

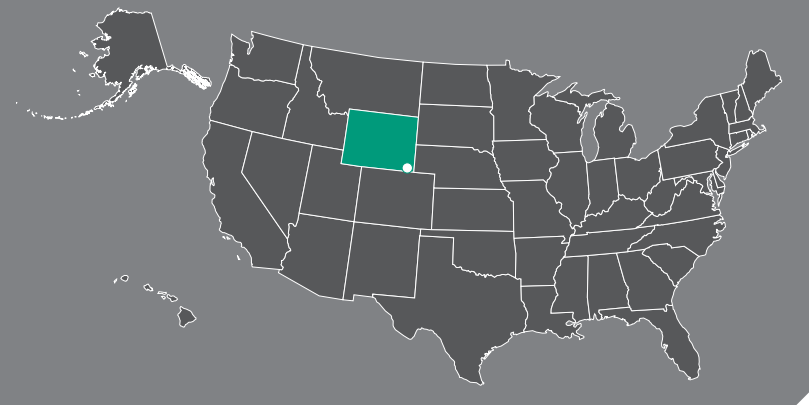
HUD PD&R Housing Market Profiles

Cheyenne, Wyoming



Quick Facts About Cheyenne

- Current sales market conditions: slightly tight
- Current apartment market conditions: balanced
- In addition to being the largest metropolitan area in Wyoming, the Cheyenne metropolitan area is also home to the largest outdoor rodeo in the world, the Cheyenne Frontier Days, which has taken place annually since 1898 and attracts top-ranked rodeo competitors from all over the world. In 2019, more than 262,500 rodeo attendees spent nearly \$28 million in Laramie County, creating more than 300 full and part-time jobs for local residents (Cheyenne Frontier Days).



By Jeremy Albright | As of April 1, 2022

Overview

The Cheyenne metropolitan area is coterminous with Laramie County in southeastern Wyoming. The city of Cheyenne is the state capital of Wyoming and the home of F.E. Warren Air Force Base (AFB), one of three strategic missile bases in the United States and one of the oldest continuously active military installations in the nation. The metropolitan area also has a sizable oil and gas industry, contributing to high-paying jobs for many residents. Wyoming is one of nine states without an individual income tax, making it a popular destination for retirees and high-income remote workers, often topping lists of the best places to retire published by MoneyWise, SmartAsset, and Insider (previously named Business Insider).

- As of April 1, 2022, the population of the Cheyenne metropolitan area is estimated at 102,000, reflecting an increase of 750, or 0.8 percent, annually since July 2015 (Census Bureau population estimates as of July 1 and estimates by the analyst). By comparison, from 2010 to 2015, the population increased by an average of 990, or 1.1 percent, annually.
- Net in-migration to the Cheyenne metropolitan area has become less dependent on economic growth since the

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COVID-19 pandemic began. Net in-migration from 2010 to 2015 averaged 440 people a year during a period of higher-than-average nonfarm payroll growth. By comparison, from 2015 to 2019, net in-migration averaged 170 people a year. In recent years, however, as increasing numbers of remote workers relocated from more expensive metropolitan areas, net in-migration has increased and become less sensitive to local job growth. Since 2019, net in-migration has grown to an average of 550 people a year.

- The Cheyenne metropolitan area attracts and retains retirees because of its relatively low cost of housing and low taxes

Economic Conditions

The economy in the Cheyenne metropolitan area has recovered from the downturn in 2020 caused by efforts to limit the spread of COVID-19. By March 2022, 97 percent of the jobs lost in the metropolitan area during March and April 2020 had been recovered, similar to the national figure of 95 percent of pandemic-related job losses recovered during the same period. The rate of recovery, however, has generally lagged behind that of the six-state HUD Rocky Mountain region. Nonfarm payrolls in the Rocky Mountain region surpassed their prepandemic high in July 2021, and as of March 2022, they were 2 percent above the February 2020 level (monthly data; not seasonally adjusted).

During the first quarter of 2022—

- Nonfarm payrolls totaled 47,200, an increase of 1,500 jobs, or 3.3 percent, from the same period a year earlier, and

compared with the rest of the nation. From 2010 to 2019, the population of residents aged 65 and older rose 41.5 percent, compared with overall population growth of 7.8 percent (American Community Survey, 1-year estimates). Due in part to the increasing share of older residents, net natural change has generally declined during the past two decades averaging 480 people from 2010 to 2019 and falling to an average of 390 people annually since 2019.

