



THE UNIVERSITY OF UTAH

Kem C. Gardner

POLICY INSTITUTE

INFORMED DECISIONS™

Economic Conditions in Utah

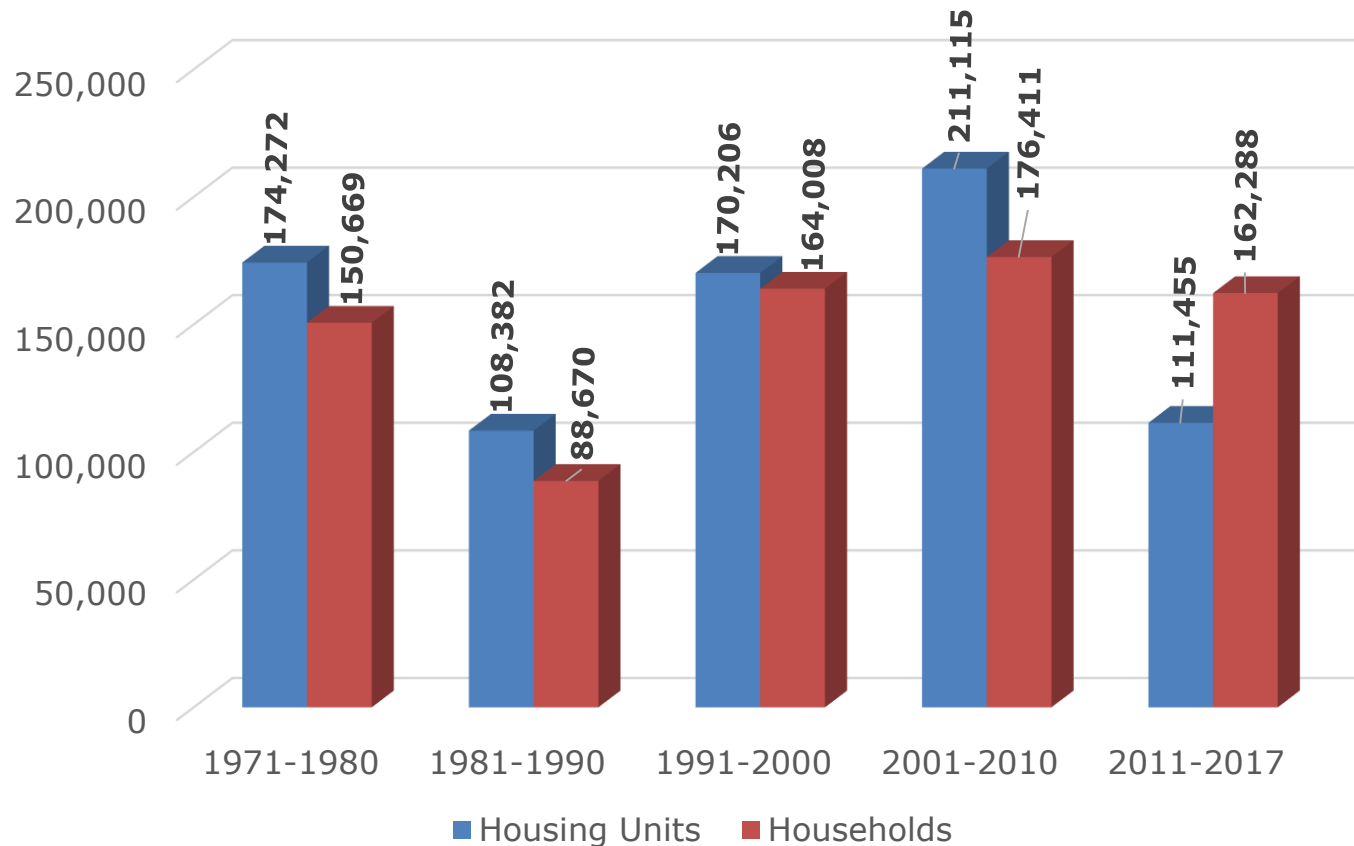
- 1. **Employment growth to slow** slightly in 2018. Trend over last couple of years.
- 2. **Labor shortage** constraining growth.
- 3. 2017 **wage growth** at 5.3 percent best in 10 yrs. 2018 another year of strong wage growth.
- 4. Net **in-migration** very high at 28,000
- 5. Nonresidential slightly lower.
- 6. Shift in residential to multifamily.

Utah's Housing Shortage

1. For the first time in over forty years the number of new households is growing faster than new housing starts.
2. In each housing market demand exceeds supply; (a) existing home market, (b) new home market, and (c) apartment market.
3. Result: housing prices are increasing and the rate of homeownership is declining.

New Households Compared to New Housing Units

For the first time in forty years the increase in households exceeds the increase in housing units.

