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Colliers

NIELSEN JENSEN TEAM

Utah's Top Multifamily Team



Q1

UTAH MULTIFAMILY
MARKET UPDATE

2023



INTRODUCTION

The Nielsen Jensen Team of Colliers International is pleased to present the Q1 2023 Utah Multifamily Update Report. We would like to express our gratitude to our clients for the relationships we have built and the value we have been able to provide. As the state's largest and most dynamic multifamily investment team, we are committed to presenting valuable, accurate, and up-to-date multifamily housing market data. Our goal is to assist our clients in making well-informed investment decisions by offering this information as an added feature to the services we provide.

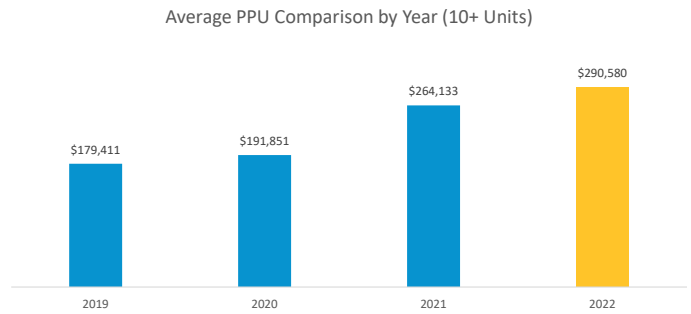
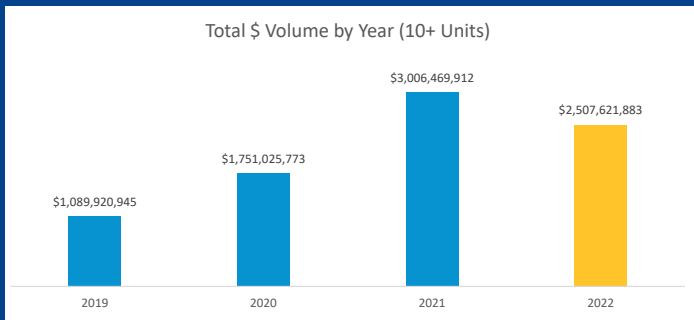
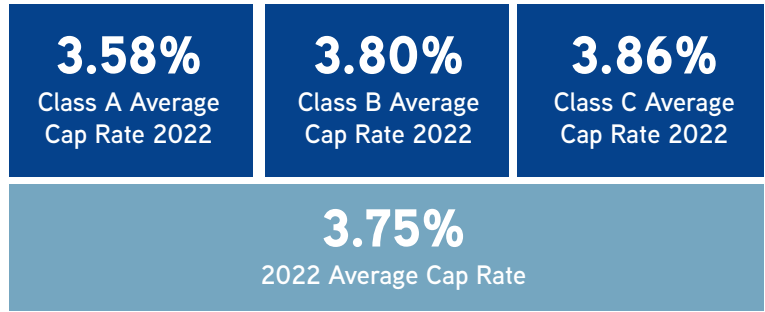
Despite ongoing national economic instability, the Utah market remains strong, with the state leading the nation in population growth and job growth. Despite economic uncertainty, Utah's multifamily market has demonstrated resilience, emerging as one of the most robust in the country. The market benefits from exceptional population growth and persistent housing shortages that fuel demand, especially along the Wasatch Front.

Property level performance remains strong as current owners continue to see increasing returns with low to healthy vacancy rates due to the State's demand for housing units. One of the biggest differences in the Utah multifamily market is the velocity of investment sales. Sale volume is down tremendously year over year, mainly due to the increase in interest rates and widening bid ask spread between buyers and sellers. We expect sale volume to increase in the coming months as sellers are faced with loan maturities and other macroeconomic factors.

Overall, we remain bullish on the long term future of Utah's multifamily market. The state's fast-growing economy, favorable tax policies, and low unemployment rate have attracted a substantial influx of businesses and individuals, driving up the need for a variety of housing options. Additionally, Utah's robust job market and rising population have led to a surge in new construction projects and investment in the multifamily sector. With a high quality of life, affordable housing, and a strong economic outlook, Utah's multifamily housing market is positioned to continue thriving in the foreseeable future.

SALES DATA

The investment sales volume hit historic highs in 2021 & 2022 as investors desired to own in one of the fastest growing states in the nation. However, since the first half of 2022, the sales volume has dropped considerably due to the increase in interest rates and economic uncertainty. In today's market, sellers are unwilling to part with their well-performing properties, and buyers are unwilling to take on negative leverage due to the higher cost of capital. Although the sale volume may not match the past years, there will still be plenty of opportunities as loans mature and macroeconomics become more uncertain.