200 jobs above the total during the first quarter of 2019. By comparison, from the first quarter of 2021 to the first quarter of 2022, nonfarm payrolls in the Rocky Mountain region and the nation grew by 4.4 and 4.7 percent, respectively.

- The mining, logging, and construction sector, which includes jobs in the oil and gas industry, led the recovery in nonfarm payrolls and grew at a faster rate than any other sector compared with a year earlier. The number of payrolls in the sector increased by 1,400 jobs, or 46.7 percent, to 4,400, partly due to an increase in jobs in the oil and gas industry brought on by rising energy prices. The spot price of West Texas intermediate crude oil increased 65 percent from the first quarter of 2021 and more than three-fold since the second quarter of 2020 (U.S. Energy Information Administration).

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The mining, logging, and construction sector led nonfarm payroll growth in the Cheyenne metropolitan area during the past year, partially due to increased hiring in the oil and gas industry.

	3 Months Ending		Year-Over-Year Change	
	March 2021 (Thousands)	March 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	45.7	47.2	1.5	3.3
Goods-Producing Sectors	4.2	5.6	1.4	33.3
Mining, Logging, & Construction	3.0	4.4	1.4	46.7
Manufacturing	1.2	1.2	0.0	0.0
Service-Providing Sectors	41.5	41.6	0.1	0.2
Wholesale & Retail Trade	6.2	6.2	0.0	0.0
Transportation & Utilities	3.9	3.8	-0.1	-2.6
Information	0.8	0.8	0.0	0.0
Financial Activities	2.3	2.3	0.0	0.0
Professional & Business Services	4.1	4.0	-0.1	-2.4
Education & Health Services	4.6	4.6	0.0	0.0
Leisure & Hospitality	4.4	4.8	0.4	9.1
Other Services	1.5	1.6	0.1	6.7
Government	13.7	13.5	-0.2	-1.5
Unemployment Rate	5.0%	3.6%		

Note: Numbers may not add to totals due to rounding.

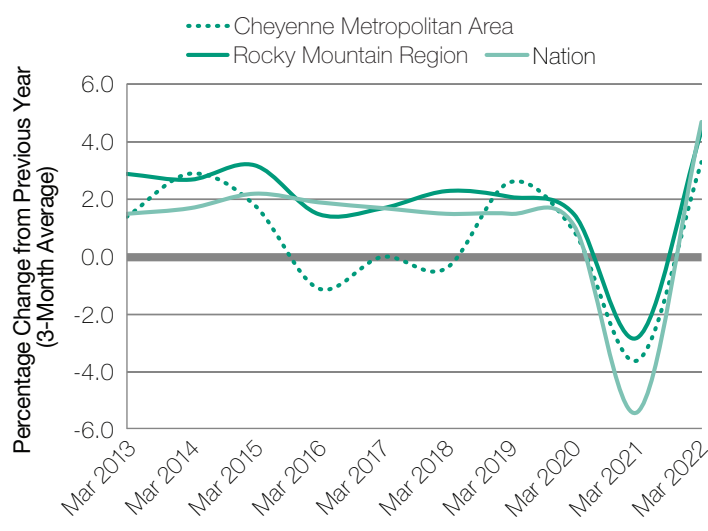
Source: U.S. Bureau of Labor Statistics



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- The net in-migration of highly-educated remote workers continued to increase resident employment. Following the onset of the COVID-19 pandemic, resident employment grew to exceed nonfarm payrolls, a reversal of the trend from 2002 through 2019.
- The unemployment rate declined significantly to an average of 3.6 percent, down from 5.0 percent during the first quarter of 2021 and below the average of 3.8 percent during the first quarter of 2019.

Despite relatively modest job losses during the COVID-19 pandemic, the subsequent recovery in the Cheyenne metropolitan area was slower than in the Rocky Mountain region.



