HUD PD&R **Regional Reports**

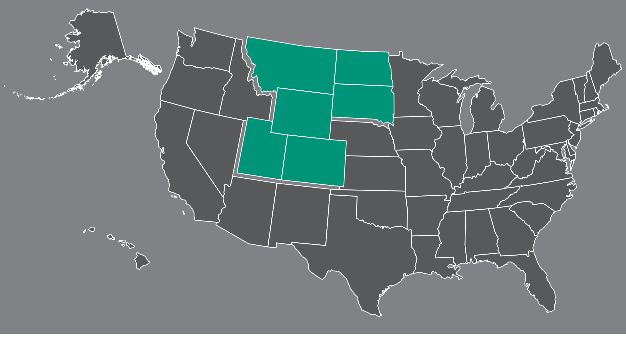
Region 8: Rocky Mountain

Salt Lake City, Utah

Quick Facts About Region 8

- **Sales market conditions—**
  First quarter 2016: tight.
  Fourth quarter 2015: tight.
  First quarter 2015: tight.

- **Apartment market conditions—**
  First quarter 2016: mixed (slightly soft to slightly tight).
  Fourth quarter 2015: mixed (balanced to slightly tight).
  First quarter 2015: mixed (slightly soft to tight).



By James Conner | 1st quarter 2016

Overview

The economy in the Rocky Mountain region continued to grow at a moderate rate in the first quarter of 2016, as the current expansion entered its sixth year despite the impact of declining energy prices and the resulting job losses in some states. Payrolls in the mining and logging subsector in the region were down 23.4 percent from a year earlier, but payrolls in the leisure and hospitality and the education and health services sectors were up 5.0 and 3.8 percent, respectively. North Dakota and Wyoming payrolls were down 4.4 and 3.2 percent, respectively, from a year earlier, led by payroll declines in the mining and logging subsector of 37.8 and 21.1 percent, respectively, but Colorado and Utah payrolls were up 2.8 and 3.2 percent, respectively. The population in the Rocky Mountain region increased by 186,000, or 1.6 percent, during the 12 months ending July 1, 2015, double the rate of population growth nationwide. Net in-migration accounted for 54 percent of the population increase in the region. Sales housing market conditions remained strong in most parts of the region. Average home prices in the region during the 12 months ending March 2016 were up 5 percent from a year earlier, and most of the major metropolitan areas in the region posted declines in the inventory of homes for sale. Apartment market conditions softened somewhat in many metropolitan areas in the region, largely because

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of a surge in apartment completions, but growth in rental demand was strong enough to absorb most of the new units. Construction of both single-family and multifamily units was up significantly from a year earlier in the first quarter of 2016. Total residential permitting was up 24 percent, to approximately 13,300 units. The greatest gains in both single-family and multifamily permitting occurred in Colorado and Utah.

During the first quarter of 2016—

- Nonfarm payrolls in the region increased by 92,100 jobs, or 1.7 percent, from a year earlier, led by gains in the leisure and hospitality and the education and health services sectors of 30,700 and 26,900 jobs, respectively.
- Home sales demand remained strong in the region and the supply of homes for sale remained low in most major metropolitan areas. The months' supply of homes for sale ranged from 3.8 in the Provo metropolitan area to 1.4 in the Denver metropolitan area compared with a national average of 5.8 months of supply. Sales of new and existing homes in Colorado, Utah, and Montana were up 8, 9, and 10 percent, respectively, from a year earlier, but in the energy-impacted states of Wyoming and North Dakota sales were down 1 and 7 percent, respectively.
- Apartment market conditions in the larger markets in the region ranged from slightly soft in the Provo metropolitan area to slightly tight in the Denver, Colorado Springs, Missoula, Rapid City, and Salt Lake City metropolitan areas. In approximately two-thirds of the markets in the region that previously were tight, conditions have eased as new apartments were completed.