Q1 2023 and Historical Sales Data

	Q1 2021	Q1 2022	Q1 2023
Total Volume	\$449,462,000	\$599,265,000	\$106,025,500
Total Transactions	29	33	13
Total Units Sold	1,925	2,049	512
Average PPU	\$242,906	\$268,321	\$198,351
Average Cap Rate	3.93%	3.47%	4.37%

*Includes Transactions with 10+ Units

\$106,025,500
Total Volume (10+ Units) in Q1 2023

512
Total Units Sold in 2023 Q1

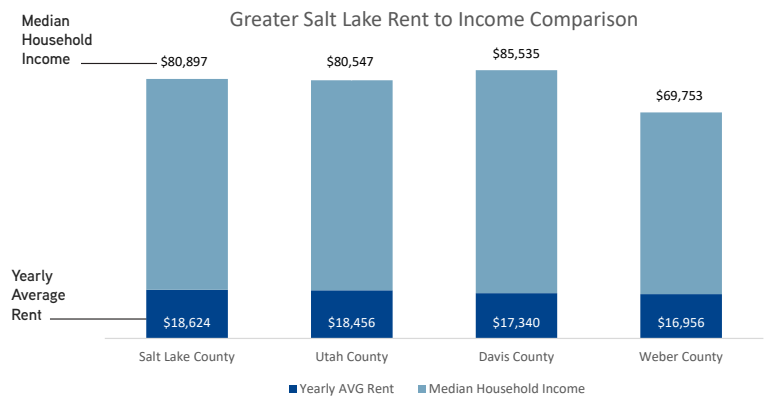
\$198,351
Average PPU (10+ Units) Q1 2023

4.37%
Average Cap Rate Q1 2023

GREATER SALT LAKE RENT OVERVIEW

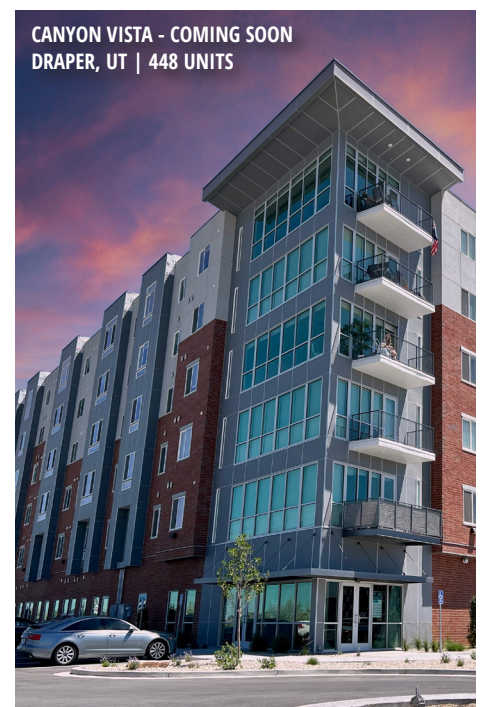
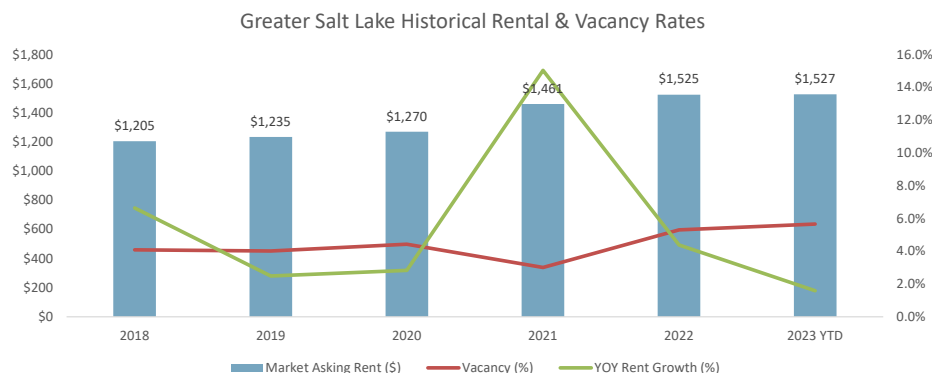
Greater Salt Lake Rent to Income Comparison

County	Yearly AVG Rent	Median Household Income	Rent To Income Ratio
Salt Lake County	\$18,624	\$80,897	23%
Utah County	\$18,456	\$80,547	23%
Davis County	\$17,340	\$85,535	20%
Weber County	\$16,956	\$69,753	24%