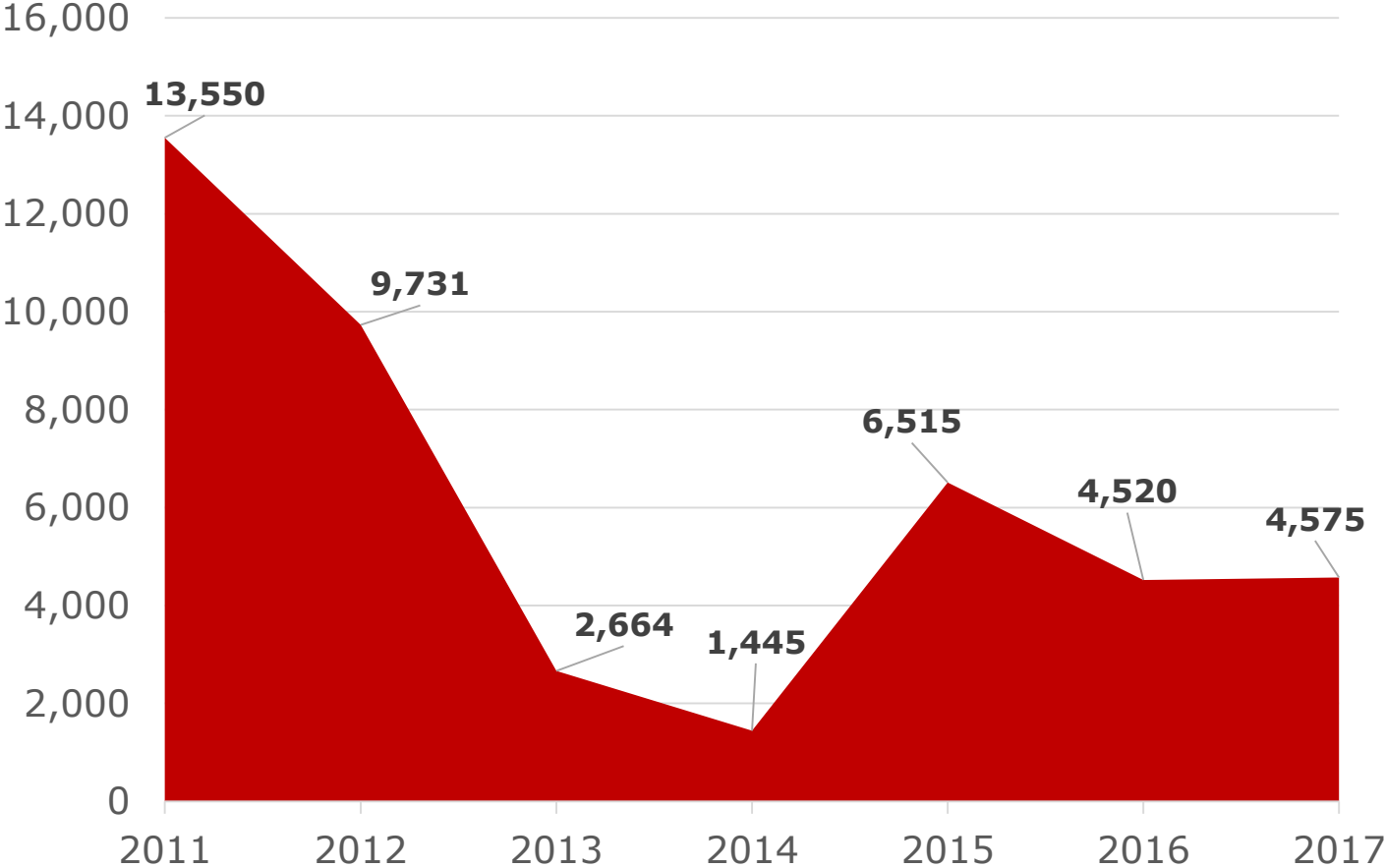


Supply Bottlenecks for New Residential Construction

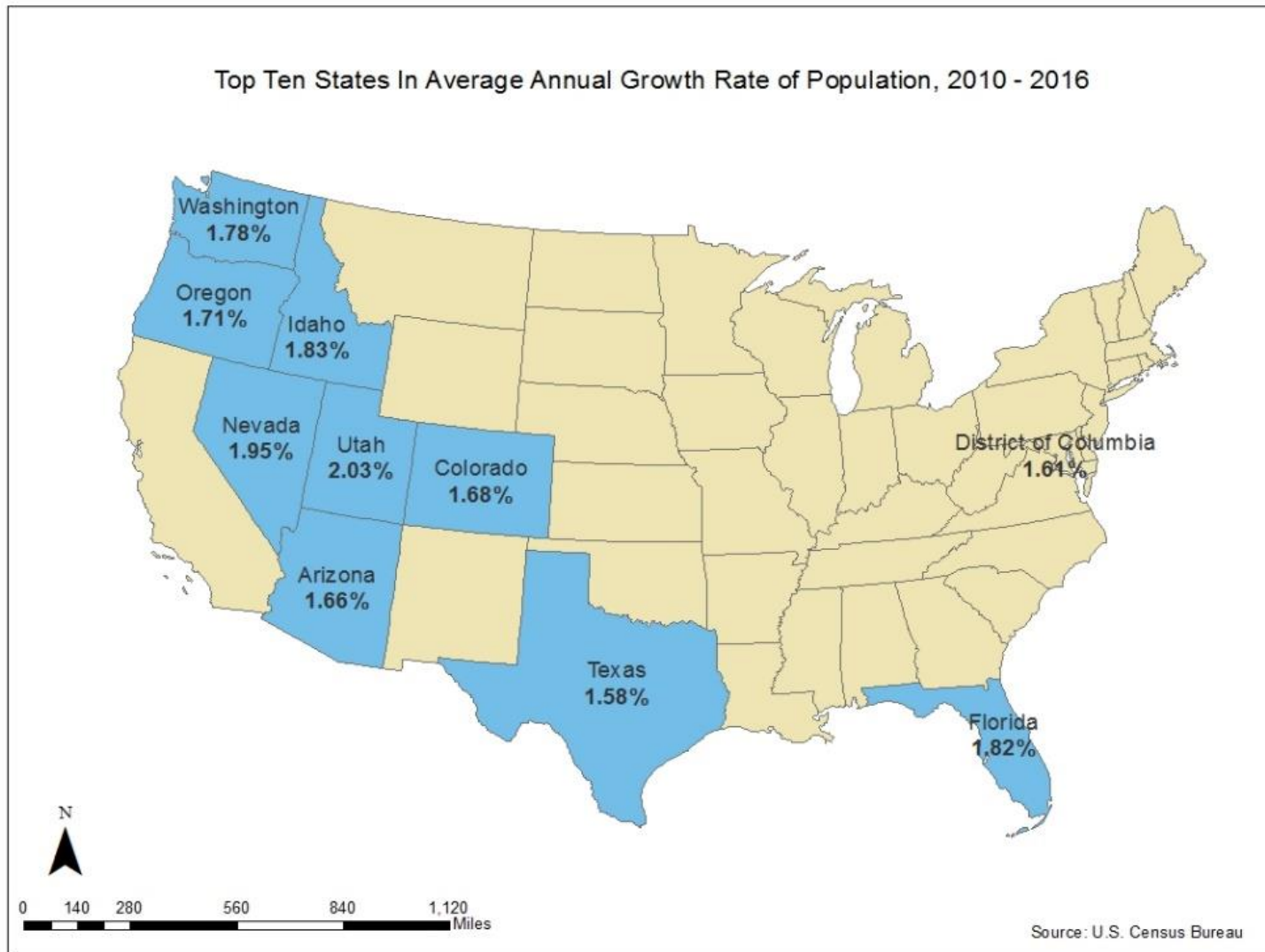
1. Labor shortage.
2. Land cost and availability.
3. Local regulation.

