

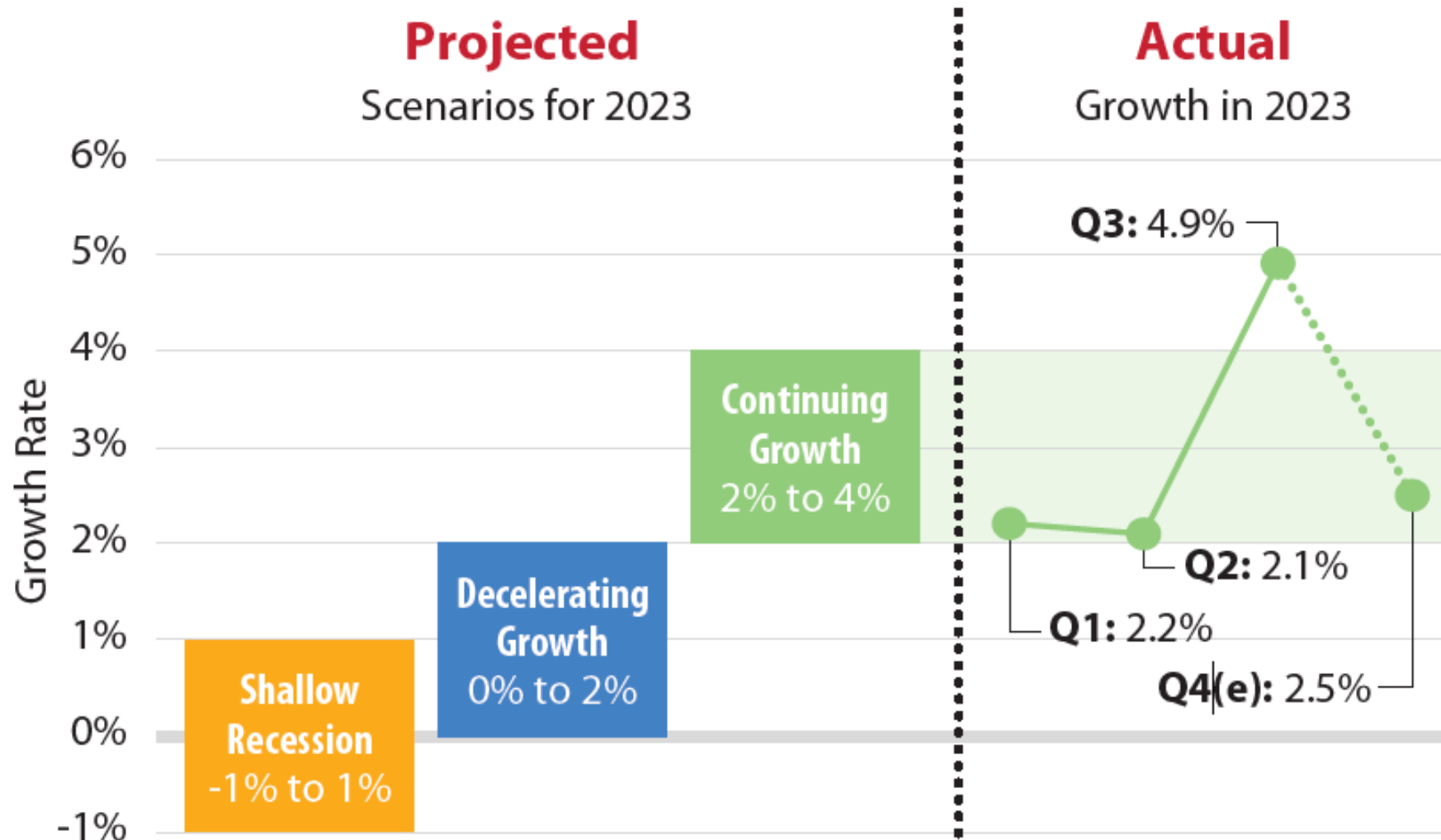
Utah Market Update

January 9th , 2024

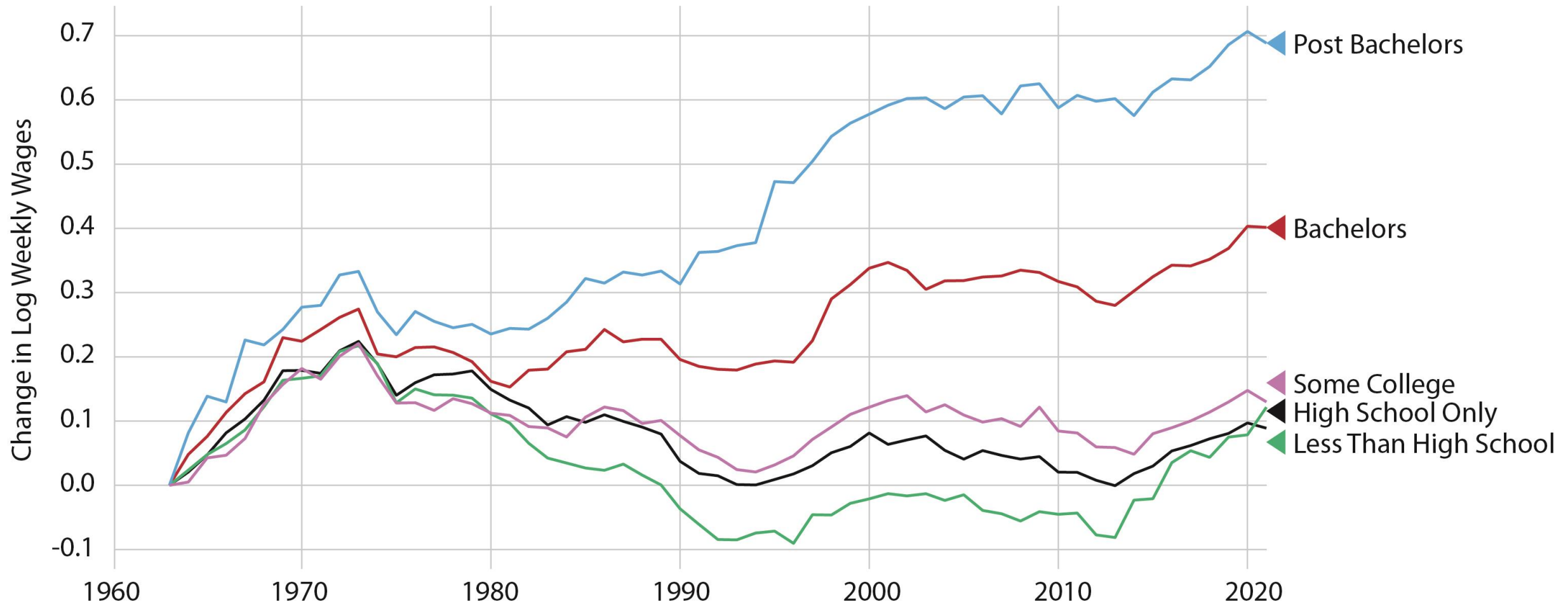
INFORMED DECISIONS™

2023 YEAR IN REVIEW: Remarkable Resiliency

Scenarios versus Actual U.S. Real GDP, 2023



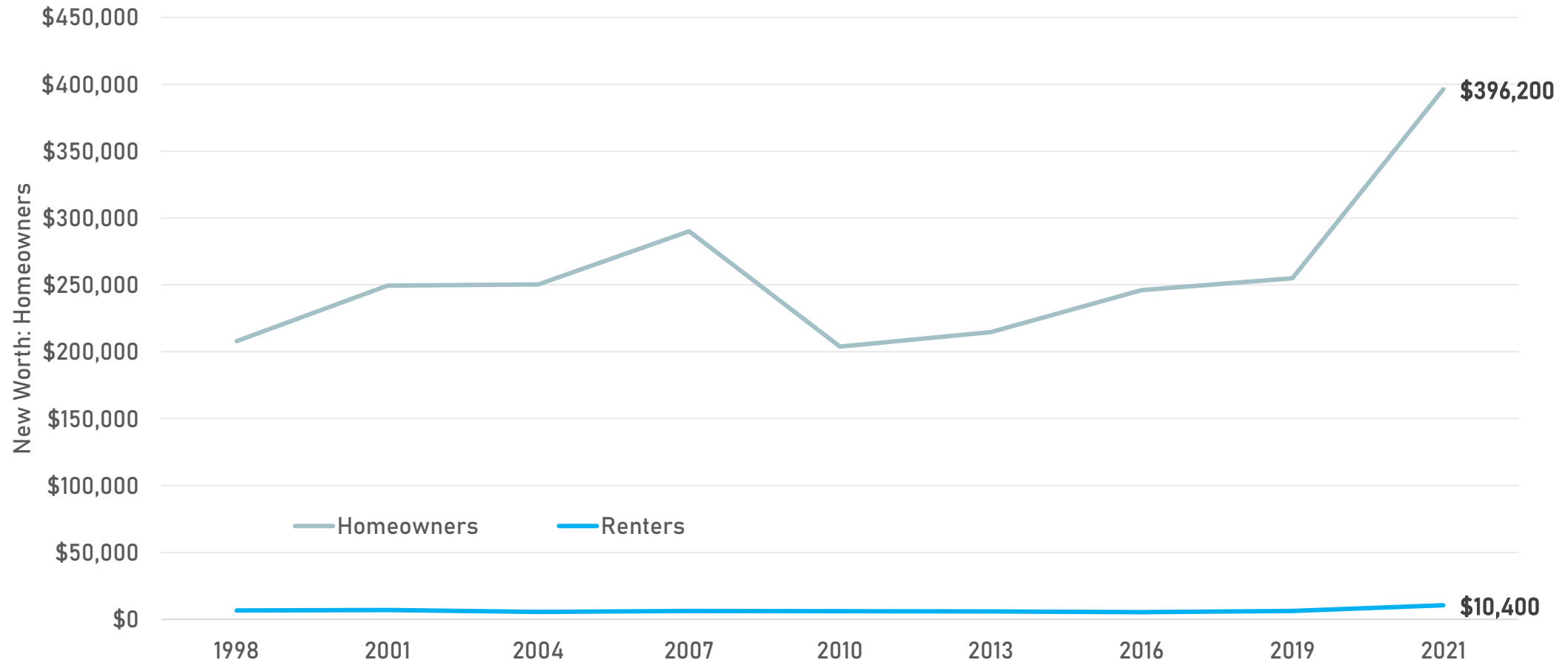
Wages for Full Time, U.S. Male Workers



Source: The Second Machine Age, Brynjolfsson and McAfee and Kem C. Gardner Policy Institute

Where Does Wealth Come From for Renters?

Median Net Wealth by Tenure 1998-2021, US

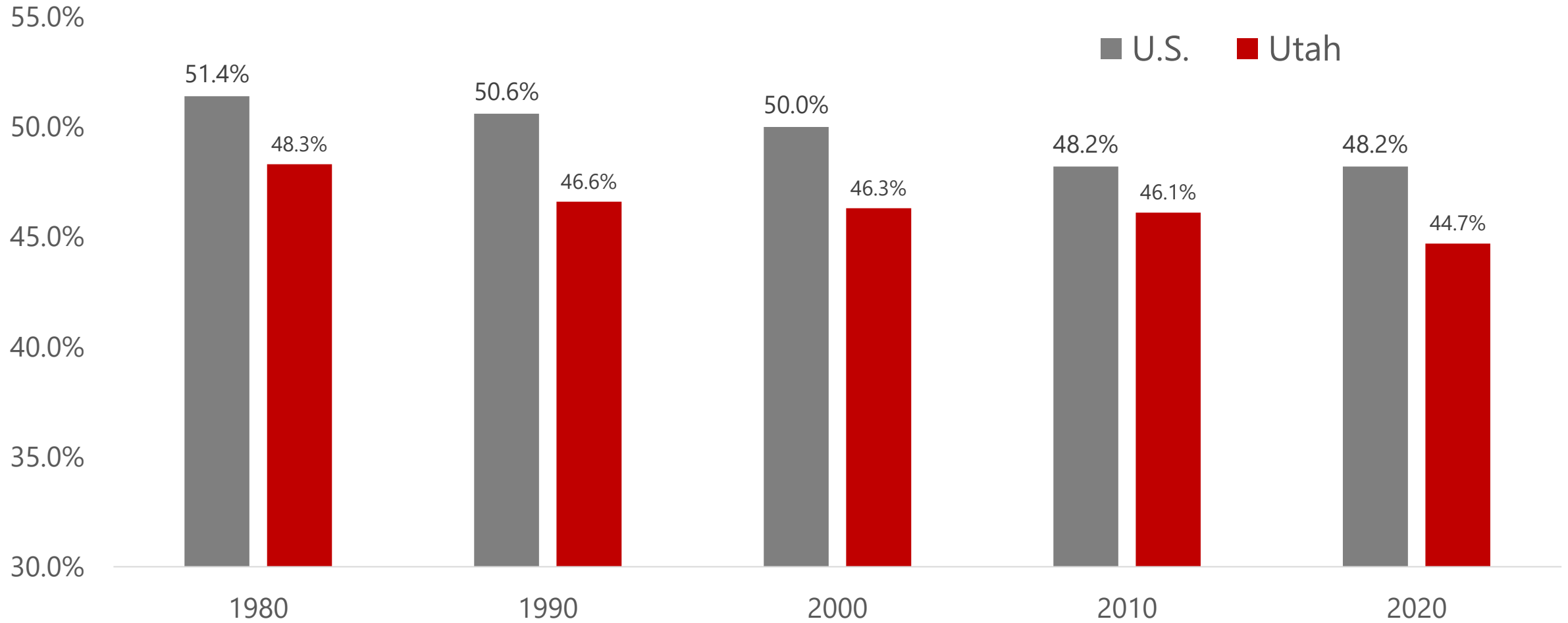


Note: Data is inflation-adjusted to 2019 dollars.