Source: U.S. Bureau of Labor Statistics

Employers in the Cheyenne metropolitan area have struggled with labor shortages, partially due to a large segment of the workforce reaching retirement age and stagnant wages failing to attract new workers. The government sector has experienced particularly notable staff shortages because declining tax revenue during the COVID-19 pandemic prevented wage increases (WyoFile). Since late 2021, however, rising tax revenue from increased energy prices has prompted the state to consider raising salaries by an average of 5 percent (*Jackson Hole News & Guide*). Additional high-paying jobs from the construction of the Ground Based Strategic Deterrent weapons system at the F.E. Warren AFB may also contribute to rising wages and increased labor force participation. The construction project, which will begin between 2023 and 2025 and will be complete between 2038 and 2040, is anticipated to bring more than 1,000 new civilian jobs to the metropolitan area during the construction period, ranging from engineers to general laborers (U.S. Air Force).

Largest Employers in the Cheyenne Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
F.E. Warren Air Force Base	Government	4,325
State of Wyoming	Government	3,800
Cheyenne Regional Medical Center	Education & Health Services	2,175

Note: Excludes local school districts.

Sources: U.S. Air Force; U.S. Bureau of Labor Statistics; Cheyenne Regional Medical Center

Sales Market Conditions

The sales housing market in the Cheyenne metropolitan area is slightly tight, with an estimated vacancy rate of 1.2 percent, down from 2.0 percent in April 2010, when the market was soft. Most notably, since 2020 net in-migration, particularly by remote workers and retirees, has accelerated, and sales demand has increased. During March 2022, a 0.5-month supply of homes was available for sale, down from a 0.6-month of supply during March 2021, and well below the 1.4-month of supply in March 2019, prior to the pandemic. From 2010 through 2019, home prices remained nearly 30 percent below the national average (U.S. Census Bureau; CoreLogic, Inc.). Low home prices in the Cheyenne metropolitan area have made it a desirable destination for remote workers and retirees, two groups with considerable geographic flexibility. A study by Teamwork, a management solutions company, found that Cheyenne had the lowest ratio

of cost of living to salary of all U.S. cities and had the 8th lowest ratio of median home price to salary (Teamwork).

The percentage of home loans in the Cheyenne metropolitan area that were seriously delinquent or transitioned into REO status was 1.1 percent in February 2022, down from the 2.2-percent rate a year ago, which was significantly higher than the prepandemic rate of 0.5 percent in February 2020 (CoreLogic, Inc.). The rate of delinquent loans and foreclosures has also remained below the statewide average and below 89 percent of all metropolitan areas since 2017. Partly because of the increased availability of mortgage forbearance by borrowers, provided for under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, the number of foreclosures declined 31 percent from February 2020 to February 2022. The rates of delinquent loans and foreclosures

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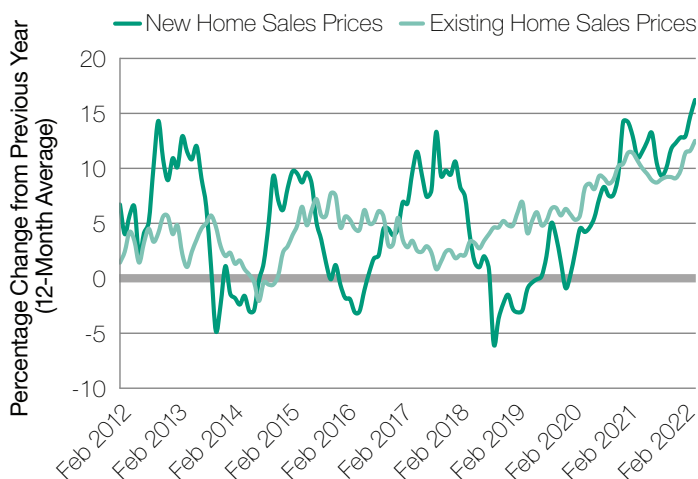
remains below the respective rates for the state and the nation, which were 1.4 and 1.7 percent during February 2022.