These are symptoms of the rapid demographic growth of Utah.

Shortfall in New Housing Starts in Utah.

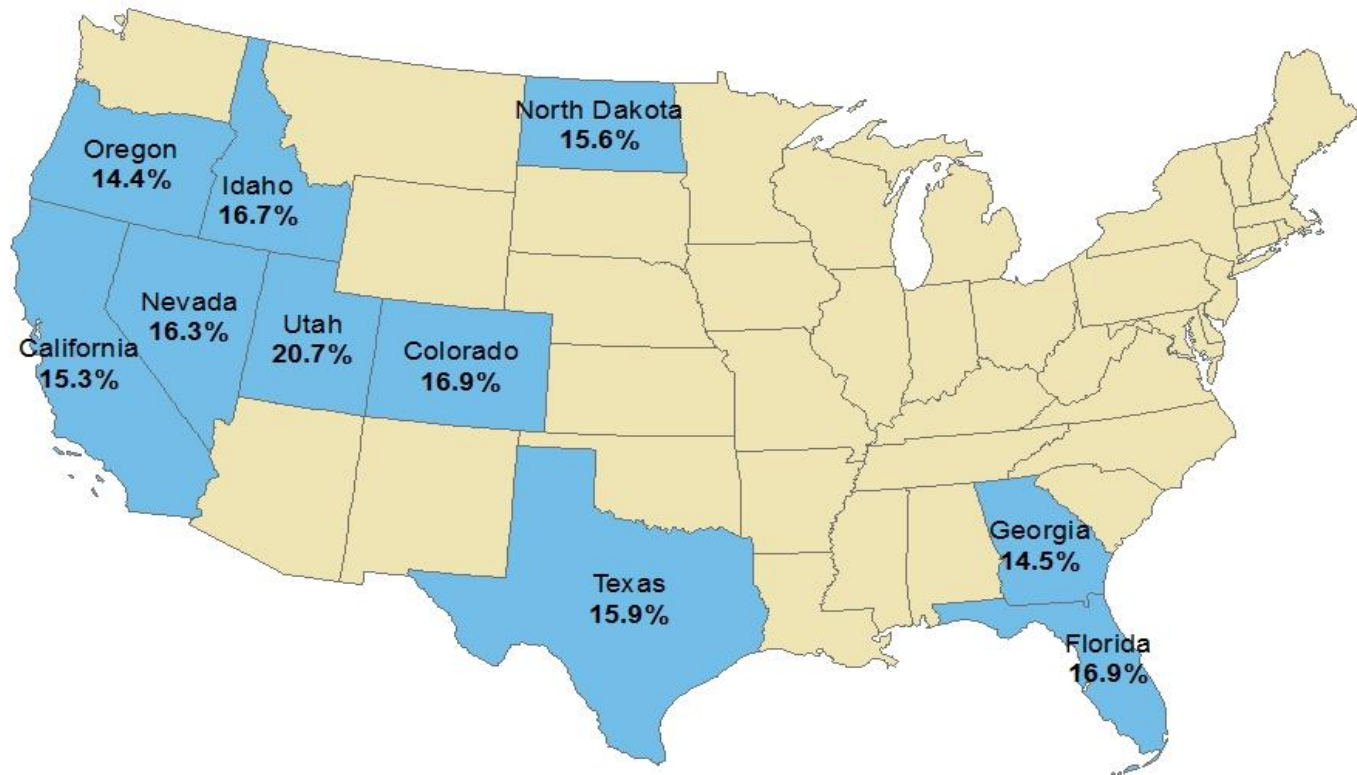


