



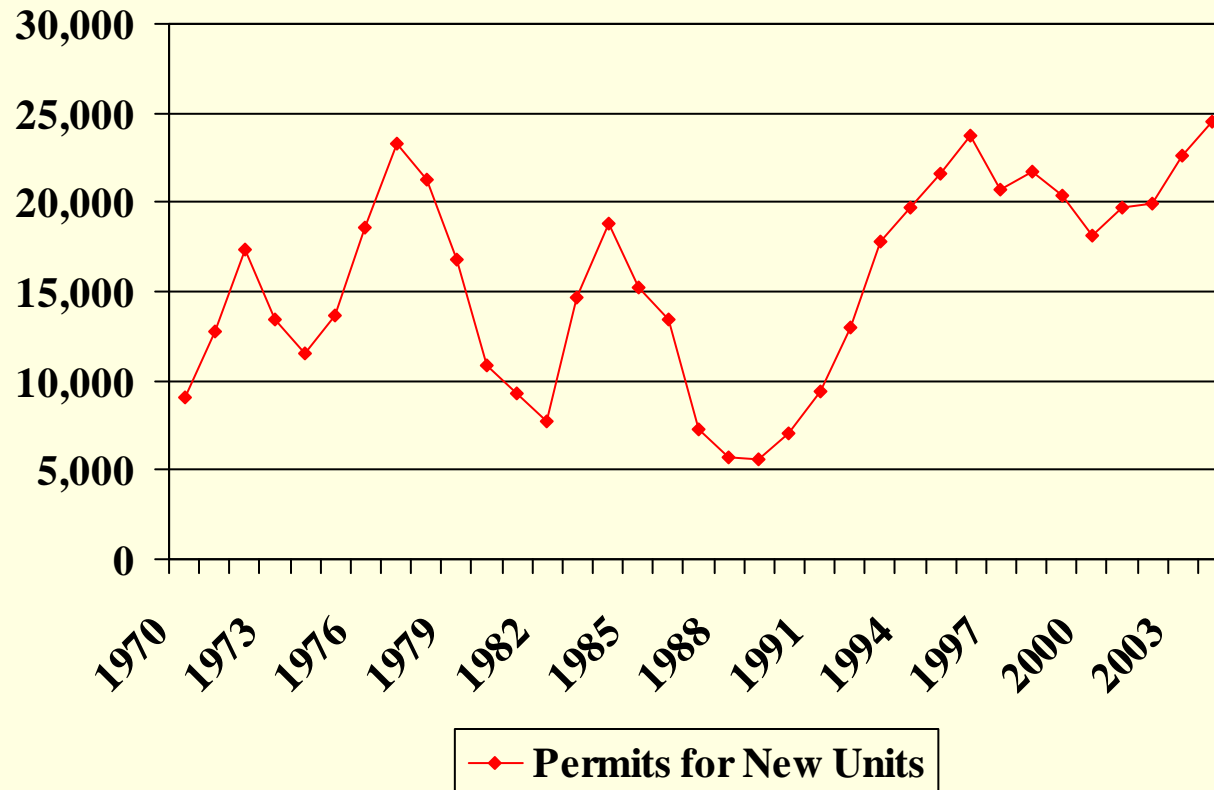
**UTAH HOUSING MARKET:
CYCLES AND CONDITIONS**

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MARCH 2005

RESIDENTIAL BUILDING PERMITS IN UTAH

(Bureau of Economic and Business Research, University of Utah)