During the 12 months ending February 2022—

- New home sales decreased to 280, down by 75 homes, or 21 percent, from 360 during the 12 months ending February 2021, which was the highest level observed in the past 10 years. Although new home sales remained elevated, supply chain bottlenecks have restricted developers from bringing additional new units to market.
- Existing home sales increased by 240 homes, or 9 percent, from a year earlier, to 2,975 homes. Existing home sales growth has been strongest during periods of economic expansions. As many highly-paid remote workers relocated to the area and employment grew, existing home sales in the metropolitan area rose to their highest level in the 12 months ending July 2021 to 3,025 homes, an increase of 18 percent from a year earlier.
- The average sales price for new homes rose sharply to \$459,500, an increase of 16 percent from a year earlier; by comparison, new home prices increased an average of 5 percent annually from 2011 through 2020.
- The average sales price for existing homes increased to \$343,200, up 13 percent from a year earlier; by comparison, existing home prices increased an average of 5 percent annually from 2011 through 2020.

As the economy and housing market improved following the Great Recession, single-family building activity rose beginning in

Home sales price growth has accelerated in the Cheyenne metropolitan area, due in part to declining levels of for-sale supply since the onset of the COVID-19 pandemic.



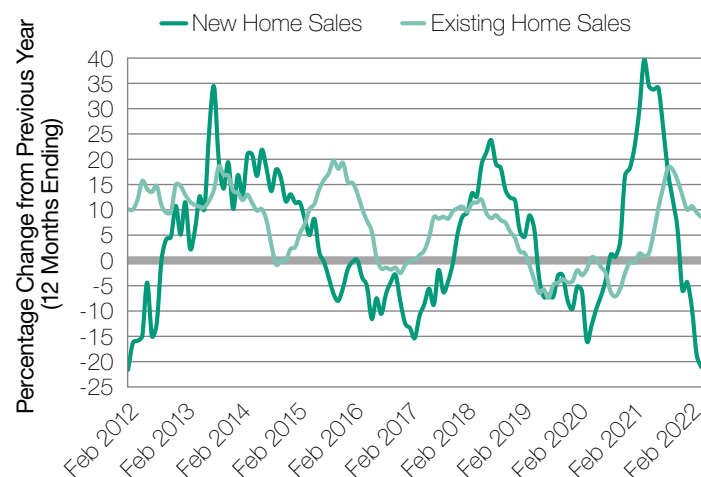
Note: Includes single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

the early 2010s. Building activity further accelerated in 2020 as demand increased due to rising net in-migration of high-income remote workers and retirees. New home construction has been constrained by supply chain bottlenecks since the start of the pandemic, however, which has contributed to the tightening sales market. The price of net inputs to residential construction, measured by the Producer Price Index, rose 36 percent from

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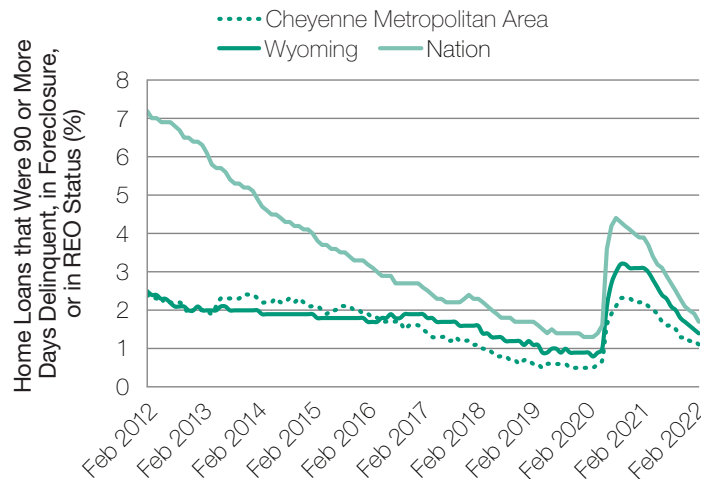
After accelerating sharply to the highest level observed in the past 10 years during 2021, the number of new home sales declined in the Cheyenne metropolitan area during the past year.



Note: Includes single-family homes, townhomes, and condominiums.

Source: CoreLogic, Inc., with adjustments by the analyst

The Cheyenne metropolitan area has had one of the lowest percentages of home loans 90 or more days delinquent, in foreclosure, or recently transitioned to REO status in the country since 2017.



REO = real estate owned.

