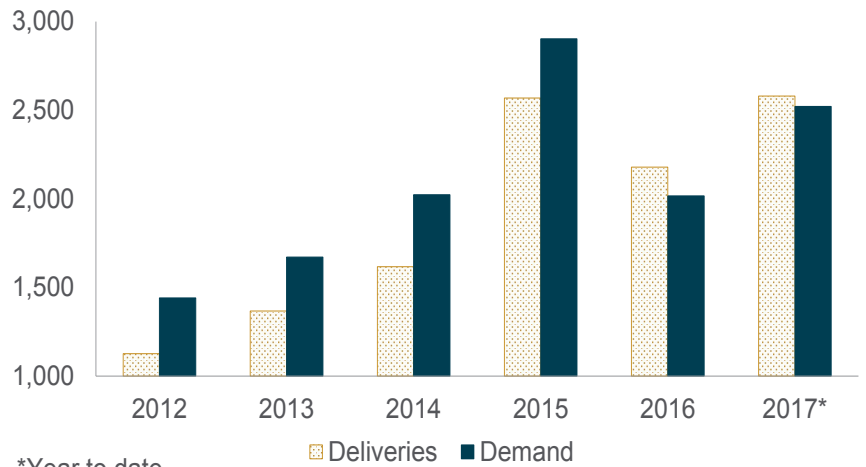
DELIVERIES AND DEMAND



DELIVERIES 2,580
Units YTD



NET ABSORPTION 2,521
Units YTD



*Year to date

ECONOMIC TRENDS

2016 **3.1%** **UNEMPLOYMENT*** 2017 **3.4%**
30 BPS CHANGE

2016 **704.7k** **EMPLOYMENT*** 2017 **721.1m**
2.3% CHANGE

2016 **21.2k** **EXISTING SFH SALES**** 2017 **21.6k**
1.9% CHANGE

2016 **\$276.6k** **MEDIAN SFH PRICE**** 2017 **\$301.3k**
8.9% CHANGE

2016 **1.63%** **10-YEAR TREASURY**** 2017 **2.20%**
60 BPS CHANGE

*August; **September

Employment in the Salt Lake City metro area expanded 2.3% in the 12-month period ending in August of 2017. Of the 16,400 net jobs gained, 5,500 workers were added in the professional and business services sector, the largest contributor to job growth. Current and upcoming developments bode well for the local economy. Multiple employment sectors are expected to benefit from development of the \$275 million Hardware District mixed-use project downtown. The construction industry is supported by multiple projects including the \$3.1 billion expansion at the Salt Lake City International Airport and construction underway at the 840,000-square-foot United Parcel Service regional hub, opening in 2018. Once open, up to 1,500 logistics positions will be filled at the UPS facility. Additionally, Amazon.com Inc. recently announced plans to open an 855,000-square-foot distribution center in northwest Salt Lake City, eventually hiring 1,500 workers. Heightened apartment demand in the Northwest Salt Lake/Airport submarket is anticipated with the influx of the new workers.



SALT LAKE CITY

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Central Salt Lake City	96.0%	96.2%	4.3%	1.6%	\$1,293	\$1,313	359	1,125	358	1,118
Midvale/Sandy	96.0%	95.9%	4.2%	2.8%	\$1,074	\$1,104	253	1,005	250	1,061
Murray	97.1%	97.1%	14.0%	2.1%	\$1,011	\$1,033	19	73	18	73
Northwest Salt Lake/Airport	94.4%	94.7%	8.0%	-1.3%	\$876	\$864	-7	11	0	0
South Salt Lake/Cottonwood	97.4%	96.7%	5.3%	5.5%	\$1,023	\$1,080	55	-45	15	15
Southwest Salt Lake City	95.5%	95.8%	8.8%	3.6%	\$882	\$914	32	288	0	272
Tooele County	-	98.5%	-	-	-	\$1,125	0	0	0	0
West Jordan	96.1%	96.0%	4.7%	2.4%	\$1,110	\$1,137	88	437	63	468
West Valley City	94.7%	96.1%	1.1%	3.4%	\$997	\$1,031	6	123	0	73
TOTALS	96.0%	95.9%	6.5%	2.5%	\$1,067	\$1,094	805	3,017	704	3,080



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