



MARKET AT A GLANCE



OCCUPANCY RATE **96.0%**
Unchanged since 3Q18



EFFECTIVE RENT **\$1,210**
Up **3.0%** since 3Q18

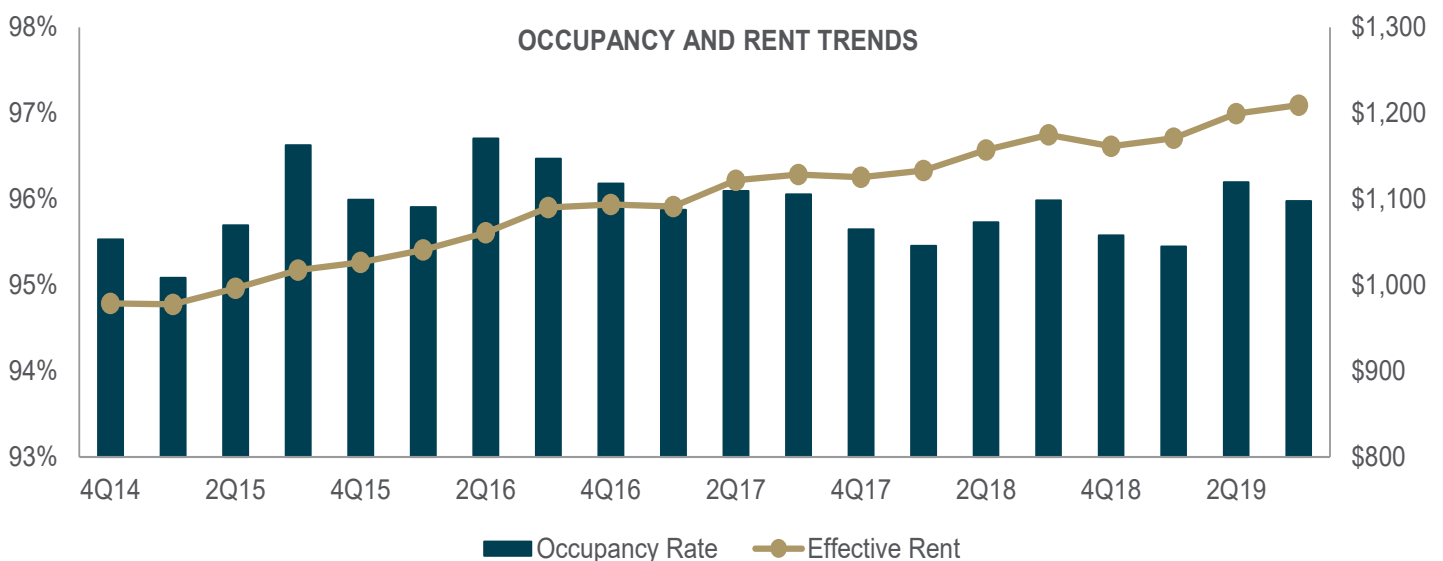


TOTAL INVENTORY **85,566**

OCCUPANCY AND RENT TRENDS

SUSTAINED IN-MIGRATION, JOB GROWTH DRIVE APARTMENT DEMAND

Annual apartment effective rent growth persisted as average occupancy held steady in the third quarter of 2019. Metrowide effective rent rose to \$1,210 per month in September 2019, a 3.0% year-over-year gain. Annual rent growth exceeded 3.1% in four of the five submarkets in the metro area. The outlier was the Downtown Salt Lake City/University submarket, where the accumulation of new, high-end apartments delivered during the last three years has generated heightened competition between multifamily communities. By the end of the third quarter of this year, effective rent growth in the submarket slowed to a 0.4% annual pace. Metrowide occupancy was 96.0% in September 2019, the same rate as one year prior. Apartment builders completed 1,929 units in the metro area since September 2018. More than one-third of the new inventory was in the South Salt Lake/Murray submarket as developers catered to apartment demand driven heavily by workers in Silicon Slopes. In the fourth quarter of this year, 1,120 apartments are slated for delivery metrowide, and in 2020, apartment development is expected to peak with 3,060 new units, growing the existing inventory by 4.9%.