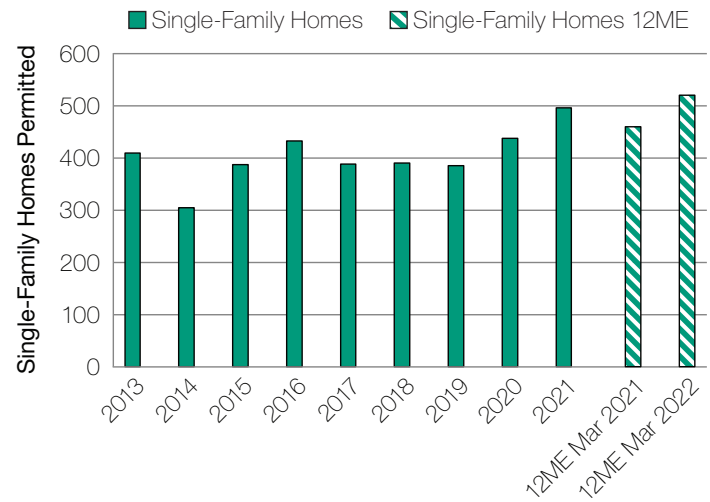
Source: CoreLogic, Inc.

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March 2019 to March 2022, and unfilled appliance orders more than doubled during the same period (U.S. Census Bureau; U.S. Bureau of Labor Statistics Producer Price Index).

- The number of single-family homes permitted was approximately 520 during the 12 months ending March 2022, an increase of 60 homes, or 13 percent, from the previous 12 months and the highest 12-month total since 2005 (preliminary data).
- By comparison, an average of 470 homes were permitted annually during 2020 and 2021, up from an average of 390 homes a year from 2013 through 2019.
- The largest single-family home development currently under construction in the Cheyenne metropolitan area is Whitney Ranch, which currently encompasses 73 acres and 149 lots but will eventually expand to 580 acres, with additional single-family and duplex lots, during the next 10 years (Homes by Guardian). Multiple builders began construction of the first phase of development, including approximately 100 new single-family homes and duplexes in 2021, with several vacant lots still available for purchase (Dodge Data and Analytics).

In response to increased demand by homebuyers during the past year, the number of single-family homes permitted in the Cheyenne metropolitan area rose to the highest level since 2005.



12ME = 12 months ending.

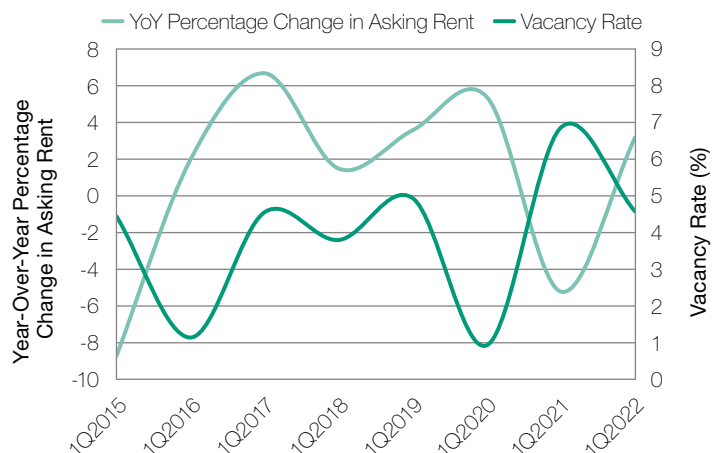
Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Apartment Market Conditions

The apartment vacancy rate declined in the Cheyenne metropolitan area during the past year, although conditions remained balanced, because absorption has generally kept pace with rental unit construction since the late 2010s. Although net in-migration has increased in recent years, it has largely occurred among retirees and remote workers who are primarily interested in sales housing and have only modestly contributed to rental demand. Both the F.E. Warren Air Force Base and Laramie County Community College provide stable sources of rental demand; however, a lack of growth of military households in the area and declining enrollment at Laramie County Community College have contributed to only moderate growth of apartment demand.

