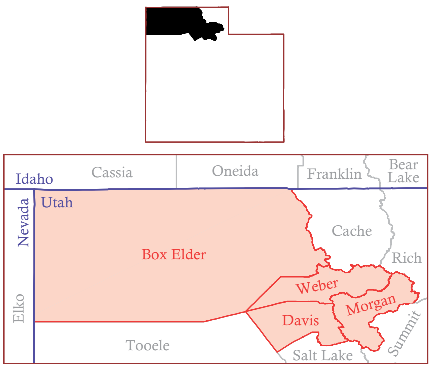
COMPREHENSIVE HOUSING MARKET ANALYSIS

Ogden-Clearfield, Utah

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2017

PD&R

Housing Market Area



The Ogden-Clearfield Housing Market Area (HMA) is coterminous with the Ogden-Clearfield, UT Metropolitan Statistical Area (MSA) and consists of Box Elder, Davis, Morgan, and Weber counties. Situated along the Wasatch Range of the Rocky Mountains, the HMA is part of the Wasatch Front region—which also includes the Salt Lake City, UT, and Provo-Orem, UT MSAs—with approximately 2.51 million residents.

Market Details

Summary

Economy

Payrolls have risen in the Ogden-Clearfield HMA since 2011. Jobs increased by 3.1 percent during the 12 months ending March 2017, compared with a 3.7-percent increase during the 12 months ending March 2016 and an average annual rate of 2.7 percent from 2011 through 2016. The federal government subsector—which includes the two largest employers in the HMA, Hill Air Force Base (AFB) and the Internal Revenue Service (IRS)—added 1,000 jobs, or 5.4 percent, during the past 12 months. During the 3-year forecast period, payroll growth is expected to slow to an average of 2.2 percent a year.

Sales Market

The sales housing market in the HMA is slightly tight. The vacancy rate is estimated at 1.4 percent, down from 1.9 percent during 2010. Declining inventory of existing homes for sale, which fell to 1.8 months during March 2017, contributed to the tightening market. Home sales prices rose to $253,600, up 5 percent from a year earlier, but total home sales decreased because of a decline in distressed sales. During the next 3 years, expected demand is for 7,750 new homes, well above the current rate of new home construction (Table 1). The 740 homes under construction and a portion of the 6,900 other vacant units that may reenter the market will satisfy some of the forecast demand.

Rental Market

The rental housing market is currently balanced, but tightening, in the HMA. The overall rental market vacancy rate is estimated at 4.9 percent, down from 7.2 percent in 2010. The apartment market, with a 4.0 percent vacancy rate, down from 6.0 percent in 2010, is slightly tight. During the next 3 years, demand is expected for 3,325 new market-rate rental units (Table 1). The 1,225 units currently under construction are expected to meet a portion of the demand.

Table 1. Housing Demand in the Ogden-Clearfield HMA During the Forecast Period

	Ogden-Clearfield HMA	
	Sales Units	Rental Units
Total demand	7,750	3,325
Under construction	740	1,225

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2017. A portion of the estimated 6,900 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is April 1, 2017, to April 1, 2020.

Source: Estimates by analyst

Economic Conditions

Ogden City was a railroad town built in the mid-1800s and nicknamed Junction City because of the nine rail lines that crossed through the town. With the construction of Union Station in Ogden City in the late 1800s on land that Brigham Young donated, the Ogden-Clearfield HMA became a transportation and manufacturing hub. The HMA was one of relatively few places in the western United States with north-south and east-west rail connections during the late 19th and early 20th centuries (State of Utah). The rail lines connecting across the nation also attracted several military installations beginning in the 1930s. Hill AFB is currently the largest employer in the HMA (Table 2) with 21,700 employees, including civilian employees, contractors, and more than 4,400 active-duty military personnel and a $3.34 billion economic impact in Utah (Hill AFB economic impact statement).

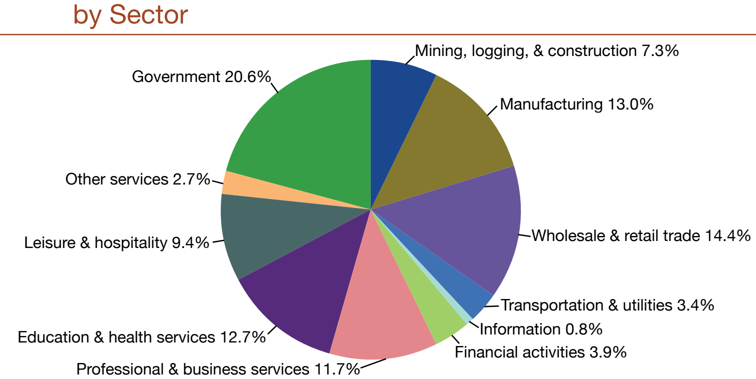
Table 2. Major Employers in the Ogden-Clearfield HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Hill Air Force Base	Government	21,700
Internal Revenue Service	Government	5,000–6,999
Autoliv, Inc.	Manufacturing	3,000–3,999
Intermountain McKay-Dee Hospital	Education & health services	3,000–3,999
Weber State University	Government	3,000–3,999
America First Credit Union	Financial activities	1,000–1,999
Fresenius USA Manufacturing, Inc.	Manufacturing	1,000–1,999
Lagoon	Leisure & hospitality	1,000–1,999
Lifetime Products	Manufacturing	1,000–1,999
Obital ATK Inc.	Manufacturing	1,000–1,999

