

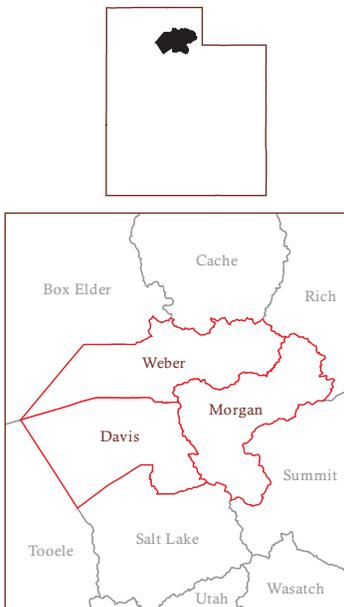


Ogden-Clearfield, Utah

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of January 1, 2012



Housing Market Area



The Ogden-Clearfield Housing Market Area (HMA) consists of Davis, Morgan, and Weber Counties and abuts the Salt Lake City metropolitan area. The HMA is home to Hill Air Force Base (AFB), with more than 22,500 military and civilian personnel. The area also includes a large service center for the Internal Revenue Service (IRS) that employs approximately 6,000 people. The current population of the HMA is estimated at more than 560,000.

Market Details

Economic Conditions 2
 Population and Households 4
 Housing Market Trends 5
 Data Profile 8

Summary

Economy

Economic conditions in the Ogden-Clearfield HMA have improved during the past year after 2 years of job losses. During 2011, nonfarm payrolls averaged 196,300 jobs, an increase of 4,400, or 2.3 percent, compared with the nonfarm payrolls recorded during 2010. By contrast, in 2010, payrolls decreased by 0.5 percent, or 1,000 jobs. Government employment, primarily at the federal level, accounts for nearly one-fourth of local payrolls. During the next 3 years, nonfarm payrolls in the HMA are expected to increase by 2,650 jobs, or 1.4 percent, annually, with approximately 80 percent of the growth concentrated in the manufacturing, leisure and hospitality, and education and health services sectors.

Sales Market

The sales housing market in the HMA is soft, with a current estimated vacancy rate of 1.7 percent. During the 3-year forecast period, demand is expected for approximately 7,575 new homes in the HMA (Table 1). A portion of the estimated 5,750 other

vacant units in the HMA may reenter the sales housing market and satisfy some of the forecast demand.

Rental Market

The rental housing market in the HMA is balanced, with a current estimated vacancy rate of 5.9 percent. Average rents increased by approximately 0.8 percent in the third quarter of 2011 compared with rents a year earlier. Demand is expected for 1,200 new rental units in the HMA during the 3-year forecast period. The nearly 600 units currently under construction will meet part of this demand (Table 1).

Table 1. Housing Demand in the Ogden-Clearfield HMA, 3-Year Forecast, January 1, 2012 to January 1, 2015

	Ogden-Clearfield HMA	
	Sales Units	Rental Units
Total Demand	7,575	1,200
Under Construction	100	590

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2012. A portion of the estimated 5,750 other vacant units in the HMA will likely satisfy some of the forecast demand. Includes an estimated demand for 150 mobile homes.

Source: Estimates by analyst

Economic Conditions

Economic conditions in the Ogden-Clearfield HMA have improved during the past year, with nonfarm payrolls increasing by 4,400, or 2.3 percent, to approximately 196,300 jobs (Table 2). This gain

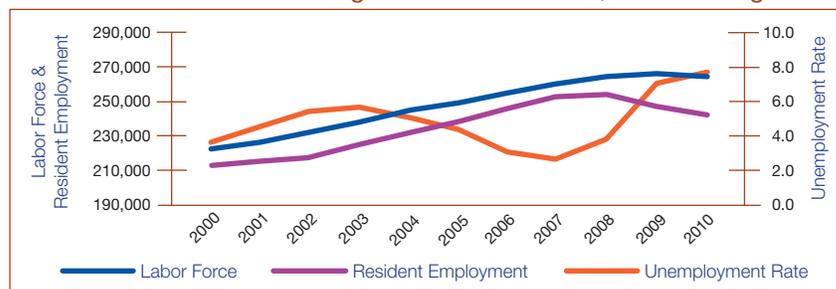
Table 2. 12-Month Average Nonfarm Payroll Jobs in the Ogden-Clearfield HMA, by Sector