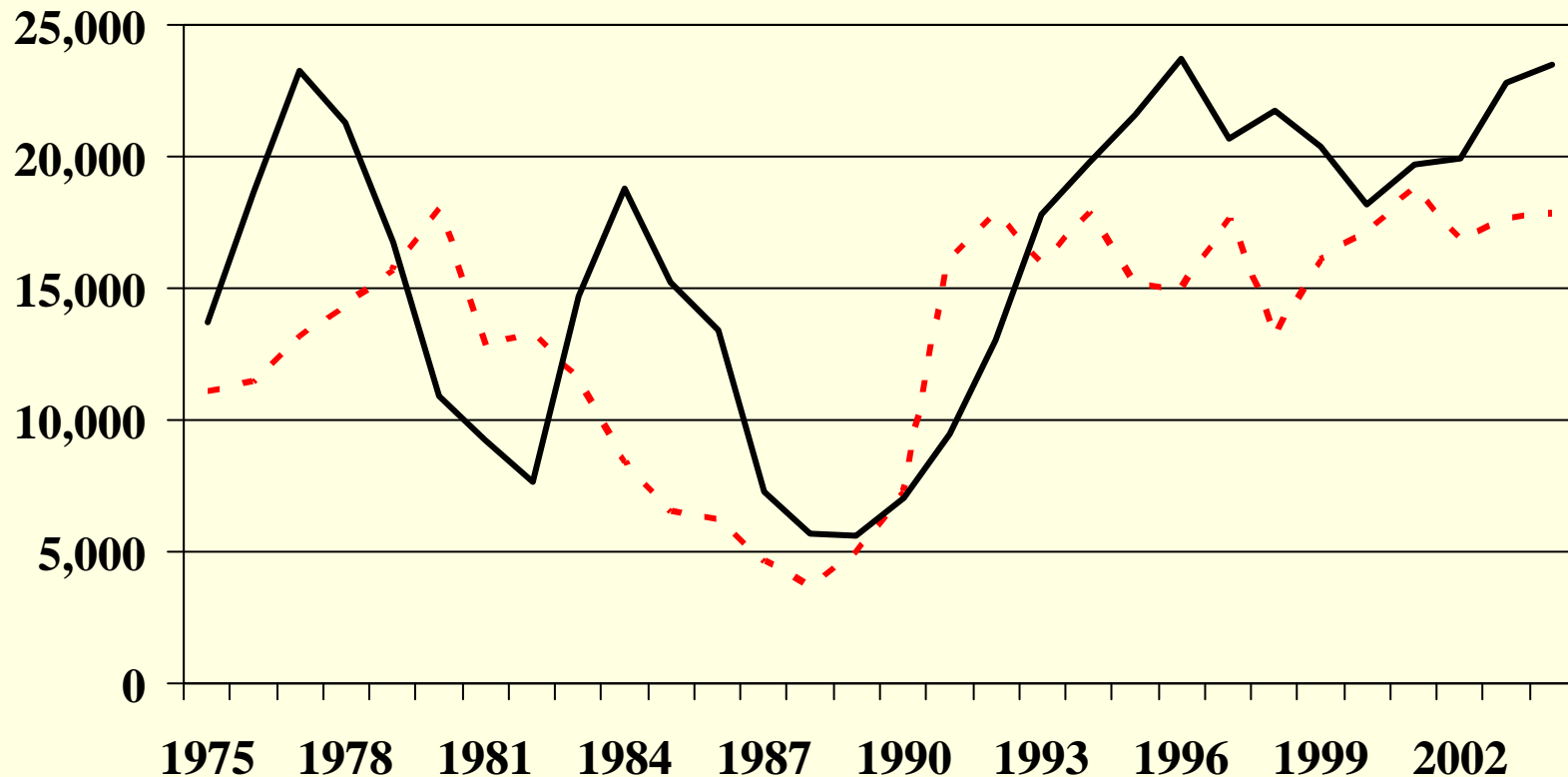


CHARACTERISTIC OF CURRENT CYCLE

- Utah Ranks Third in Increase in Housing Inventory Since 2000 – 11.4%
- One Out of Every Eight Homes in Utah Built Since 2000
- Share of First Time Home Buyer Market Grows in 2004 – 36% of New Home Closing Less Than \$150,000 (Salt Lake, Davis, Utah)
- Sales of Existing Homes in Wasatch Front Counties – 38% Sold for Less Than \$140,000
- The Share of Rental Units at Record Low for Cycle – 10% of All Units Rental

CHANGE IN HOUSEHOLDS AND RESIDENTIAL CONSTRUCTION IN UTAH

(BEBR and U.S. Census Bureau)



- - - Total Households — Residential Construction

VACANCY RATES IN SALT LAKE METRO

(U.S. Census Bureau)

1986	10.6%	1996	4.6%
1987	11.9%	1997	5.4%
1988	12.0%	1998	6.4%
1989	11.2%	1999	8.5%
1990	7.8%	2000	6.5%
1991	3.6%	2001	7.0%
1992	2.6%	2002	7.4%
1993	2.7%	2003	9.4%
1994	2.2%	2004	9.6%
1995	4.7%		

WHAT DRIVES DEMAND FOR HOUSING?