Notes: Excludes employers in the retail subsector and state and local governments. Number of employees at Hill Air Force Base includes active-duty military personnel, civilian employees, and contractors. Military personnel are not included in nonfarm payroll survey data.

Sources: Utah Department of Workforce Services, 2015; Hill Air Force Base Economic Impact Statement, 2016

Figure 1. Current Nonfarm Payroll Jobs in the Ogden-Clearfield HMA, by Sector



Note: Based on 12-month averages through March 2017.

Source: U.S. Bureau of Labor Statistics

The HMA was quick to recover from the economic downturn in the late 2000s and is currently in the strongest period of job growth since the mid-1990s. During the previous period of job growth from 2001 through 2007, payrolls grew by an average of 4,300 jobs, or 2.1 percent, a year, as gains in nearly all sectors offset declining employment in the manufacturing and information sectors. From 2008 through 2010, nonfarm payrolls declined by an average of 3,900 jobs, or 1.8 percent, a year. The period of payroll decline is closely aligned with the national recession, but job loss was less severe in the HMA, compared with the 2.8-percent a year rate for the nation, and recovery was faster. Since 2011, nonfarm payrolls have increased by an average of 6,200 jobs, or 2.7 percent, a year, exceeding the 2007 prerecessionary high during 2013, 1 year before the nation. Payrolls in all sectors in the HMA have increased or remained steady since the current period of expansion began.

The government sector is the largest employment sector in the HMA, accounting for 21 percent of all jobs during the 12 months ending March 2017 (Figure 1). During the previous decade, the government sector added jobs in all but 2 years, increasing by an average of 700 jobs, or 1.5 percent, a year from 2001 through 2010. Most of the growth in the sector during the 2000s was from the local government subsector, which accounted for 60 percent of growth during the early to mid-2000s and 70 percent during the late 2000s. A rapidly rising population and a relatively high birth rate in the HMA supported demand for schoolteachers and other local public services. Civilian employment at the two largest employers, Hill AFB and the IRS, both part of the federal government subsector, also contributed to growth in the sector during the 2000s. Since 2011, payroll growth in the government sector averaged 300 jobs, or 0.5 percent, a year, slower than the gains during the 2000s, partially because of a decline in civilian employment at Hill AFB from 2011 through 2014 (Defense Manpower Data Center). Federal employment has been rising since 2015, coinciding with the first delivery of F-35 fighter jets to Hill AFB. An average of one plane has been delivered each month since, and delivery is expected to be complete during 2019. Production of the F-35 jets had an economic impact of $374.2 million and created approximately 4,300 jobs statewide (Lockheed Martin Corporation).