	12 Months Ending December 2010	12 Months Ending December 2011	Percent Change
Total Nonfarm Payroll Jobs	191,900	196,300	2.3
Goods Producing	32,050	33,100	3.4
Mining, Logging, & Construction	11,700	11,550	- 1.1
Manufacturing	20,350	21,550	5.9
Service Providing	159,800	163,200	2.1
Wholesale & Retail Trade	29,750	30,000	0.7
Transportation & Utilities	6,375	6,425	0.8
Information	2,025	2,075	2.5
Financial Activities	8,075	7,825	- 3.1
Professional & Business Services	20,800	21,300	2.5
Education & Health Services	23,250	23,900	2.8
Leisure & Hospitality	17,700	20,300	14.8
Other Services	5,600	5,600	0.1
Government	46,300	45,750	- 1.1

Notes: Based on 12-month averages through December 2010 and December 2011. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Ogden-Clearfield HMA, 2000 Through 2010



Source: U.S. Bureau of Labor Statistics

Table 3. Major Employers in the Ogden-Clearfield HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Hill Air Force Base	Government	22,500
Internal Revenue Service	Government	6,000
McKay-Dee Hospital Center	Education & Health Services	3,500
Wal-Mart Stores, Inc.	Wholesale & Retail Trade	3,000
Autoliv Inc.	Manufacturing	1,500
Fresenius USA Manufacturing, Inc.	Manufacturing	1,500
Lagoon Corp.	Leisure & Hospitality	1,500
Lifetime Products, Inc.	Manufacturing	1,500
Smith's Marketplace	Wholesale & Retail Trade	1,500
Weber State University	Education & Health Services	1,500

Note: Excludes local school districts.

Source: Moody's Economy.com

followed 2 years of job losses during which payrolls declined by 3,500 jobs, or 1.7 percent, annually. From 2000 to 2007, nonfarm payrolls increased by an average of 3,900 jobs, or 2.1 percent, annually. Because of the recent job gains, the unemployment rate averaged 7.5 percent in 2011, down from 7.8 percent in 2010. Figure 1 shows trends in resident employment, labor force, and the unemployment rate from 2000 through 2010.

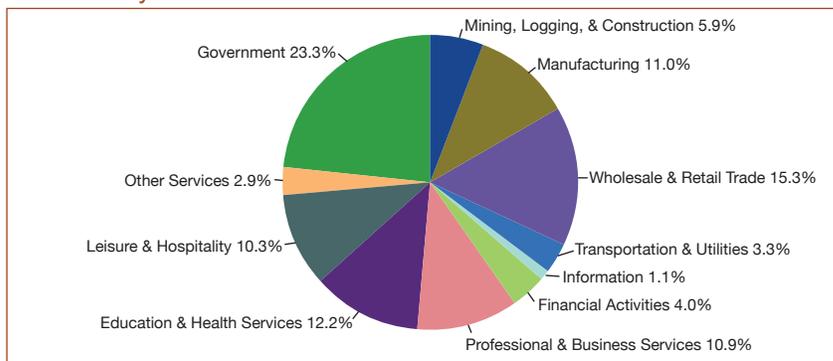
The federal government is a major economic presence in the HMA, accounting for nearly 10 percent of total nonfarm payrolls compared with 3 percent for Utah and 2 percent nationally. Hill AFB, the largest employer at a single site in Utah, employs more than 22,500 military and civilian personnel. According to a University of Utah study, the base contributed more than \$3.5 billion annually to the state economy in 2010, with nearly all of the economic impact concentrated in the Ogden-Clearfield area. The IRS also employs approximately 6,000 people at a facility in Ogden. More than 3,000 federal government jobs have been lost since April 2011, a decline of nearly 10 percent. The cuts are expected to wind down by early next year, but they may persist for longer.

