

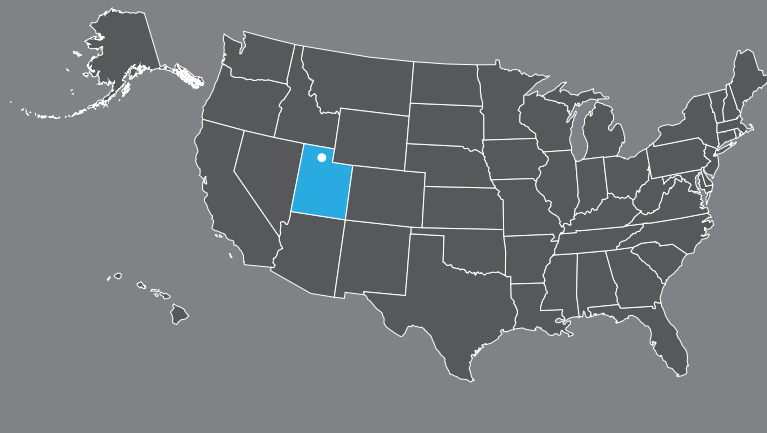
HUD PD&R Housing Market Profiles

Ogden-Clearfield, Utah



Quick Facts About Ogden-Clearfield

- Current sales market conditions: tight, but easing
- Current rental market conditions: balanced
- Situated along the Wasatch Range of the Rocky Mountains, the Ogden-Clearfield metropolitan area is part of the Wasatch Front region—which also includes the Salt Lake City, UT, and Provo-Orem, UT metropolitan areas—with approximately 2.62 million combined residents.



Ogden, Utah

By Heather Jones | As of January 1, 2023

Overview

The Ogden-Clearfield metropolitan area consists of Box Elder, Davis, Morgan, and Weber Counties and is north of the Salt Lake City metropolitan area. 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, and as a result, the metropolitan area became a transportation and manufacturing hub. The economy in the metropolitan area has benefited from the significant presence of the government sector in addition to growth in the manufacturing and the education and health services sectors. The largest employer is Hill Air Force Base (AFB), with more than 22,000 employees, of whom approximately 5,000 are active-duty military and, therefore, not included in nonfarm payrolls. 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 metropolitan area with 38,100 jobs. The home sales market is tight but easing, as rising mortgage interest rates have suppressed home sales and slowed price growth. Rental market conditions are balanced, and conditions have eased from a year earlier, in part because of increased apartment construction.

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- As of January 1, 2023, the estimated population of the metropolitan area is 724,600, up by an average of 10,350, or 1.5 percent, annually since 2018. By comparison, population growth averaged 11,650 people, or 1.8 percent, a year from 2015 to 2018 (U.S. Census Bureau population estimates as of July 1 and estimates by the analyst).
- Net in-migration has averaged 4,975 people a year since 2019, down from the average of 5,025 people annually from 2015 to 2019. Much of this decrease can be attributed to

lower migration during the early stages of the COVID-19 pandemic, with net in-migration of only 1,950 people between July 2019 and July 2020.

- Net natural change has averaged 5,500 annually since 2018, down from the average of 6,400 a year from 2015 to 2018. This decrease is partially due to the increasing number of deaths related to the pandemic. Net natural change totaled only 970 people between July 2020 and July 2021.

Economic Conditions

The economy of the Ogden-Clearfield metropolitan area strengthened during 2022. Nonfarm payroll jobs averaged 285,600 during 2022, representing an increase of 7,900 jobs, or 2.9 percent, from 2021 due to growth in 7 of the 11 payroll sectors. A relatively mild impact of the COVID-19 pandemic preceded the strong economic conditions. The metropolitan area lost 19,100 jobs, or 7.1 percent of total nonfarm payrolls from March through April 2020, but all those losses had been recovered by October 2020 (monthly data; not seasonally adjusted). By comparison, nonfarm payrolls for the nation declined 13.7 percent from February through April 2020, and the job losses were not fully recovered until April 2022. Before the pandemic, total nonfarm payrolls in the metropolitan area grew faster than the nation during most of the 2010s. From 2013 through 2019, nonfarm payrolls in the metropolitan area

expanded an average of 3.0 percent annually compared with average annual growth of 1.8 percent for the nation.