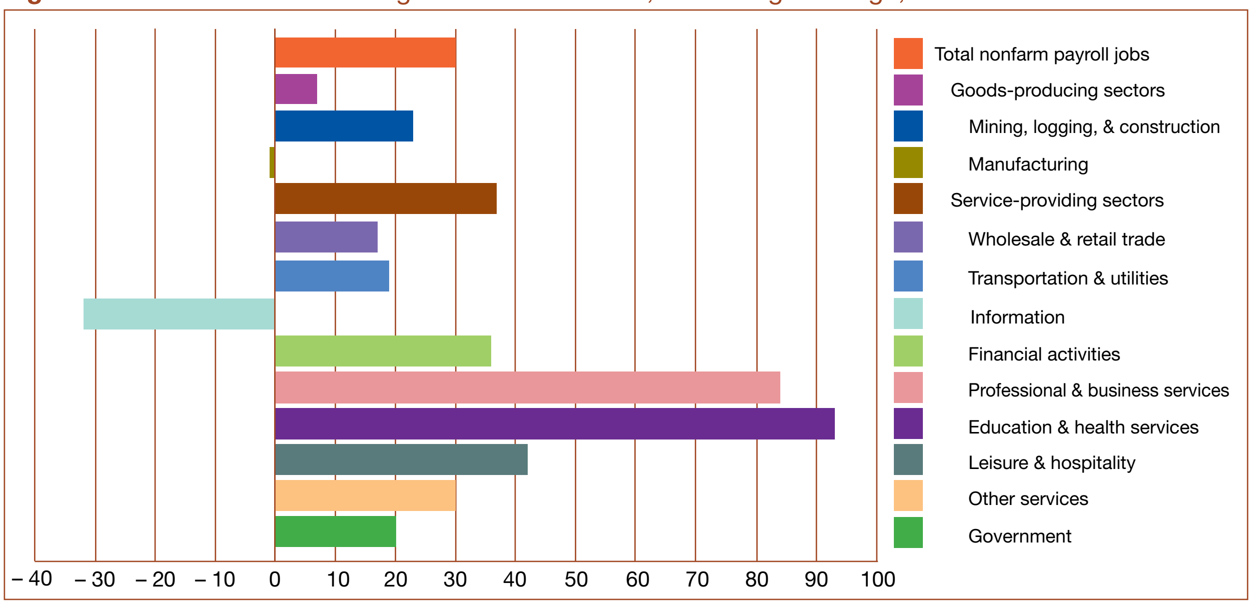
The manufacturing sector, which grew partially because of proximity to Hill AFB and transportation and testing facilities, is currently the third largest sector in the HMA. Specializations within the manufacturing sector include aerospace equipment and sporting and athletic goods manufacturing. The aerospace industry accounts for more than 10 percent of jobs in the sector, and companies locate in the HMA because of the proximity to Hill AFB. Sporting and athletic goods manufacturers, which account for approximately 7 percent of manufacturing jobs, choose the HMA because of proximity to trails, mountains, and rivers used for product testing. Despite declining by an average of 600 jobs, or 2.1 percent, a year from 2001 through 2010, the manufacturing sector has added jobs each year since 2011, increasing by an average of 1,000 jobs, or 3.4 percent, a year. Current manufacturing payrolls are at the highest levels since the 1997 peak. Expansion of sporting and athletic goods manufacturers—including ENVE Composites in 2012, Vista Outdoor Inc. in 2014, and Selle Royal in 2015—supported recent job growth, adding nearly 500 jobs.

The transportation and utilities sector, which includes the railroad industry, has been a small but growing sector in the HMA since the early 1990s. Payrolls in the sector have increased by an average of 200 jobs, or 2.4 percent, a year since 2012, spurred by completion of the FrontRunner commuter rail line in 2012 that connects Ogden City in the north to Provo in the south. Redevelopment of Defense Depot Ogden, a military warehousing and distribution center served by rail lines, into the Business Depot Ogden industrial park in the early 2000s also supported job growth in both the transportation and utilities and manufacturing sectors. More than 115 businesses with 4,500 employees are currently in the industrial park.

Other sectors that have contributed to job growth since 2011 include the leisure and hospitality and the education and health services sectors. The leisure and hospitality sector, which remained unchanged from 2008 through 2010, has added an average of 700 jobs, or 3.2 percent, a year since 2011. The presence of three ski resorts, three state parks, and a national forest attracts visitors to the HMA. Travel- and tourism-related spending, which rose to $932 million during 2015, up

9 percent from 2014 (Gardner Policy Institute, most current data available), contributed to payroll growth. The education and health services sector was one of only two sectors in the HMA to have an increase in jobs during the recession and has had the largest percentage increase in jobs since 2000 of all sectors in the HMA (Figure 2). Since 2011, education and health services sector payrolls have increased by an average of 1,100 jobs, or 3.9 percent, a year. The opening of new, private, not-for-profit, state- and university-affiliated healthcare facilities supported job growth in healthcare professions. New facilities include the Ogden Clinic Professional Center North, built for $8 million and opened in late 2014, and The University of Utah (state government subsector) Farmington Health Center, built for $44 million and opened in late 2016. Intermountain McKay-Dee Hospital broke ground on a new $100 million hospital in Layton during 2016. Completion is expected in 2018, supporting future growth in the sector. No new jobs were announced with the construction or opening phases of the healthcare facilities.

Figure 2. Sector Growth in the Ogden-Clearfield HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through March 2017.
Source: U.S. Bureau of Labor Statistics

Table 3. 12-Month Average Nonfarm Payroll Jobs in the Ogden-Clearfield HMA, by Sector