Source: JCHS tabulations of the Federal Reserve Board, Surveys of Consumer Finances

Middle Class Population: U.S. and Utah

Percent of Total



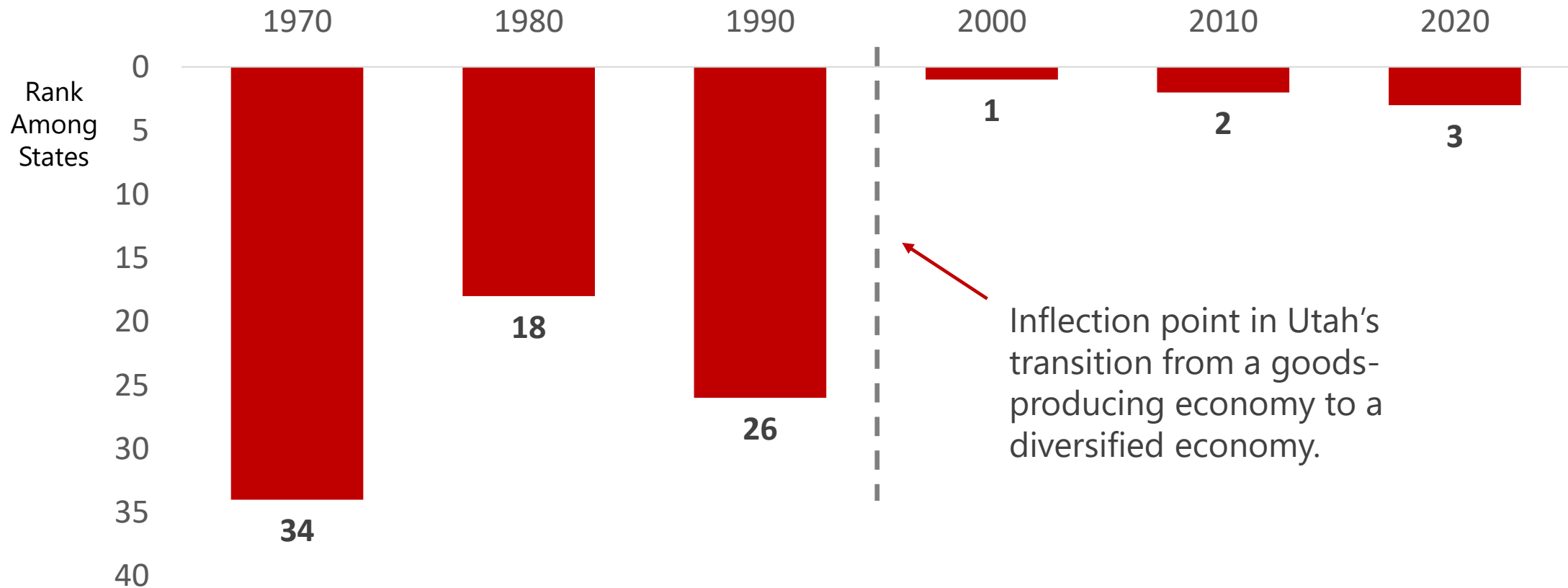
Source: Kem C. Gardner Policy Institute

Resilience... Uncertain Times **Utah: A National Success Story**

Fiscal Responsibility Social Mobility
Social Capital **Best-Managed State** Happiest #1 Ranked Economy
Fastest Growing Collaboration
Youthful Diverse Economy
Covid-19 Performance **And more...**

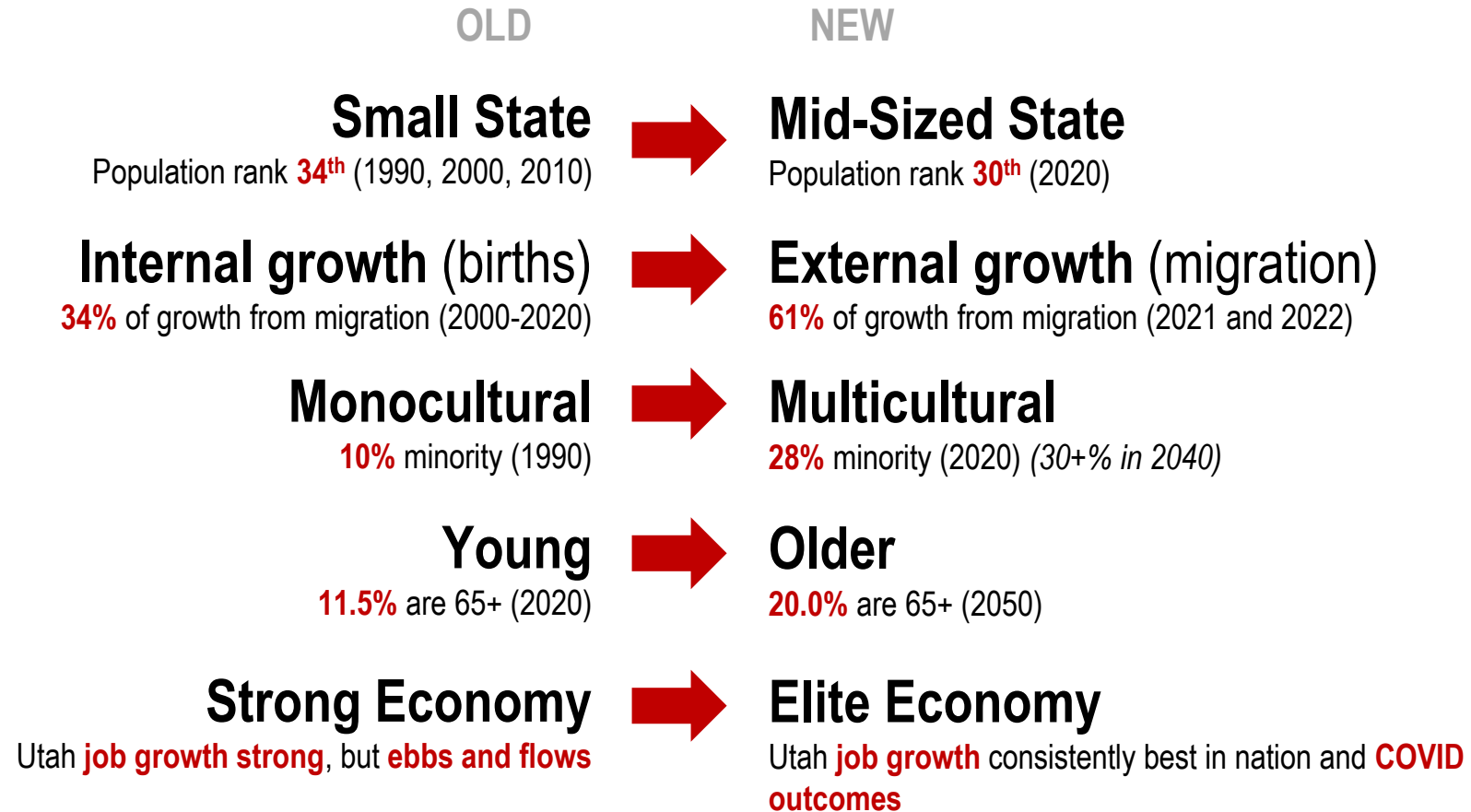
Utah Economic Diversity

Hachman Index State Ranking, 1970-2020



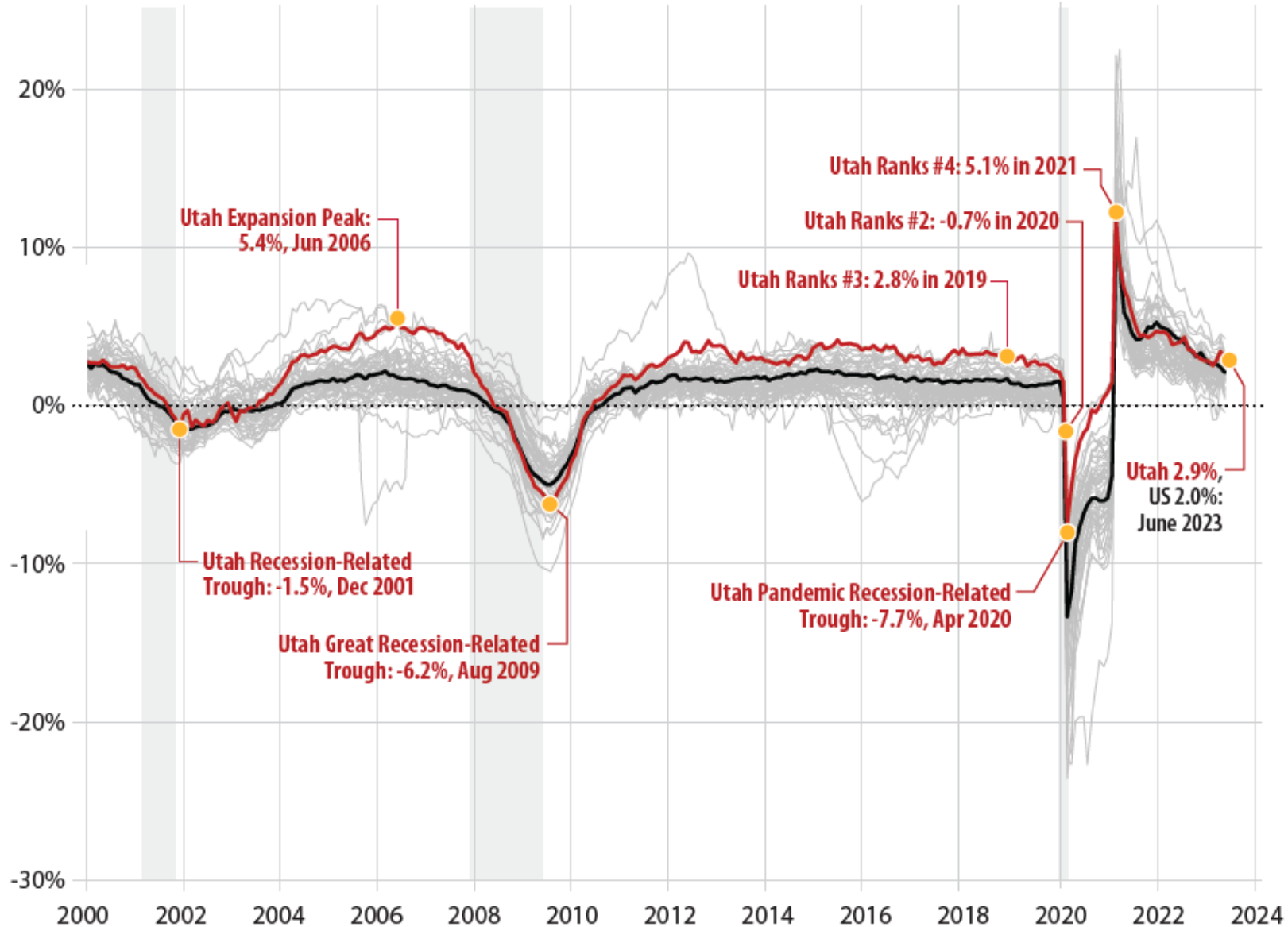
Source: Compiled by Kem C. Gardner Policy Institute