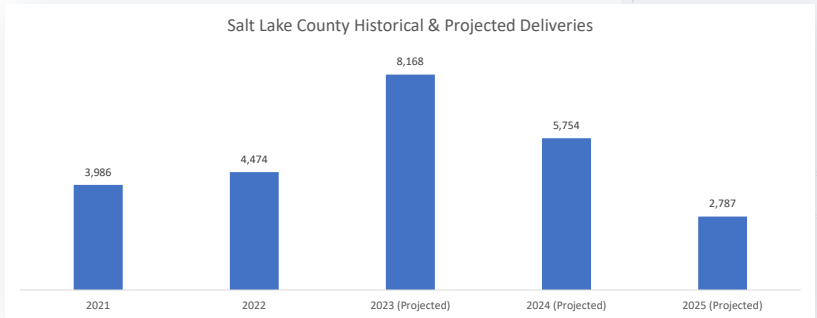
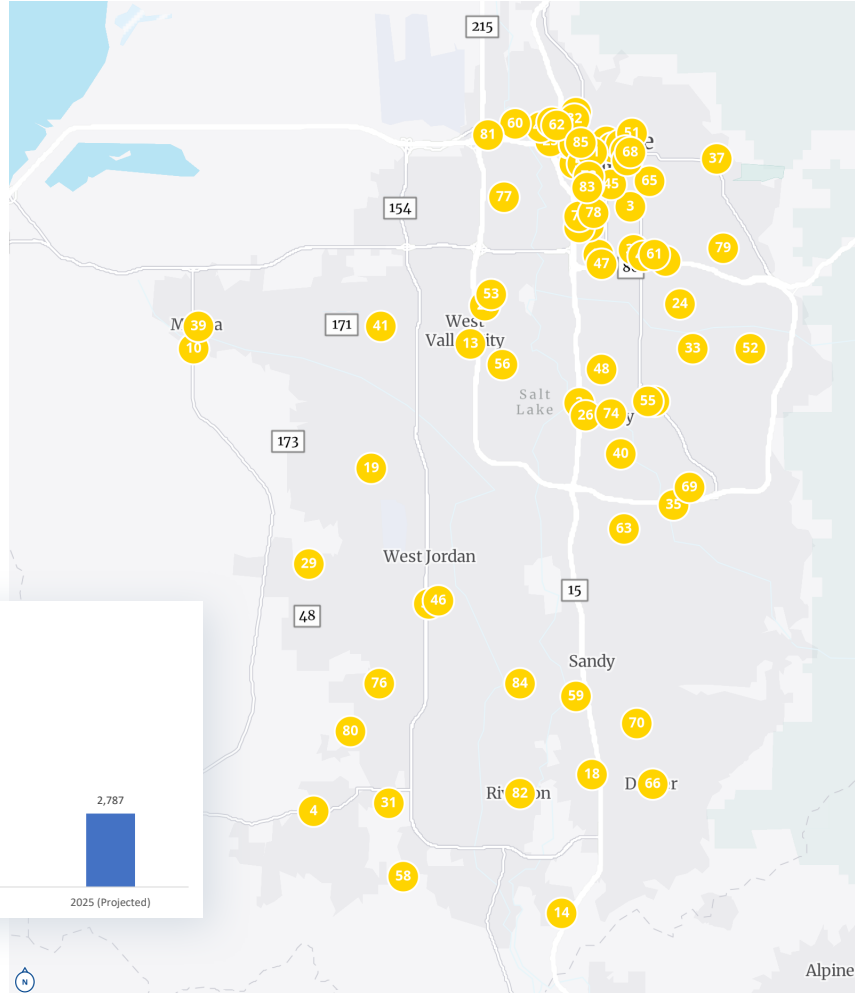
Greater Salt Lake Historical Rental & Vacancy Rates

Period	Market Asking Rent (\$)	Average SF	Market Asking Rent PSF (\$)	Vacancy (%)	YOY Rent Growth (%)
2018	\$1,205	906	\$1.33	4.1%	6.6%
2019	\$1,235	901	\$1.37	4.0%	2.5%
2020	\$1,270	901	\$1.41	4.4%	2.8%
2021	\$1,461	902	\$1.62	3.0%	15.0%
2022	\$1,525	902	\$1.69	5.3%	4.4%
2023 YTD	\$1,527	904	\$1.69	5.7%	1.6%



SALT LAKE COUNTY CONSTRUCTION PIPELINE

Salt Lake County has experienced an apartment boom over the past five years, with over 16,000 units currently under construction, with the bulk of deliveries expected in the next two years. Investors remain bullish on the demographics and needs of the state, although some planned projects may not come to fruition due to the rising cost of capital and construction. Nevertheless, the area will absorb the newly delivered units quickly, with projects leasing at a healthy rate of about 19 units per month on average. However, deliveries will significantly decrease after 2026, potentially leaving the state with a similar housing shortage situation.