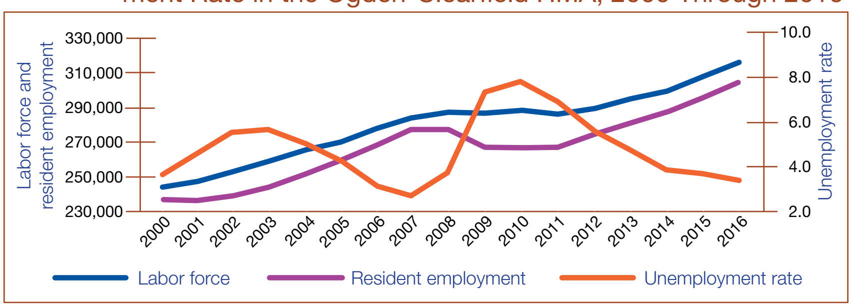
	12 Months Ending		Absolute Change	Percent Change
	March 2016	March 2017		
Total nonfarm payroll jobs	241,600	249,200	7,600	3.1
Goods-producing sectors	48,600	50,600	2,000	4.1
Mining, logging, & construction	17,100	18,100	1,000	5.8
Manufacturing	31,500	32,500	1,000	3.2
Service-providing sectors	193,000	198,500	5,500	2.8
Wholesale & retail trade	35,300	36,000	700	2.0
Transportation & utilities	8,200	8,500	300	3.7
Information	2,100	2,000	– 100	– 4.8
Financial activities	9,400	9,800	400	4.3
Professional & business services	28,500	29,100	600	2.1
Education & health services	30,300	31,800	1,500	5.0
Leisure & hospitality	22,700	23,300	600	2.6
Other services	6,600	6,600	0	0.0
Government	49,900	51,400	1,500	3.0

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through March 2016 and March 2017.
Source: U.S. Bureau of Labor Statistics

During the 12 months ending March 2017, payrolls increased 3.1 percent, or 7,600 jobs, down from an increase of 8,600 jobs, or 3.7 percent, during the 12 months ending March 2016. Of the 11 payroll sectors, 10 added jobs during the past 12 months, and only one, information, declined, down by 100 jobs (Table 3). The mining, logging, and construction sector, the only sector in the HMA with payrolls below the prerecessionary peak, increased at the fastest rate of all the sectors, up 5.8 percent, or 1,000 jobs. Seven of the 10 sectors that grew added jobs at a slower rate compared with the previous 12 months, partially because of a tight labor market. The labor force grew by 9,200 people, and resident employment increased by 10,100 people during the past 12 months, resulting in a further decline of the unemployment rate. During the past 12 months, the unemployment rate, which has declined since 2011 (Figure 3), fell to 3.3 percent, down from 3.7 percent during the previous 12 months. The current unemployment rate is well below the high of 7.8 percent during 2010 and below the average unemployment rate during the early 2000s.

During the 3-year forecast period, payroll growth is expected to rise to an average of 2.2 percent a year, similar to growth rates from the early 2010s. Delivery of additional F-35 fighter jets at Hill AFB through 2019 is expected to support job growth in the government sector. Lockheed Martin Corporation is currently building a new facility at Hill AFB, which is expected to open in late 2017 and add up to 500 jobs in the HMA. Employment in the education and healthcare sector is also expected to rise, partially because of the opening of Intermountain McKay-Dee Hospital in 2018. The tight labor market, as indicated by the low unemployment rate, is expected to contribute to slower payroll growth compared with the past 24 months.

Figure 3. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Ogden-Clearfield HMA, 2000 Through 2016



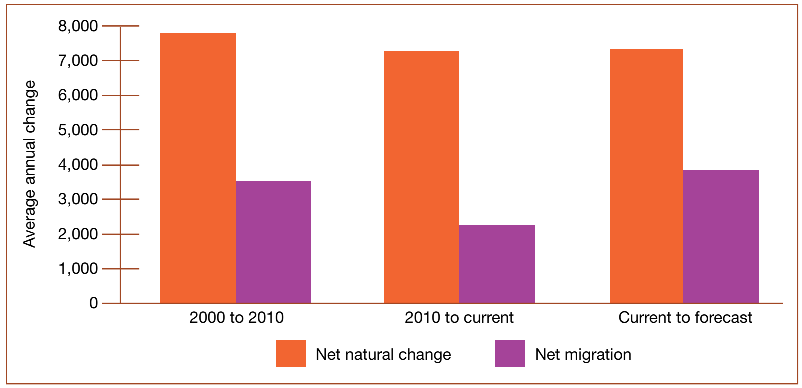
Source: U.S. Bureau of Labor Statistics

Population and Households

Population growth in the Ogden-Clearfield HMA is predominantly a result of net natural change (resident births minus resident deaths), which has accounted for more than 70 percent of the population increase since 2000 (Figure 4). The birth rate in the HMA was well above the national rate, with 16.9 births per 1,000 women during 2015 in the HMA, compared with the national rate of 12.5 births (State of Utah, most current data available). As of April 1, 2017, the population is estimated at 663,500, up by an average of 9,475 people, or 1.5 percent, a year since 2010 (Figure 5).