In addition, during the 12 months ending July 1, 2015—

- Colorado and Utah had the greatest population increases in the region. More than one-half of the population gain in the region occurred in Colorado, where the population grew by nearly 100,000, and more than two-thirds of the growth in Colorado resulted from net in-migration. In Utah, by contrast, more than two-thirds of the population gain of 51,400 resulted from net natural increase (resident births minus resident deaths).

Economic Conditions

Economic growth continued in the Rocky Mountain region, despite declines in energy activity that led to jobs losses in some states. Nonfarm payrolls in the region have consistently increased more than 1.5 percent year over year since the first quarter of 2011. In the first quarter of 2016, nonfarm payrolls in the region were up by 92,100 jobs, or 1.7 percent, from a year earlier, slightly less than the 1.9-percent growth rate nationwide. Payrolls in the mining and logging subsector and the transportation and utilities sector in the region were down by 26,700 and 6,300 jobs, or 23.4 and 3.0 percent, respectively, largely because of declines in

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The payroll growth in the Rocky Mountain region that began in late 2010 continued in the first quarter of 2016, despite recent weakness in the energy industry.

	First Quarter		Year-Over-Year Change	
	2015 (thousands)	2016 (thousands)	Absolute (thousands)	Percent
Total nonfarm payrolls	5,454.2	5,546.3	92.1	1.7
Goods-producing sectors	781.2	764.8	– 16.4	– 2.1
Mining, logging, and construction	423.8	403.5	– 20.3	– 4.8
Manufacturing	357.4	361.3	3.9	1.1
Service-providing sectors	4,673.0	4,781.5	108.5	2.3
Wholesale and retail trade	823.0	839.9	16.9	2.1
Transportation and utilities	210.3	204.0	– 6.3	– 3.0
Information	126.2	128.5	2.3	1.8
Financial activities	322.5	330.9	8.4	2.6
Professional and business services	697.1	708.4	11.3	1.6
Education and health services	715.5	742.4	26.9	3.8
Leisure and hospitality	609.4	640.1	30.7	5.0
Other services	200.3	201.5	1.2	0.6
Government	968.7	985.7	17.0	1.8

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

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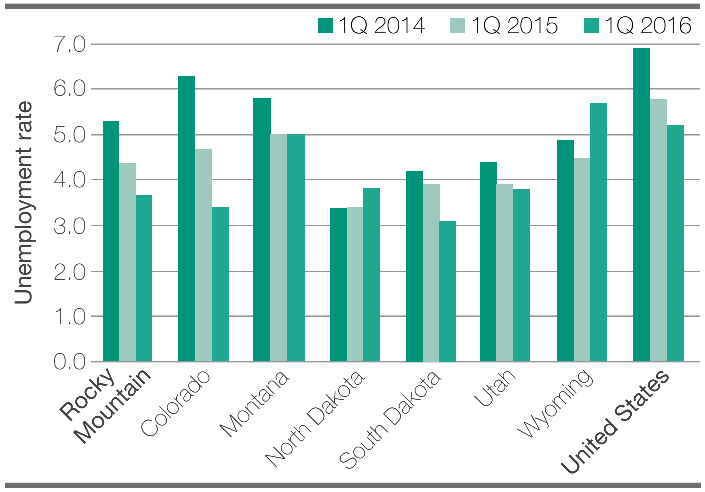
oil production. In March 2016, 65 drilling rigs were active in the region, down from 193 rigs a year earlier (RigData). In addition, rail shipments of oil from North Dakota in February 2016 were down more than one-third from a year earlier, to approximately 500,000 barrels a day (North Dakota Pipeline Authority). The weakness in the energy industry in the region was offset by strong growth in the tourism and healthcare industries. In the first quarter of 2016, payrolls in the leisure and hospitality and the education and health services sectors were up by 30,700 and 26,900 jobs, or 5.0 and 3.8 percent, respectively, from a year earlier. In addition, government sector payrolls in the region increased by 17,000 jobs, or 1.8 percent. The state government and local government subsectors accounted for most of the payroll growth, increasing by 6,300 and 9,000 jobs, or 2.3 and 1.6 percent, respectively. Construction job growth has slowed since mid-2015, compared with growth during previous periods, in part because of the economic slowdown in the energy-producing areas in the region. Payrolls in the construction subsector were up by 6,400 jobs, or 2.1 percent, from a year earlier in the first quarter of 2016. From the first quarter of 2013 through the first quarter of 2015, by contrast, growth in construction subsector payrolls averaged more than 8.0 percent a year.