During the 3 months ending December 2022—

- Nonfarm payrolls averaged 285,600 in the metropolitan area, an increase of 7,900 jobs, or 2.8 percent, compared with 2021 when nonfarm payrolls increased by 5,500 jobs, or 2.0 percent.
- Seven of the 11 nonfarm payroll sectors added jobs in the metropolitan area, with the fastest growth in the education and health services sector, which expanded by 3,000 jobs, or 8.4 percent, from the previous year. This sector has been the fastest-growing sector in the metropolitan area since 2001.
- The mining, logging, and construction sector rose 8.5 percent, or by 1,800 jobs, with the increase entirely within

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Nonfarm payroll job gains in the education and health services sector contributed to much of the overall increase in jobs in the Ogden-Clearfield metropolitan area during the 3 months ending December 2022.

	3 Months Ending		Year-Over-Year Change	
	December 2021 (Thousands)	December 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	277.7	285.6	7.9	2.8
Goods-Producing Sectors	59.4	60.9	1.5	2.5
Mining, Logging, & Construction	21.3	23.1	1.8	8.5
Manufacturing	38.1	37.8	-0.3	-0.8
Service-Providing Sectors	218.3	224.7	6.4	2.9
Wholesale & Retail Trade	39.4	40.8	1.4	3.6
Transportation & Utilities	10.3	10.6	0.3	2.9
Information	2.1	2.1	0.0	0.0
Financial Activities	10.9	11.2	0.3	2.8
Professional & Business Services	31.6	30.4	-1.2	-3.8
Education & Health Services	35.6	38.6	3.0	8.4
Leisure & Hospitality	24.4	25.3	0.9	3.7
Other Services	7.2	7.2	0.0	0.0
Government	56.7	58.6	1.9	3.4
Unemployment Rate	1.9%	2.0%		

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

Source: U.S. Bureau of Labor Statistics



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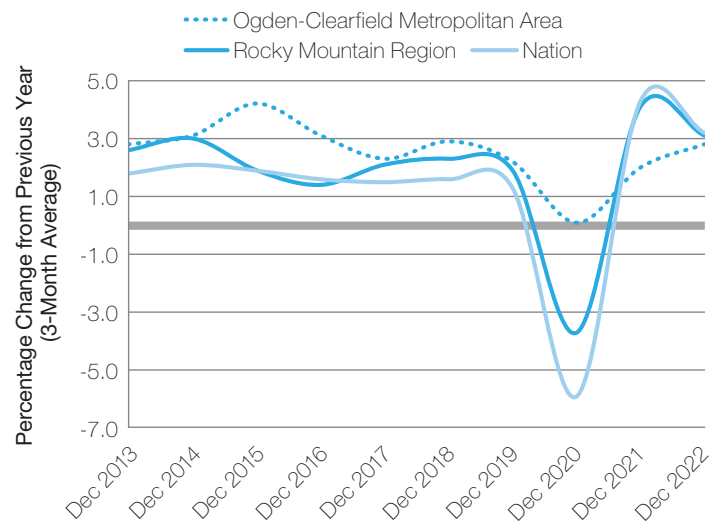
the construction subsector. Commercial and residential construction has been on the rise in the metropolitan area, including large multifamily developments and transit-oriented, mixed-use spaces.

- The professional and business services sector fell by 1,200 jobs, or 3.8 percent, to 30,400 jobs. The number of jobs declined in the sector during the past 2 years following a period of decelerating growth during the previous decade. From 2010 through 2014, the number of jobs in the sector increased an average of 6.0 percent a year, then slowed to an average increase of 2.5 percent a year from 2015 through 2020.
- The unemployment rate averaged 2.0 percent, up from 1.9 percent a year ago but below the 3.1-percent rate during the same period in 2020. Strong gains in resident employment outpaced growth in the labor force, contributing to the declining unemployment rate.