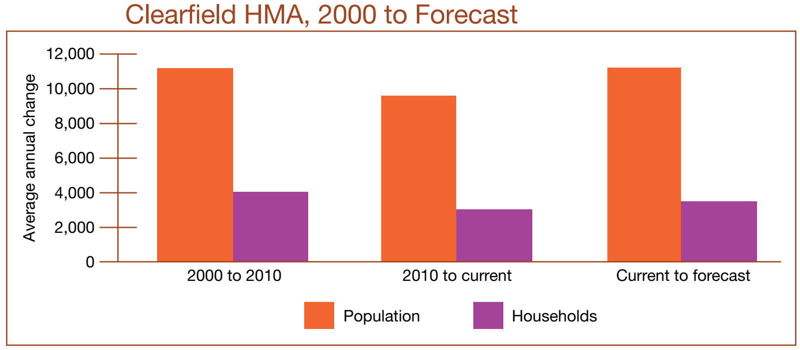
Changes to the population growth rate are influenced by in-migration resulting from employment opportunities and home sales prices, which are 25 percent lower in the HMA compared with other MSAs in the Wasatch Front region. Residents of the HMA comprise approximately one-fourth of the population in the

Figure 4. Components of Population Change in the Ogden-Clearfield HMA, 2000 to Forecast



Notes: The current date is April 1, 2017. The forecast date is April 1, 2020.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Population and Household Growth in the Ogden-Clearfield HMA, 2000 to Forecast



Notes: The current date is April 1, 2017. The forecast date is April 1, 2020.
Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

Wasatch Front region, and nearly 40 percent of employed residents in the HMA commute to a job outside the HMA (2014 American Community Survey [ACS] 1-year data, most current data available).

From 2000 to 2005, the population increased by an average of 8,900 people, or 1.8 percent, a year, with in-migration accounting for 18 percent of the population growth (U.S. Census Bureau population estimates as of July 1).

Population growth began to accelerate in the mid-2000s, and from 2005 to 2008, the population increased by an average of 14,850 people, or 2.7 percent, a year, with net in-migration accounting for 45 percent of population growth. Relatively affordable housing compared with other parts of the Wasatch Front region supported in-migration during the mid-2000s.

Population growth slowed during the recession, and from 2008 to 2010, the population increased by an average of 11,500 people, or 2.0 percent, a year, with net in-migration accounting for 27 percent of population growth. Less severe job loss compared with the nation during the recession continued to support in-migration during the late 2000s.

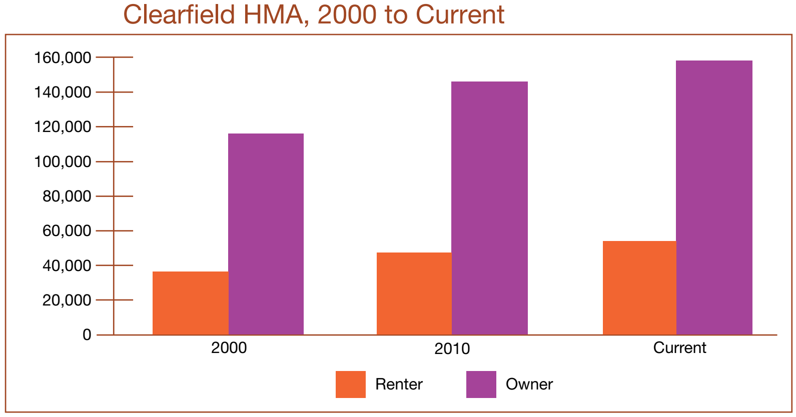
From 2010 to 2012, population growth slowed to an average of 1.2 percent, or 6,950 people, a year, partially because of net out-migration, which averaged 600 people a year. More than 20 percent of people that migrated out of the HMA moved to another MSA in the Wasatch Front region, taking advantage of the relatively more affordable housing prices in other areas resulting from price declines.

Job gains since 2012 supported a return to net in-migration averaging 3,550 people a year. The total population has grown by an average of 1.7 percent, or 10,650 people, a year since 2012, slower than the population growth rate during the 2000s. Housing price increases in nearby MSAs and an increase in the number of active-duty military personnel stationed at Hill AFB, up by 250 to 4,425 since 2012, have also contributed to the recent rise in population growth. Despite being the largest employer and a major economic contributor, households with active-duty military personnel stationed at Hill AFB are estimated to comprise less than 2 percent of all households in the HMA.

During the 3-year forecast period, population is expected to continue rising at the same rate as the past 5 years, increasing by an average of 1.7 percent, or 11,150 people, a year. In-migration, supported by job growth and lower housing prices relative to other areas along the Wasatch Front region, is expected to contribute to future population growth.

Household growth has also slowed since 2010. From 2000 to 2010, the number of households in the HMA increased by an average of 3,900, or 2.3 percent, a year, faster than the average increase of 2,875, or 1.4 percent, a year since 2010. Relatively lower population growth in the 2010s, including out-migration in the early 2010s, contributed to the slowing of household growth. Most of the slowdown in household growth is attributed to a slower increase in owner households, which have increased by an average of 1,800 a year since 2010, down from an average of 2,850 a year from 2000 to 2010. Figure 6 shows households by tenure in the HMA for 2000, 2010, and the current date. During the next 3 years, households are expected to increase at an average rate of 1.6 percent, or 3,400 a year, rising as a result of expected in-migration.