Labor market conditions remained tight in much of the region, despite a rise in unemployment rates in some areas. The unemployment rate in the region averaged 3.7 percent in the first quarter of 2016, down from 4.4 percent a year earlier. State unemployment rates ranged from 3.1 percent in South Dakota to 5.7 percent in Wyoming. Every state in the region except Wyoming had an unemployment rate below the 5.2-percent national average in the first quarter of 2016.

During the first quarter of 2016—

- The greatest job gain in the region occurred in Colorado, where nonfarm payrolls were up by 70,700 jobs, or 2.8 percent. The leisure and hospitality and the education and health services sectors added 23,500 and 11,200 jobs, increases of 7.7 and 3.6 percent, respectively. Although the mining and logging subsector declined by 7,000 jobs, or 20.3 percent, the construction subsector grew by 7,600 jobs, or 5.4 percent. Construction on the $530 million Gaylord Rockies Resort & Convention Center in Aurora began in February 2016 and is expected to be complete in 2018.
- In Utah, nonfarm payrolls were up by 43,600 jobs, or 3.2 percent. Payrolls in the leisure and hospitality, education and health services, and financial activities sectors increased by 9,300, 9,000, and 4,300 jobs, or 7.1, 5.0, and 5.6 percent, respectively, and construction subsector payrolls were up by 4,800 jobs, or 6.1 percent. A $70 million hospital building replacement project at Utah Valley Hospital, in Provo, began construction in February 2016 and is expected to be complete by 2019.

Unemployment rates declined in most states in the Rocky Mountain region but increased in North Dakota and Wyoming.



1Q = first quarter.
Source: U.S. Bureau of Labor Statistics

- North Dakota has been one of the areas in the nation hardest hit by lower energy prices. Nonfarm payrolls were down by 19,900 jobs, or 4.4 percent, from a year ago. The mining, logging, and construction, transportation and utilities, and wholesale and retail trade sectors declined by 16,100, 5,100, and 2,600 jobs, or 26.7, 18.2, and 3.4 percent, respectively. The average of weekly unemployment insurance claims during the quarter was up more than 40 percent from a year earlier.
- Wyoming has also been hard-hit by declines in energy activity. Nonfarm payrolls were down by 9,100 jobs, or 3.2 percent, led by a decrease of 5,600 jobs, or 21.1 percent, in the mining and logging subsector. The construction subsector and the transportation and utilities and the leisure and hospitality sectors also lost 1,700, 1,000, and 1,600 jobs, declines of 8.0, 6.3, and 4.8 percent, respectively. Wyoming's unemployment rate of 5.7 percent was up 1.2 percentage points from a year earlier, surpassing the national average for the first time in 15 years, and unemployment insurance claims in Wyoming during the first quarter of 2016 were up more than 20 percent from a year earlier.
- Economic growth continued at a moderate pace in Montana and South Dakota, where nonfarm payrolls increased by 2,400 and 4,500 jobs, or 0.5 and 1.1 percent, respectively. In Montana, the mining and logging subsector and the leisure and hospitality sector were down by 1,900 and 1,100 jobs, or 22.1 and 1.9 percent, respectively, but the education and health services sector added 3,100 jobs, a 4.4-percent increase. In South Dakota, the wholesale and retail trade and the education and health services sectors grew by 2,700 and 1,200 jobs, or 3.7 and 1.8 percent, respectively; a loss of 1,700 jobs, or 4.0 percent, in the manufacturing sector partly offset these gains.