The New Utah



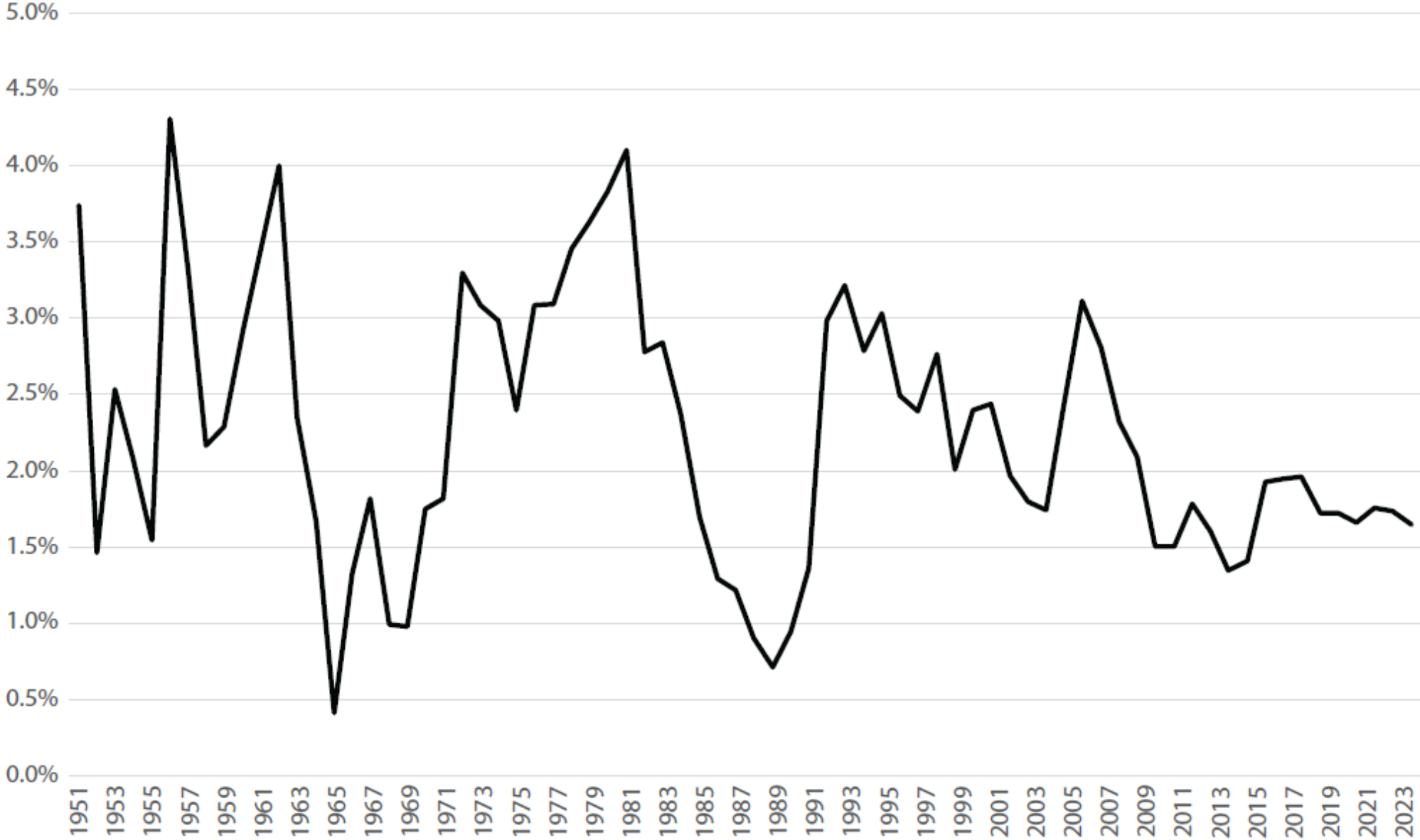
Source: Kem C. Gardner Policy Institute

Job Growth for All 50 States

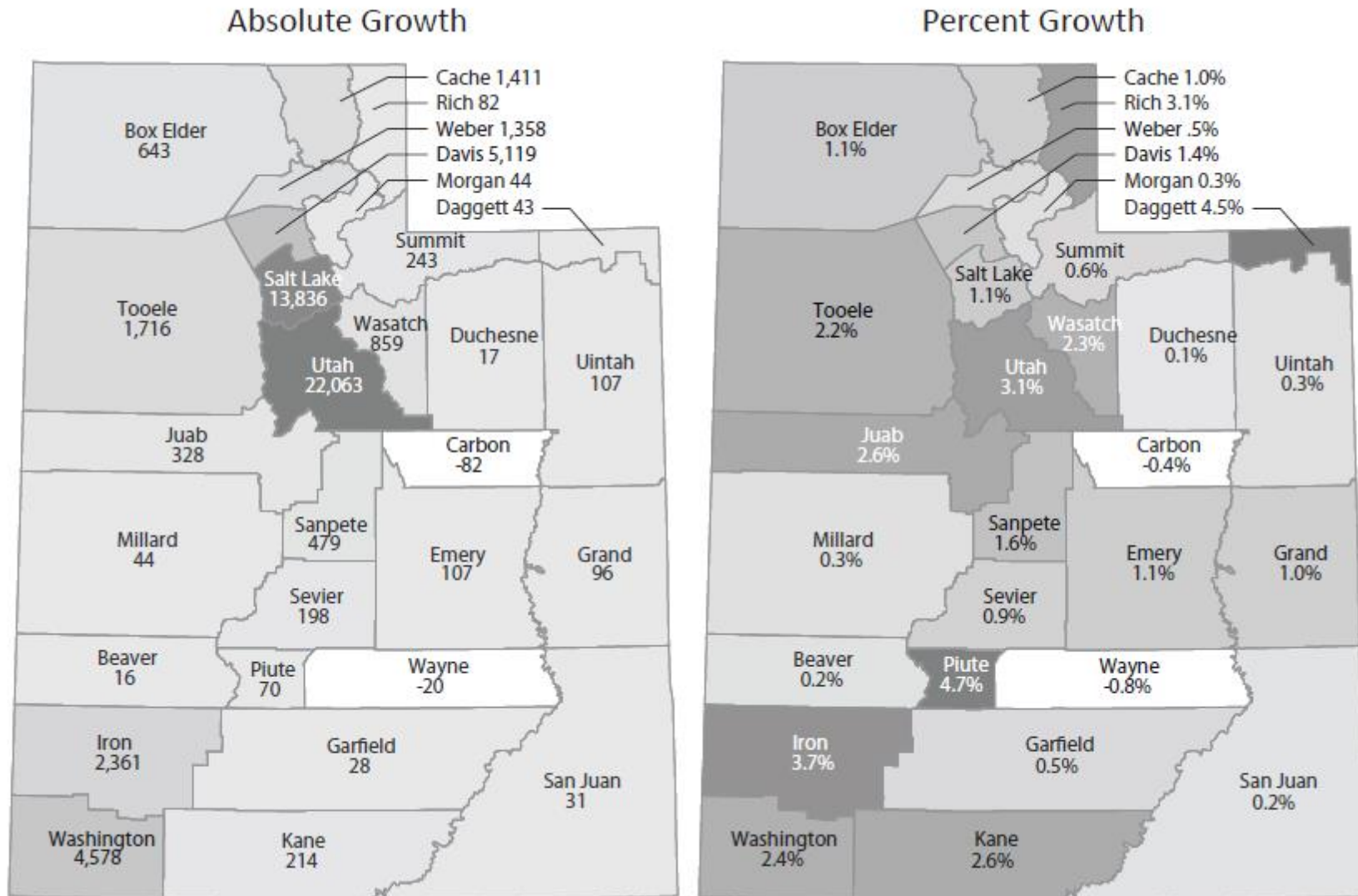


Source: Utah Governor's Office of Planning and Budget and U.S. Bureau of Labor Statistics

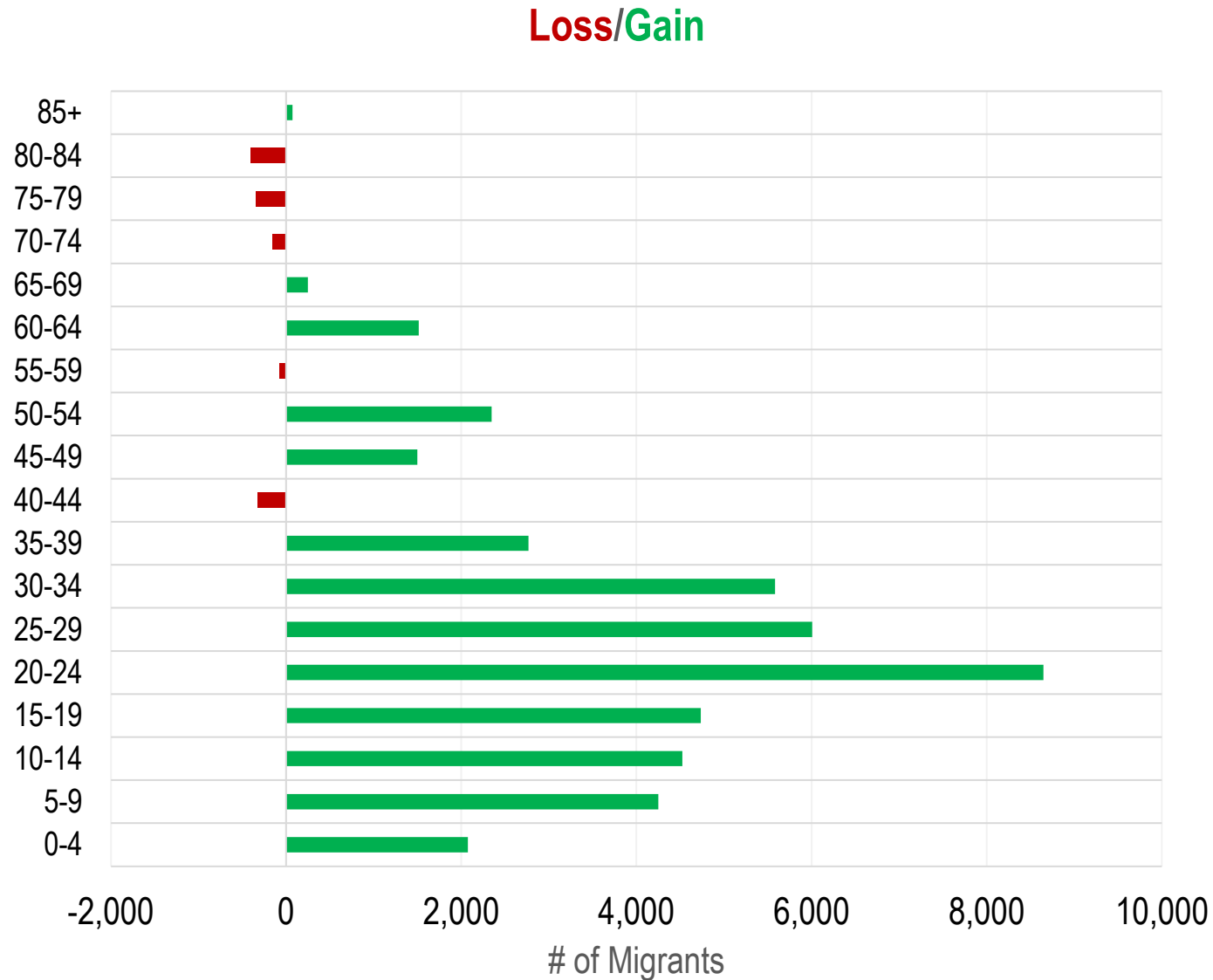
State of Utah Annual Population Growth Rate, 1951-2023



Utah Population Growth by County, 2022 to 2023

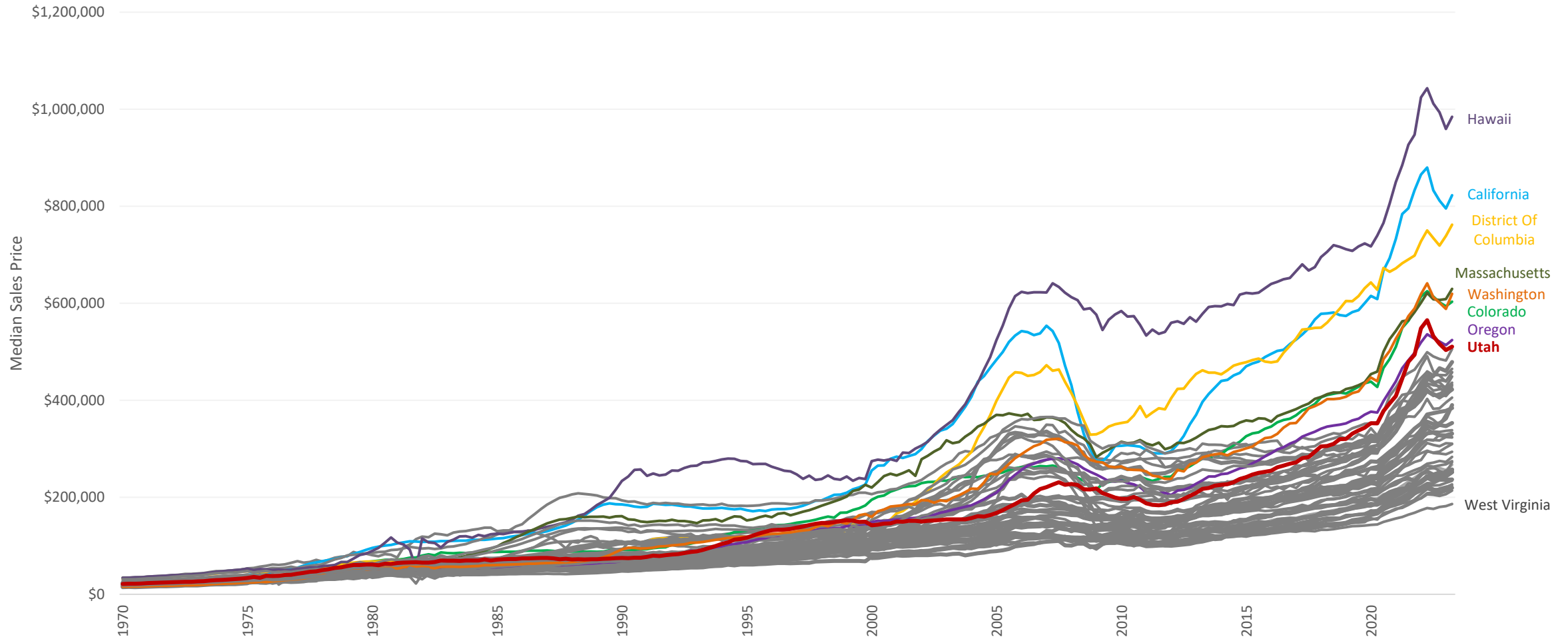


Brain Gain or Brain Drain? Net Migration by Age, Utah 2022



Bad Company: Utah Ranks 8th Highest Med. Sales Price

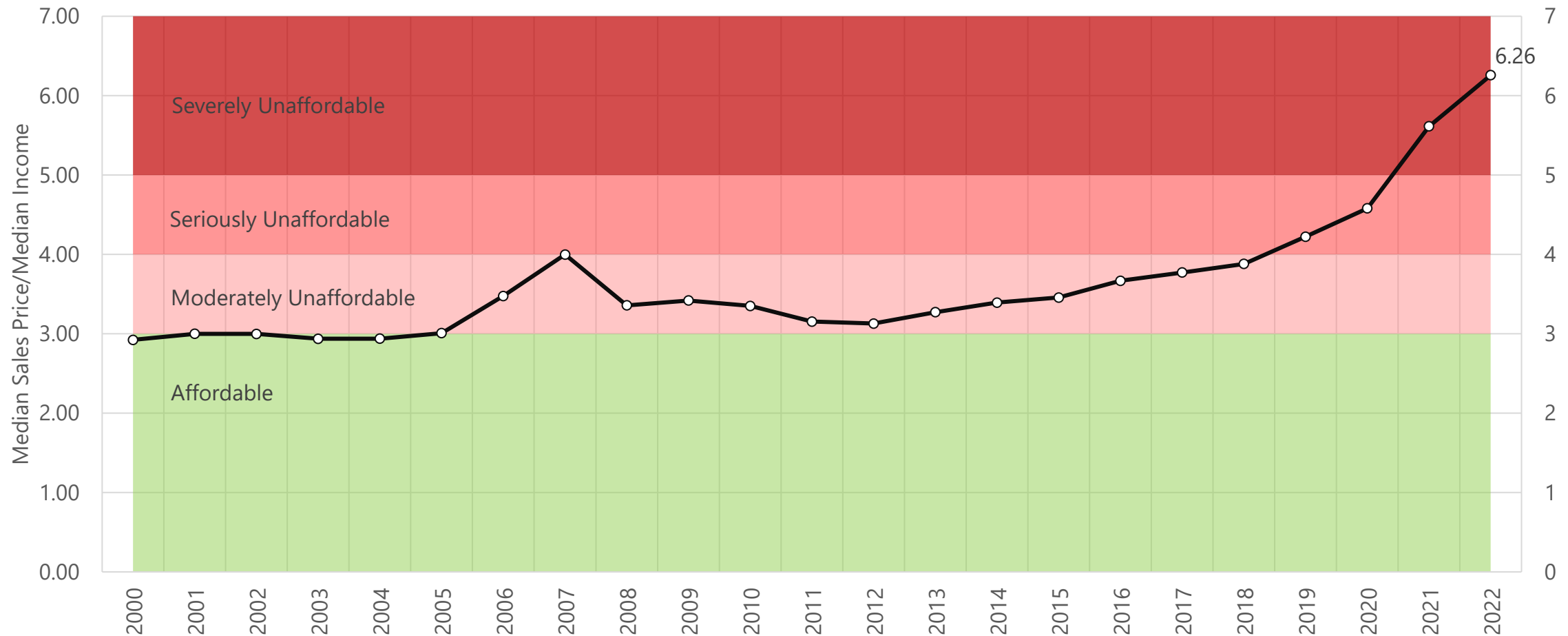
Median Sales Price Existing Single-Family Homes 1970-2023Q2