The largest private employers in the HMA include McKay-Dee Hospital Center, Wal-Mart Stores, Inc., and Autoliv Inc., with 3,500, 3,000, and 1,500 employees, respectively (Table 3). The HMA serves as the headquarters for several companies in the manufacturing sector, including Autoliv Inc., Fresenius USA Manufacturing Inc., and Lifetime Products, Inc. Although the share of total nonfarm payrolls in the manufacturing sector has declined from 14.3 percent in 2000 to 10.6 percent in 2010, manufacturing

continues to contribute significantly to the economy of the HMA. From 2000 to 2008, manufacturing employment remained relatively stable, with payrolls averaging 23,100 jobs, before declining to an average of 20,500 jobs in 2009 and 2010. In 2011, the manufacturing sector regained some of the jobs lost during the recession, increasing by 1,200 jobs, or 5.9 percent, to an average of 21,600. Figure 2 shows the share of total nonfarm payroll jobs in the HMA by sector, and Figure 3 illustrates growth by sector in the HMA from 2000 to the current date.

Nonfarm payroll jobs in the leisure and hospitality and the education and health services sectors increased by 2,600 and 650 jobs, or 14.8 and 2.8 percent, respectively, in 2011. Total spending by travelers and tourists in the HMA is estimated to have increased by 4.5 percent in 2010, following a decline of 6.5 percent in 2009. The Ogden Field House, a planned \$35 million recreation center, with a 60,000-square-foot water park, tennis courts, indoor fields, and a cycling track, is expected to have 350,000 local visitors in 2013 and could potentially add as many as 300 jobs.

Figure 2. Current Nonfarm Payroll Jobs in the Ogden-Clearfield HMA, by Sector

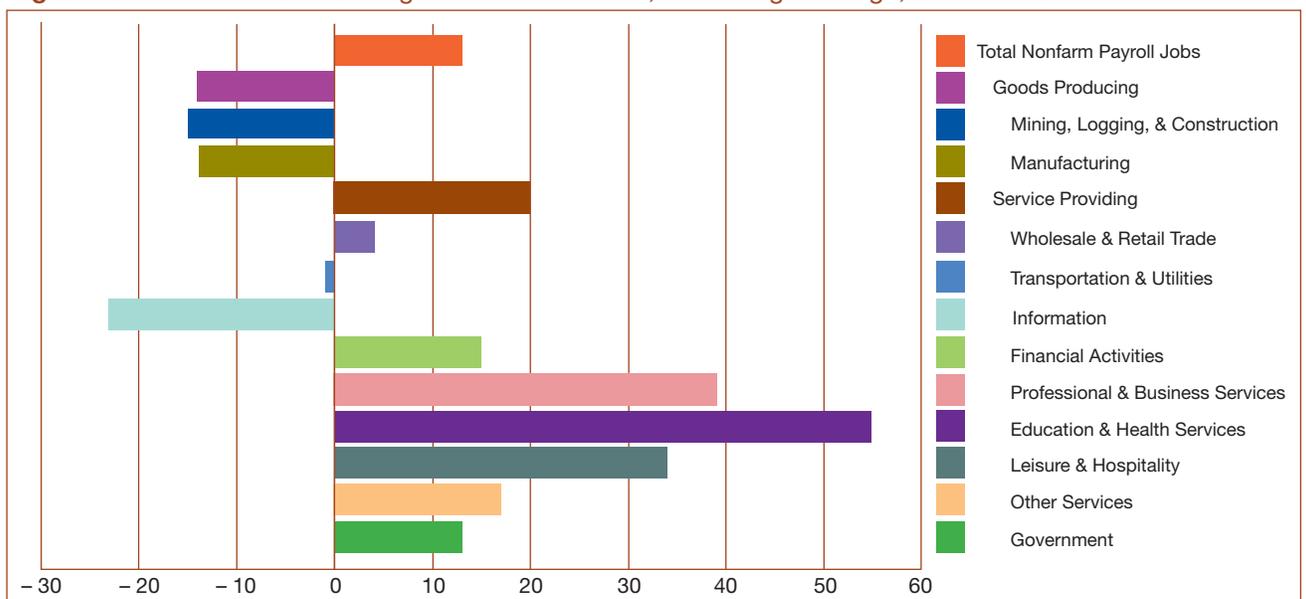


Note: Based on 12-month averages through December 2011.