- **Economic Determinants of Demand**

 - Employment

 - Income

 - Housing Prices

 - MLS Sales

 - Interest Rates

- **Demographic Determinants of Demand**

 - Household Formations

 - Age Structure

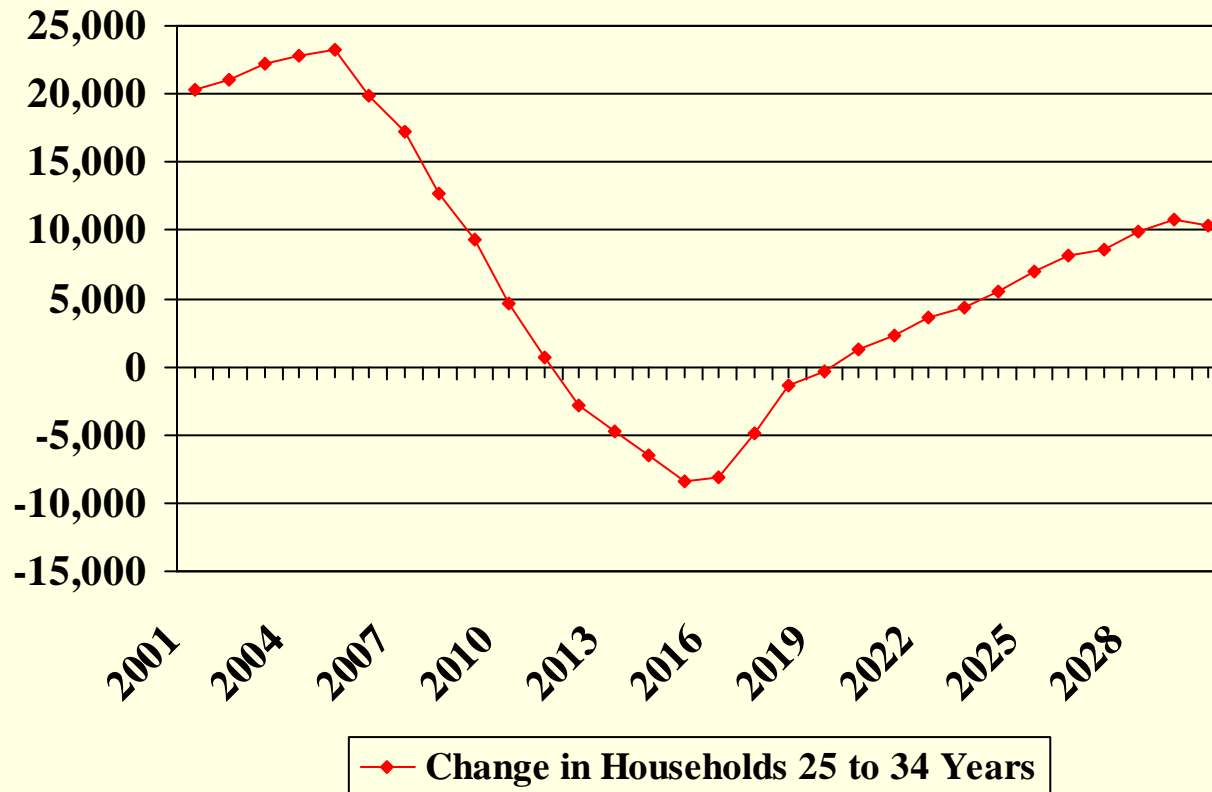
 - Migration

 - Marital Status and Headship Rates

 - Fertility Rate

CHANGE IN POPULATION 25 YEARS TO 34 YEARS: UTAH

(U.S. Census Bureau and Governor's Office of Planning and Budget)



