

COMMERCIAL REAL ESTATE REPORT Q3 2022

Salt Lake City, UT Metro Area

Demographics and Economy

Demographics

0.3%	33.3%	5.6%	46.8%
population growth (2020-2021) U.S.: 0.7%	share of renters (2021) U.S.: 34.5%	renter household formation (2021) U.S.: 2.6%	share of inbound moves (Jan-Sept 2022)

Economy

0.7%	17,600	2.3%	5.7%
GDP growth (2021) U.S.: 5.9%	12-month job creation (September 2022)	1-year job growth (September 2022) U.S.: 3.9%	1-year wage growth (September 2022) U.S.: 4.8%
\$61,097	1.9%	22.9%	49.2%
Average wage per year (September 2022) U.S.: \$49,100	unemployment rate (September 2022) U.S.: 3.5%	share of workers teleworking (2021) U.S.: 17.9%	inbound businesses moves (Jan-Sept 2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	-349,662	673,984	3.0%	\$25	10.2%
Q3 2021	239,014	951,365	4.2%	\$24	8.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
Q3 2022	80,774,199	268,502	2,060,854	\$25,120,900	7.2%
Q3 2021	78,713,345	153,283	1,505,698	\$5,666,574	7.2%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
Q3 2022	417	2,094	8.7%	\$1,590	\$1,576	7.9%
Q3 2021	1,000	4,660	15.1%	\$1,462	\$1,455	4.9%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
Q3 2022	84,176	1,891	4,802	4.2%		
Q3 2021	79,374	641	2,760	4.3%		

3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	115,780	921,312	11.4%	\$23	2.9%
Q3 2021	229,477	534,592	5.9%	\$20	3.8%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
Q3 2022	71,739,227	6.4%	\$18,041,408	\$247	
Q3 2021	71,472,148	6.7%	\$76,872,264	\$225	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
Q3 2022	1,539,753	6,707,288	13.9%	\$10	3.2%
Q3 2021	786,950	7,900,222	13.3%	\$9	2.7%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
Q3 2022	172,963,908	2,554,182	7,708,971	6.5%	\$18,231,968
Q3 2021	165,254,937	534,448	5,393,627	6.4%	\$44,127,636

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, USPS, CoStar

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