SALT LAKE CITY

MULTIFAMILY REPORT

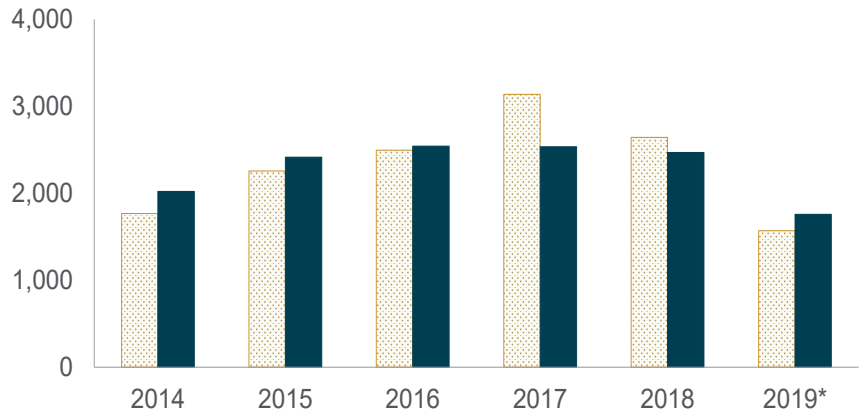
DELIVERIES AND DEMAND



DELIVERIES 1,568
Units YTD



NET ABSORPTION 1,757
Units YTD



*Year to date

■ Deliveries ■ Demand

ECONOMIC TRENDS

2018 **3.0%** UNEMPLOYMENT* 2019 **2.8%**
-20 BPS CHANGE

2018 **737.2k** EMPLOYMENT* 2019 **752.6k**
2.1% CHANGE

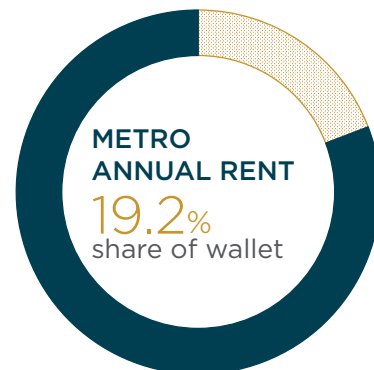
2018 **19.4k** EXISTING SFH SALES** 2019 **20.1k**
3.6% CHANGE

2018 **\$332.0k** MEDIAN SFH PRICE** 2019 **\$341.8k**
3.0% CHANGE

2018 **3.00%** 10-YEAR TREASURY** 2019 **1.70%**
-130 BPS CHANGE

*July; **September

The Salt Lake City metro area remains an attractive choice for job seekers and those desiring a high quality of life, reflected in net migration of 8,400 residents since July 2018. These newcomers were a major contributor to the formation of 3,800 households during that time. The metro area also neared full employment as the jobless rate sank 20 basis points year over year to 2.8% in July 2019. During that time, employers added 15,400 net workers to payrolls, a 2.1% annual increase. Medium and small businesses quietly drove employment growth in the professional and business services segment, creating a large portion of the 10,300 new jobs since July 2018, an 8.1% surge. Growth was also present in the financial activities and information sectors, whose employers collectively hired 2,800 new workers. Meanwhile, institutions in the education and health services sector added 4,300 workers to payrolls, equating to a 5.1% year-over-year increase. The manufacturing industry rounded out the high-growth sectors with 2.6% annual expansion as 1,500 new jobs were created.



SALT LAKE CITY

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q18	3Q19	3Q18	3Q19	3Q18	3Q19	3Q19	ANNUAL	3Q19	ANNUAL
Downtown Salt Lake City/University	95.4%	95.3%	1.3%	0.4%	\$1,328	\$1,333	273	416	131	456
Midvale/Sandy/Draper	95.8%	96.2%	3.8%	4.0%	\$1,194	\$1,241	-31	123	0	76
South Salt Lake/Murray	96.4%	96.6%	4.9%	3.2%	\$1,160	\$1,197	200	742	235	723
Southwest Salt Lake City	96.3%	96.0%	4.9%	4.0%	\$1,119	\$1,164	174	589	324	674
West Valley City/Airport Area	95.8%	95.6%	6.2%	4.3%	\$1,038	\$1,082	-141	-108	0	0
TOTALS	96.0%	96.0%	4.1%	3.0%	\$1,175	\$1,210	475	1,762	690	1,929



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