Source: U.S. Bureau of Labor Statistics

During the next 3 years, nonfarm payrolls in the HMA are expected to increase by an average of 2,650, or 1.4 percent, annually. The manufacturing, leisure and hospitality, and education and health services sectors are expected to contribute most of the estimated addition to nonfarm payrolls. Job growth is expected to be strongest in the second and third years of the forecast period.

Figure 3. Sector Growth in the Ogden-Clearfield HMA, Percentage Change, 2000 to Current



Note: Current is based on 12-month averages through December 2011.

Source: U.S. Bureau of Labor Statistics

Population and Households

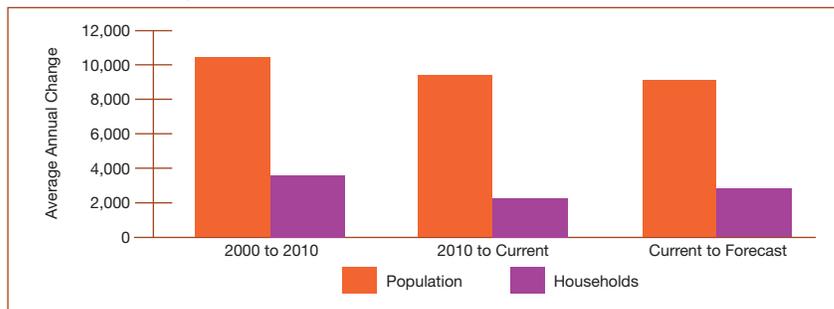
The current population of the Ogden-Clearfield HMA is estimated at 563,500. Since 2008, the population has increased by 2.2 percent annually compared with growth of 2.6 percent annually from 2004 through 2007. By contrast, population growth averaged 1.7 percent from 2000 through 2003. From 2000 to 2010, nearly 70

percent of the population growth was because of net natural change (resident births minus resident deaths), which averaged approximately 7,200 people a year; net in-migration averaged about 3,250 people a year. From 2000 through 2005, net in-migration averaged approximately 1,700 people a year, but this average increased to 6,175 people a year from 2006 through 2008. During this period, approximately 65 percent of net in-migration to the HMA was to Davis County, which also has extensive commuting into Salt Lake City. Workers in areas such as Salt Lake City are willing to commute the longer distance from the HMA because of its relatively affordable housing. The most recent recession has caused net in-migration to slow to an average of 2,450 people annually during the past 3 years.

Table DP-1 at the end of the report contains information on population and household growth for the HMA from 2000 to the current date. Figure 4 shows population and household growth since 2000 and Figure 5 shows components of population change in the HMA since 2000.

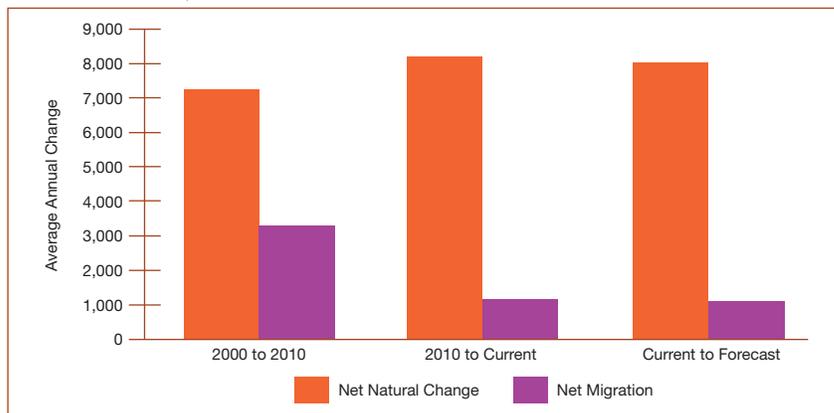
Currently, an estimated 179,000 households are in the HMA. Like population growth, household growth has slowed since 2008, averaging approximately 4,000, or 2.3 percent, annually from 2008 to 2010 compared with 4,150, or 2.6 percent, annually from 2004 through 2007. Household growth increased at an average annual rate of 2,425, or 1.7 percent, from 2000 through 2003. Since 2010, household growth has continued to decline, down to an average of 2,225, or 1.3 percent, a year. Of the current households, approximately 134,700, or 75.3 percent, are homeowners, and the remaining 44,300 are renters (Figure 6). Owner

Figure 4. Population and Household Growth in the Ogden-Clearfield HMA, 2000 to Forecast



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

Figure 5. Components of Population Change in the Ogden-Clearfield HMA, 2000 to Forecast



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

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



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

household growth averaged 2.3 percent a year from 2000 to 2010 compared with growth of 2.6 percent a year in renter households. Since 2010, renter household growth has averaged 2.8 percent a year compared with 0.9 percent annually for owners. The slower growth in owner households is partly because of a shift toward renting among households following the recent recession, a response to the weak economy and tight lending standards.

