

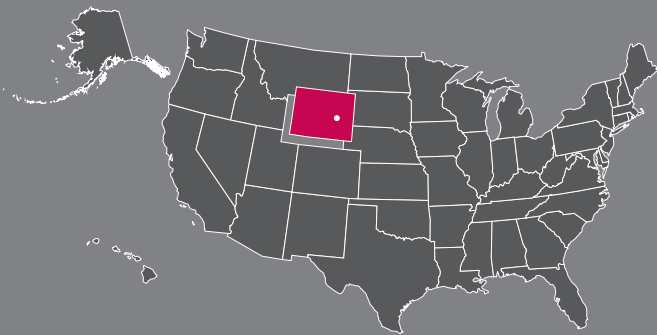
HUD PD&R Housing Market Profiles

Casper, Wyoming



Quick Facts About Casper

- **Current sales market conditions: balanced.**
- **Current rental market conditions: tight.**
- **In 2009, Chevron Global Power Company opened the first wind farm in the metropolitan area, with 11 1.5-megawatt wind turbines capable of providing enough energy to power up to 4,400 average-sized homes.**



By Katharine Auchter | As of July 1, 2014

Overview

The Casper metropolitan area is coterminous with Natrona County in central Wyoming. The city of Casper is the second largest in the state, behind the state capital, Cheyenne. Established as a fort during the 19th century western migration, the city of Casper is now a regional center for trade, business services, and health care in central Wyoming. Energy industry activities in the Casper metropolitan area and surrounding areas include oil and natural gas drilling, coal and uranium mining, and wind farming.

- As of July 1, 2014, the estimated population of the metropolitan area was 81,900, an increase of 930, or 1.1 percent, from a year earlier.
- Since April 2010, the population has increased by an average of 1,525, or 1.9 percent, annually compared with the increase of 1,100 people, or 1.5 percent, annually from 2005 through 2010, because energy-related employment has increased.
- Since 2010, net in-migration has accounted for approximately 75 percent of population growth, or 1,125 people annually, mainly because of expansions in the energy industries and the services related to energy industries.



Growth in mining, logging, and construction sector payrolls partially offset losses in other sectors in the Casper area during the second quarter of 2014.

	3 Months Ending		Year-Over-Year Change	
	June 2013 (thousands)	June 2014 (thousands)	Absolute (thousands)	Percent
Total nonfarm payrolls	42.3	41.8	-0.5	-1.2
Goods-producing sectors	8.9	9.2	0.3	3.4
Mining, logging, and construction	7.1	7.5	0.4	5.6
Manufacturing	1.7	1.7	0.0	0.0
Service-providing sectors	33.5	32.6	-0.9	-2.7
Wholesale and retail trade	7.6	7.4	-0.2	-2.6
Transportation and utilities	1.5	1.5	0.0	0.0
Information	0.4	0.4	0.0	0.0
Financial activities	2.1	2.0	-0.1	-4.8
Professional and business services	3.1	3.0	-0.1	-3.2
Education and health services	5.9	5.8	-0.1	-1.7
Leisure and hospitality	4.6	4.5	-0.1	-2.2
Other services	2.2	2.0	-0.2	-9.1
Government	6.1	6.0	-0.1	-1.6
	(percent)	(percent)		
Unemployment rate	4.2	3.7		

Note: Numbers may not add to totals because of rounding.
Source: U.S. Bureau of Labor Statistics

Economic Conditions

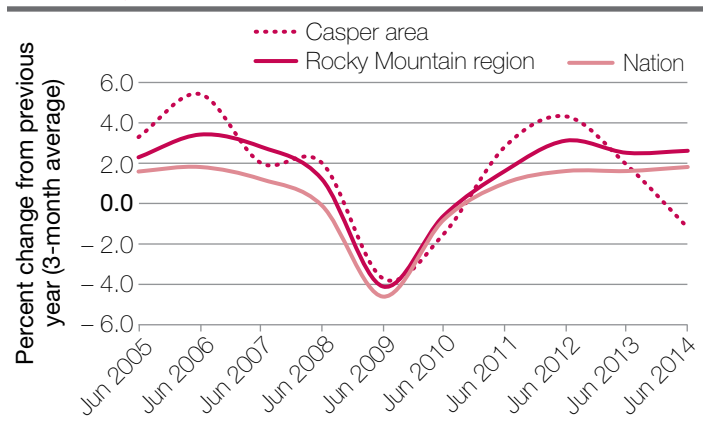
Nonfarm payrolls in the Casper metropolitan area declined slightly in the past year. Despite the decline, the economy has recovered from the losses that occurred in 2009 and 2010, when nonfarm payrolls decreased by an average of 1,200 jobs, or 2.9 percent, annually. More than 40 percent of job losses during 2009 and 2010 were in the mining, logging, and construction sector. From 2011 through 2013, the metropolitan area economy gained an average of 1,200 jobs, or 3.1 percent, annually.