- The apartment vacancy rate in the Cheyenne metropolitan area in the first quarter of 2022 was 4.6 percent, down from 6.9 percent a year ago and only 0.7 percentage point higher than the average vacancy rate from 2014 to 2021 (RealPage, Inc.).
- The average apartment rent in the Cheyenne metropolitan area in the first quarter of 2022 was \$806, up 3 percent from a year ago, approximately \$30 above the average rent from 2013 to 2021.
- By bedroom size, average apartment rents in the Cheyenne metropolitan area during the last 6 months of 2021 were

Although the apartment vacancy rate declined during the past year, rental construction has generally exceeded absorption in the Cheyenne metropolitan area since the late 2010s.



1Q = first quarter. YoY = year-over-year.

Source: RealPage, Inc.

\$759, \$883, and \$1,114 for one-, two-, and three-bedroom units, representing respective increases of 25 and 13 percent for one- and two-bedroom apartments and a decrease of 11 percent for three-bedroom apartments from the same period in 2020 (Wyoming Community Development Authority).

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- Single-family homes are an important component of the rental inventory and meet some of the rental unit demand. These units made up nearly 41 percent of the occupied rental inventory as of 2019, compared with approximately 27 percent nationally (2019 American Community Survey, 1-year data).
- Rental demand in the metropolitan area is partially supported by the presence of students enrolled at Laramie County Community College. Enrolled students represent a broad variety of age groups and may live with parents or be homeowners; however, most are between ages 18 and 24 and likely to be rental households. Approximately 600 of the 5,300 enrolled students live on-campus each year. Laramie County Community College recently completed a dormitory that consists of 350 beds and is likely to reduce the impact of students on the overall apartment market (Laramie County Community College).

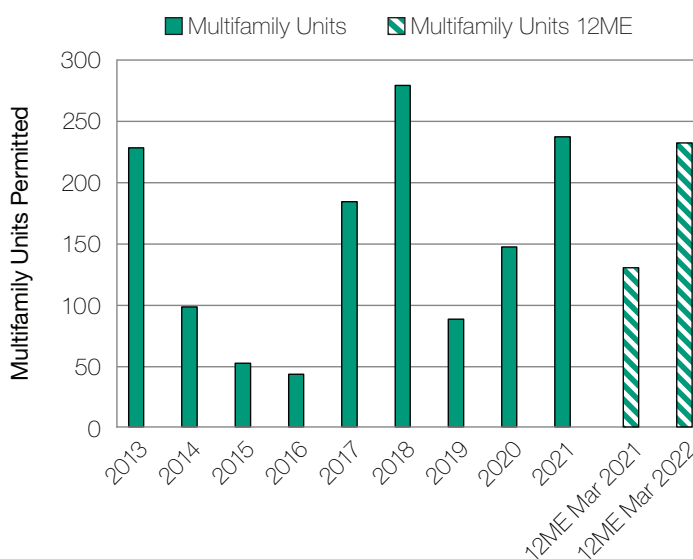
Multifamily construction activity, as measured by the number of multifamily units permitted, averaged approximately 140 units a year in the Cheyenne metropolitan area from 2013 through 2019, nearly double the average number of multifamily units during the 2000s. Despite supply chain bottlenecks associated with the COVID-19 pandemic, multifamily construction in the metropolitan area has remained at relatively high levels since 2020.

- During the 12 months ending March 2022, approximately 230 multifamily units were permitted in the Cheyenne metropolitan area, up by 100 units, or 79 percent, from a year earlier (preliminary data).
- Construction of rental units surged from 2017 through 2018, with an average of 230 units permitted annually, the highest level of production in the Cheyenne metropolitan area for any

2-year span since 1996 through 1997, when an average of 280 units were permitted annually.

- One of the largest construction projects in the Cheyenne metropolitan area is the Commons at The Pointe apartment complex in the city of Cheyenne. The development will consist of 45 one- and two-bedroom units. Construction is anticipated to be complete in the coming months, and leasing to begin shortly thereafter (Dodge Data & Analytics LLC).

The number of multifamily units permitted in the Cheyenne metropolitan area increased substantially in the late 2010s, contributing to slightly soft market conditions.



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Terminology Definitions and Notes

A. Definitions

Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Existing Home Sales	Include resales, short sales, and REO sales.
Home Sales/Home Sales Prices	Include single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Seriously Delinquent Mortgages	Mortgages 90+ days delinquent or in foreclosure.

B. Notes on Geography

1. 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 April 10, 2018.
2. The HUD Rocky Mountain Region includes Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.