Population

Population growth in the Rocky Mountain region strengthened in the past year, and the population growth rate in the region was double the national average rate of 0.8 percent. From 2014 to 2015, the population in the region increased by approximately 186,000, or 1.6 percent, compared with growth of 159,700, or 1.4 percent, from 2013 to 2014 (Census Bureau population estimates as of July 1). The stronger growth was largely because of an increase in net in-migration, which totaled approximately 100,000 people from 2014 to 2015, accounting for 54 percent of the population gain in the region. From 2013 to 2014, by comparison, net in-migration totaled 73,800 people, accounting for 46 percent of the population growth. Net natural change (resident births minus deaths) in the region totaled more than 85,000 people from 2014 to 2015, up slightly from 84,100 people during the previous 12 months. Within the region, population growth rates ranged from 0.3 percent in Wyoming to 2.3 percent in North Dakota. In addition to North Dakota's, the population growth rates in Colorado and Utah were among the seven highest in the nation.

During the 12 months ending July 1, 2015—

- More than 54 percent of the growth in the region occurred in Colorado, which had a population gain of nearly 100,100. Net in-migration to Colorado totaled approximately 67,800 people, or 68 percent of the net in-migration to the region. Within Colorado, nearly 60 percent of the net in-migration, or about 40,000 people, occurred in the Denver metropolitan area; the Colorado Springs, Fort Collins, and Greeley metropolitan areas each accounted for nearly 10 percent of the statewide total net in-migration.
- In Utah, the population increased by approximately 51,400, or 1.7 percent. Net natural increase of 35,900 people accounted for 70 percent of the population gain, as Utah continued to have the highest birth rate in the nation, 17.3 births per 1,000 people compared with a national average of 12.4.
- Despite declines in the energy industry, North Dakota continued to have the highest rate of population growth in the nation according to the Census Bureau. The population increased by nearly 16,900, or 2.3 percent, led by net in-migration of approximately 11,700 people. In Wyoming, by contrast, declines in energy activity contributed to net out-migration of more than 1,200 people, partly offsetting net natural increase of nearly 3,100 people. The population of Wyoming increased by only about 1,800, or 0.3 percent.
- The populations of Montana and South Dakota increased by approximately 9,700 and 5,200, or 0.9 and 0.6 percent, respectively. In Montana, net in-migration was relatively strong, at 6,000 people, accounting for 62 percent of the total population gain in the state. In South Dakota, net in-migration has been declining since 2013, turning slightly negative in 2015. Net out-migration totaled nearly 100 people, so net natural increase of more than 5,300 people accounted for all the population growth in South Dakota.

The population in the Rocky Mountain region increased strongly compared with growth in the nation overall.

	Population Estimate (as of July 1)			Percent Change	
	2013	2014	2015	2013 to 2014	2014 to 2015
United States	316,427,395	318,907,401	321,418,820	0.8	0.8
Rocky Mountain	11,341,246	11,500,986	11,686,945	1.4	1.6
Colorado	5,271,132	5,355,588	5,456,574	1.6	1.9
Montana	1,014,402	1,023,252	1,032,949	0.9	0.9
North Dakota	723,626	740,040	756,927	2.3	2.3
South Dakota	845,270	853,304	858,469	1.0	0.6
Utah	2,903,685	2,944,498	2,995,919	1.4	1.7
Wyoming	583,131	584,304	586,107	0.2	0.3

Source: U.S. Census Bureau

Sales Market Conditions

Sales housing market conditions remained tight throughout most of the Rocky Mountain region in the first quarter of 2016. Although single-family home construction was up strongly from a year earlier, the inventory of homes for sale continued to decline in most of the major metropolitan areas. In the Fargo metropolitan area, the number of homes for sale in March 2016 represented 2.7 months of supply at the current sales rate, a slight easing from the 2.5 months of supply a year earlier (Park Co. Realtors® and Fargo-Moorhead