#	Property Name	Units
1	3-Story Walk Up	9
2	4800 Lofts	371
3	500 Park View	28
4	Academy Terrace	215
5	Alta Stone at the Gateway	288
6	Alta Vue	218
7	Altitude (Highrise at Emeril)	156
8	aQui 355	60
9	ARTE Sugarhouse	346
10	Ascend at Little Valley	260
11	Astra Tower (Kensington)	372
12	Atkinson Stacks	115
13	Back 9	262
14	Banner Hill	87
15	Bookbinder Studios	115
16	Bowers Residences at South City	269
17	Camber Apartments	434
18	Canyon Vista, Phase 2	423
19	Carrington Square, Phase 2	47
20	Cinq	203
21	City Lofts	237
22	Convexity Tower (Tavernacle site)	359
23	Cottonwood on Broadway	254
24	Cottonwood on Highland	250
25	Crossing at 9th	205
26	Current	285
27	Decker Station Apartments	219
28	Entry Note	171
29	Gladstone Place, Phase 2	151
30	H20 Townhomes	282
31	Hamilton Crossing, Phase 2	36
32	Hardware Crossing	300
33	Highland Crossing	55
34	Islington (Izzy South and Izzy North)	133
35	Ivory Living at Fort Union	204
36	Ivory Murray	301
37	Ivory University House	552
38	Jordan Fields	240
39	Lake Union Partner Deal	192
40	Legacy Retirement Inn Apartment Conversion	31
41	Lofts on 35th	50
42	Lotus Zeppelin	72
43	Luma	210
44	Lusso	271
45	Maven Lofts	57
46	Momentum	243
47	One Burton (The Billboard)	180
48	Opus Green	139
49	Park View Lofts	24
50	Post House	580
51	"Residences at South Temple Office building conversion"	121
52	Richmond Apartments	328
53	Richmond Flats	55
54	Row 1700	47
55	Royce on 9th, Phase I	301
56	Sage Valley Apartments	430
57	Solis at Jackson Station	363
58	Sorella, Phase 1	219
59	South Ridge Phase 2 (South Ridge East)	30
60	Spark!	200
61	Station at Sugarmont	75
62	Studios Squared	64
63	Sunset Gardens	89
64	TAG 343	55
65	Telegraph Exchange Lofts	23
66	The Austin Townhomes	122
67	The Citizen	264
68	The Dewitt	149
69	The Grandeur at Holladay Hills	200
70	The Orchards at Farnsworth Farms	96
71	The Revival	142
72	The Slate	150
73	The Sloane	88
74	The Vine	130
75	The Whitney	264
76	thePEARL at Northshore	208
77	theQUINCI	89
78	Tradition Pointe	78
79	Twenty Ones	108
80	VIDA at Daybreak, Phase 2	230
81	Village at North Station	769
82	Viviano at Riverton Phase 1A and 1B	144
83	Washington Micro Units	202
84	Westview Village at Daybreak	177
85	Zephyr Lofts	138
Total Units Under Construction		16,709

SALT LAKE COUNTY

NOVEL DAYBREAK
SOUTH JORDAN, UT | 400 UNITS



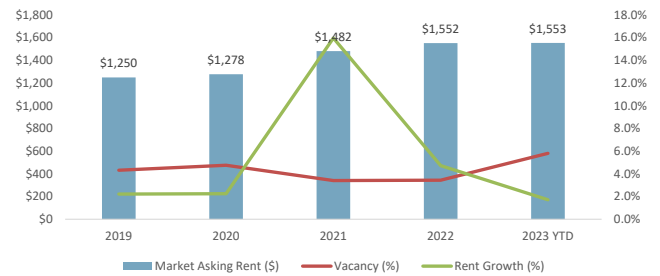
SALT LAKE CITY: #3 BEST PERFORMING LARGE CITY

(Milken Institute, 2022)

Salt Lake County Historical Rent & Vacancy Rates

Period	Market Asking Rent (\$)	Average SF	Market Asking Rent PSF (\$)	Vacancy (%)	YOY Rent Growth (%)
2019	\$1,250	912	\$1.37	4.3%	2.2%
2020	\$1,278	913	\$1.40	4.8%	2.2%
2021	\$1,482	909	\$1.63	3.4%	16.0%
2022	\$1,552	882	\$1.76	3.4%	4.7%
2023 YTD	\$1,553	882	\$1.76	5.8%	1.7%

