

The multifamily market is at an inflection point. Supply is moderating, demand fundamentals remain structurally strong, and the rate environment is creating both urgency and opportunity for sponsors navigating refinance, construction takeout, and long-term permanent placement.

MACRO & RATE ENVIRONMENT

3.50-3.75% Fed Funds Current	4.0-4.5% 10-Yr Treasury 2026 Range	1-2 Cuts Fed Cuts Expected 2H 2026	2.4-3.0% CPI Inflation Forecast
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The Fed held rates steady through Q1 2026 with 1-2 cuts projected in 2H. Tariff-driven inflation uncertainty is keeping the 10-Yr Treasury rangebound at 4.0-4.5%, compressing floating-rate relief and reinforcing the premium on long-term fixed execution.

MULTIFAMILY FUNDAMENTALS

Year	Rent Growth	Commentary
YE 2026	+0.5%	Supply overhang clearing
YE 2027	+1.0%	Demand absorbs new stock
YE 2028	+2.3%	Return to normalized growth

Rental vs. Ownership Cost Gap

Monthly mortgage payment of \$2,390 vs. avg rent of \$1,781 -- a \$609/month gap anchoring durable renter demand across all income levels.

National Occupancy: 95.0% projected YE 2026

Supply peaked in 2024 and market-rate completions are falling toward pre-pandemic levels by 2028 -- tightening fundamentals for near-stabilized assets.

LOAN MATURITY WAVE

Bridge loans, floating-rate construction debt, and shorter-term agency executions originated during the 2020-2022 low-rate era are entering maturity windows through 2026-2030. Sponsors approaching stabilization face near-term decisions on permanent placement -- locking long-term fixed non-recourse debt now removes rate exposure and frees equity for the next deal.

MOUNTAIN WEST MARKET CONTEXT

Market	YE 2026	2027	Profile
Salt Lake City	+0.1%	+2.3%	Low Investment Risk -- Yardi score 2.51 (Green)
Denver	+0.4%	+1.5%	Recovering -- supply moderating
Phoenix	+0.6%	+1.8%	Stabilizing
Dallas (comp)	-4.3%	Recovery	High supply -- caution flag

Salt Lake City enters 2026 with one of the strongest risk-adjusted profiles among Western metro markets. Near-term rent growth is tempered by recent deliveries; the 2027-2028 trajectory reflects sustained in-migration, household formation, and a constrained new development pipeline across the Wasatch Front.

FINANCING EXECUTION ACROSS THE DEAL CYCLE

Stage	Product	Key Terms
Construction / Ground-Up	HUD 221(d)(4)	40-yr fixed, non-recourse, 85-90% LTC
Lease-Up / Stabilizing	Bridge to Agency	12-36 mo, interest-only, agency perm exit
Stabilized -- Refinance	HUD 223(f)	35-yr fixed, non-recourse, up to 87% LTV
Stabilized -- Refinance	Fannie / Freddie	10-yr fixed, competitive rates, execution speed

WCG structures financing across the full deal cycle. The right execution depends on project stage, hold strategy, and sponsor objectives. We work through the options with each sponsor to identify which path creates the most long-term value.

HUD MIP SCHEDULE -- EFFECTIVE APRIL 1, 2026

Program	Category	New MIP	Prior MIP
221(d)(4)	Market Rate	25 bps	55 bps

221(d)(4)	Affordable	25 bps	45 bps
223(f)	Market Rate	25 bps	60 bps
223(f)	Affordable	25 bps	45 bps
223(a)(7)	All	25 bps	55 bps

HUD reduced MIP across all multifamily programs to a flat 25 bps effective April 1, 2026 -- a meaningful improvement to debt service coverage and proceeds for both new construction and refinance executions. Combined with 40-year fixed non-recourse terms, HUD is now among the most competitive permanent capital sources in the market.

WASATCH FRONT SUBMARKET SNAPSHOT

Submarket	Units UC	2026 Del.	Vac Rate	Avg Rent	Outlook
SLC / Downtown	1,240	620	7.2%	\$1,920	Absorbing
Millcreek / Murray	890	445	5.8%	\$1,780	Stable
S. Jordan / Draper	640	320	4.9%	\$1,850	Tightening
Ogden	420	210	5.1%	\$1,450	Strong demand
Provo / Orem	580	290	4.7%	\$1,620	Low vacancy
Park City	110	55	3.9%	\$2,650	Supply-constrained
St. George	760	380	6.4%	\$1,590	Watch supply

WHY WASATCH CAPITAL GROUP

40-Year Fixed Non-Recourse

HUD 221(d)(4) and 223(f) lock permanent debt for the life of the asset -- eliminating refinance risk and freeing equity for the next project.

Full-Cycle Execution

Ground-up construction, bridge, agency perm, and supplemental -- WCG structures the right capital at every stage of the deal.

Mountain West Focus

Deep submarket knowledge across UT, CO, NV, AZ, and ID. We know the markets, the lenders, and what underwrites.

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