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RealEstateJournal

THE WALL STREET JOURNAL Guide to Property

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Boom Sidesteps Salt Lake City

By **MAURA WEBBER SADOVI**
 Special to The Wall Street Journal Online

The residential market, like the economy, in the Salt Lake City area has been through some tough times in recent years. After the 2002 Olympics packed up and left town, the area at the western foot of the Wasatch Mountains struggled to keep pace with major Western cities experiencing strong housing demand and soaring home prices. For the five years ending in the first quarter, Salt Lake City area homes appreciated 18.2%, a rise that sizzling metropolitan areas like Sarasota, Fla., San Diego, Calif., and Las Vegas outpaced in a single 12-month stretch, according to the Office of Federal Housing Enterprise Oversight.



But there are some indications that the ice may be starting to melt in this cool housing market. In the first half of 2005, single-family home sales in Salt Lake County rose 12.8% to 7,079 from the year-earlier period, outpacing the national growth rate of 5.5%, according to the Wasatch Front Multiple Listing Service and the National Association of Realtors. Median home and condo prices are also strengthening, Realtors say. Meanwhile, apartment vacancy rates have declined from a peak of 9% in 2003 to 8.2% in the first quarter, while rents continue to be among the lowest in the nation, according to Property & Portfolio Research Inc., a Boston-based consulting firm.

Basketball star Karl Malone recently sold his Salt Lake City house for \$2.75 million, below its original \$6.1 million asking price, after two years on the market.

Area homeowners without bragging rights to crazy equity gains can take solace in the fact that the market's home prices and average personal incomes are in equilibrium, factors that make Salt Lake City real estate a fair value, according to a recent report by Consumer Reports. Some analysts say steadier markets are less likely to suffer negative value swings. "What doesn't go up dramatically probably won't go down dramatically," says Andy Leventis, an OFHEO economist.

Salt Lake City Market Snapshot

	1st Quarter 2005	1st Quarter 2004
Median Home Price	\$157,000	\$148,000
Active Listings (Wasatch Front MLS)	7,923	7,848
Days on Market (WFMLS)	61	62

Average 30-Year Fixed Interest Rate (Bankrate.com)	5.38%	5.26%
Average Foreclosure Rate (Loanperformance)	0.63%	0.91%
Apartment Monthly Rent (Property & Portfolio Research Inc.)	\$750.50	\$752.50
Apartment Vacancy Rate	8.2%	8.6%

Sources: National Association of Realtors, Wasatch Front Multiple Listing Service, Bankrate.com, LoanPerformance, Property & Portfolio Research Inc.

Coming up tomorrow, a look at the commercial real-estate market in Salt Lake City.

Email your comments to rieditor@dowjones.com.

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