During the second quarter of 2014—

- Nonfarm payrolls averaged 41,800 jobs, a decrease of 500 jobs, or 1.2 percent, compared with nonfarm payrolls during the same period a year earlier.
- The largest employment sector—the mining, logging, and construction sector—was the only sector that gained jobs, increasing by 400 jobs, or 5.6 percent, from a year earlier. The construction subsector led growth, with an increase of 300 jobs, or 8.7 percent.
- Offsetting these job gains, payrolls in all remaining sectors either decreased or remained unchanged, with the greatest losses occurring in the wholesale and retail trade and the other services sectors, which declined by 200 jobs each, or 2.6 and 9.1 percent respectively, from the same period a year earlier.

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Nonfarm payrolls declined in the Casper area during the past year.



Note: Nonfarm payroll jobs.
Source: U.S. Bureau of Labor Statistics

Largest employers in the Casper area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Wyoming Medical Center	Education and health services	1,540
City of Casper	Government	600
Glass Doctor	Wholesale and retail trade	385

Note: Excludes local school districts.
Sources: Casper Area Economic Development Alliance; A to Z databases, 2013



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- Despite losses in nonfarm payrolls, the unemployment rate averaged 3.7 percent, down from 4.2 percent during the second quarter of 2013, as net in-migration slowed and resident employment growth outpaced the gains in the labor force.

Major nonresidential construction projects under way in the metropolitan area include a railcar loading facility and a new high school. Construction on the Casper Crude to Rail Terminal began in

September 2013, and the facility is expected to open in the summer of 2014. The terminal, adjacent to Casper/Natrona County International airport, will have an initial storage capacity of 750,000 barrels of crude oil, with expansion potential to 2 million barrels of crude oil. In April 2014, construction began on the \$36.6 million Roosevelt High School and the Center for Advanced and Professional Studies, expected to open in January 2016.

Sales Market Conditions

Sales housing market conditions in the Casper metropolitan area are currently balanced, with an estimated sales vacancy rate of 1.5 percent, down slightly from 1.7 percent in April 2010. Approximately 1,650 existing single-family homes, townhomes, and condominiums sold during the 12 months ending May 2014 (the most current data available), essentially unchanged from the same period a year earlier (CoreLogic, Inc.; adjustments by the analyst). The sales price of an existing home averaged \$238,300, up more than 5 percent compared with the average price during the previous 12 months.

- Although the number of existing home sales remains 27 percent below the previous peak average of 2,250 homes sold in 2006 and 2007, the average price is 7 percent higher than the \$223,100 recorded during that 2-year period.
- New home sales accounted for 14 percent of total sales during the past 12 months. New home sales totaled 270, up by 30 homes, or more than 12 percent, from the same period a year earlier. The average new home sales price was \$297,000, up nearly 8 percent from the previous 12-month period.
- After 370 new homes sold in 2007 at an average price of \$290,300, sales decreased by nearly 50 homes a year, or 17

percent, to 170 homes during 2011, as population and employment growth slowed. From 2007 through 2011, the average new home sales price decreased to \$274,100, an average decline of 4 percent annually.

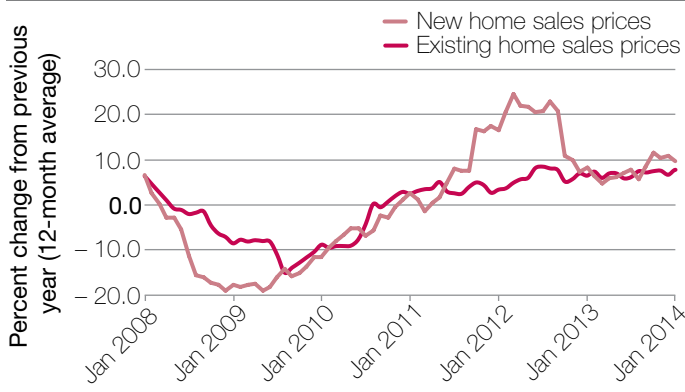
- As of June 2014, 2.0 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO (Real Estate Owned) status, down from 2.4 percent in June 2013 (Black Knight Financial Services, Inc.).