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Area Association of Realtors®). In the Sioux Falls metropolitan area, however, the months' supply of homes for sale declined from 5.1 to 3.4 during the same period (Realtor® Association of the Sioux Empire). Supply conditions also tightened in the Provo, Salt Lake City, and Ogden metropolitan areas, where the available inventory in February 2016 represented 3.8, 2.8, and 2.2 months of supply, respectively, down from 5.1, 4.1, and 3.6 months of supply, respectively, a year earlier (Utah Association of Realtors®). In the Colorado Springs metropolitan area, the number of active listings declined from 2.4 months of supply in March 2015 to 1.6 in March 2016 (Pikes Peak Association of Realtors®). Market conditions in the Denver metropolitan area tightened further and inventories continued to decrease, from 1.6 months of supply in March 2015 to 1.4 months of supply in March 2016 (Colorado Association of Realtors®). By comparison, the national inventory of homes for sale averaged 5.8 months of supply in March 2016 (Census Bureau).

Strong demand led to increased home sales in much of the region; however, some energy-producing areas in the region posted declines. In Colorado, Utah, and Montana, approximately 139,100, 71,850, and 21,250 new and existing homes sold during the 12 months ending March 2016, increases of 8, 9, and 10 percent, respectively, from a year earlier. In Wyoming and North Dakota, however, sales were down 1 and 7 percent, to approximately 9,450 and 15,400 homes sold, respectively. Growth in home sales prices decelerated slightly in the first quarter of 2016 from previous quarters. During the 12 months ending March 2016, average home sales prices in Colorado and Utah increased 6 and 3 percent from a year earlier, to approximately $340,400 and $276,400, respectively. In Montana and North Dakota, home prices increased only 1 percent, to about $247,500 and $217,700, respectively. In South Dakota, home prices fell nearly 1 percent, to approximately $174,800. In the region overall, home sales prices averaged approximately $300,600 during the 12 months ending March 2016, a 5-percent increase from a year earlier. During 2015, by contrast, year-over-year home price increases in the region averaged more than 6 percent each quarter. Home price gains remained strong in some metropolitan areas in the region. In the Denver, Fargo, and Fort Collins metropolitan areas, prices for new and existing homes during the 12 months ending March 2016 rose 9 to 10 percent from a year earlier. Price increases in the Sioux Falls metropolitan area and in the major metropolitan areas in Utah ranged from 6 to 7 percent. The impact of declining energy activity was reflected in weak home price growth in some areas, however. Prices were nearly flat during the 12 months ending March 2016 in the Billings and Casper metropolitan areas.

The rates of seriously delinquent (90 or more days delinquent or in foreclosure) mortgages and real estate owned (REO) properties continued to decline in most areas in the region, but the rates remained relatively unchanged in areas dependent on energy activity. In February 2016, 1.4 percent of mortgages in the region were seriously delinquent or had transitioned into REO status, down from 1.8 percent a year earlier (CoreLogic, Inc.). Seriously delinquent mortgage and REO property rates declined 0.4 and 0.5 percentage points from a year earlier in Colorado and Utah, to 1.3 and 1.6 percent, respectively. In North Dakota, however, the rate remained flat, at 1.0 percent, but remained the lowest in the region. In Wyoming, the rate of seriously delinquent mortgages and REO properties edged down 0.2 percentage points from a year earlier, to 1.7 percent, but Wyoming now has the highest rate among the states in the region. Every state in the region continued to have a rate well below the 3.2-percent national average.

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Home sales demand remained strong in the Rocky Mountain region, and prices increased significantly in many of the major metropolitan areas.