Source: National Association of Realtors

Utah's Most Unaffordable Market in History

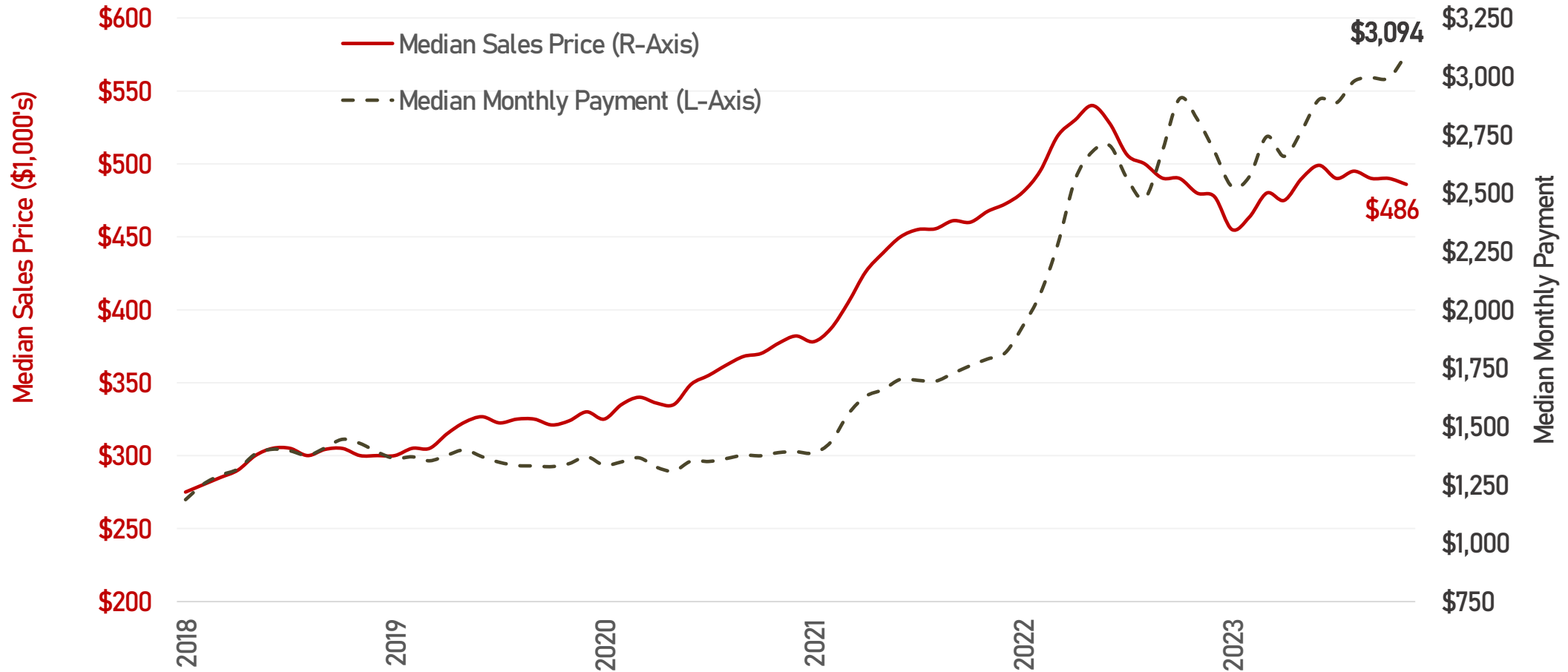
Utah Median Multiple Affordability Rating, 2000-2022



Source: US Census Bureau & UtahRealEstate.com

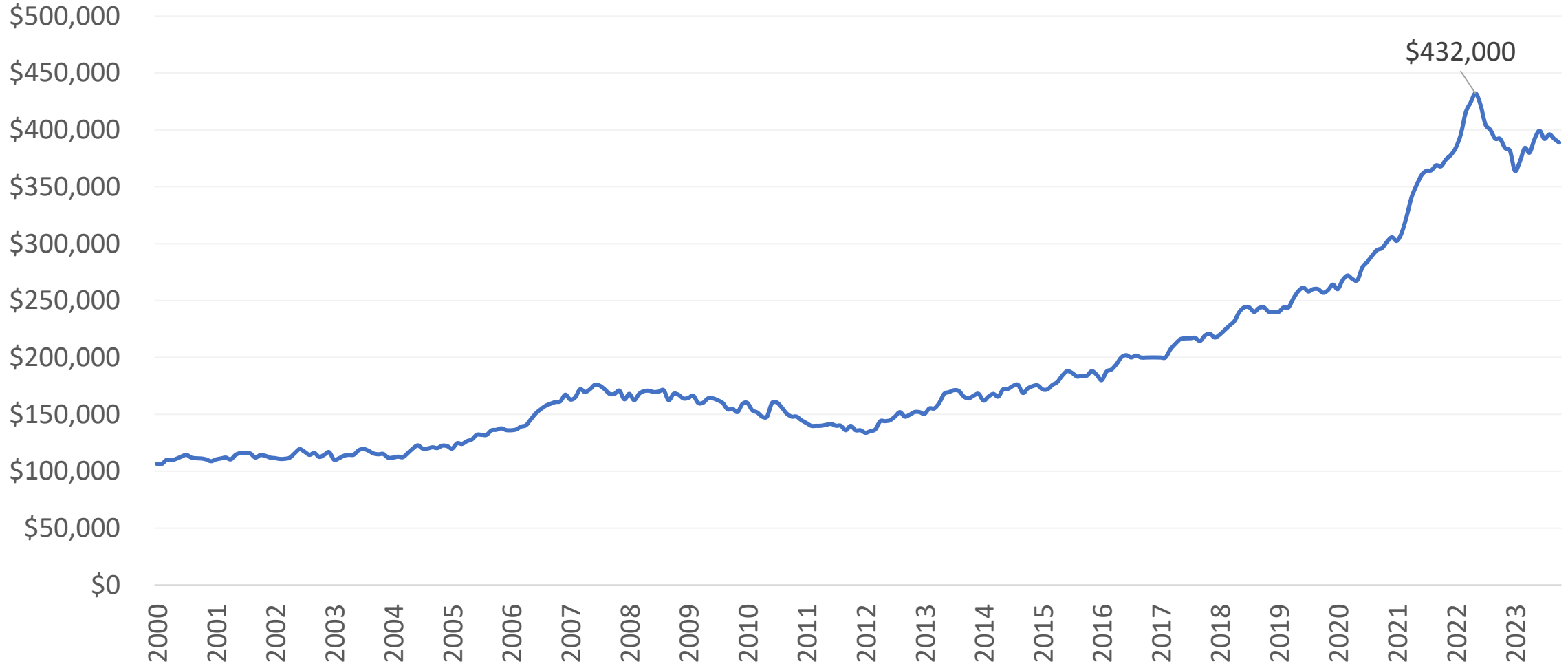
Price Drops...Payments Rise

Median Sales Price & Monthly Mortgage Payment (Through Oct 2023)



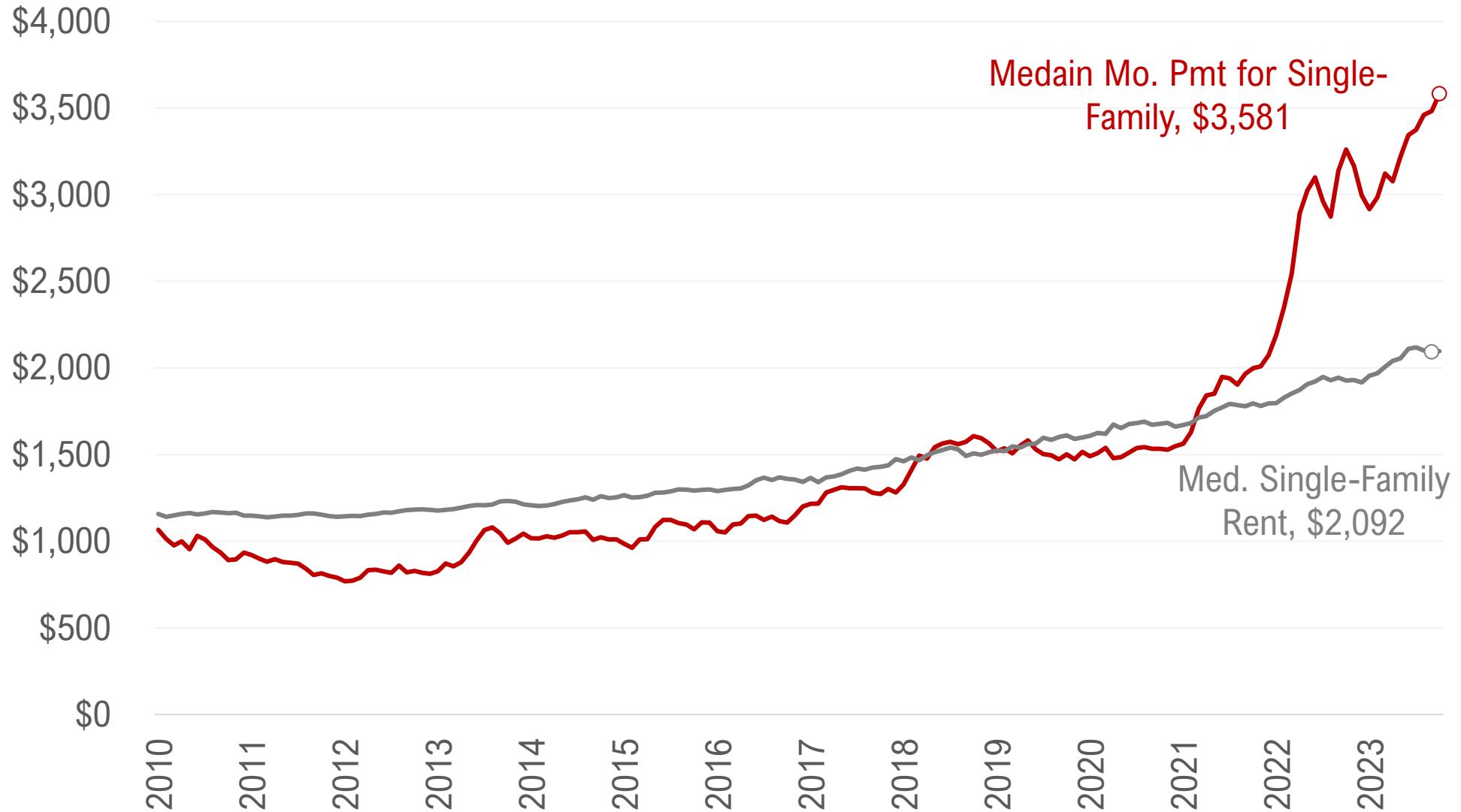
Source: Kem C. Gardner Policy Institute, UtahRealEstate.com Sales Data, FreddieMac Mortgage Survey Data

Starter-Home, then and now. Price of a starter Home in Utah, 2000 to 2023



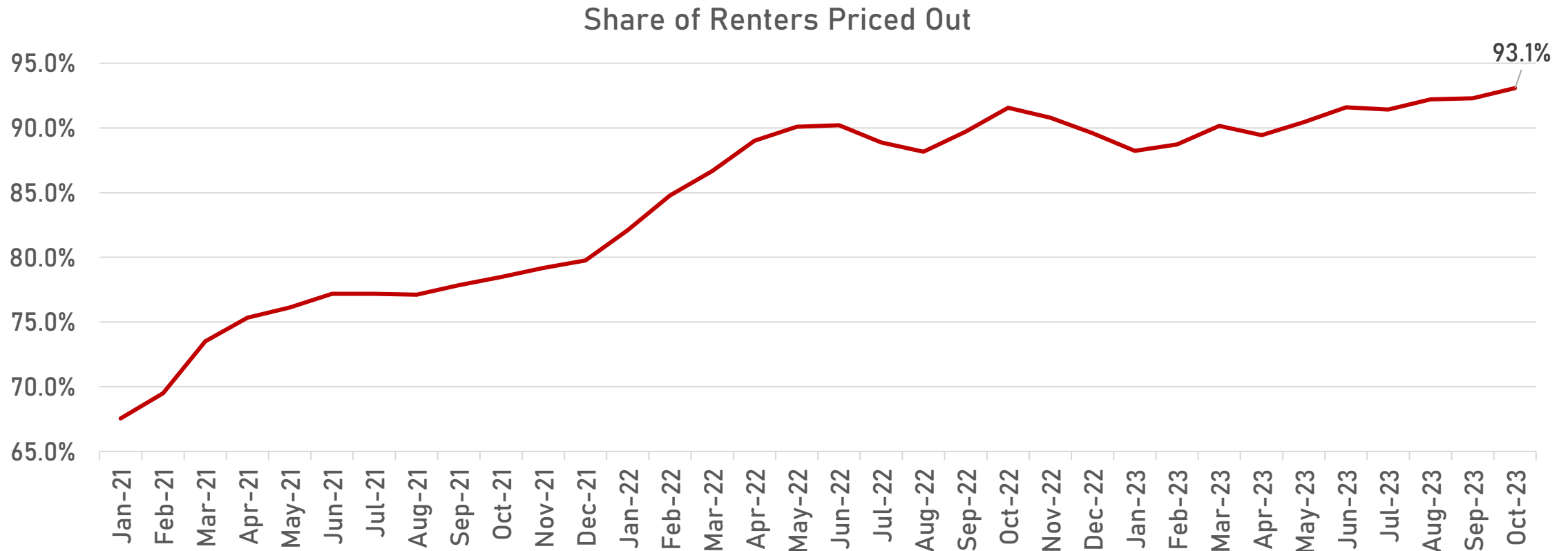
Source: Kem C. Gardner Analysis of UtahRealEstate.com Data
Note: Starter home price is assumed at 80% of median sales price.

Cost of Renting vs. Owning - Wasatch Front



Eroding Affordability- Renter are Stuck Renting

Share of **Renter** Households that **Can't Afford** a Median Priced Home, Utah



Note: Assumes 30% debt-to-income, PMI, annual property tax, and 30-yr rate.

Source: Calculations based on U.S. Census Bureau 2021 1-year ACS Survey Income Data (adjusted to 2022), UtahRealEstate.com Median Sales Price data.