Top Ten States in Population Growth



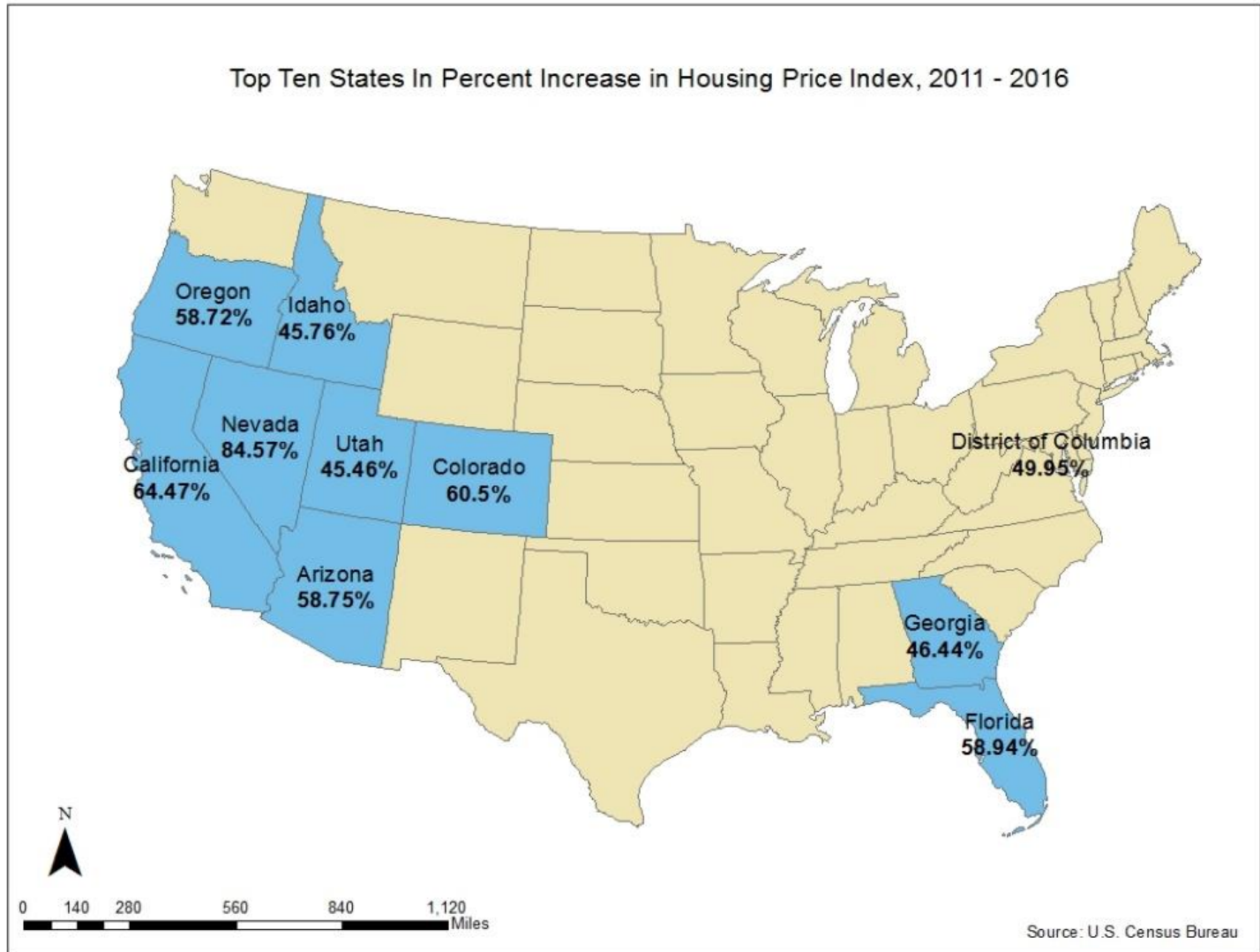
Top Ten States in Job Growth

Top Ten States In Percent Increase in Nonagricultural Jobs, 2010 - 2016