Salt Lake County Historical Rental & Vacancy Rates



Salt Lake County Rent by City

City	2020			
	Rent	SF	Rent PSF	Vacancy
Salt Lake City	\$1,277	808	\$1.58	4.3%
West Valley City	\$1,092	867	\$1.26	4.1%
South Jordan	\$1,552	1021	\$1.52	5.4%
West Jordan	\$1,229	960	\$1.28	3.7%
Sandy	\$1,317	921	\$1.43	3.9%
Midvale	\$1,187	899	\$1.32	3.8%
Murray	\$1,101	867	\$1.27	5.0%
Draper	\$1,402	980	\$1.43	5.8%
Taylorsville	\$1,030	831	\$1.24	4.0%
Downtown	\$1,327	746	\$1.78	4.9%
Herriman	\$1,393	1088	\$1.28	10.4%

City	2021			
	Rent	SF	Rent PSF	Vacancy
Salt Lake City	\$1,455	804	\$1.81	4.8%
West Valley City	\$1,372	863	\$1.59	2.7%
South Jordan	\$1,821	1023	\$1.78	2.7%
West Jordan	\$1,464	957	\$1.53	2.5%
Sandy	\$1,488	919	\$1.62	2.2%
Midvale	\$1,462	897	\$1.63	3.2%
Murray	\$1,286	863	\$1.49	4.8%
Draper	\$1,602	983	\$1.63	3.1%
Taylorsville	\$1,180	831	\$1.42	2.2%
Downtown	\$1,450	747	\$1.94	2.7%
Herriman	\$1,688	1089	\$1.55	3.4%

City	2022			
	Rent	SF	Rent PSF	Vacancy
Salt Lake City	\$1,523	806	\$1.89	5.8%
West Valley City	\$1,446	866	\$1.67	4.8%
South Jordan	\$1,904	1024	\$1.86	5.0%
West Jordan	\$1,503	957	\$1.57	6.1%
Sandy	\$1,564	920	\$1.70	5.0%
Midvale	\$1,532	896	\$1.71	4.3%
Murray	\$1,352	867	\$1.56	5.6%
Draper	\$1,654	979	\$1.69	5.3%
Taylorsville	\$1,239	832	\$1.49	4.4%
Downtown	\$1,523	747	\$2.04	5.1%
Herriman	\$1,755	1083	\$1.62	5.2%

City	2023 YTD			
	Rent	SF	Rent PSF	Vacancy
Salt Lake City	\$1,526	803	\$1.90	6.5%
West Valley City	\$1,454	865	\$1.68	5.9%
South Jordan	\$1,889	1021	\$1.85	4.6%
West Jordan	\$1,537	961	\$1.60	6.2%
Sandy	\$1,571	919	\$1.71	4.5%
Midvale	\$1,502	899	\$1.67	4.8%
Murray	\$1,373	864	\$1.59	5.8%
Draper	\$1,670	982	\$1.70	5.1%
Taylorsville	\$1,254	836	\$1.50	4.5%
Downtown	\$1,522	746	\$2.04	5.6%
Herriman	\$1,698	1088	\$1.56	5.7%



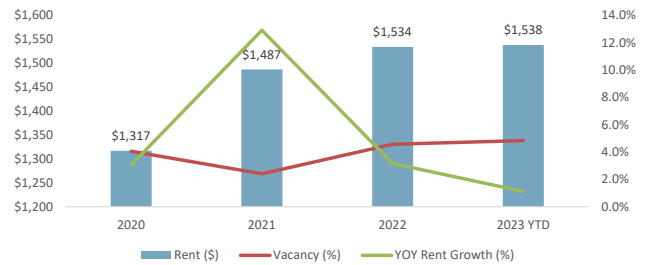
PROVO-OREM: #1 BEST PERFORMING LARGE CITY

(Milken Institute, 2022)

Utah County Historical Rent & Vacancy Rates

Period	Market Asking Rent (\$)	Average SF	Market Asking Rent PSF (\$)	Vacancy (%)	YOY Rent Growth (%)
2020	\$1,317	968	\$1.36	4.1%	3.1%
2021	\$1,487	972	\$1.53	2.4%	12.9%
2022	\$1,534	971	\$1.58	4.6%	3.2%
2023 YTD	\$1,538	973	\$1.58	4.8%	1.1%

Utah County Historical Rental & Vacancy Rates



Utah County Rent by City

City	2020			
	Rent	SF	Rent PSF	Vacancy
Provo	\$1,077	764	\$1.41	3.8%
Orem	\$1,316	954	\$1.38	5.2%
Pleasant Grove	\$1,281	1017	\$1.26	1.9%
Lehi	\$1,412	954	\$1.48	5.0%