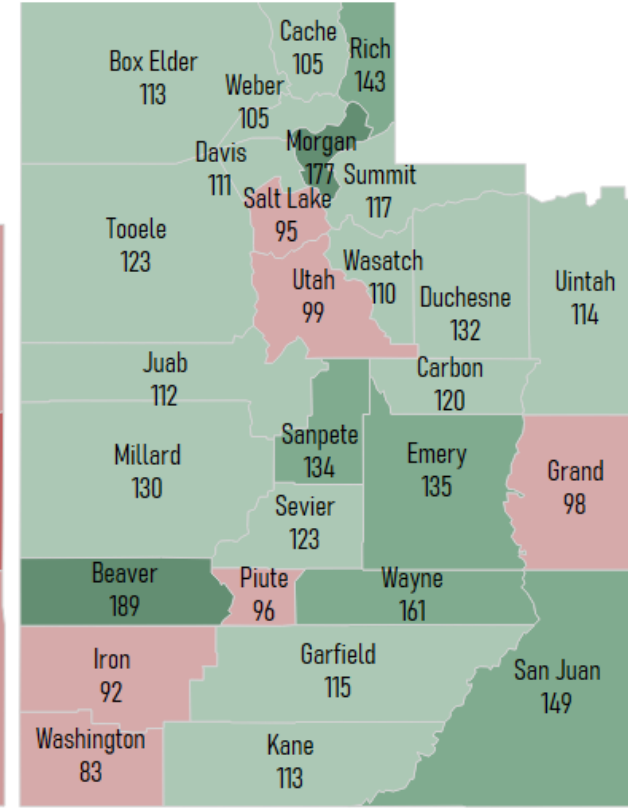
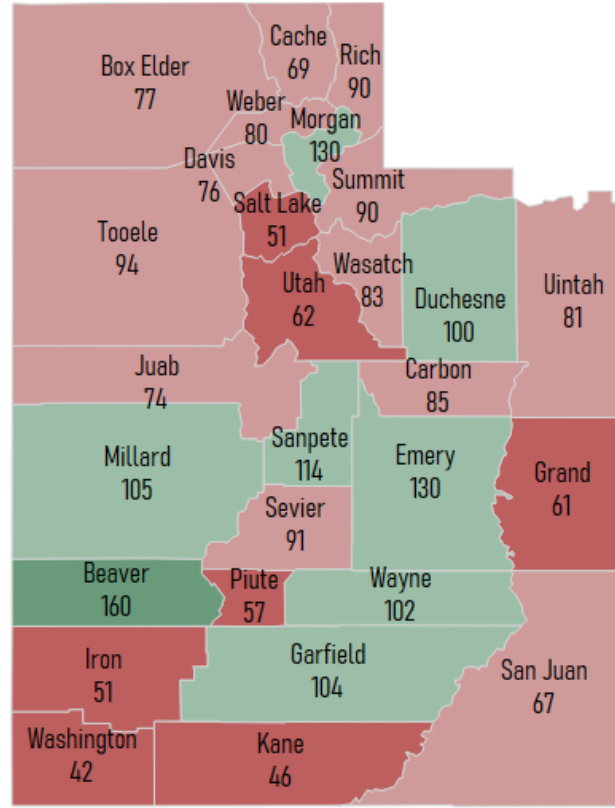
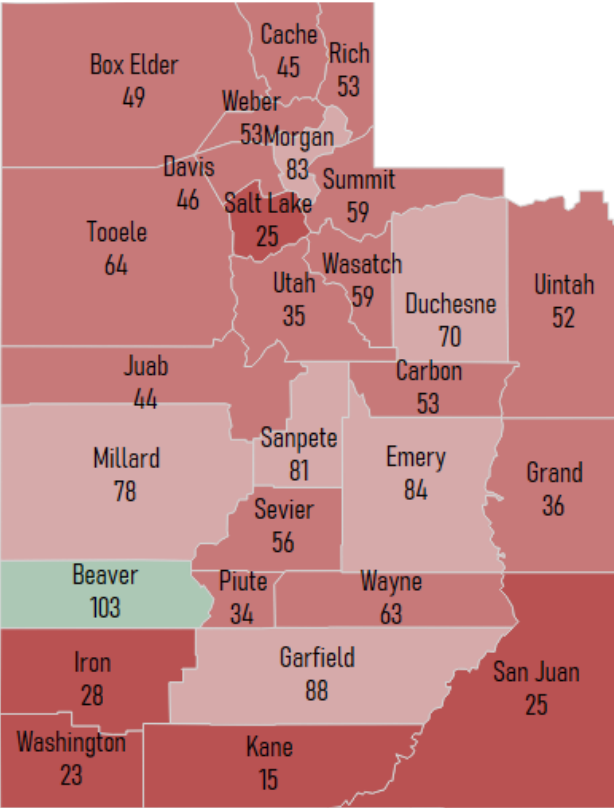
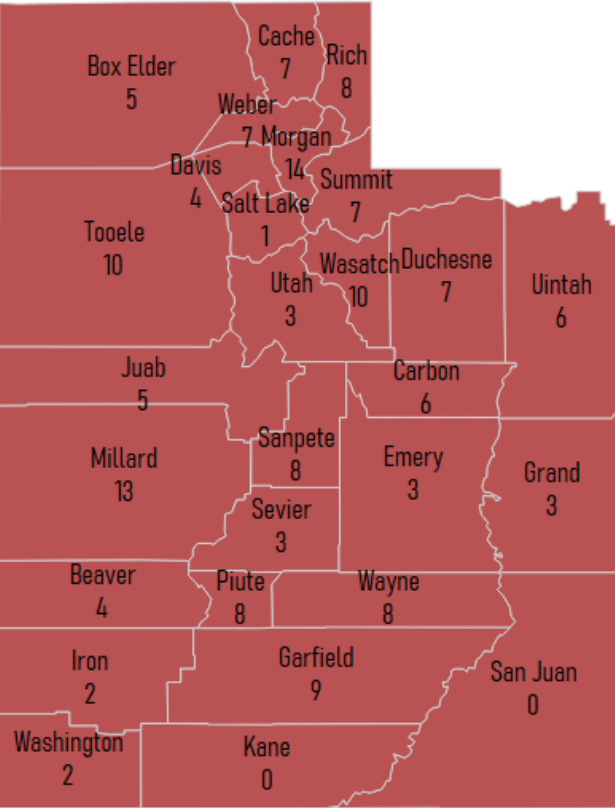
Affordable Renter Units Available/ 100 Household, Utah, 2022

30% AMI & Below

50% AMI & Below

60% AMI & Below

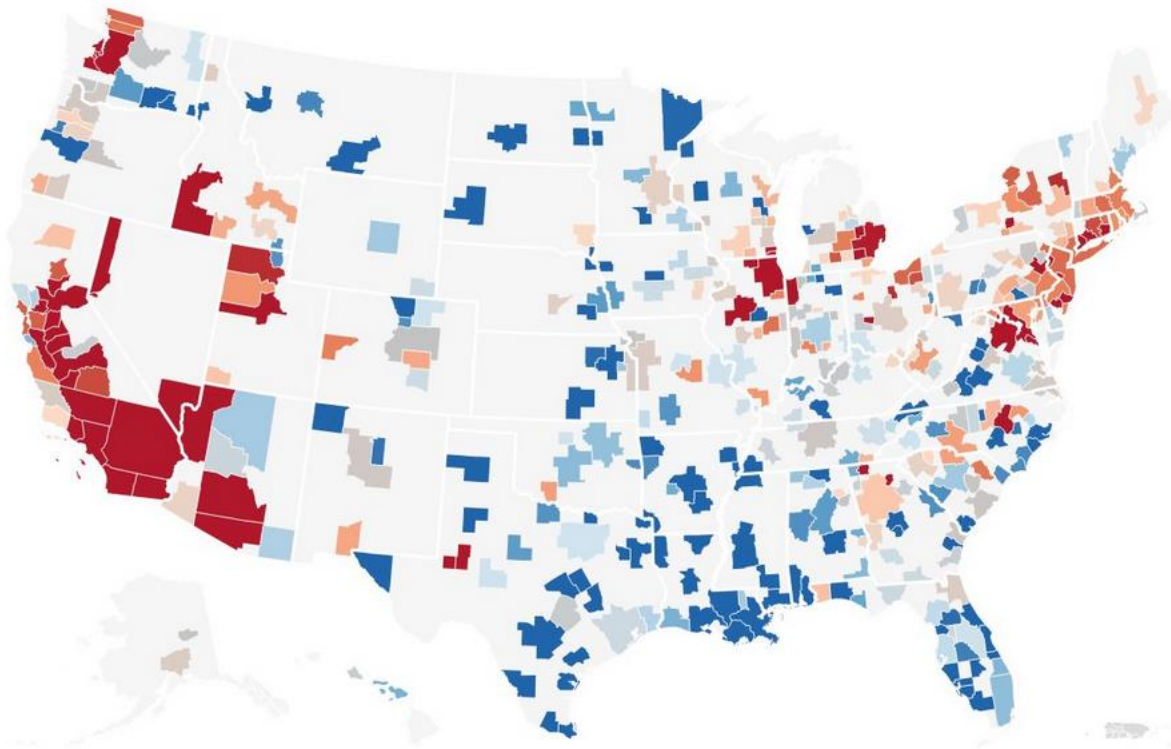
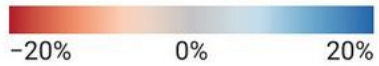
80% AMI & Below



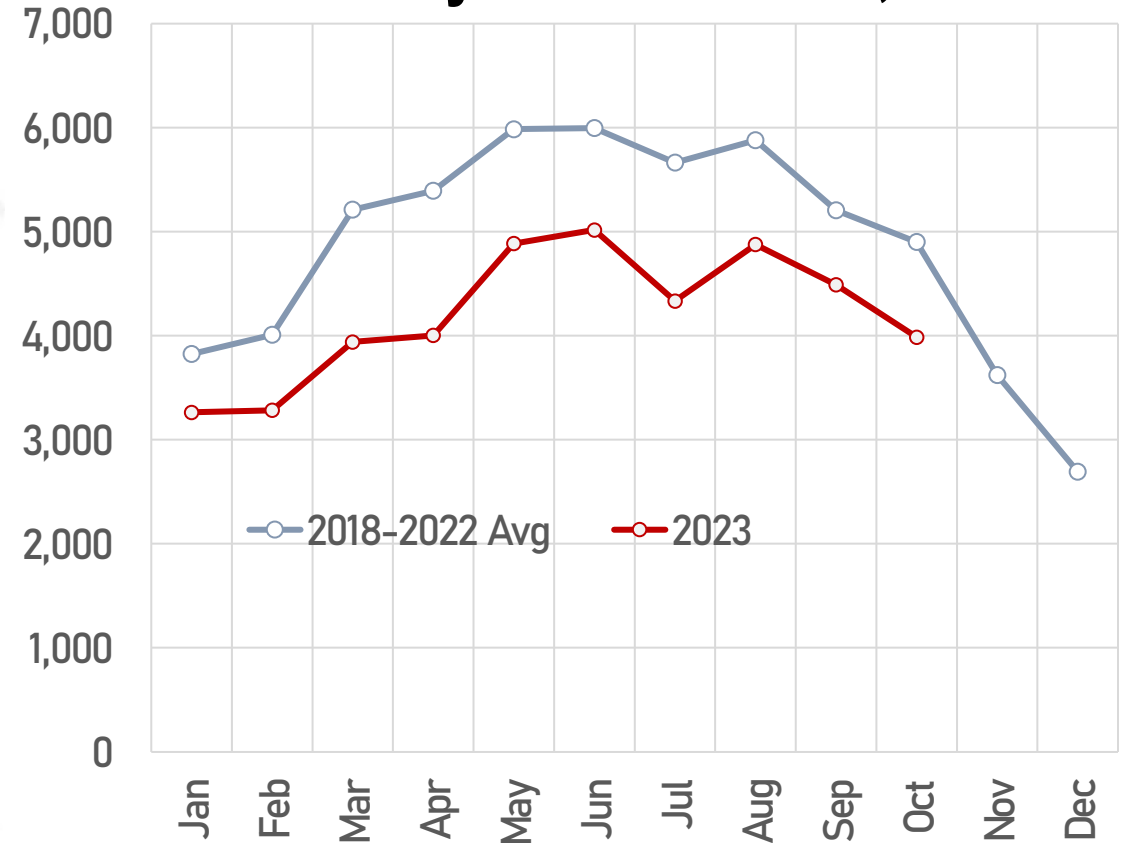
Source: Kem C. Gardner Policy Institute.