Figure 6. Number of Households by Tenure in the Ogden-Clearfield HMA, 2000 to Current



Note: The current date is April 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

Housing Market Trends

Sales Market

The sales housing market in the Ogden-Clearfield HMA is currently slightly tight. The home sales vacancy rate as of April 2017 is estimated at 1.4 percent, down from 1.9 percent in April 2010. The inventory of existing homes for sale is 1.8 months as of March 2017, down from 2.2 months a year earlier and 9.5 months in 2010 (Utah Association of Realtors®, with adjustments by the analyst). During the 12 months ending March 2017, total home sales, including new and existing homes, declined to 15,650, a 1-percent decrease from a year earlier (CoreLogic, Inc.). A decline in distressed sales (real estate owned [REO] and short sales) offset an increase in regular resales during the past year. New home sales remained unchanged form a year earlier. Continued declines in the inventory of existing homes for sale and in distressed sales supported a larger increase in home sales prices during the past 12 months. The average home sales price during the past 12 months rose 5 percent, to $253,600, up slightly from the 4-percent increase during the previous 12 months.

New home sales have been relatively unchanged since 2013. A construction labor shortage limited building new homes and contributed to rising home prices. New home sales averaged 1,450 homes a year from 2013 through 2016, up from a low of 1,025 during 2011, but well below the average of 3,725 homes sold a year from 2003 through 2007. During the 12 months ending March 2017, 1,525 homes sold, unchanged from the previous 12 months. New home sales prices averaged $342,400 during the 12 months ending March 2017, up 7 percent from a year earlier. New home sales prices have increased an average of 6 percent a year since the 2009 low of $230,900. Current new home sales prices are 6 percent above the 2007 peak of $323,500.

Existing home sales rose from 2012 through 2016, as local economic conditions improved. Existing home sales have increased an average of 10 percent a year since 2012 to a recent high of 14,200 during 2016, up from a low of 9,200 in 2011. Existing home sales during 2016 were below the average of 17,750 homes sold annually from 2004 through 2007. During the past 12 months, existing home sales declined by less than 1 percent, or 100, to 14,125 because of a 35-percent decline in distressed sales. Existing home sales prices averaged $244,100 during the 12 months ending March 2017, up 5 percent from a year earlier. Existing home sales prices have increased an average of 5 percent a year since the 2011 low of $192,100 and are 3 percent below the 2007 peak of $251,400. Distressed sales, which have an average sales price 13 percent below the average sales price of regular resales, comprised 6 percent of total existing home sales during the past 12 months, down from 10 percent during the previous 12 months and well below the peak of 30 percent during 2011.

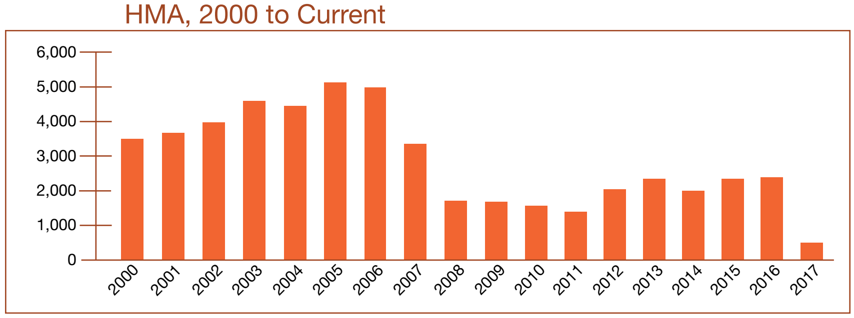
The rate of seriously delinquent loans (loans that are 90 or more days delinquent or in foreclosure) and REO properties in the HMA peaked at the same time as the nation in 2010 but did not increase as much as the national rate and recovered more rapidly. During 2010, the rate of seriously delinquent properties in the HMA peaked at 4.9 percent, compared with a peak of 8.6

percent for the nation. The rate of seriously delinquent mortgages and REO properties in the HMA was 1.1 percent during March 2017, compared with a 2.4-percent rate for the nation.

Single-family home construction, as measured by the number of single-family homes permitted, has been above recession-era levels since 2012 but is well below levels from the early to mid-2000s (Figure 7). Slower population growth since 2010, compared with population growth during the 2000s, has contributed to the lower level of demand for new homes. From 2000 through 2007, a period of job growth in the HMA, single-family homes permitted averaged 4,175 homes a year. As payrolls declined, and into the first year of recovery from the decline, single-family permitting fell to an average of 1,550 homes a year from 2008 through 2011. From 2012 through 2016, single-family permitting averaged 2,200 homes a year, approximately 650 homes a year above average recessionary levels but 1,975 homes below average prerecessionary levels. Despite rising average new home sales prices and declining inventory of existing homes for sale, single-family permitting during the past 12 months remained unchanged from the previous 12 months, at 2,150 homes permitted (preliminary data).