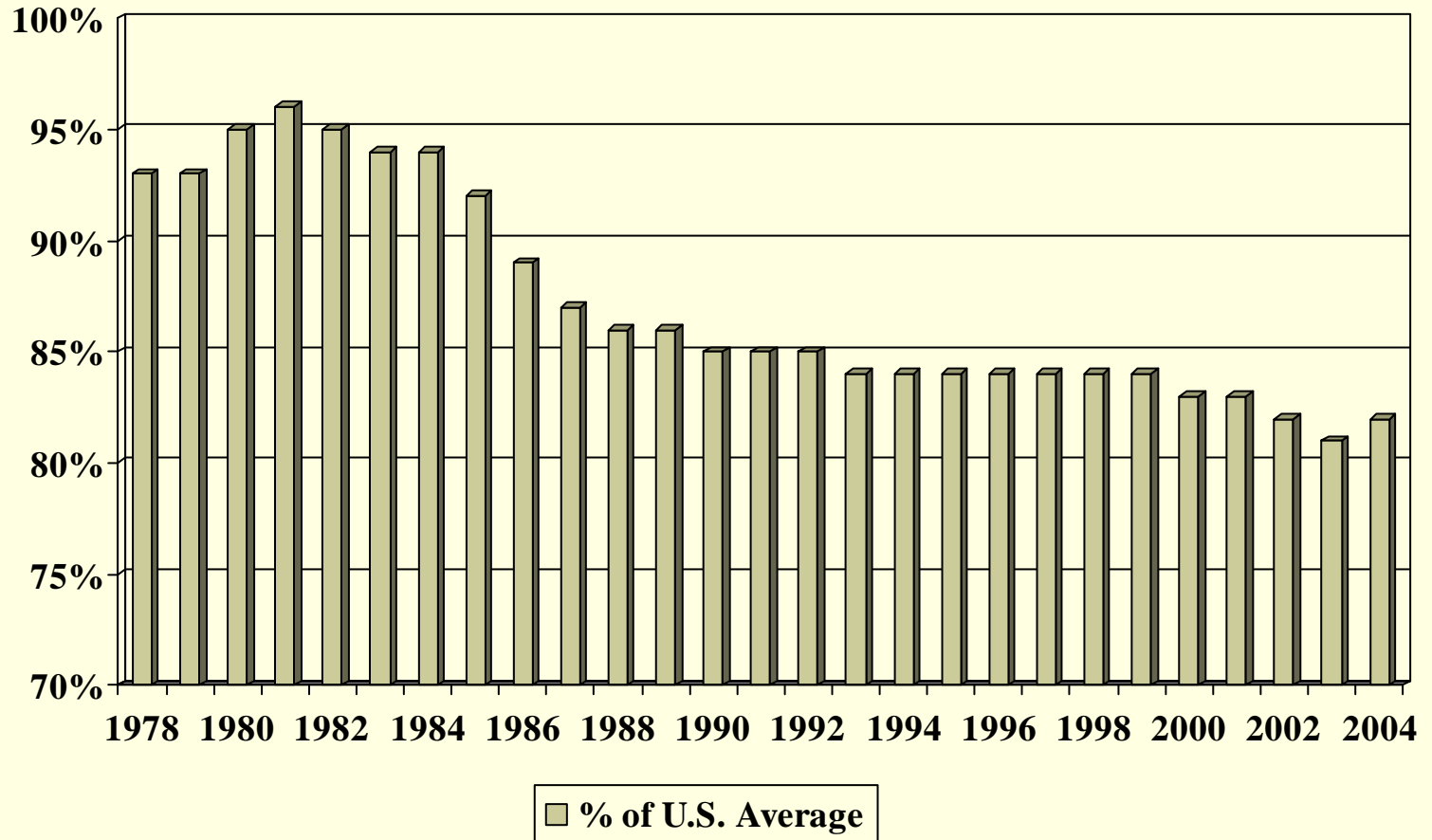
CHANGE IN POPULATION FOR AGE GROUP 25 YEARS TO 34 YEARS: UTAH

(Governor's Office of Planning and Budget)