New Listings Historically Low

Inventory Shift Oct. 22 – Oct. 23



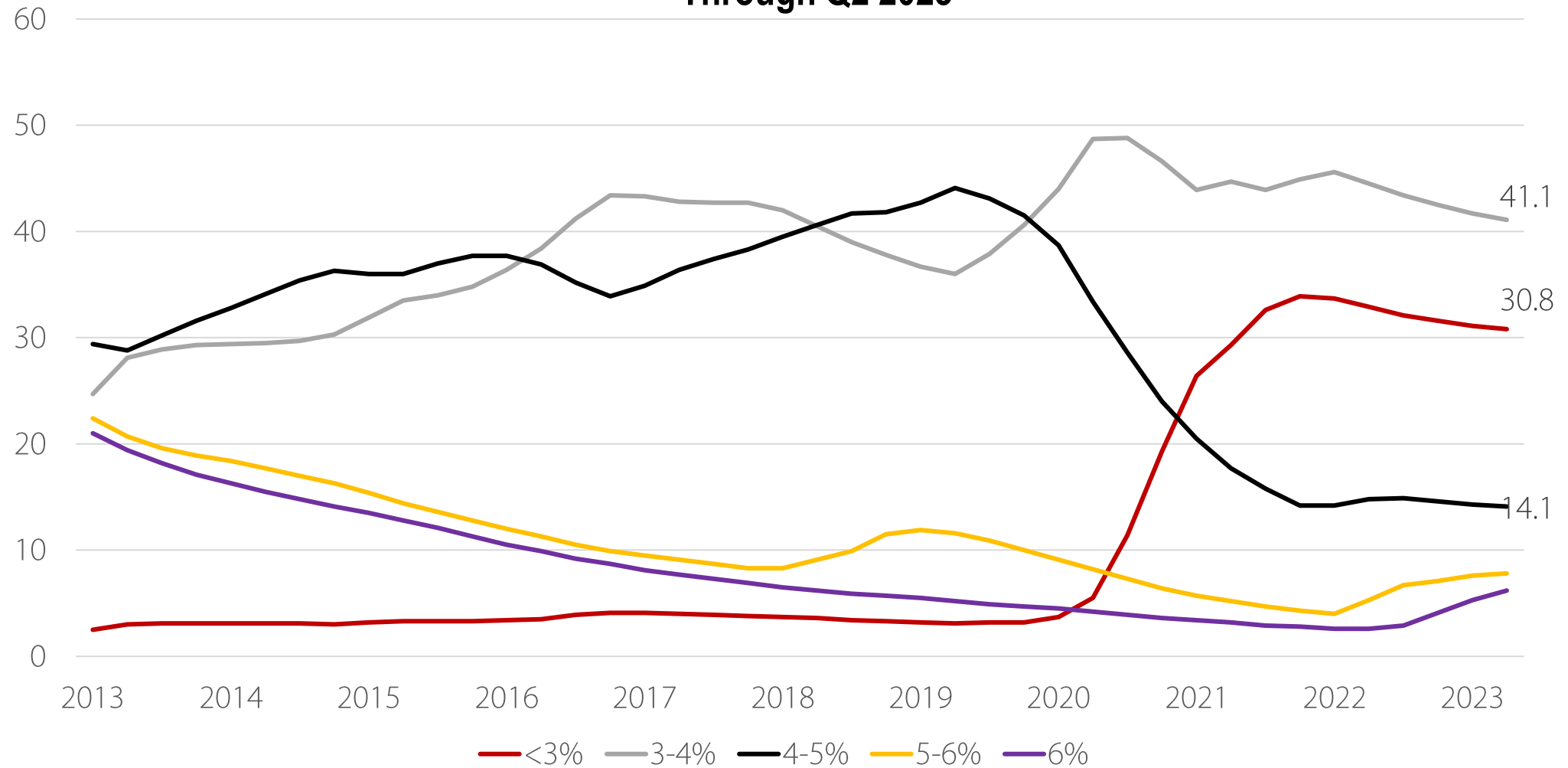
Inventory Shift Historic, Utah



Source: UtahRealEstate.com, Realtor.com

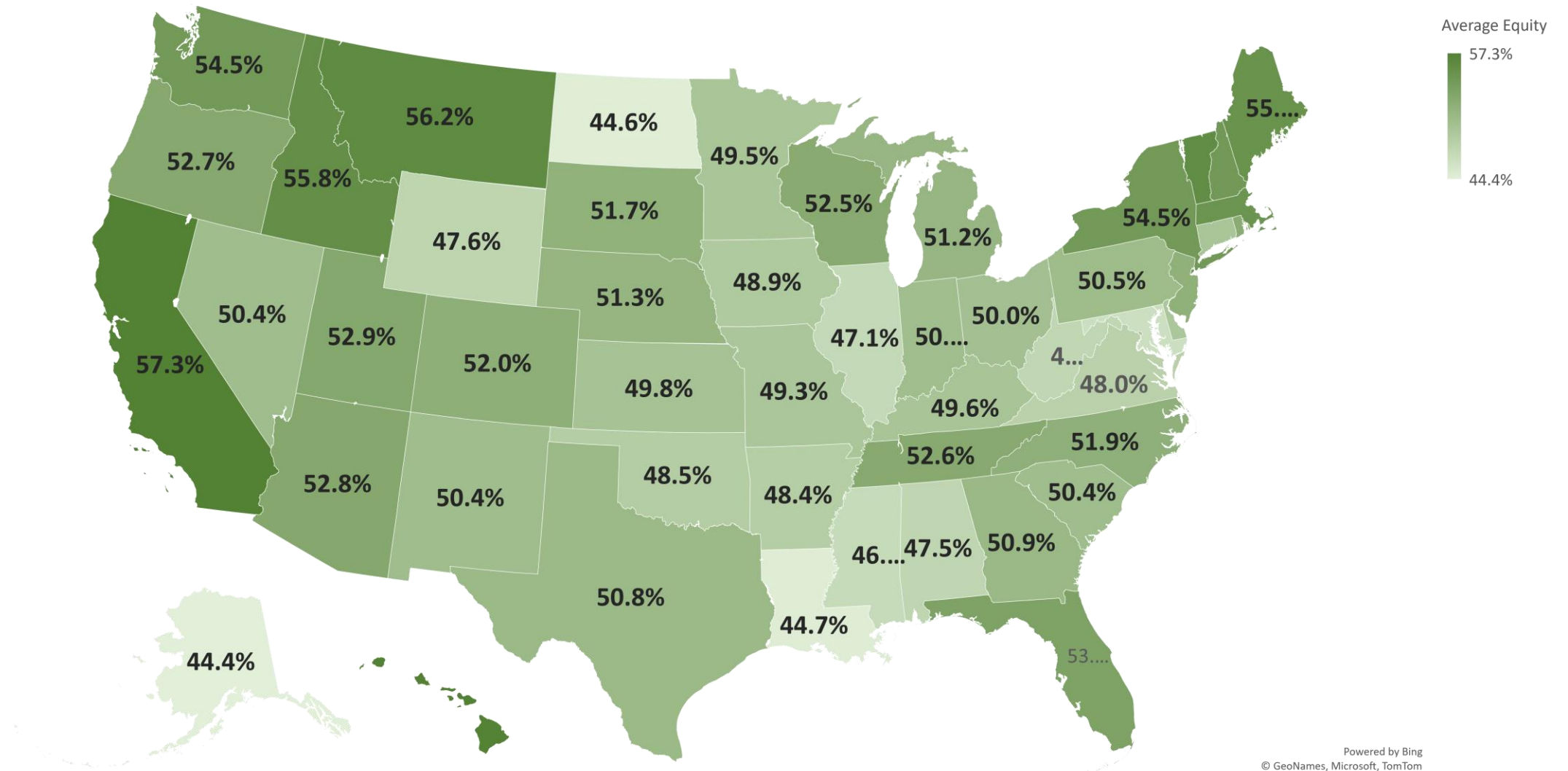
Lock-in Effect: Interest Rates of Existing Mortgages, Utah

Through Q2 2023



Source: NMDB

Average Equity of Homeowners, 2023 Q2







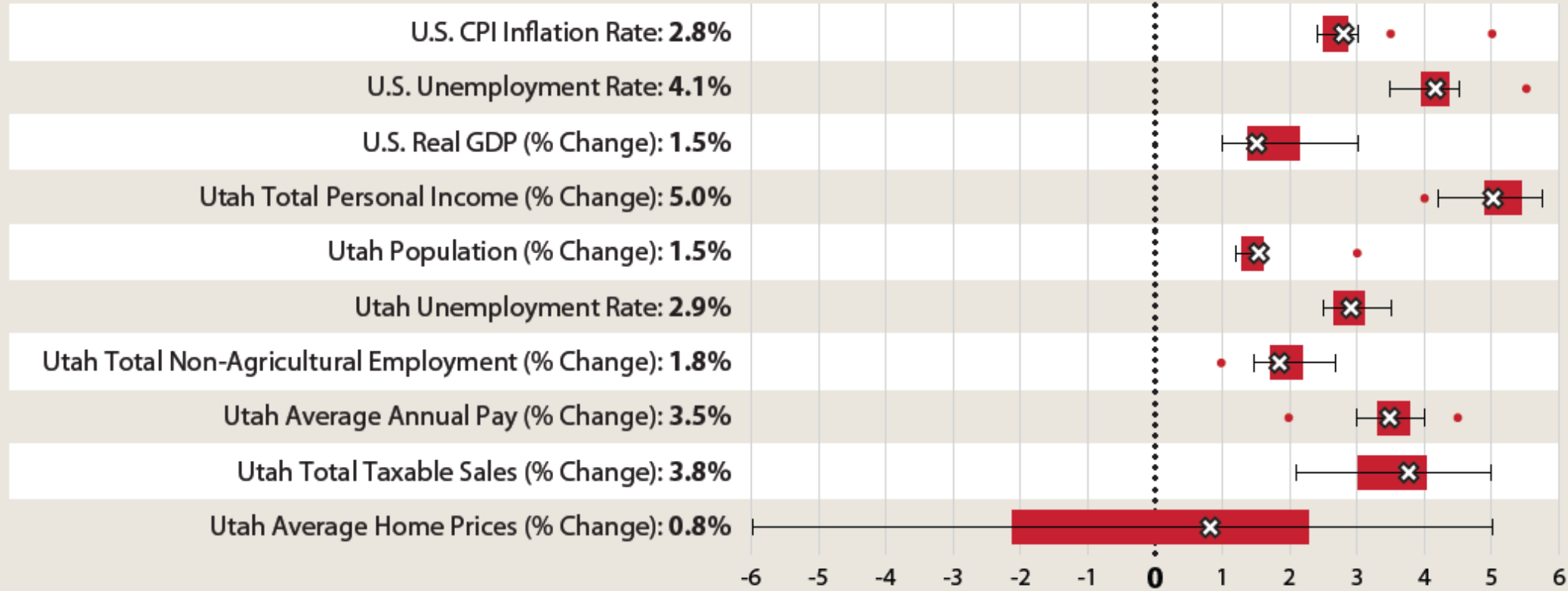
Source: The Federal Housing Finance Agency: National Mortgage Database 2023Q2 Release

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2024: Unsettled Normalcy

Utah Economic Council Forecast for Selected Economic and Business Indicators, 2024

-  Council Point Forecast
-  Middle 50%
-  Outliers
-  Range of Point Projections



Note: "Council Point Forecast" (X) represents the median value. "Middle 50%" (red box) represents the 25th to 75th percentile range of values. "Range of Point Projections" (whiskers) represents the range of values falling within the limits calculated as 1.5 times the Middle 50% range below and above the 25th and 75th percentile values, respectively. "Outliers" (red dot) show forecasts outside the "Range of Point Projections".

Source: Utah Economic Council

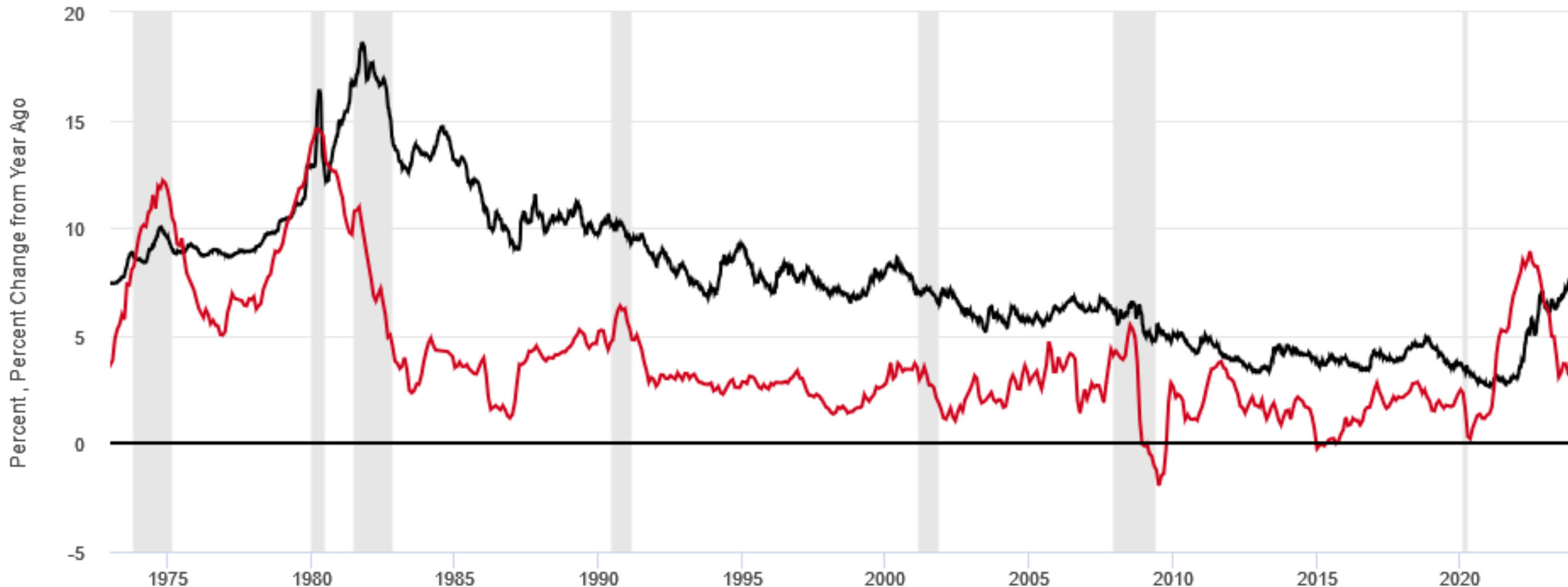
Uncertainty & Resilience

- Recession: **Utah** vs. US
- Mortgage Rates **Elevated**
- **Housing Shortage** Increasing
- **Resilience** in Demographics

Inflation is Easing, Interest Rates to Follow

FRED 

— 30-Year Fixed Rate Mortgage Average in the United States
— Consumer Price Index for All Urban Consumers: All Items in U.S. City Average



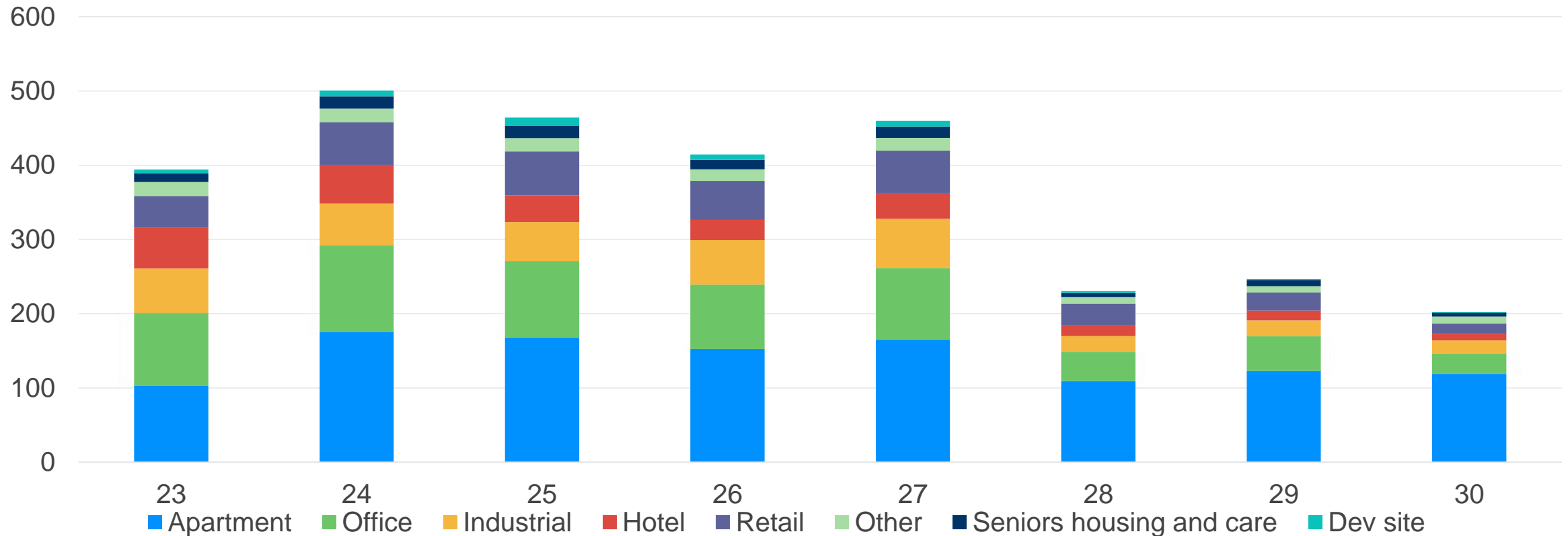
Shaded areas indicate U.S. recessions.