During the next 3 years, the population in the HMA is expected to increase by

an average of 9,100, or 1.6 percent, annually. Expected cuts in federal spending are likely to reduce immigration during the forecast period. Net in-migration is expected to average 975 a year during the first year of the forecast period before increasing to an average of 1,150 during the second and third years of the forecast period. The number of households is expected to increase during the forecast period at an average rate of 2,875, or 1.6 percent, annually.

Housing Market Trends

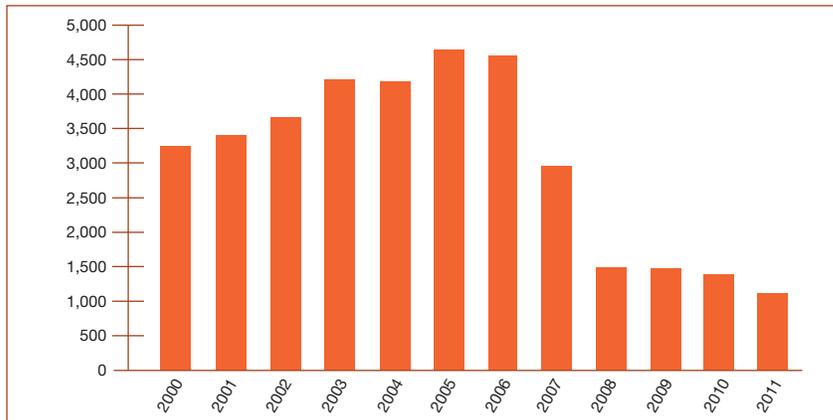
Sales Market

The sales housing market in the Ogden-Clearfield HMA is currently soft, with an estimated vacancy rate of 1.7 percent. According to data from the Utah Association of REALTORS®, during the 12 months ending November 2011, the number of home sales declined to 5,600, down 1 percent compared with 5,650 sales a year earlier. The home sales total during the 12-month period ending November 2010, however, was inflated by the first-time homebuyer tax credit program, which expired in April 2010. During the 12 months ending November 2011, the median home sales price fell nearly 9 percent to about \$163,525. The price decrease is partly because of an increase in REO (Real Estate Owned) and foreclosed homes as a share of total sales. Distressed homes sold, on average, for approximately \$38,500 less than other existing homes in the HMA, according to data from Hanley Wood, LLC. More than 1,400

residential foreclosure sales were completed during 2011 compared with an annual average of 850 completed from 2006 through 2008. In a favorable sign, the number of distressed mortgages has decreased. According to data from LPS Applied Analytics, the number of home loans that were 90 or more days delinquent, in foreclosure, or in REO in 2011 represented 5 percent of all outstanding home loans in the HMA, down from 5.2 percent in 2010. By comparison, the number of loans 90 or more days delinquent, in foreclosure, or in REO was 5.6 percent in Utah and 7.8 percent nationally in 2011. Weber County had a higher number of these loans, with a rate of 5.6 percent in 2011 compared with 4.3 and 3.5 percent in Davis and Morgan Counties, respectively, primarily because of the prevalence of vacation and second homes located near the ski areas in Weber County.

In response to decreasing sales in the HMA, single-family homebuilding activity, as measured by the number of homes permitted, declined from an average of 4,600 homes a year from 2005 through 2006 to an average of approximately 1,375 homes annually

Figure 7. Single-Family Building Permits Issued in the Ogden-Clearfield HMA, 2000 to 2011



Notes: Includes townhomes. Includes data through December 2011.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Ogden-Clearfield HMA, January 1, 2012 to January 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
155,000	199,999	1,125	15.0
200,000	249,999	2,975	40.0
250,000	299,999	1,850	25.0
300,000	399,999	740	10.0
400,000	499,999	450	6.0
500,000	and higher	300	4.0

Notes: The 100 homes currently under construction and a portion of the estimated 5,750 other vacant units in the HMA will likely satisfy some of the forecast demand. Excludes an estimated demand for 150 mobile homes.