City	2021			
	Rent	SF	Rent PSF	Vacancy
Provo	\$1,129	758	\$1.49	1.2%
Orem	\$1,534	953	\$1.61	2.6%
Pleasant Grove	\$1,465	1017	\$1.44	2.7%
Lehi	\$1,605	950	\$1.69	3.7%

City	2022			
	Rent	SF	Rent PSF	Vacancy
Provo	\$1,250	758	\$1.65	2.1%
Orem	\$1,588	951	\$1.67	4.7%
Pleasant Grove	\$1,482	1015	\$1.46	4.5%
Lehi	\$1,623	949	\$1.71	8.2%

City	2023 YTD			
	Rent	SF	Rent PSF	Vacancy
Provo	\$1,241	757	\$1.64	2.3%
Orem	\$1,584	954	\$1.66	5.6%
Pleasant Grove	\$1,493	1016	\$1.47	4.4%
Lehi	\$1,609	952	\$1.69	8.8%

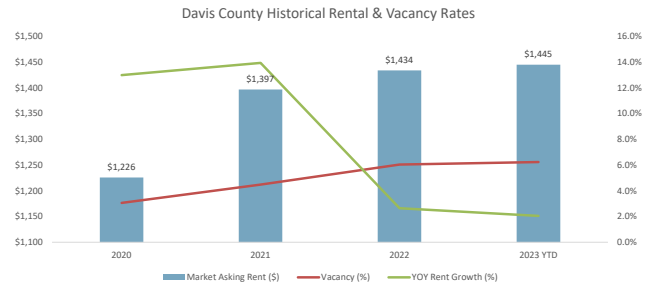
DAVIS COUNTY

VILLAGE STATION AT EAGLEWOOD
NORTH SALT LAKE, UT | 425 UNITS



Davis County Historical Rent & Vacancy Rates

Period	Market Asking Rent (\$)	Average SF	Market Asking Rent PSF (\$)	Vacancy (%)	YOY Rent Growth (%)
2020	\$1,226	989	\$1.24	3.1%	13.0%
2021	\$1,397	1075	\$1.30	4.5%	13.9%
2022	\$1,434	950	\$1.51	6.0%	2.6%
2023 YTD	\$1,445	909	\$1.59	6.2%	2.0%



Davis County Rent by City

City	2020			
	Rent	SF	Rent PSF	Vacancy
North Salt Lake	\$1,256	904	\$1.39	4.4%
Bountiful	\$1,144	923	\$1.24	2.5%
Clearfield	\$1,203	911	\$1.32	2.2%
Layton	\$1,121	830	\$1.35	2.7%

City	2021			
	Rent	SF	Rent PSF	Vacancy
North Salt Lake	\$1,437	893	\$1.61	4.3%
Bountiful	\$1,246	923	\$1.35	1.5%
Clearfield	\$1,332	912	\$1.46	6.7%
Layton	\$1,321	831	\$1.59	4.4%

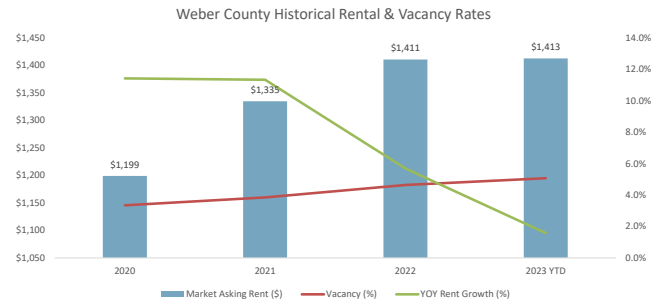
City	2022			
	Rent	SF	Rent PSF	Vacancy
North Salt Lake	\$1,485	895	\$1.66	8.1%
Bountiful	\$1,341	925	\$1.45	2.6%
Clearfield	\$1,384	911	\$1.52	5.9%
Layton	\$1,328	825	\$1.61	6.6%

City	2023 YTD			
	Rent	SF	Rent PSF	Vacancy
North Salt Lake	\$1,479	896	\$1.65	8.2%
Bountiful	\$1,349	924	\$1.46	3.1%
Clearfield	\$1,399	914	\$1.53	6.0%
Layton	\$1,336	825	\$1.62	7.0%



Weber County Historical Rent & Vacancy Rates

Period	Market Asking Rent (\$)	Average SF	Market Asking Rent PSF (\$)	Vacancy (%)	YOY Rent Growth (%)
2020	\$1,199	944	\$1.27	3.3%	11.4%
2021	\$1,335	947	\$1.41	3.8%	11.3%
2022	\$1,411	947	\$1.49	4.6%	5.7%
2023 YTD	\$1,413	948	\$1.49	5.1%	1.6%