The economy of the metropolitan area is largely dependent on the government sector, the largest sector in the metropolitan area, accounting for 20.5 percent of nonfarm payrolls.

The government sector, which includes Hill AFB, provides significant stability to the local economy and supports jobs in the manufacturing and the professional and business services sectors. Proximity to Hill AFB benefits private aerospace and defense firms, including the Northrop Grumman Corporation, BAE Systems, Williams International, and numerous others with campuses in the metropolitan area. Recently, Williams International, a gas turbine engine manufacturer, announced the addition of 300 high-paying jobs in the city of Ogden. In addition, Eden Technologies, a software company, opened a new office in the city of Ogden. Northrop Grumman Corporation, an aerospace company working with Hill AFB, plans to add 3,000 jobs during the next 20 years for additional capital expenditure projects. Other major contributors to the

The rate of job growth in the Ogden-Clearfield metropolitan area has been below rates for both the region and nation since the start of the pandemic recession recovery.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Ogden-Clearfield Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Hill Air Force Base	Government	22,000
U.S. Department of the Treasury	Government	7,000
Northrop Grumman Corporation	Professional & Business Services	6,400

Note: Excludes local school districts.

Source: Department of Workforce Services, State of Utah

government sector include the U.S. Department of the Treasury, which operates a large Internal Revenue Service facility in the city of Ogden, along with Weber State University, which employs more than 2,500 faculty and staff.

Sales Market Conditions

The home sales market in the Ogden-Clearfield metropolitan area is tight but easing, with the inventory of homes for sale increasing from 0.7 month in December 2021 to 3.1 months in December 2022 (Redfin, a national real estate brokerage). By comparison, the months of supply was 4.6 months in December 2014. The sales vacancy rate is currently estimated at 0.9 percent, down from 1.9 percent in 2010 when conditions were soft. A limited supply of for-sale inventory, which has been notably low since the onset of the pandemic, coupled with historically low mortgage interest rates, contributed

to the vacancy rate decline during the decade. The recent easing of market conditions is partially due to rising mortgage interest rates. The average interest rate for a 30-year, fixed-rate mortgage was 6.4 percent in December 2022, up from 3.1 percent a year earlier (Freddie Mac). During the 12 months ending November 2022, total home sales decreased 22 percent year over year to 14,450 homes sold. Sales price growth was strong, with the average home sales price increasing 15 percent to \$503,800 (CoreLogic, Inc., with adjustments by the analyst).

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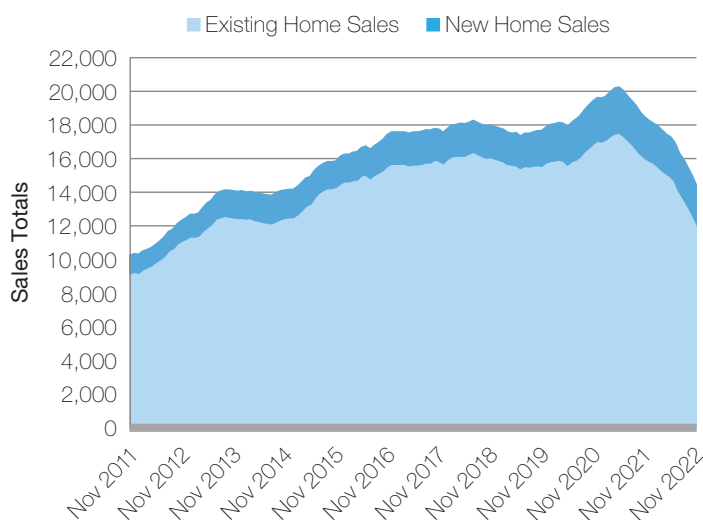
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During the 12 months ending November 2022—

- Existing home sales totaled 12,300 homes, a 24-percent decrease from the 12 months ending November 2021. Low levels of for-sale inventory and a 13-percent increase in the average sales price of an existing home to \$491,400 contributed to the decline in the number of sales.
- New home sales decreased 10 percent from 2,375 homes during the 12 months ending November 2021 to 2,150 homes. The average new home sales price rose 23 percent to \$574,900 during the past year.
- The percentage of seriously delinquent mortgages and real estate owned properties in the metropolitan area was 0.6 percent in November 2022, down from 1.0 percent in November 2021 and below the 2.1-percent rate in November 2020 (CoreLogic, Inc.). The November 2022 rate for the metropolitan area was the same as the 0.6-percent rate for Utah and below the 1.2-percent rate for the nation.