Reflecting the slower population and payroll growth during the past year, home construction, as measured by the number of single-family homes permitted, decreased nearly 7 percent, to 290 homes, during the 12 months ending June 2014 compared with the number permitted during the previous 12 months (preliminary data).

- From 2005 through 2007, single-family permitting averaged 430 new homes annually, the most since 1980.
- Subsequently, from 2008 through 2011, the number of homes permitted decreased by 43, or 12 percent, annually, before increasing again to an average of 350 units annually in 2012 and 2013.

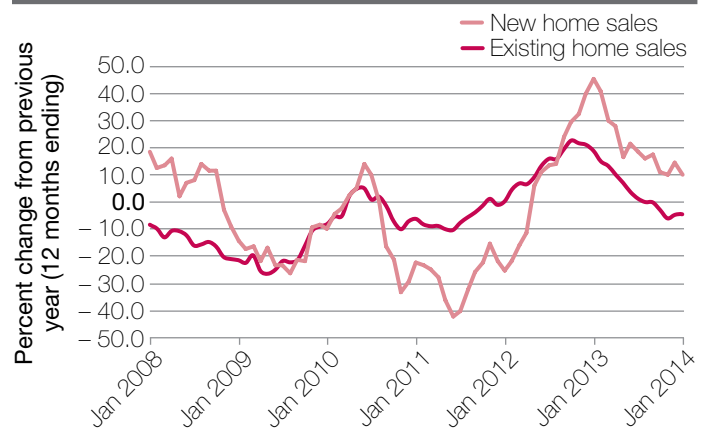
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New and existing home sales prices in the Casper area have increased since 2011.



Note: Includes single-family homes, townhomes, and condominiums. Sources: CoreLogic, Inc.; adjustments by the analyst

Since September 2012, new home sales have increased at a higher rate than existing home sales in the Casper area.



Note: Includes single-family homes, townhomes, and condominiums. Sources: CoreLogic, Inc.; adjustments by the analyst

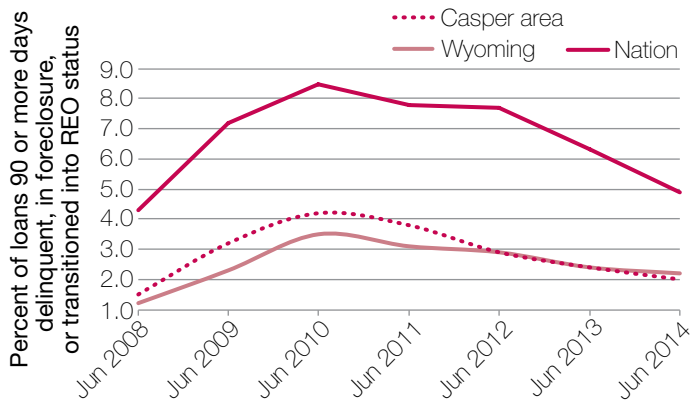


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- Construction began in December 2013 on the first phase of the Gosfield Village Addition within the Centennial Hills Village community on the east side of the city of Casper. Of approximately

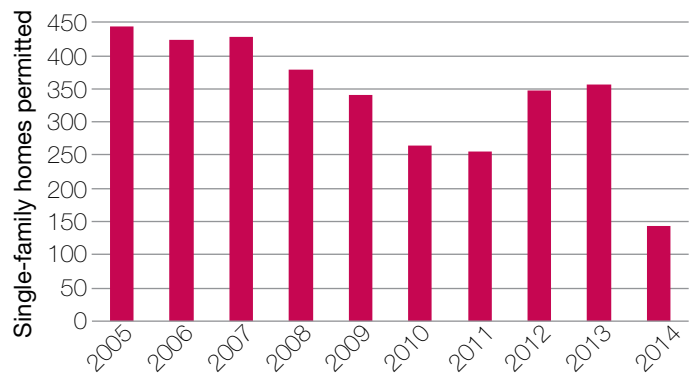
35 planned lots, five model homes are complete and seven lots have sold. The price of a new home in this subdivision starts at approximately \$260,000.