Weber County Rent by City

2020				
City	Rent	SF	Rent PSF	Vacancy
Ogden	\$1,150	898	\$1.28	3.5%
West Haven	\$1,354	1018	\$1.33	2.6%

2021			
Rent	SF	Rent PSF	Vacancy
\$1,276	899	\$1.42	4.2%
\$1,495	1017	\$1.47	3.3%

2022				
City	Rent	SF	Rent PSF	Vacancy
Ogden	\$1,347	898	\$1.50	4.6%
West Haven	\$1,609	1018	\$1.58	6.3%

2023 YTD			
Rent	SF	Rent PSF	Vacancy
\$1,356	898	\$1.51	5.0%
\$1,576	1017	\$1.55	5.6%

POPULATION GROWTH BY COUNTY



SALT LAKE COUNTY

1,225,168

2022 POPULATION

19%

POPULATION GROWTH
SINCE 2010

33

MEDIAN AGE

1,681,440

2060 ESTIMATED
POPULATION

UTAH COUNTY

700,586

2022 POPULATION

35.6%

POPULATION GROWTH
SINCE 2010

26.8

MEDIAN AGE

1,357,589

2060 ESTIMATED
POPULATION

DAVIS COUNTY

376,960

2022 POPULATION

23%

POPULATION GROWTH
SINCE 2010

31.4

MEDIAN AGE

584,680

2060 ESTIMATED
POPULATION

WEBER COUNTY

269,705

2022 POPULATION

16.6%

POPULATION GROWTH
SINCE 2010

33.3

MEDIAN AGE

391,174

2060 ESTIMATED
POPULATION

NATIONAL ECONOMY - HOME VALUES, RATES, & SALES DATA

Median Home Values

Salt Lake County

Current Value: \$539,529
as of April 2023
Value in April 2022: \$556,329

Utah County

Current Value: \$525,365
as of April 2023
Value in April 2022: \$546,703

Davis County

Current Value: \$519,375
as of April 2023
Value in April 2022: \$538,866

Weber County

Current Value: \$422,694
as of April 2023
Value in April 2022: \$440,803

Historical Home Sales Data

	2021	2022
Total Homes Sold in Utah by Year	56,175	44,602
Total Homes Sold in US by Year	5.95M	6.12M
Median Days on Market for Utah	19	36
Median Days on Market for US	47	45



Average Mortgage Rate in the U.S.

5.34%

AVERAGE MORTGAGE RATE
2022 - 30 YEAR FIXED

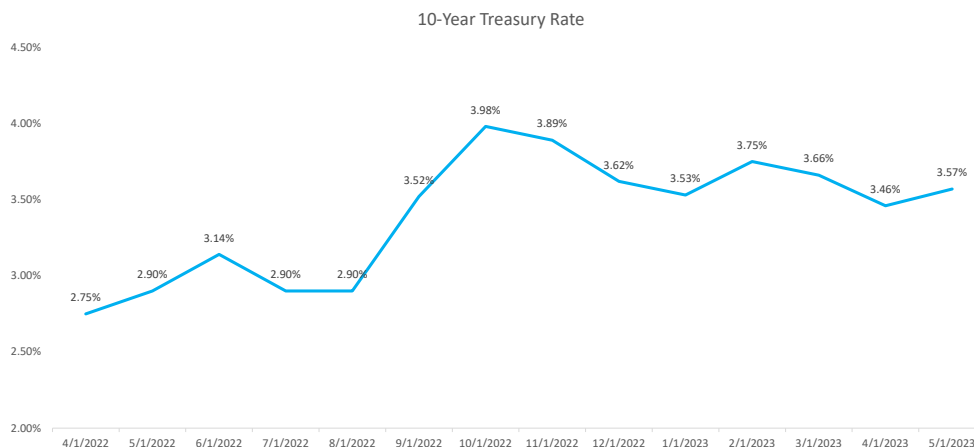
(Source: FRED)

6.94%

AVERAGE CURRENT
MORTGAGE RATE AS OF
4/27/2023- 30 YEAR FIXED

(Source: FRED)

Monthly Mortgage Payment for a Median Priced Home			
	Apr-22	Apr-23	% Increase YOY
Salt Lake County	\$2,792.84	\$3,211.01	15%
Utah County	\$2,744.52	\$3,126.71	14%
Davis County	\$2,705.17	\$3,091.06	14%
Weber County	\$2,212.88	\$2,515.66	14%



WHY UTAH?