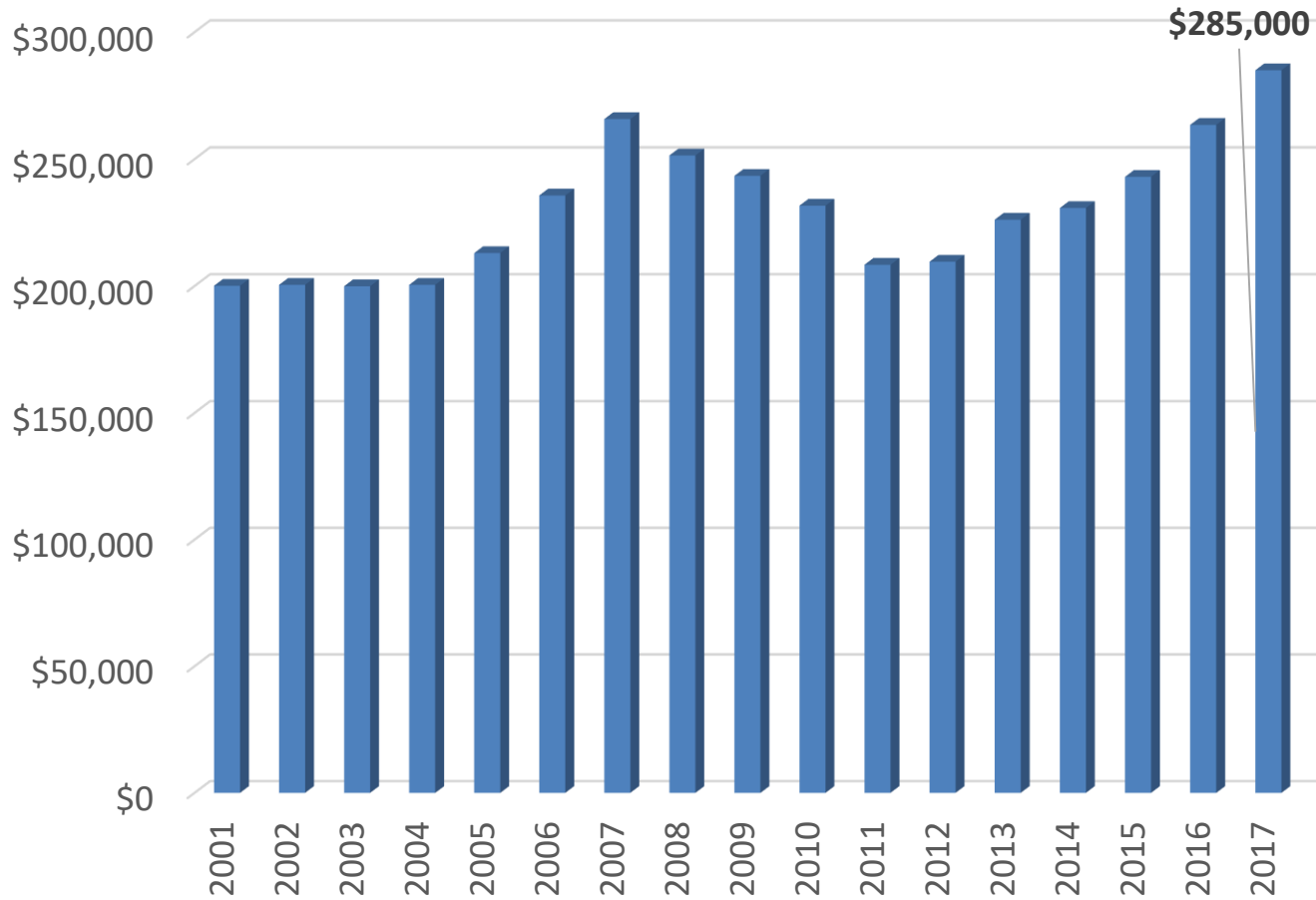


Source: U.S. Census Bureau

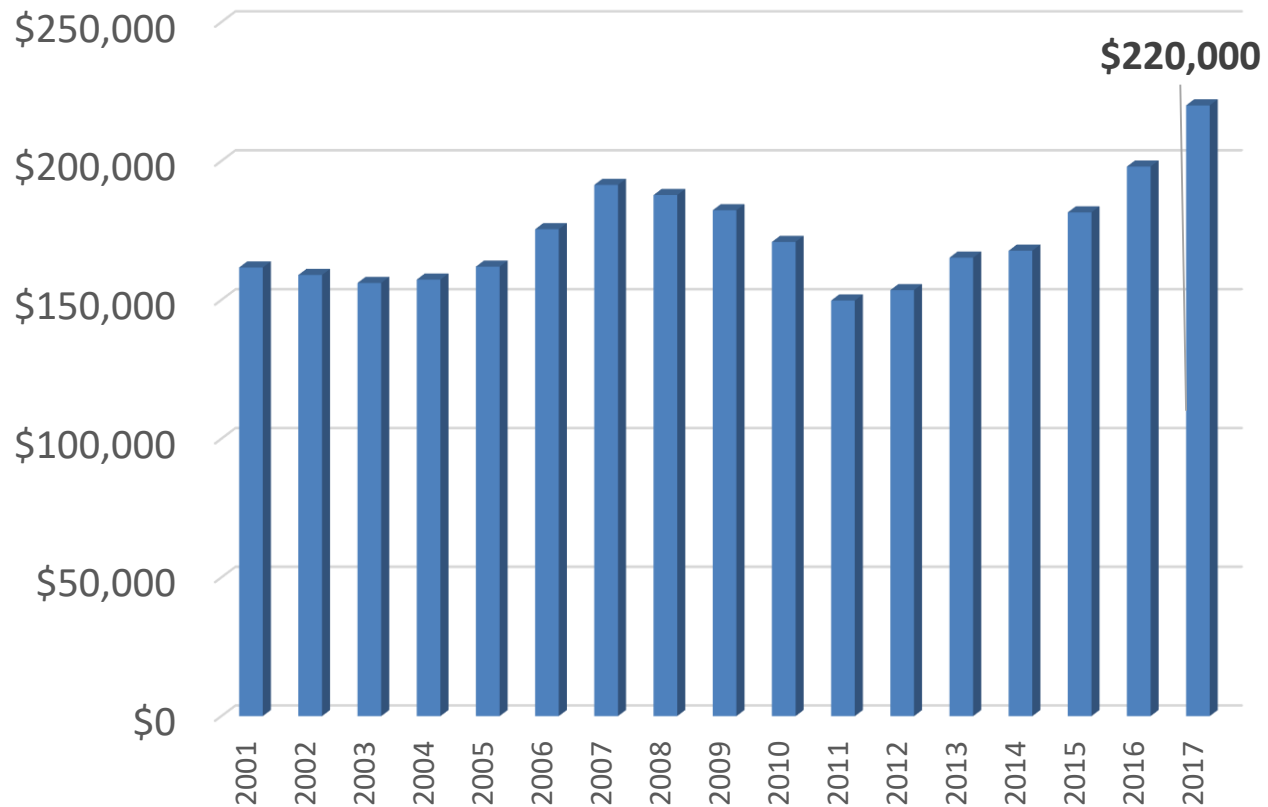
Top Ten States in Increase in Housing Price Index