Single-family construction is occurring in nearly all parts of the HMA and is most active in the communities of North Ogden in Weber County and Clinton, Kaysville, Layton, and Syracuse in northern Davis County. New subdivisions tend to be farther from Interstate-15 compared with existing homes, because most of the land adjacent to Interstate-15 has already been developed. Clinton Homestead in northern Davis County is a single-family subdivision with homes ranging from $250,000 to $400,000. The 285-lot subdivision averaged three closings per month during the past 2 years. During the first quarter of 2017, 92 homes were completed. Seventeen homes are under construction, 9 lots are available for construction, and 167 lots are expected in future phases. North Ogden Cove is a 172-lot subdivision with homes ranging in price from $470,000 to $1.4 million. During 2016, eight homes sold in the subdivision, up from three homes sold during 2015, and approximately 145 lots are available for development.

Figure 7. Single-Family Homes Permitted in the Ogden-Clearfield HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through March 2017.

Sources: U.S. Census Bureau, Building Permits Survey, 2000–2016 final data and estimates by analyst; 2017 preliminary data and estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Ogden-Clearfield HMA During the Forecast Period

Price Range ($)		Units of Demand	Percent of Total
From	To		
240,000	299,999	2,725	35.0
300,000	399,999	2,725	35.0
400,000	499,999	1,550	20.0
500,000	and higher	780	10.0

Notes: The 740 homes currently under construction and a portion of the estimated 6,900 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is April 1, 2017, to April 1, 2020.

Source: Estimates by analyst

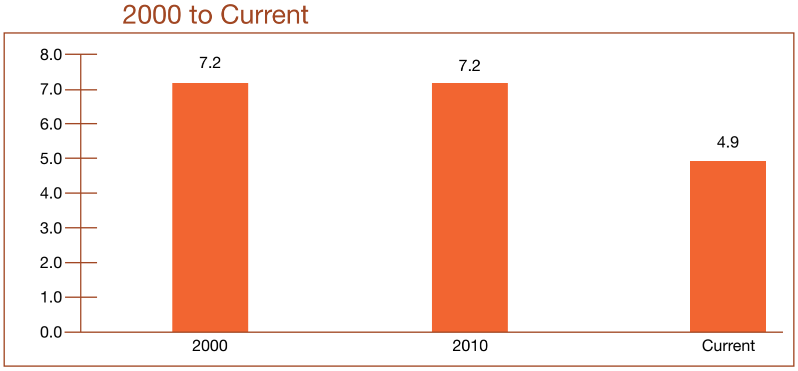
During the 3-year forecast period, demand is expected for an additional 7,750 homes (Table 1). The approximately 740 homes under construction and a portion of the 6,900 other vacant units that may come back on the market are expected to meet a portion of demand. Most of the demand is expected for homes priced below $400,000 (Table 4).

Rental Market

The rental housing market in the Ogden-Clearfield HMA is currently balanced, but tightening. The overall rental market vacancy rate (including single-family, homes, townhomes, mobile homes, and apartments) is currently estimated at 4.9 percent, down from 7.2 percent during 2010 (Figure 8). A tightening home sales market and rising sales prices forced some households that might prefer to own a home to remain renters, contributing to the tighter rental market compared with 2010.

Rental units comprise an increasing share of the overall housing market in the HMA. The share of renter households increased to 25.3 percent of all households, up from 24.0 percent in 2010 (Table DP-1 at the end of this report). The share of renter households in the HMA is well below the national rate of 36.4 percent. Rental units consist of approximately 35 percent single-family homes, 60 percent multifamily units, including apartments and renter-occupied townhomes and condominiums, and 5 percent mobile homes (2015 ACS 1-year data). Apartment communities comprise approximately 30 percent of all rental units in the HMA and tend to have lower average rent, compared with nonapartment units (estimate by the analyst with support from Utah Apartment Association, 2016).

Figure 8. Rental Vacancy Rates in the Ogden-Clearfield HMA, 2000 to Current



Note: The current date is April 1, 2017.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