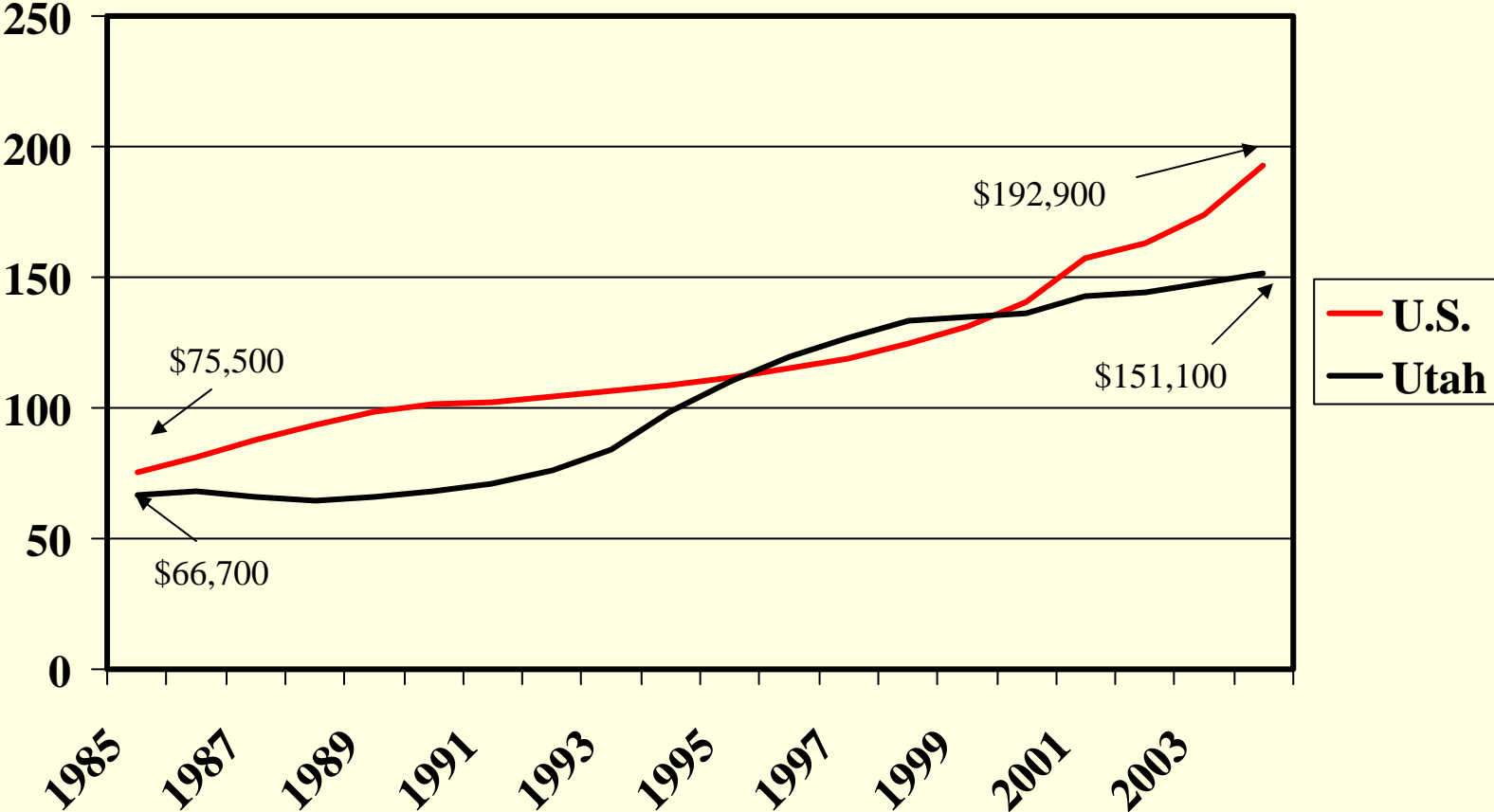
Ten Year Interval	Change in Population (25 to 34 years)
1990-2000	56,800
2000-2010	173,400
2010-2020	-35,200
2020-2030	70,600

UTAH AVERAGE ANNUAL PAY AS PERCENT OF U.S. AVERAGE

(U.S. Bureau of Labor Statistics)



MEDIAN HOUSING PRICE FOR SALT LAKE METRO AND U.S. (OFHEO and National Association of Realtors)



EXISTING HOMES SALES IN WASATCH FRONT COUNTIES

(Wasatch Front Regional Multiple Listing Service)

Year	Home Sales	Avg. Price	Total Value	%Chg Avg. Price
1997	14,846	\$149,615	\$2.2 billion	---
1998	16,019	\$157,923	\$2.5	5.5%
1999	17,043	\$163,335	\$2.8	3.4%
2000	17,617	\$168,724	\$3.0	3.3%
2001	18,495	\$170,760	\$3.2	1.2%
2002	19,429	\$173,285	\$3.4	1.5%
2003	21,530	\$176,476	\$3.8	1.8%
2004	24,025	\$183,949	\$4.4	4.2%

NEED FOR AFFORDABLE RENTAL HOUSING: UTAH

- 38% of all renters are very low income households – increasing at 1,000 annually.
- Only 17% of all Seniors (62 yrs) are renters and only half are very low income. Est. 9,000 very low income Senior renters. Low mobility, only 1 in 10 move in a given year.
- Approximately 20% of all very low income renters suffer from at least one disability. Disabilities are a major factor contributing to the need for affordable housing.
- 7,500 severely physically disabled live in rental housing and are very low income households.
 - 1,100 require wheel chairs, 3,000 walker, crutches or cane. Upper bound of accessible units for low income renters is 4,000.