

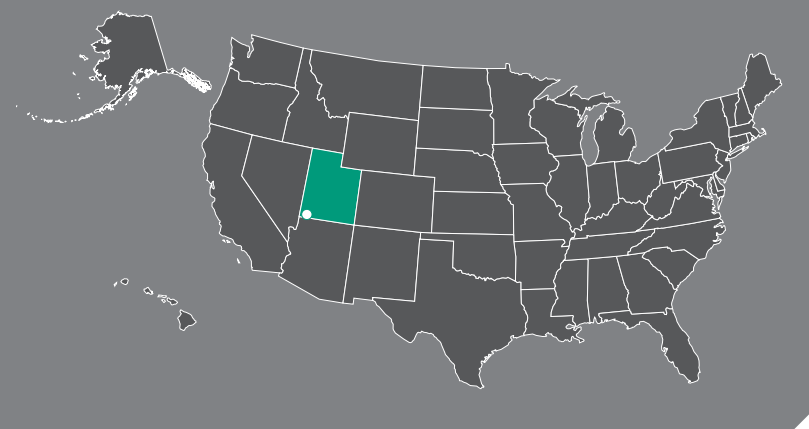
HUD PD&R Housing Market Profiles

St. George, Utah



Quick Facts About St. George

- Current sales market conditions: balanced but tightening
- Current apartment market conditions: slightly tight
- The St. George metropolitan area hosted the **IRONMAN World Championship in 2021**, creating an estimated \$18 million in direct economic impact (Greater Zion Convention & Tourism Office), and this was the first time the event was held outside of Hawaii; St. George will be hosting the event again in 2022.



By Heather Jones | As of April 1, 2022

Overview

The St. George metropolitan area is coterminous with Washington County in southwestern Utah. The region is a tourist and retirement destination because of its temperate climate, variety of recreational activities, and relatively low cost of living. It is home to Zion National Park, four state parks, and is a popular base for visitors to explore other national parks and forests in southern Utah and northern Arizona. The principal city of St. George is an economic and service center for the metropolitan area, with 11 golf courses, high-quality health care facilities, and vibrant retirement communities. The city of St. George also hosts various athletic events, including the IRONMAN World Championship, St. George Marathon, Lions Dixie Roundup Rodeo, and many others.

- As of April 1, 2022, the estimated population of the St. George metropolitan area is 197,600, up by an average of 6,875 people, or 4.0 percent, annually since 2016. By comparison, population growth averaged more than 3,400 people, or 2.3 percent, a year from 2011 to 2016 (Census Bureau population estimates as of July 1 and estimates by the analyst).

continued on page 2



continued from page 1

- The increase in population growth since 2016 is primarily due to greater net in-migration associated with retirees and, more recently, remote workers moving to the area. Net in-migration averaged 5,600 people a year since 2016, up from the average of 2,225 people annually from 2010 to 2016.
- Net natural change slowed since the mid-2010s, averaging 680 annually since 2016, down from the average of 1,075 a

year from 2010 to 2016. This is partially due to the increasing share of residents who are 65 years and older, accounting for 22.1 percent of the population of the metropolitan area in 2019, up from 16.9 percent in 2010 (American Community Survey 1-year estimates).

Economic Conditions

The St. George metropolitan area added jobs at a strong rate for much of the 2010s but was affected by a significant reduction in tourism associated with the COVID-19 pandemic. Visitation to Zion National Park decreased 20 percent from a year earlier during 2020, and the number of passengers serviced by St. George Regional Airport decreased 20.6 percent to 180,100 (Greater Zion Convention and Tourism Office). The airport serviced 302,000 passengers during 2021, surpassing the previous high during 2019 by more than 51 percent. Partly due to the increase in remote workers and outdoor recreation, including races, marathons, and golfing during the pandemic, the economic recovery for the area has been relatively strong, with all sectors reaching their prepandemic totals by December 2020 (monthly data; not seasonally adjusted).

During the 3 months ending March 2022—

- Nonfarm payrolls averaged 78,400 in the metropolitan area, an increase of 3,500 jobs, or 4.7 percent, compared with the same period a year ago, and were 10.1 percent above the

average of 71,200 jobs during the 3 months ending March 2020. By comparison, nonfarm payrolls rose 4.7 percent nationally during the past year and remained 1.0 percent below the average during the 3 months ending March 2020.

- The leisure and hospitality sector, the hardest hit sector during the recent recession, led job growth, adding 1,000 jobs, or 10.1 percent. The sector decreased 38.0 percent during the recession in March and April 2020 but had fully recovered from pandemic losses by October 2020 (monthly data; not seasonally adjusted).
- The wholesale and retail trade sector registered strong growth, rising by 1,000 jobs, or 8.2 percent, mostly in the retail trade subsector, which grew to 11,800 jobs in the 3 months ending March 2022 from 10,800 jobs the previous year.
- The mining, logging, and construction sector increased from a year earlier, up 500 jobs, or 5.4 percent, compared with

continued on page 3

All but two payroll sectors added jobs in the St. George metropolitan area during the 3 months ending March 2022.