Sources: Freddie Mac; U.S. Bureau of Labor Statistics

fred.stlouisfed.org

CRE Debt Is Coming Due but Is Manageable

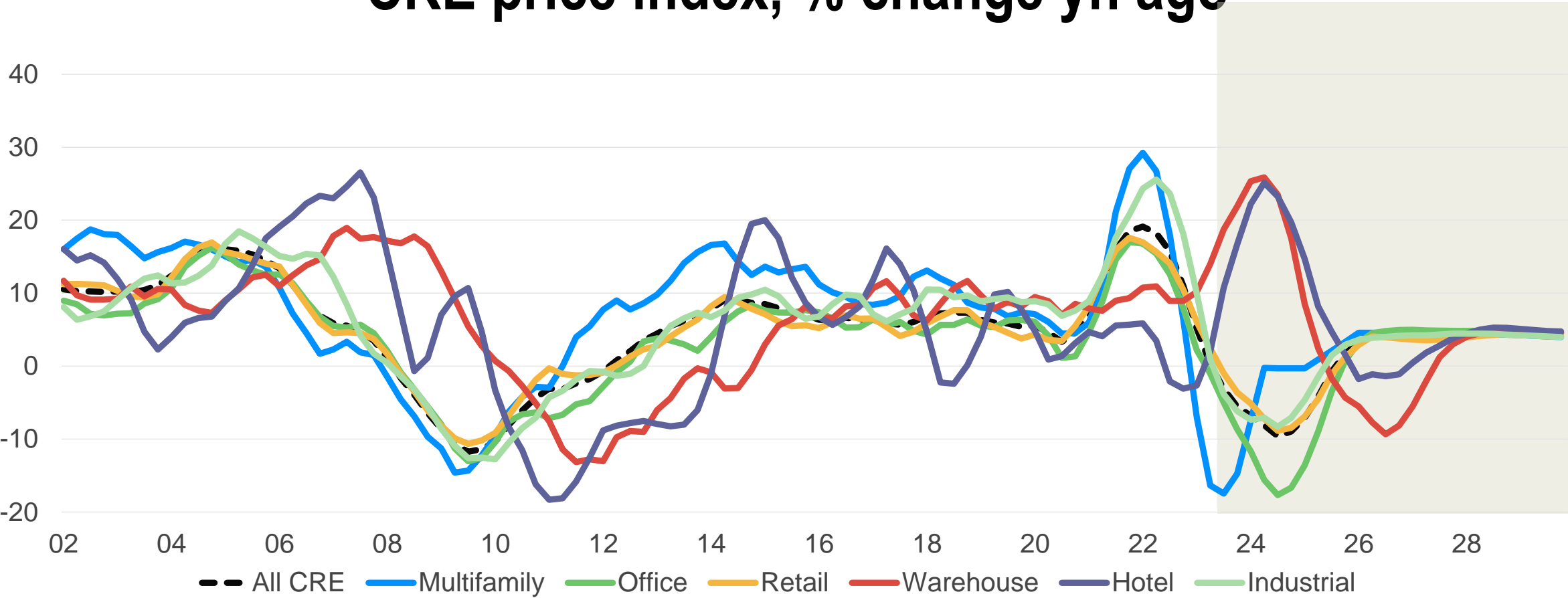
US-Loan maturities by CRE property type, \$ bil



Source: Moody's Analytics

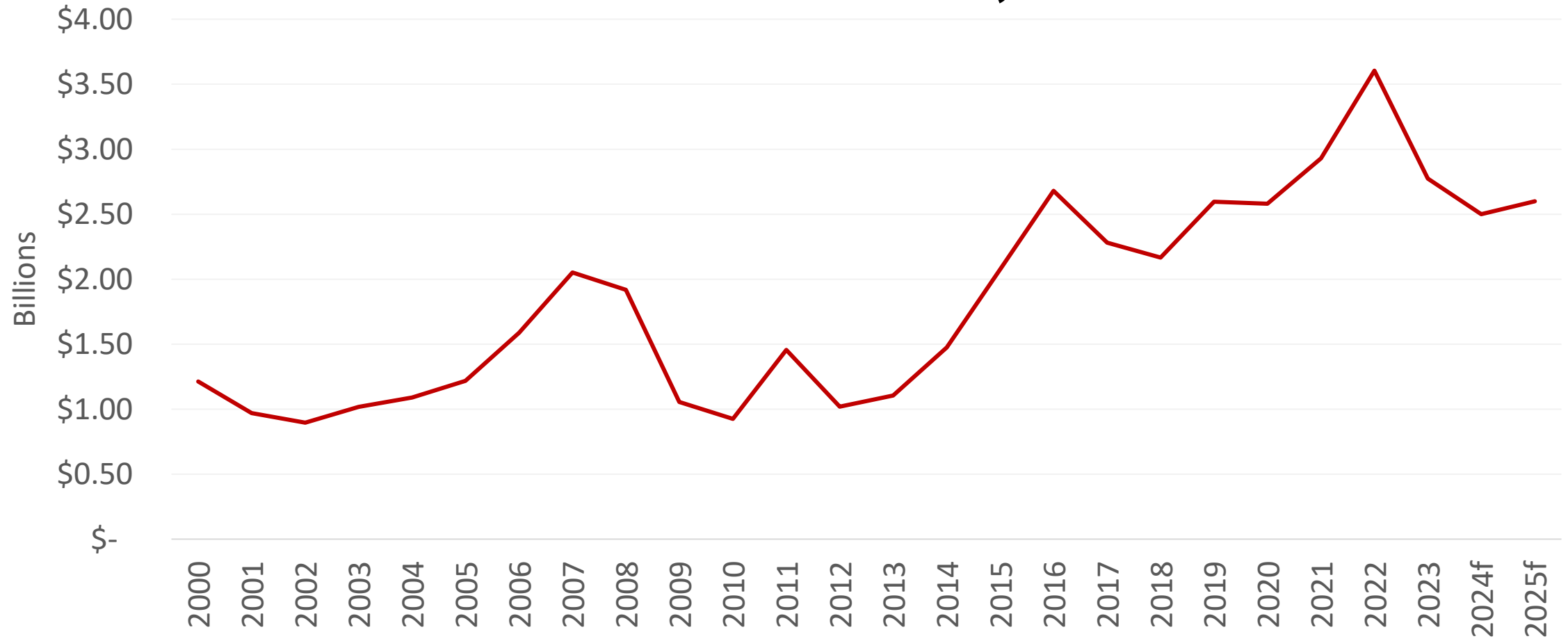
CRE Price Declines To Continue, US

CRE price index, % change yr. ago



Source: Moody's Analytics

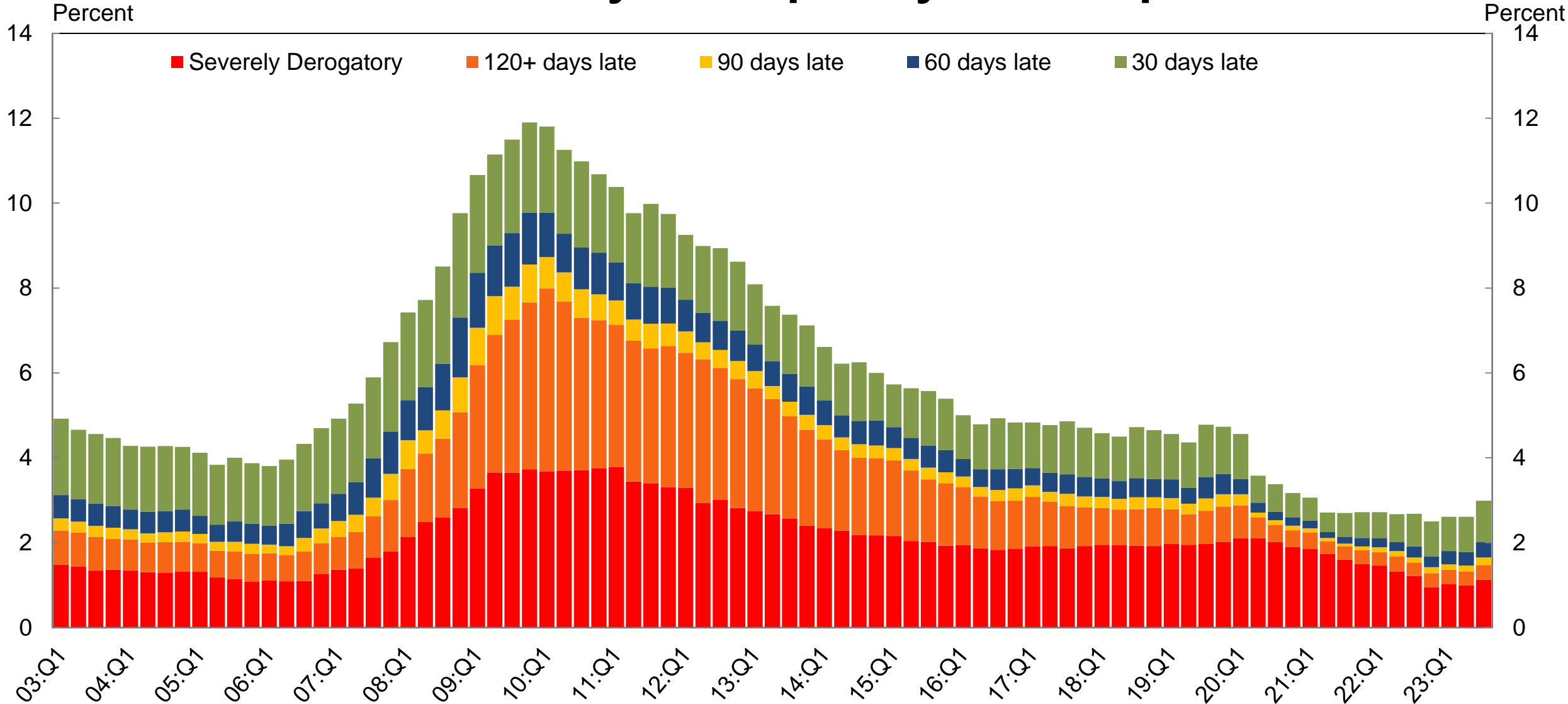
New Commercial Construction Permitted Value, Utah



Strength Signal: Public Construction May Partially Offset Private Construction Slowdowns

- State / local allocations of one-time federal ARPA money to infrastructure
- Allocation of one-time and ongoing state/local General Fund and Transportation Fund money
- Federal infrastructure and climate bills