Source: Estimates by analyst

from 2008 to 2010 (Figure 7). According to preliminary data from the University of Utah, during 2011, new home construction totaled 1,100 homes, a 14-percent decrease from the 1,400 single-family permits issued a year earlier. Single-family home construction activity is concentrated in the southern Davis County cities of Farmington, Layton, and Centerville and the northern Weber County cities of North Ogden and Pleasant View. Combined, these cities account for approximately 60 percent of total single-family homebuilding activity in the HMA. One new development, Farmington Crossing, in Davis County, has new homes ranging in price from \$155,000 to \$180,000 for townhomes and from \$199,000 to \$207,000 for detached single-family homes.

During the next 3 years, demand is expected for approximately 7,575 new homes in the HMA, including 150 mobile homes. A portion of the estimated 5,750 other vacant units in the HMA may reenter the sales housing market and satisfy some of the forecast demand. Demand is expected to be greatest for homes priced between \$200,000 and \$250,000. Table 4 illustrates estimated demand for new market-rate sales housing in the HMA by price range.

Rental Market

Rental market conditions in the Ogden-Clearfield HMA have improved in the past year, and conditions are now balanced, with an estimated 5.9-percent vacancy rate, down from 7.2 percent in April 2010 (Figure 8). The apartment market is tighter than the overall rental housing market. According to Reis, Inc., in the third quarter of 2011, the

apartment vacancy rate was 4.5 percent, down from 5.1 percent during the same quarter a year ago. Recent growth in renter households has outpaced the construction of multifamily rental properties. According to Reis, Inc., average asking rents in the third quarter of 2011 were \$625 for one-bedroom, \$755 for two-bedroom, and

\$900 for three-bedroom units. Asking rents have increased by approximately 1 percent in the third quarter of 2011 from the same quarter a year ago.

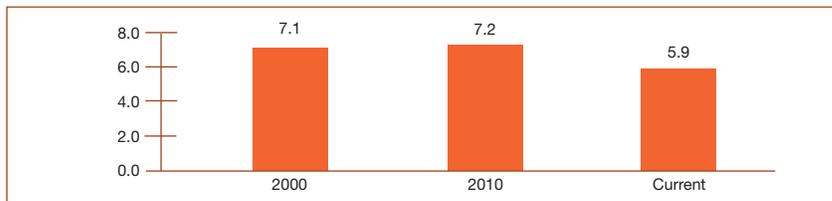
The military presence in the HMA affects the local rental housing market. Approximately 16,000, or 70 percent, of the military and civilian personnel in the area live off base, with most living in rental units. Approximately 10 percent of the current renter households in the HMA are composed of active-duty military and military-connected households. The military and its contractors operate approximately 1,080 family units and 525 barrack beds at the base. The Air Force recently released the Fiscal Year 2013 Force Structure Announcement, and Hill AFB staffing is estimated to decrease by 225 military and civilian personnel during 2012 and 2013.

Multifamily construction, as measured by the number of units permitted,

peaked in 2004, when nearly 800 units were authorized in the HMA. Based on preliminary data from the University of Utah, during 2011, 690 multifamily units were permitted, up from 275 in 2010. This figure is higher than the average of 250 units permitted from 2007 through 2009. Since 2000, approximately 50 percent of the multifamily development in the HMA has consisted of apartments near Ogden and Hill AFB, and condominium and townhome multifamily development has been largely concentrated near the ski areas and commuting centers closer to Salt Lake City. Figure 9 shows the number of multifamily units permitted annually from 2000 through 2011. All of the current multifamily rental construction is in Davis County, in cities such as Farmington and Kaysville. Park Lane Village Apartments, a 324-unit development currently under construction, is expected to have average rents of \$800 for one-bedroom, \$1,025 for two-bedroom, and \$1,150 for three-bedroom units, and it is expected to be completed in September 2012. Another new development, the 158-unit Legacy Crossing Apartments in Centerville, is expected to be completed in August 2012. The monthly rents are expected to average \$810 for one-bedroom units and \$985 for two-bedroom units. Table 5 shows estimated demand for rental housing in the HMA by number of bedrooms and rent range.