	12 Months Ending	Number of Homes Sold			Price			
		2015	2016	Percent Change	Average or Median	2015 ($)	2016 ($)	Percent Change
Billings (N&E)	March	3,800	4,050	7	AVG	230,100	230,400	0
Casper (N&E)	March	2,225	1,950	– 12	AVG	243,300	245,000	1
Denver (N&E)	March	57,450	60,250	5	AVG	331,700	366,400	10
Fargo (N&E)	March	5,350	5,475	2	AVG	205,700	226,900	10
Fort Collins (N&E)	March	8,750	8,900	2	AVG	300,600	328,300	9
Ogden (N&E)	March	8,725	9,575	10	AVG	217,000	232,000	7
Provo (N&E)	March	7,525	8,600	14	AVG	255,500	272,000	6
Salt Lake City (N&E)	March	15,400	17,150	11	AVG	266,700	283,100	6
Sioux Falls (N&E)	March	4,100	4,475	9	AVG	183,000	196,300	7

AVG = average. N&E = new and existing.

Notes: All figures are rounded. Salt Lake City data are for Salt Lake County only. Ogden data are for Davis, Morgan, and Weber Counties only.

Sources: Denver Metro Association of Realtors®; Metrostudy, A Hanley Wood Company, with adjustments by the analyst; Realtor® Association of the Sioux Empire, Inc.; Utah Association of Realtors®

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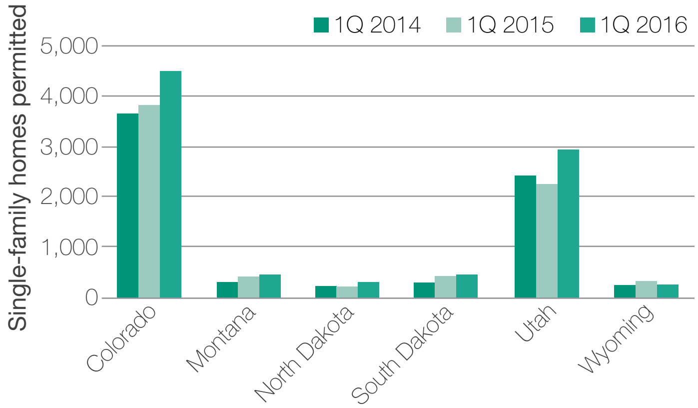
Builders are responding to the tight sales market conditions in the region, and single-family construction has increased strongly. During the first quarter of 2016 (preliminary data)—

- Single-family homebuilding in the region, as measured by the number of homes permitted, was up 19 percent from a year earlier, to approximately 8,900 homes.
- The greatest increases in the region occurred in Colorado and Utah, where single-family permitting increased 18 and 29 percent from a year earlier, to approximately 4,500 and 2,950 homes, respectively. In Colorado, most of the gains were in the Denver and Colorado Springs metropolitan areas, where single-family permitting increased 24 and 42 percent from a year earlier, to approximately 2,500 and 850 homes, respectively. In Utah, the Provo, Salt Lake City, and Ogden metropolitan areas posted gains in single-family permitting of 53, 34, and 11 percent from a year earlier, to approximately 970, 1,010, and 550 homes permitted, respectively.
- In South Dakota, Montana, and North Dakota, single-family permitting increased 4, 12, and 35 percent from a year earlier, to approximately 450, 450, and 300 homes permitted, respectively. In South Dakota, single-family permitting decreased 42 percent in the Rapid City metropolitan area but increased 17 percent in Sioux Falls. In the Billings, Great Falls, and Missoula metropolitan areas in Montana, homebuilding activity was up 8, 33, and 39 percent, respectively. Although single-family permitting in Fargo was down 8 percent from a year earlier, to approximately 120 homes permitted, building activity was up strongly in other parts of North Dakota, including a 66-percent increase in Bismarck, to approximately 100 homes permitted.
- Homebuilding activity decreased significantly in Wyoming, to approximately 250 homes permitted during the quarter, a 24-percent decline from a year earlier. In the Cheyenne and Casper metropolitan areas, single-family permitting was down 19 and 43 percent, respectively, from a year earlier.

Single-family homebuilding activity was up from a year ago in the Rocky Mountain region, led by significant increases in Colorado and Utah.