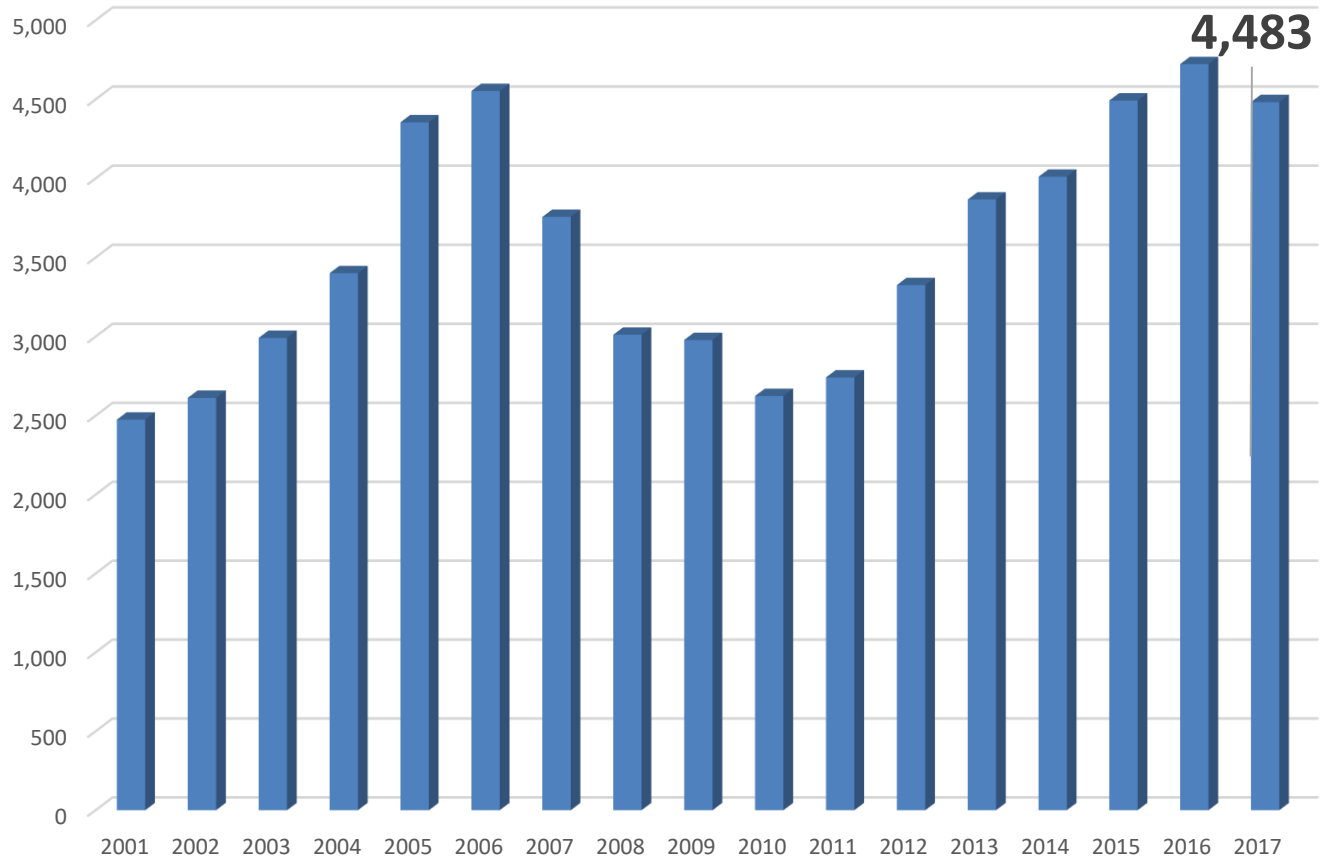
Median Price of Homes Sold in Davis County (2017 dollars)