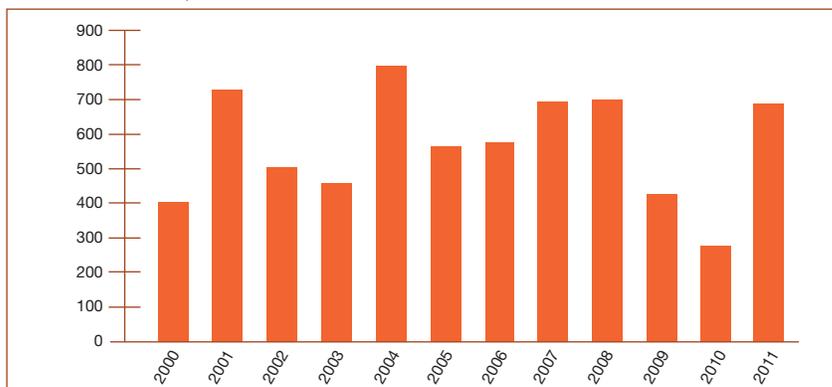
During the 3-year forecast period, demand is expected for an additional 1,200 rental units in the HMA. The 590 rental units currently under construction and the 250 additional units in planning are sufficient to satisfy rental housing demand during the first 2 years of the forecast period. Demand for 350 units is expected in the third year of the forecast period.

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



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

Figure 9. Multifamily Building Permits Issued in the Ogden-Clearfield HMA, 2000 to 2011



Notes: Excludes townhomes. Includes data through December 2011.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Housing Market Trends

Rental Market *Continued*

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Ogden-Clearfield HMA, January 1, 2012 to January 1, 2015

Zero Bedrooms		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	Monthly Gross Rent (\$)	Units of Demand
685 to 884	45	800 to 999	120	985 to 1,184	100	1,150 to 1,349	30
885 to 1,084	35	1,000 to 1,199	95	1,185 to 1,384	85	1,350 to 1,549	25
1,085 to 1,284	35	1,200 to 1,399	95	1,385 to 1,584	85	1,550 to 1,749	25
1,285 to 1,484	25	1,400 to 1,599	70	1,585 to 1,784	60	1,750 to 1,949	20
1,485 to 1,684	25	1,600 to 1,799	70	1,785 to 1,984	60	1,950 or more	25
1,685 or more	10	1,800 or more	25	1,985 or more	20		
Total	180	Total	480	Total	420	Total	120

Notes: Numbers may not add to totals because of rounding. The 590 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profile

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

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	214,881	243,801	222,700	1.3	- 8.7
Unemployment Rate	3.6%	7.8%	7.5%		
Nonfarm Payroll Jobs	174,400	191,900	196,300	1.0	2.3
Total Population	442,656	547,184	563,500	2.1	1.7
Total Households	138,945	175,113	179,000	2.3	1.3
Owner Households	106,191	132,712	134,700	2.3	0.9
Percent Owner	76.4%	75.8%	75.3%		
Renter Households	32,754	42,401	44,300	2.6	2.5
Percent Renter	23.6%	24.2%	24.7%		
Total Housing Units	146,726	186,763	189,800	2.4	0.9
Owner Vacancy Rate	2.2%	1.9%	1.7%		
Rental Vacancy Rate	7.1%	7.2%	5.9%		
Median Family Income	NA	\$66,701	\$66,449	NA	- 0.4

NA = data not available.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through December 2011. Median family incomes are for 1999, 2009, and 2010.

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: 1/1/2012—Analyst's estimates

Forecast period: 1/1/2012–1/1/2015—Analyst's estimates

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 HUD's analysis, 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 www.huduser.org/publications/pdf/CMARtables_OgdenClearfieldUT_12.pdf.

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This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (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 HUD's Economic and Market Analysis Division. 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
www.huduser.org/publications/econdev/mkt_analysis.html.