New single-family home construction activity—as measured by the number of homes permitted—has increased during the past decade. Builders have responded to tight sales market conditions with a general trend of increased home construction activity since the early 2010s. From 2013 through 2017, single-family construction averaged 2,325 homes permitted annually, a figure that rose to an average of 3,325 homes permitted annually from 2018 through 2020. New home construction has slowed during the past 2 years but remains at relatively high levels.

After accelerating during most of 2020 through mid-2021, total home sales in the Ogden-Clearfield metropolitan area have slowed in response to relatively low levels of inventory and rising interest rates.

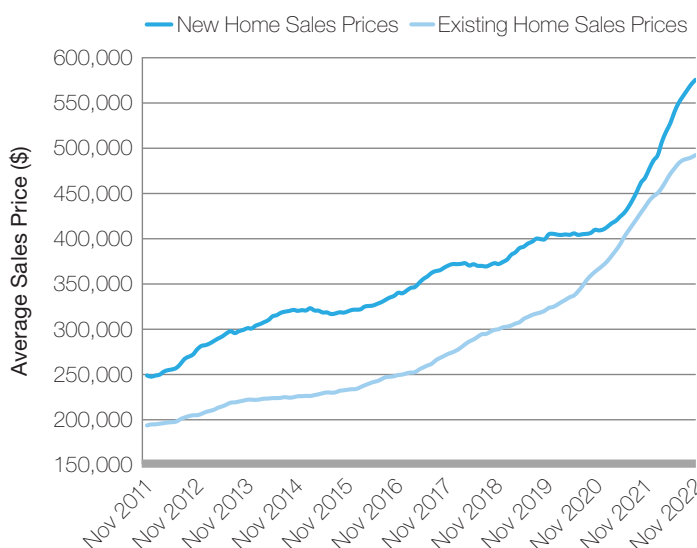


Note: Sales include single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

- Approximately 3,400 single-family homes were permitted during 2022, down 20 percent from the previous year, when 4,225 homes were permitted (preliminary data).

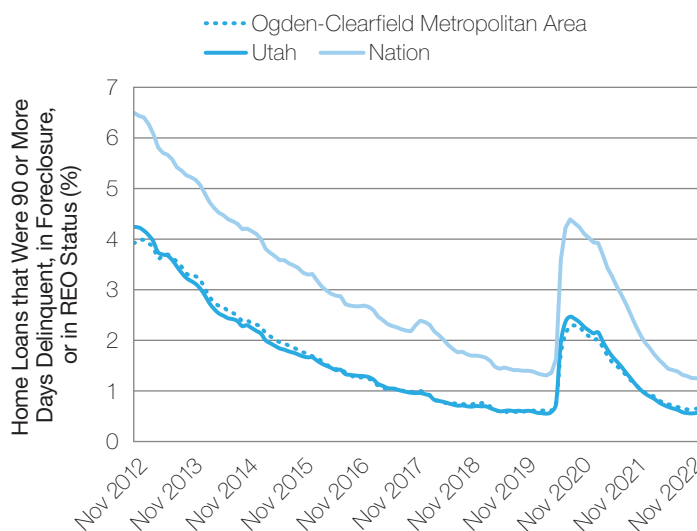
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New and existing home sales prices in the Ogden-Clearfield metropolitan area have generally trended upward since 2011, and price growth has accelerated since 2021.