1Q = first quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey

Apartment Market Conditions

Apartment market conditions were mixed in the Rocky Mountain region in the first quarter of 2016. In the major metropolitan areas in the region, conditions ranged from slightly soft to slightly tight. In the Denver metropolitan area, the tight apartment conditions of a year ago improved somewhat but remained slightly tight. Apartment vacancies reached their highest rate in 4 years, 5.1 percent in the first quarter of 2016, up from 4.3 percent a year earlier (*Apartment Insights*). The average apartment rent was up 7 percent from a year earlier, to $1,261. More than 10,000 new apartments were completed during 2015 and, although absorption during the 12 months ending March 2016 was relatively strong, at more than 6,500 units, the supply significantly outpaced demand. Approximately 10,750 apartment completions are anticipated during the next three quarters, so vacancies in the Denver metropolitan area may continue to increase. In the Colorado Springs metropolitan area, fewer than 1,000 apartments were completed during 2015, and the growth in demand exceeded the supply. Apartment market conditions were slightly tight, with a 4.5-percent vacancy rate in the first quarter of 2016, down from 6.0 percent a year earlier, and the average apartment rent increased nearly 8 percent, to $893. In the Greeley and Fort Collins metropolitan areas, the tight conditions improved significantly in the past year, and both markets are currently balanced. Apartment vacancies in the Greeley and Fort Collins metropolitan areas averaged 4.7 and 5.8 percent, respectively, in the first quarter of 2016, up from 1.5 and 2.4 percent a year earlier, and apartment rents were up 5 and 3 percent from a year earlier, to $945 and $1,187, respectively.

In the Salt Lake City metropolitan area, nearly 1,800 new apartments were completed in the 12 months ending March 2016; however, demand was sufficiently strong that vacancies rose only moderately, from 3.7 percent in the first quarter of 2015 to 4.3 percent in the most recent quarter (Reis, Inc.). Apartment rents increased 4 percent during the same period, to $890. In the Provo metropolitan area, apartment conditions softened significantly from a year ago, and the market is currently slightly soft. The apartment vacancy rate rose from 5.2 percent in the first quarter of 2015 to 8.3 percent in the most recent quarter. An average of 1,500 units a year were permitted in 2014 and 2015, up from an average of 400 units a

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year from 2010 through 2013, causing supply to outstrip demand. Despite the surge in completions, the average apartment rent in the Provo metropolitan area in the first quarter of 2016 was up 7 percent from a year earlier, to $879.

In the Missoula metropolitan area, the apartment market was slightly soft a year ago but conditions are currently slightly tight. The apartment vacancy rate was 4.2 percent in the first quarter of 2016, down from 7.2 percent a year earlier, and the average asking rent increased 2 percent during the same period, to $1,026 (Axiometrics Inc.). In the Rapid City metropolitan area, market conditions were slightly tight in the first quarter of 2016, with a 4.1-percent vacancy rate, down from 4.5 percent a year earlier, but apartment rents increased only 1 percent, to $791 (Reis, Inc.). In the Fargo metropolitan area, market conditions were balanced, with an apartment vacancy rate of 6.7 percent in March 2016, up from 4.8 percent a year earlier. In areas impacted by the decline in energy activity, however, market conditions have softened considerably. In the Williston area, the vacancy rate for market-rate apartments built since 2012 was estimated at more than 26 percent in the first quarter of 2016, up from approximately 6 percent a year earlier, and the average monthly rent declined nearly 50 percent, to approximately $1,175. In the Casper metropolitan area, market conditions were slightly soft, with an estimated apartment vacancy rate of 8.0 percent, up from 5.5 percent a year ago.