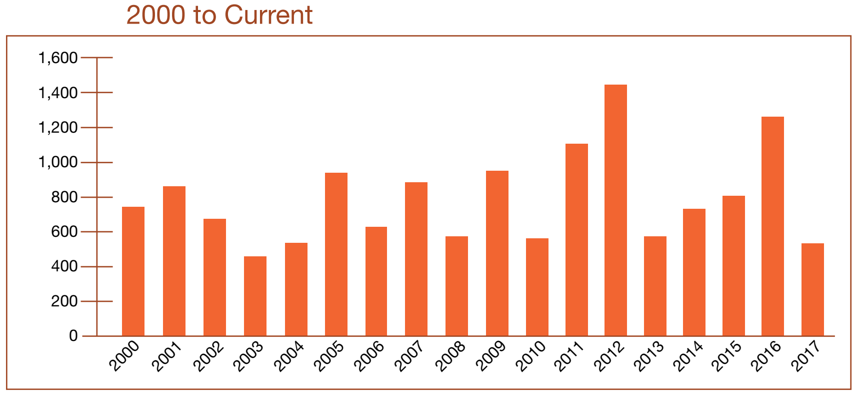
The apartment market is slightly tight. The current apartment vacancy rate was 4.0 percent during the first quarter of 2017, down from 4.3 percent during the same quarter a year earlier and 6.0 percent during 2010 (Reis, Inc.). The average rent during the first quarter of 2017 was $850 a month, up 4 percent from $825 a month during the same quarter a year earlier. The 4-percent rent increase during the past year is slightly higher than the average increase of 3 percent a year from 2010 to 2016. The average rent and vacancy rate are lower in Weber County, where Ogden City is, compared with Davis County, which is closer to Salt Lake City.

Multifamily construction, as measured by the number of units permitted, is up during the current decade compared with the 2000s. From 2000 through 2010, permitting averaged 700 units a year, including a decade high of 950 units during 2009 (Figure 9). Rapid population growth in the 2000s and a decline in the number of single-family homes built in the late 2000s supported demand for additional rental units. Demand for rental units rose as the post-recession economic recovery began, and single-family home construction remained low. During 2011 and 2012, multifamily permitting averaged 1,275 units a year. Permitting slowed to a low of 570 units during 2013 to allow for absorption of units completed during the previous 2 years. From 2014 through 2016, multifamily permitting rose by an average of 230 units a year. During the 12 months ending March 2017, the number of multifamily units permitted continued to rise, up by nearly 400 units, to 1,400 units permitted, from 1,025 units during the 12 months ending March 2016.

Building of new apartments tends to be near existing transportation infrastructure, including FrontRunner stations, a light rail line that opened in 2008 and connects to communities throughout the Wasatch Front region. Avanti at Farmington Station, a 142-unit project, is part of a larger mixed-use development called Station Park, which is adjacent to the Front Runner station in Farmington. The apartment complex opened in 2017 and is currently leasing one-bedroom units for $925, two-bedroom units for $1,150, and three-bedroom units for $1,600. The View on 20th, a 148-unit apartment complex in downtown Ogden, opened during 2016 and is also within one mile of a FrontRunner station. Average monthly rent is $900 for a one-bedroom unit and $1,150 for a two-bedroom unit.

During the 3-year forecast period, demand is expected for 3,325 additional rental units (Table 1). The 1,225 units currently under construction will meet a portion of demand during the next 2 years. Estimated demand is expected to be strongest for two-bedroom units with rents less than $1,200, although notable demand is also expected for one-bedroom units with rents less than $950 and for three-or-more-bedroom units with rents less than $1,400 a month (Table 5).

Figure 9. Multifamily Units Permitted in the Ogden-Clearfield HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through March 2017.

Sources: U.S. Census Bureau, Building Permits Survey, 2000–2016 final data and estimates by analyst; 2017 preliminary data and estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Ogden-Clearfield HMA During the Forecast Period

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand	Monthly Gross Rent ($)	Units of Demand
750 to 949	870	1,000 to 1,199	1,275	1,200 to 1,399	400
950 or more	290	1,200 or more	220	1,400 or more	270
Total	1,175	Total	1,500	Total	670

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 1,225 units currently under construction will likely satisfy some of the estimated demand. The forecast period is April 1, 2017, to April 1, 2020.

Source: Estimates by analyst

Data Profile

Table DP-1. Ogden-Clearfield HMA Data Profile, 2000 to Current

				Average Annual Change (%)	
	2000	2010	Current	2000 to 2010	2010 to Current
Total resident employment	235,371	265,606	306,400	1.2	2.3
Unemployment rate	3.6%	7.8%	3.3%		
Nonfarm payroll jobs	192,200	210,400	248,400	0.9	2.7
Total population	485,401	597,159	663,500	2.1	1.5
Total households	152,089	191,171	211,300	2.3	1.4
Owner households	116,735	145,316	157,900	2.2	1.2
Percent owner	76.8%	76.0%	74.7%		
Renter households	35,354	45,855	53,400	2.6	2.2
Percent renter	23.2%	24.0%	25.3%		
Total housing units	160,935	204,089	223,200	2.4	1.3
Owner vacancy rate	2.2%	1.9%	1.4%		
Rental vacancy rate	7.2%	7.2%	4.9%		
Median Family Income	$53,944	$66,661	$72,882	2.1	1.5

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through March 2017. Median Family Incomes are for 1999, 2009, and 2015. The current date is April 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 4/1/2017—Estimates by the analyst
Forecast period: 4/1/2017–4/1/2020—Estimates by the analyst

The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_Ogden_ClearfieldUT_17.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.