Note: Prices include single-family homes, townhomes, and condominiums.
Source: CoreLogic, Inc., with adjustments by the analyst

The share of seriously delinquent home loans and REO properties in the Ogden-Clearfield metropolitan area has been consistently below the national share and similar to the rate in Utah since November 2012.

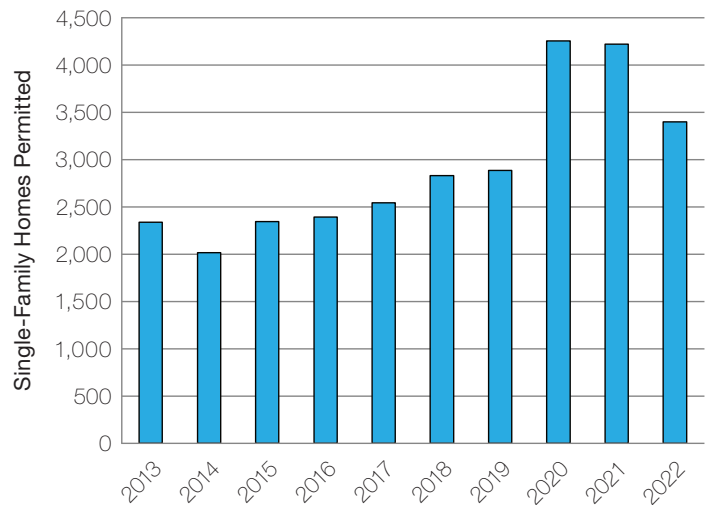


REO = real estate owned.
Source: CoreLogic, Inc., with adjustments by the analyst

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- Following a low of 1,375 homes permitted in 2011, the number of homes permitted in the metropolitan area increased during 8 of the next 9 years, reaching a high in 2020 when 4,250 homes were permitted.
- Many of the new home communities are close to the Salt Lake City metropolitan area, accommodating residents seeking lower-priced homes and who commute to jobs in the larger metropolitan area. Additional developments are under construction in the city of Ogden.
- Valley View Estates, a new home subdivision north of the city of Ogden, is under construction on 10 acres. The new development offers 38 detached and attached homes for sale.

Single-family homebuilding in the Ogden-Clearfield metropolitan area increased every year from 2014 through 2020.



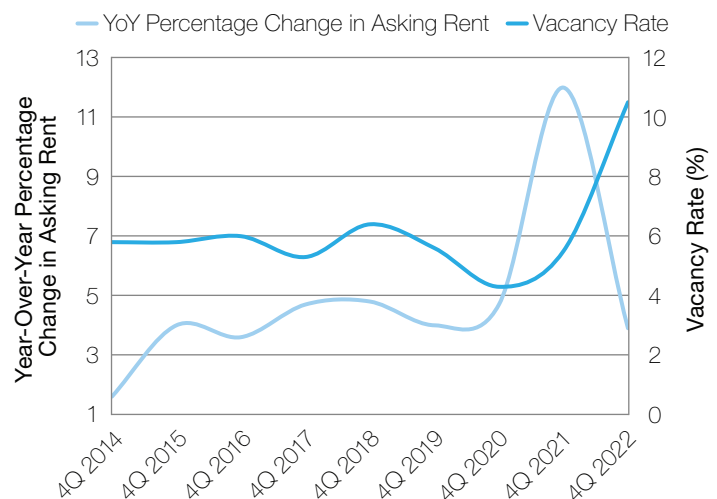
Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; 2022—preliminary data and estimates by the analyst

Apartment Market Conditions

Apartment market conditions are balanced in the Ogden-Clearfield metropolitan area, as a surge of new construction in the past 24 months has led to a historically high number of units currently in lease up. Roughly 93 percent of apartment construction in the past 5 years occurred in the southern suburbs along the Wasatch Range in Davis and Weber Counties. Market conditions have eased since the tight conditions in the mid-2010s, and the number of apartment units entering the market has generally trended upward.