Continued strength in apartment demand led to significant increases in multifamily construction in parts of the Rocky Mountain region. During the first quarter of 2016 (preliminary data)—

- Approximately 4,425 multifamily units were permitted in the region, an increase of nearly 35 percent from the first quarter of 2015. The current volume of multifamily construction was nearly 20 percent less than the 5,525 units permitted in the first quarter of 2014, however.
- The greatest increases in the region occurred in Colorado and Utah. In Colorado, multifamily permitting was up 14 percent from a year earlier, to nearly 2,400 units. Although permitting in the Denver metropolitan area was up less than 3 percent, to about 1,975 units, multifamily construction increased strongly in the Boulder and Greeley metropolitan areas, to approximately 130 and 170 units permitted, up from 40 and 90 units, respectively, a year earlier. In Utah, multifamily permitting more than doubled, to approximately 950 units, up from 400 units a year earlier. In the Salt Lake City metropolitan area, multifamily permitting increased more than fourfold, to approximately 590 units.

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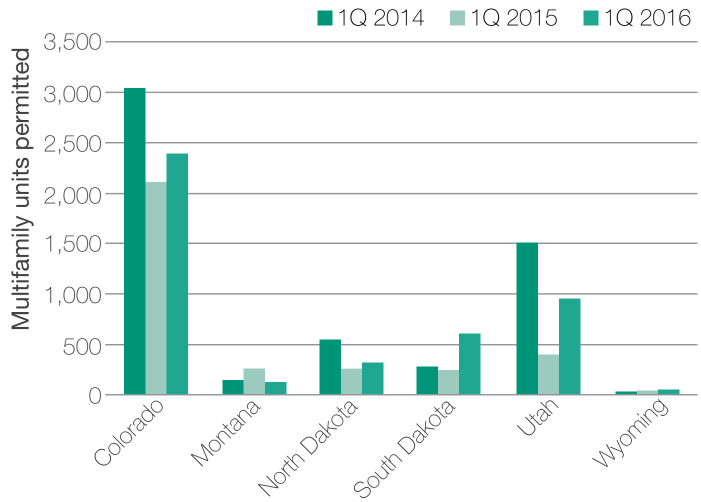
Multifamily construction activity in the Rocky Mountain region was up from a year ago but below that of the first quarter of 2014.



1Q = first quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey

Although many new apartments were completed recently, market conditions improved only slightly in most metropolitan areas in the Rocky Mountain region, with conditions remaining slightly tight in many markets.

	Market Condition	Vacancy Rate			Average Monthly Rent		
		1Q 2015 (%)	1Q 2016 (%)	Percentage Point Change	1Q 2015 ($)	1Q 2016 ($)	Percent Change
Cheyenne	Balanced	NA	NA	NA	NA	NA	NA
Colorado Springs[a]	Slightly tight	6.0	4.5	– 1.5	829	893	8
Denver[a]	Slightly tight	4.3	5.1	0.8	1,182	1,261	7
Fargo[b]	Balanced	4.5	6.7	2.2	NA	NA	NA
Missoula[c]	Slightly tight	7.2	4.2	– 3.0	1,003	1,026	2
Provo[d]	Slightly soft	5.2	8.3	3.1	821	879	7
Rapid City[d]	Slightly tight	4.5	4.1	– 0.4	786	791	1
Salt Lake City[d]	Slightly tight	3.7	4.3	0.6	855	890	4

1Q = first quarter.
Note: Fargo apartment vacancy rates as of March 1.
Sources: Market condition—HUD, PD&R, Economic and Market Analysis Division; vacancy rate and average monthly rent—(a) *Apartment Insights*; (b) Appraisal Services, Inc.; (c) Axiometrics Inc.; (d) Reis, Inc.

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- Multifamily construction also increased strongly in South Dakota, where approximately 600 units were permitted, up from 250 units a year earlier. In the Sioux Falls metropolitan area, approximately 510 units were permitted, up from 120 units a year earlier.
- In North Dakota, multifamily permitting increased moderately, to approximately 310 units permitted, up from 250 units a year earlier, despite a 20-percent decline in the Fargo metropolitan area, to approximately 120 units permitted. Multifamily construction also increased modestly in Wyoming, to about 45 units permitted, up from 20 units a year earlier. In Montana, however, multifamily construction decreased by nearly one-half, from about 250 units in the first quarter of 2015 to 120 units in the most recent quarter.