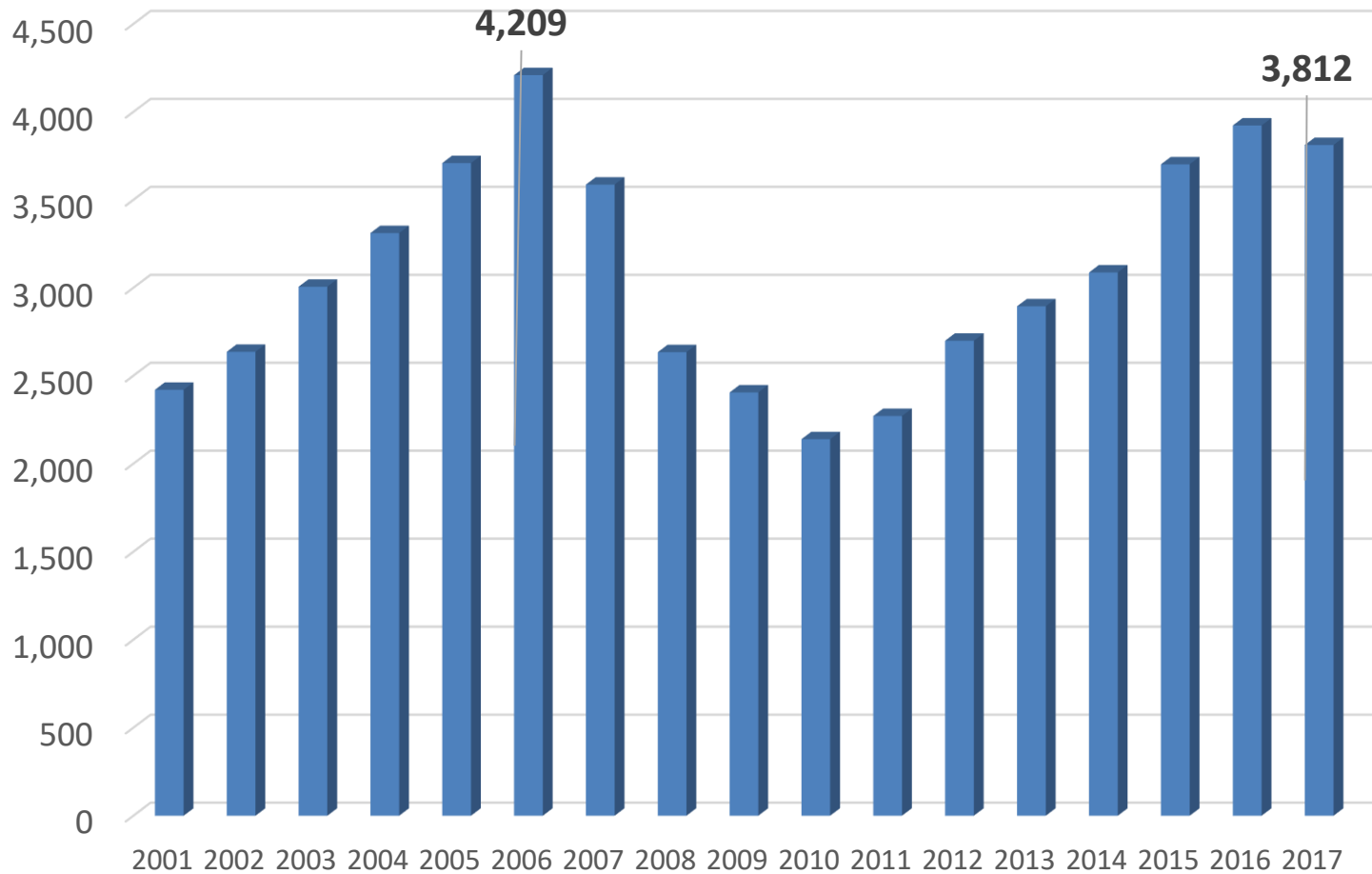
Median Sales Price of Home in Weber County (2017 dollars)