Total Balance by Delinquency Status q3 2023

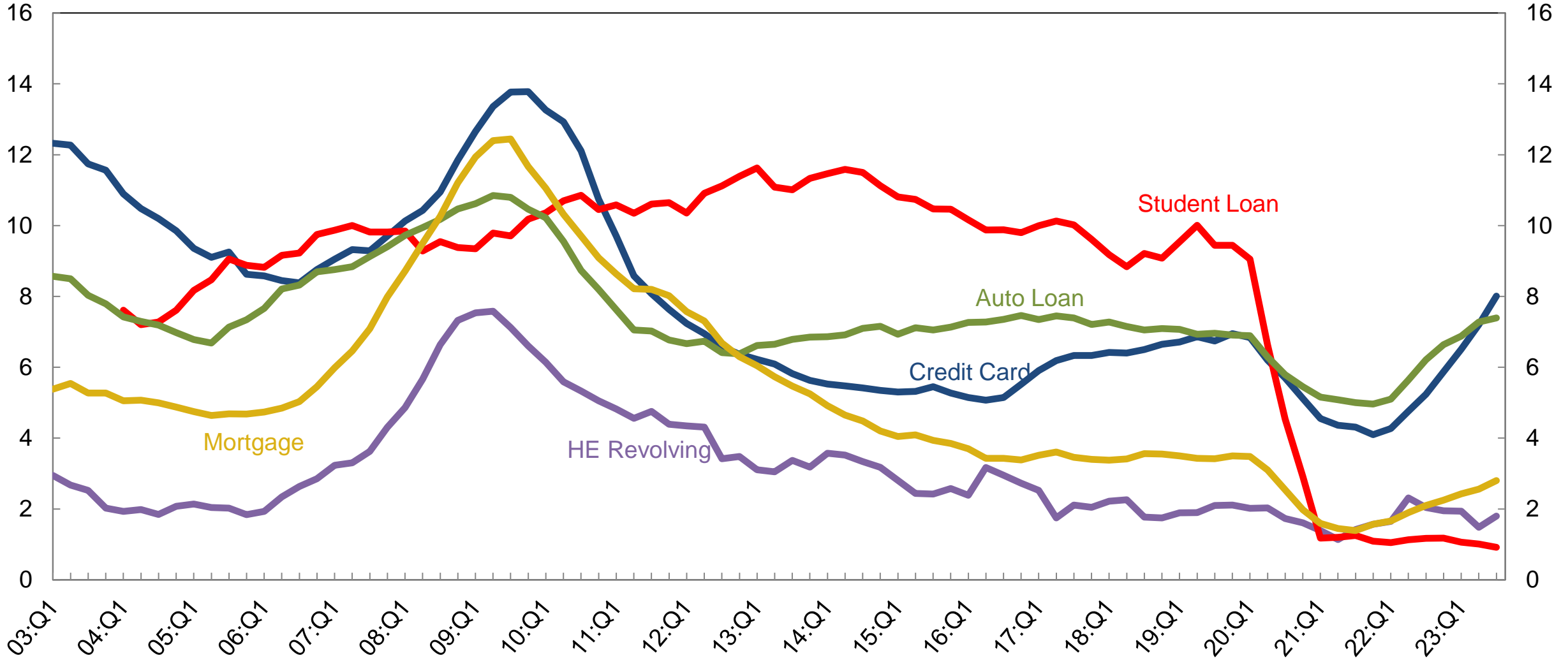


Source: New York Fed Consumer Credit Panel/Equifax

Transition into Delinquency (30+) by Loan Type

Percent of Balance

Percent of Balance

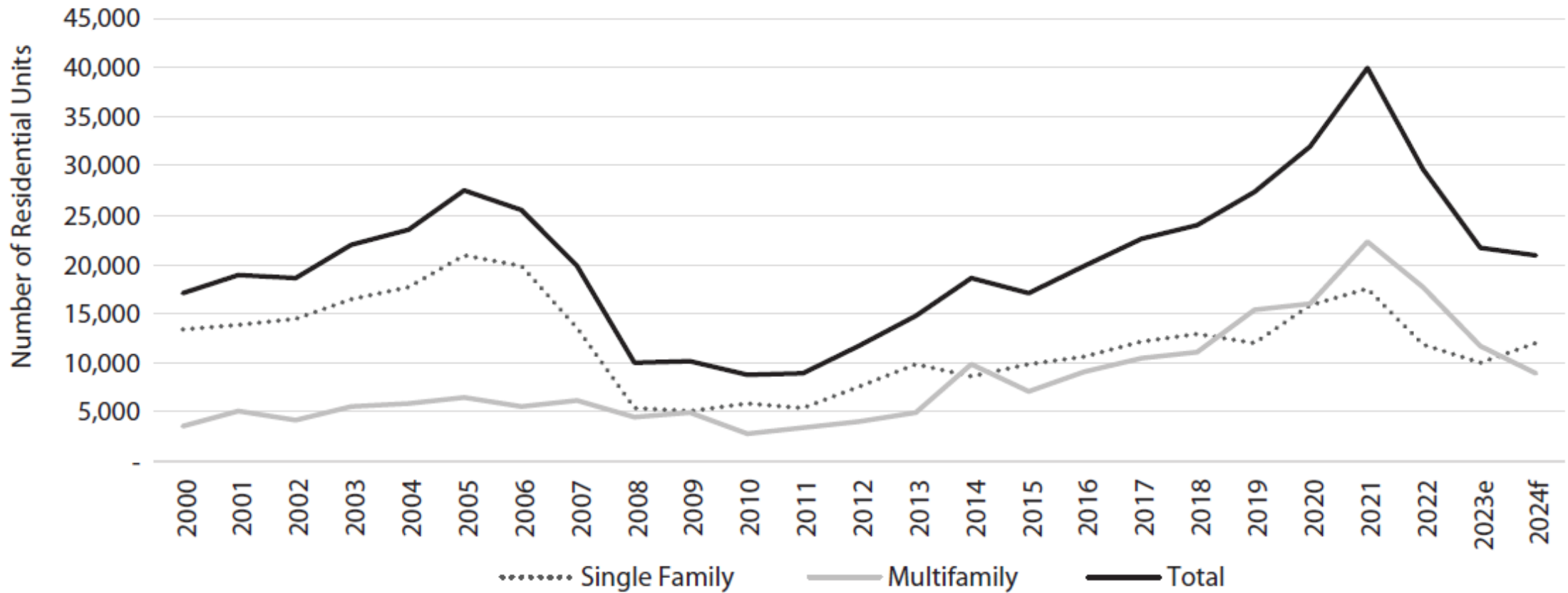


Note: 4 Quarter Moving Sum

Student loan data are not reported prior to 2004 due to uneven reporting

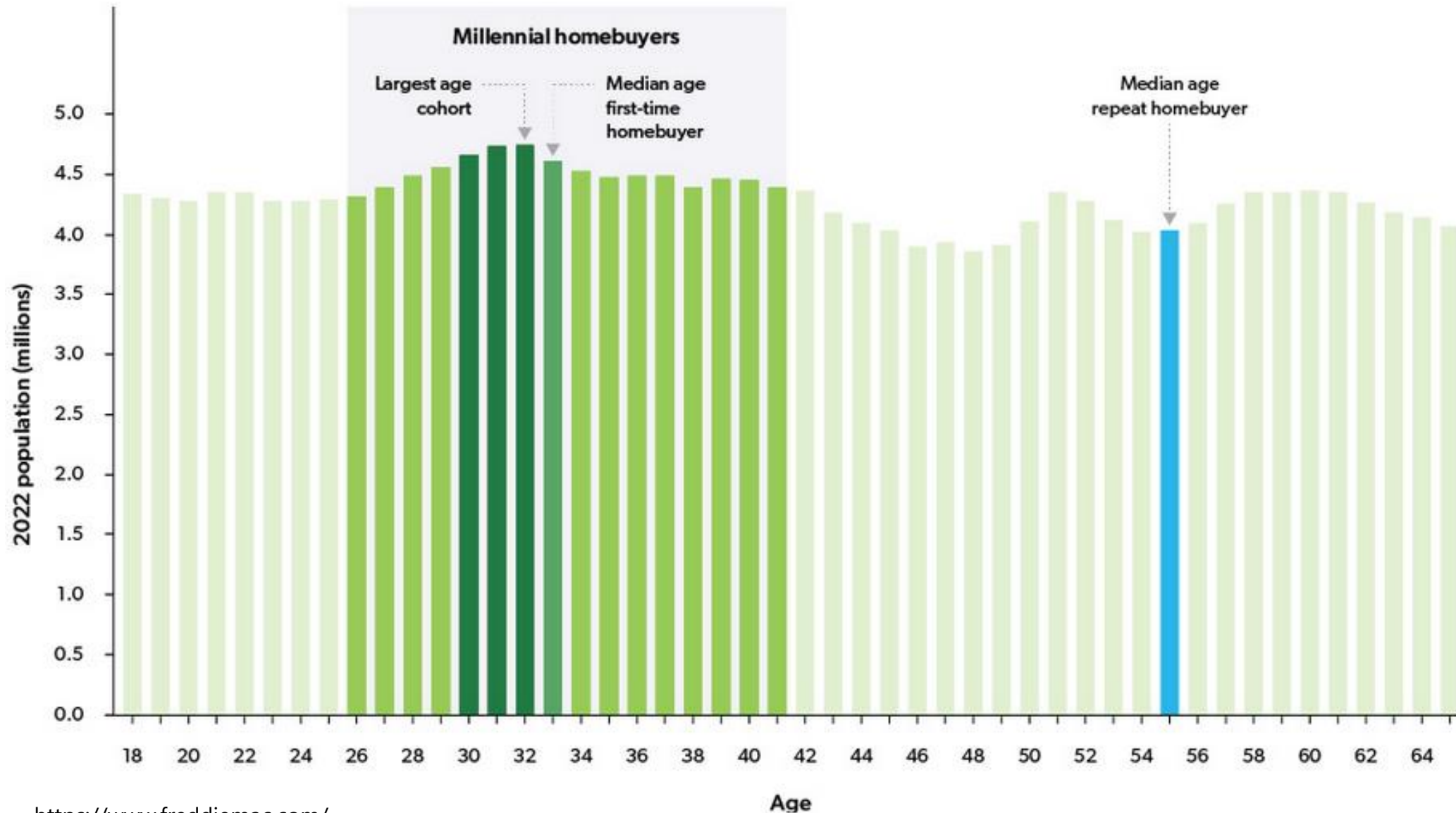
Source: New York Fed Consumer Credit Panel/Equifax

Residential Units Receiving Building Permits, 2000-2024f Utah



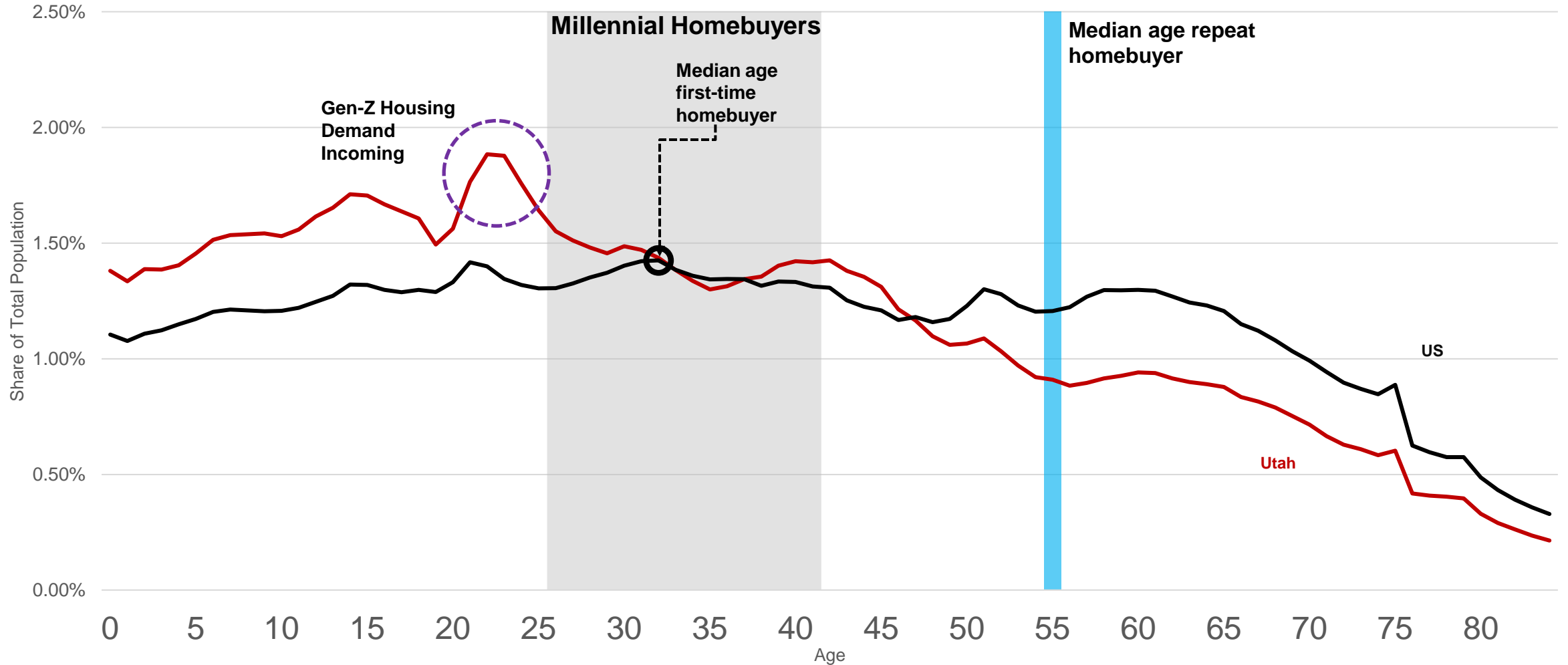
U.S. population by age, 2022

Peak purchase demand is found between 30 to 40 year old homebuyers



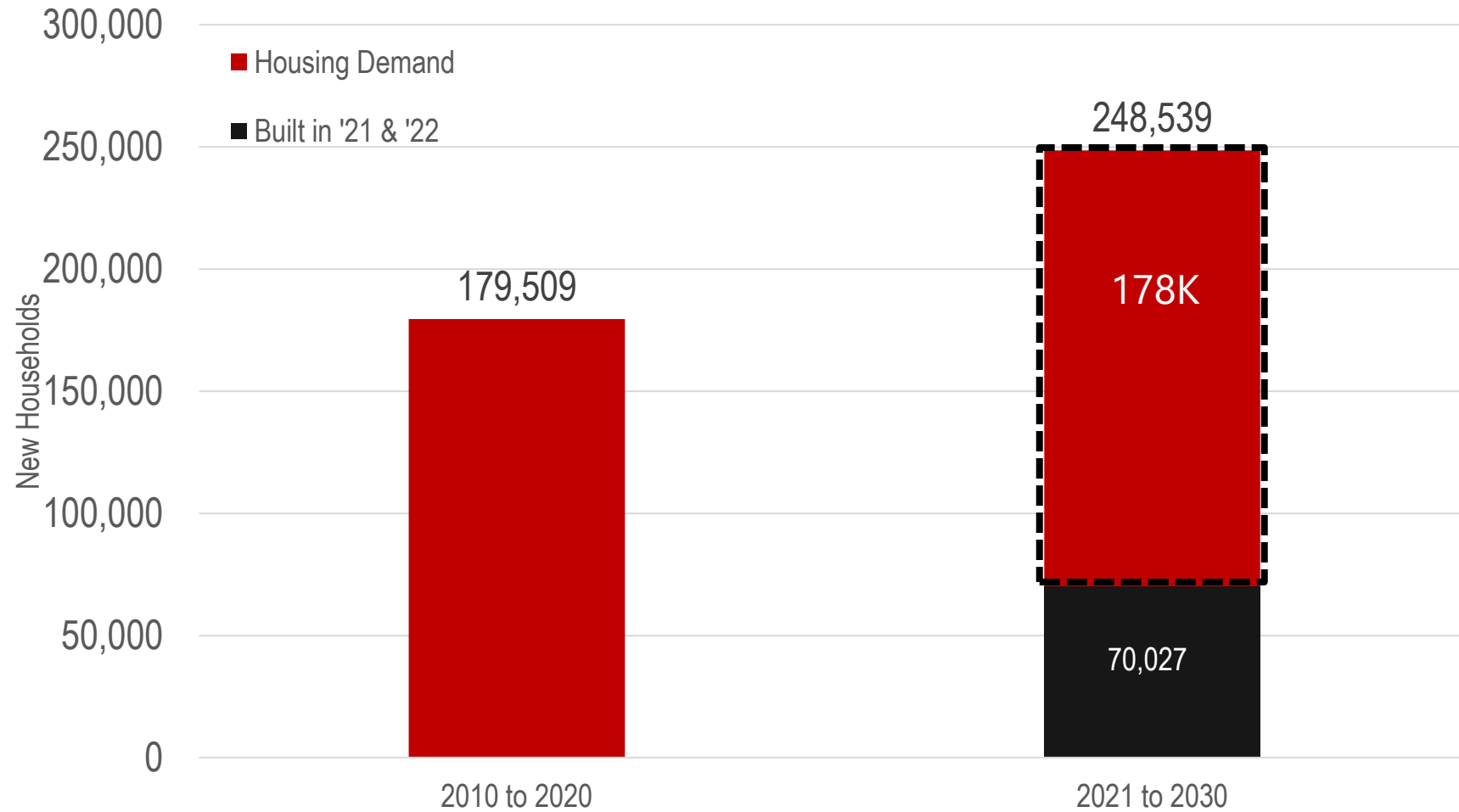
<https://www.freddiemac.com/>

How Does Utah Compare?



Past and Future Housing Demand

(Utah Needs Additional ~178K units to Meet the Projected demand of 248K by 2030)



Source: Kem C. Gardner Policy Institute