Utah is a national leader in high job employment, low cost of doing business, and talented labor. Utah regularly tops rankings among best states for business, careers, living, health, and quality of life. Utah provides an array of employment opportunities in various industries, and offers its residents numerous lifestyle options that range from quiet rural settings to thriving urban centers.

Most of Utah's population resides along The Wasatch Front, roughly 150 miles of contiguous cities and communities, running predominantly north-south along the I-15 corridor and the western slope of the Wasatch Mountain range, from Brigham City to Nephi.

Utah is world-renowned for its bounty of public lands and recreation opportunities ranging from mountain wilderness to desert landscapes. Utah has five national parks, six national forests, numerous state parks and recreation areas, and over a dozen ski resorts.

Utah is a geographically diverse state, encompassing a convergence of three distinct geological regions: the Rocky Mountains, the Great Basin, and the Colorado Plateau.

The beehive is the state symbol of Utah. The Mormon settlers used the symbol to represent hard work and industriousness. The beehive is where all workers cooperate in the construction of something much bigger than themselves, as a model for a properly run society.



#1 ECONOMIC OUTLOOK

(Rich States Poor States, 2023)

#1 MOST DIVERSE ECONOMY IN THE NATION

(Hachman Index)

#2 SAFEST MULTIFAMILY INVESTMENT MARKET IN THE US

(Yardi Matrix, 2022)

2.2% UNEMPLOYMENT RATE — LOWEST IN THE US

(Department Of Workforce Services, 2022)

#2 BEST STATE FOR GDP GROWTH OVER 5 YEARS

(Forbes, 2022)

#1 BEST STATE

(U.S News & World Report, 2023)

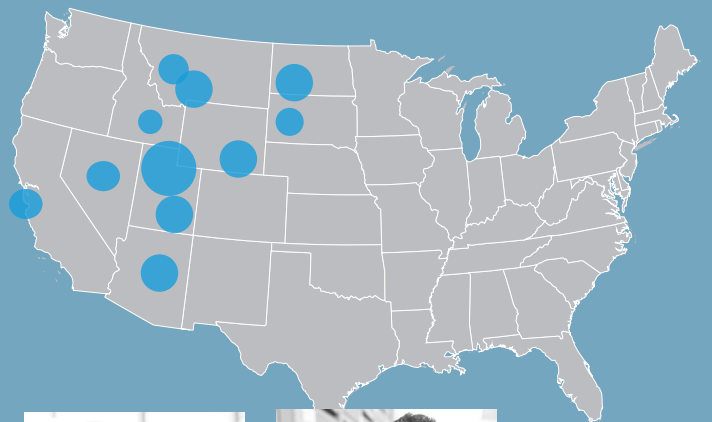


THE TEAM

We have spent decades building relationships, networking and adding clients to our comprehensive database of local, national and international investors to provide the largest possible industry network. Driven by our deep passion to exceed our clients expectations, we take a proactive and hands-on approach to create additional value and build trust every step of the way. Grounded on core values that are the cornerstone of every deal we do, we treat each assignment as if it were our own investment. We work hard, we are proactive, we are intentional, we are detailed, and we get the job done. We are very proud of our track record, team and what we have accomplished by becoming local experts with a global reach.

REGIONAL LEADERS

In the last 5 years, the Nielsen Jensen Team has closed deals in **9 different states**



Rawley Nielsen

President - Investment Sales



Mark Jensen

Executive Vice President



Darren Nielsen

Senior Vice President



Mark Numbers

Associate



Jared Whipple

Director of Operations



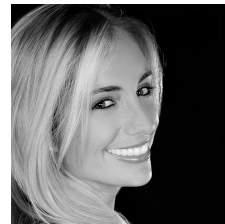
Luke Mata

Financial Analyst



Rachel Smith

Marketing & Graphic Designer



Kathryn Brower

Executive Assistant & Research



As Utah's largest and most active multifamily team, The Nielsen Jensen Team of Colliers International is pleased to present this real-time snapshot into the Utah multifamily investment market. As a resource for our clients as they navigate this market, this report uses comprehensive market data and research from the Nielsen Jensen Team, Colliers International Research, and a mix of other best-in-class partners and resources.

Data and research were provided by:

- The Nielsen Jensen Team
- Colliers International Utah Research
- Colliers International Research
- Western States Multifamily
- Costar
- Yardi Matrix
- Axiometrics
- Real Capital Analytics
- The United State Census Bureau
- U.S. Bureau of Labor Statistics
- Kem C. Gardner Policy Institute

We hope that the research in this market update report is valuable. Please reach out to the Nielsen Jensen Team for additional inquiries and for any of your Utah multifamily needs.

Colliers | **NIELSEN JENSEN TEAM**
Utah's Top Multifamily Team

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