Loan delinquency rates in the Casper area have been consistently less than one-half the national rate.



REO = Real Estate Owned.
Source: Black Knight Financial Services, Inc.

Single-family construction in the Casper area has increased since 2012 but remained less than it was from 2005 through 2008.



Note: Includes preliminary data from January 2014 through June 2014.
Source: U.S. Census Bureau, Building Permits Survey

Rental Market Conditions

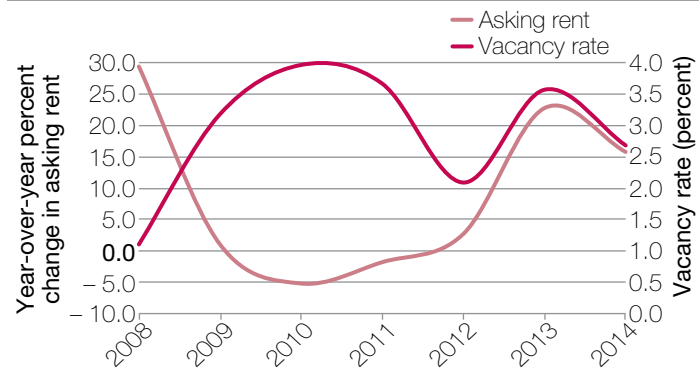
Rental housing market conditions in the Casper metropolitan area are currently tight. The share of renter households has increased since 2010 in response to tight mortgage lending standards that encourage some households to rent rather than own. Renter households currently account for an estimated 32.4 percent of all households, up from 29.7 percent in 2010. Significant net in-migration since 2010 has also contributed to increased demand for rental housing.

- The rental vacancy rate in June 2014 was 2.7 percent, down from 3.6 percent in June 2013 (Wyoming Community Development Authority).

- The average rent for market-rate apartments in June 2014 was \$966, up nearly 16 percent from \$834 a year earlier.
- In addition to the tight rental market conditions contributing to the increase in average rents, the construction of many new luxury units built since 2010 has contributed to the rent increases.
- More than 35 percent of renter households reside in single-family detached homes. The average monthly rent for single-family homes in June 2014 was \$1,197, up 11 percent from \$1,075 a year earlier.

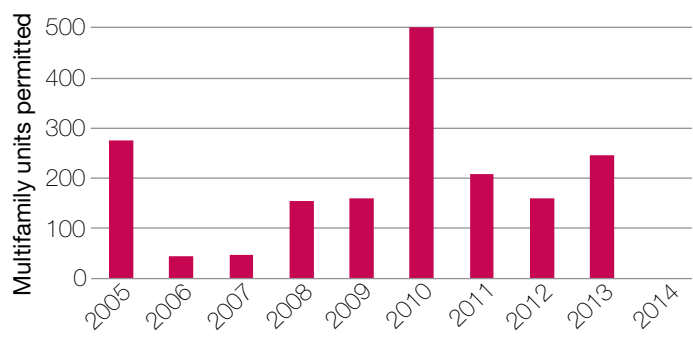
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Tight rental market conditions and the completion of luxury units have led to an increase in rents in the Casper area since 2012.



Source: Wyoming Community Development Authority

Although strong multifamily construction has not yet alleviated tight rental market conditions of recent years in the Casper area, no units have been permitted in 2014.



Note: Includes preliminary data from January 2014 through June 2014.
Source: U.S. Census Bureau, Building Permits Survey



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Despite tight rental market conditions, multifamily construction did not increase significantly in the past 3 years.

- During the 12 months ending June 2014, 190 multifamily units were permitted, down 19 percent compared with number permitted during the same period a year earlier (preliminary data).
- After peaking in 2010 at 500 units permitted, multifamily construction averaged 180 units annually in 2011 and 2012.
- Virtually no condominiums have been built in the metropolitan area since the 276-unit Village At Sage Creek opened in 2008.

- Construction of the 160-unit second phase at The Preserve at Greenway Park apartments was completed in 2013. Rents start at \$920 for a one-bedroom unit, \$1,270 for a two-bedroom unit, and \$1,695 for a three-bedroom unit.
- The 128-unit third phase of The Ridge at Blackmore is currently under construction, with the first units expected to be available in November 2014. The final completion date and proposed rents are not yet available.