- The apartment vacancy rate in the metropolitan area was 10.5 percent during the fourth quarter of 2022, up from 5.5 percent a year earlier (CoStar Group). The elevated vacancy rate likely will be brief as units currently in lease up are absorbed.
- Net in-migration accelerated during the second half of the 2010s, partially driven by increased student enrollment at Weber State University and additional employment at Hill AFB, which increased demand for apartments. The vacancy rate declined from a high of 6.4 percent in the fourth quarter of 2018 to 4.3 percent in the fourth quarter of 2020, before rising again in 2021.
- The average rent in the metropolitan area increased to \$1,393 during the fourth quarter of 2022, a 4-percent increase from a year ago. Previously, the average apartment rent rose

The apartment market in the Ogden-Clearfield metropolitan area eased during the past year, as vacancy rates increased to the highest level in at least the past decade.



4Q = fourth quarter. YoY = year-over-year.
Source: CoStar Group

12 percent during the fourth quarter of 2021, the fastest annual rent growth of any quarter in at least the past 20 years.

- Apartment rents rose an average of 5 percent per year between the fourth quarters of 2016 and 2020. Rent growth

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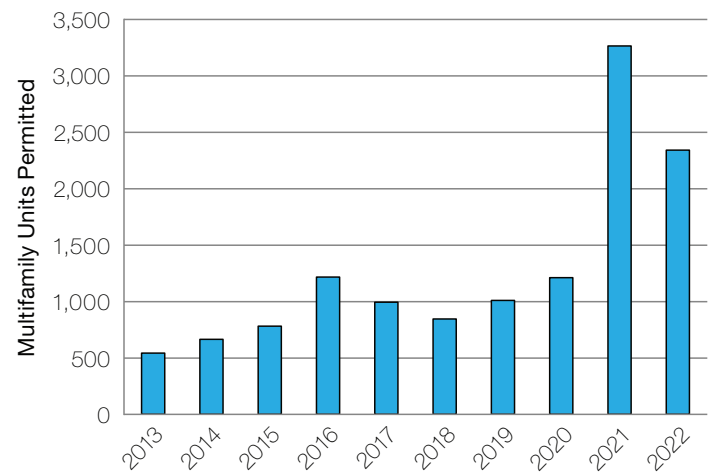
during this period can be partially attributed to newer, more expensive units entering the market.

Multifamily construction activity, as measured by the number of multifamily units permitted, has generally been at high levels since the mid-2010s and reached a record high in 2021.

A sharp increase in the apartment vacancy rate along with increasing construction costs and rising interest rates, however, have slowed the pace of construction in the past year. In the past decade, rental households living in larger apartment complexes have become more common. The share of rental households living in apartments and condominiums increased from 33 percent in 2010 to 40 percent in 2021 (American Community Survey 1-year estimates).

- During 2022, approximately 2,350 multifamily units were permitted in the metropolitan area, down 28 percent from 3,275 units a year ago (preliminary data).
- From 2016 through 2020, multifamily permitting averaged 1,050 units permitted annually. By comparison, an average of 630 units were permitted each year from 2010 through 2015.
- Recent apartment construction has been concentrated near existing transportation infrastructure, including stations associated with FrontRunner, a commuter rail with connecting light rail lines that opened in 2008 and links communities throughout the Wasatch Front region. ICO Station Parkway Apartments, a 267-unit project, is part of a larger mixed-use development adjacent to the FrontRunner station in the city of Farmington. Phase two of the apartment complex has a

As apartment market conditions eased during the past year, the number of multifamily units permitted in the Ogden-Clearfield metropolitan area declined.



Sources: U.S. Census Bureau, Building Permits Survey; 2013–21—final data and estimates by the analyst; 2022—preliminary data and estimates by the analyst

planned opening in 2023 and is currently preleasing one-bedroom units for \$1,359, two-bedroom units for \$1,649, and three-bedroom units for \$2,219.

- Hilltop Towers apartments, a 141-unit apartment complex in south Ogden, opened during 2022 and is also within a few miles of a commuter rail line. Average monthly rent starts at \$1,325 for one-bedroom units and \$1,700 for two-bedroom units.

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.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Seriously Delinquent Mortgages	Mortgages 90 or more 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.
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