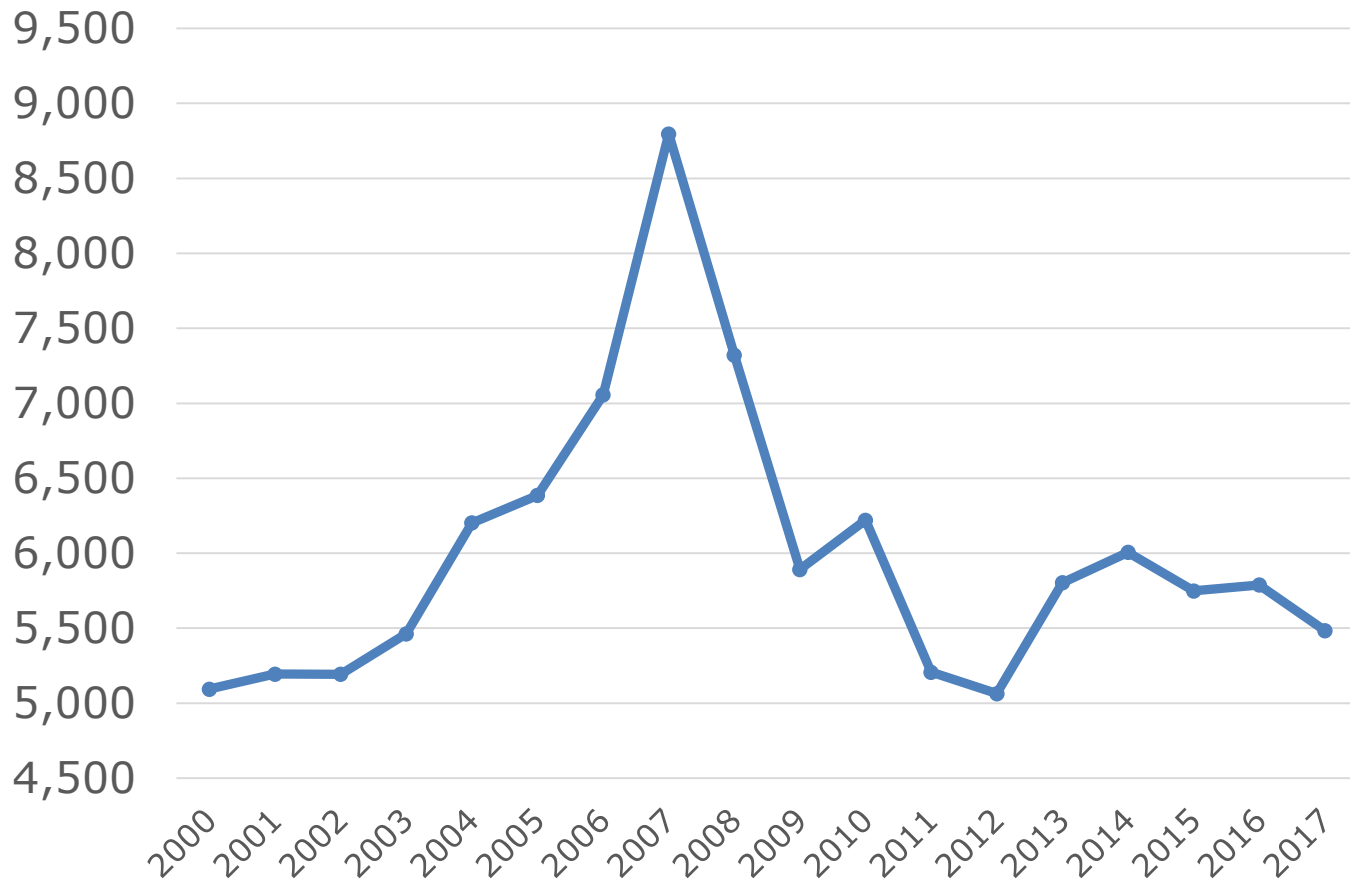
Home Sales in Davis County



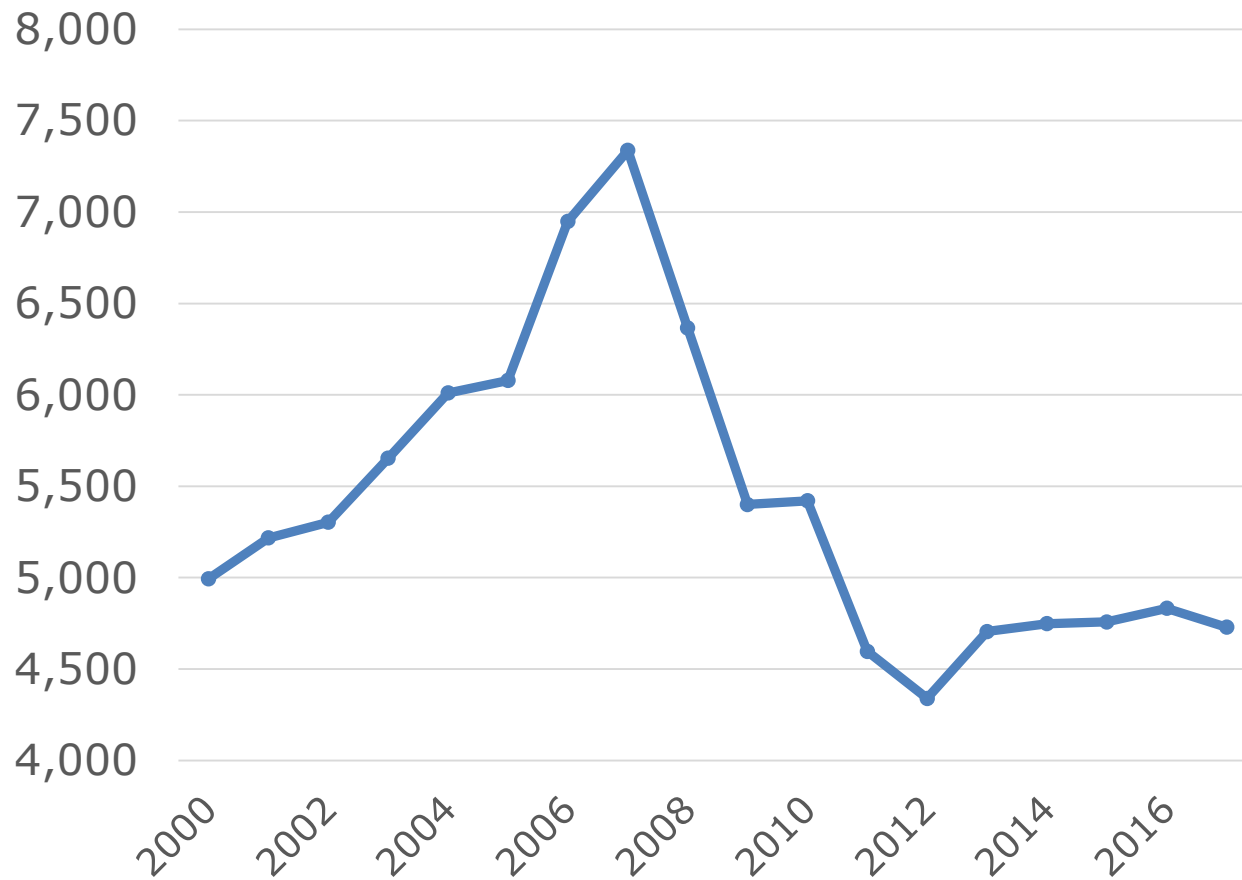
Home Sales in Weber County



Real Estate Listings for Homes in Davis County



Real Estate Listings for Homes in Weber County



Household Increase Compared to New Housing Units in Davis County

	Household Change	Housing Units	Supply Deficit
2011	2,619	1,354	1,265
2012	2,400	2,051	349
2013	2,422	1,774	648
2014	2,451	1,643	808
2015	2,594	1,694	900
2016	2,554	1,721	833
2017	2,460	1,875	585

Household Increase Compared to New Housing Units in Weber County

	Household Change	Housing Units	Supply Deficit
2011	1,327	364	963
2012	1,495	430	1,065
2013	1,050	605	445
2014	1,213	1004	209
2015	1,635	984	651
2016	1,432	992	440
2017	2,215	1222	993

Real Estate Market Forecast

1. Will number of listing improve?
2. Are they are signs of a housing bubble?
3. Will declining affordability hurt the market?
4. How will home sales compare to 2017?
5. How will home prices compare to 2017?

Real Estate Forecast

Davis County – prices up 8 percent to median value of \$308,000.

Davis County - sales up 3 percent to 4,600 homes.

Weber County – prices up 10 percent to median value of \$242,000.

Weber County – sales up 5 percent to 4,000 homes.