	3 Months Ending		Year-Over-Year Change	
	March 2021 (Thousands)	March 2022 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	74.9	78.4	3.5	4.7
Goods-Producing Sectors	13.2	13.8	0.6	4.5
Mining, Logging, & Construction	9.3	9.8	0.5	5.4
Manufacturing	3.8	4.0	0.2	5.3
Service-Providing Sectors	61.7	64.6	2.9	4.7
Wholesale & Retail Trade	12.2	13.2	1.0	8.2
Transportation & Utilities	4.4	4.4	0.0	0.0
Information	0.7	0.8	0.1	14.3
Financial Activities	2.9	2.9	0.0	0.0
Professional & Business Services	6.7	6.7	0.0	0.0
Education & Health Services	13.0	13.2	0.2	1.5
Leisure & Hospitality	9.9	10.9	1.0	10.1
Other Services	2.1	2.4	0.3	14.3
Government	9.9	10.0	0.1	1.0
Unemployment Rate	3.8%	2.4%		

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

Source: U.S. Bureau of Labor Statistics



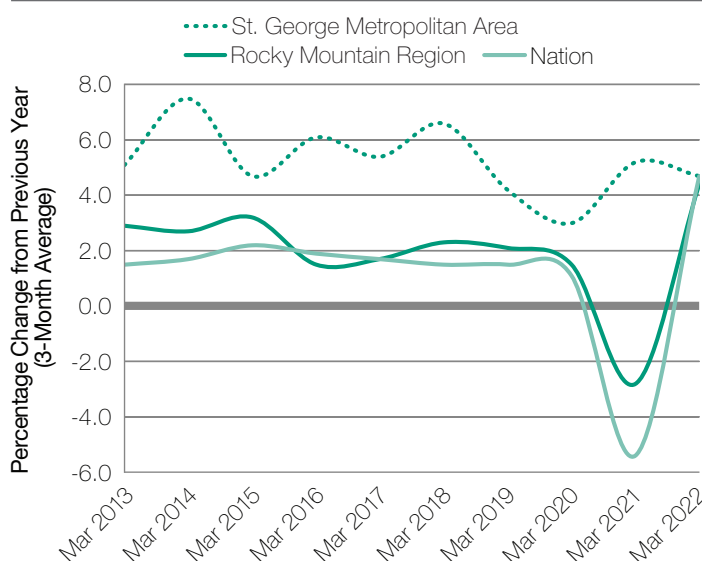
continued from page 2

an increase of 900 jobs, or 10.7 percent, during the same period a year ago. The sector added jobs each of the past 2 years largely due to gains in the construction subsector, deemed essential throughout the pandemic, benefiting from relatively high levels of residential development since the late 2010s.

- The unemployment rate averaged 2.4 percent, down from 3.8 percent a year earlier, lower than the 3.5-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 education and health services sector has become increasingly important in the St. George metropolitan area since 2010. As a popular retiree destination, the population of the metropolitan area exhibits strong demand for health care services, and the sector has added jobs at a relatively strong rate due to expanding hospitals and new outpatient centers. St. George Regional Hospital expanded in 2018 and 2021, adding patient beds, a Women and Newborn Center, a Cancer Center, and upgrading the Intermediate Neuro Unit. From 2010 through 2021, the education and health services sector added an average of 430 jobs, or 4.3 percent, annually. Nationally, the sector rose 1.6 percent during the period. In the metropolitan area, jobs in the education and health services sector are notably high-paying relative to jobs in other sectors. As of the third quarter of 2021, the average weekly wage for the sector was \$983, which was 21 percent higher than the average for all industries.

Nonfarm payroll growth in the St. George metropolitan area outpaced that of the nation and the Rocky Mountain region from 2013 until the past year.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the St. George Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
Intermountain Healthcare	Education & Health Services	3,000–3,999
Walmart Inc.	Wholesale & Retail Trade	2,000–2,999
Utah Tech University, formerly Dixie State University	Government	1,000–1,999

Note: Excludes local school districts.

Source: Department of Workforce Services

Sales Market Conditions

The home sales market in the St. George metropolitan area is balanced but tightening due to a significant decline in for-sale inventory during the past year. The sales vacancy rate is estimated at 3.5 percent, down from 4.3 percent in 2010. The metropolitan area had a 1.0-month supply of homes for sale during March 2022, down from a 2.0-month supply a year earlier (Redfin, a national real estate brokerage). Social distancing measures that hinder worker productivity extended the construction time for new homes and contributed to the decline in for-sale inventory since the start of the pandemic. Supply constraints associated with inputs like lumber and appliances contributed to longer construction timelines and increased construction costs. Nationally, the price of construction materials

increased almost 20 percent in 2021 compared with 2020 (Associated General Contractors of America).

During the 12 months ending February 2022—

- Existing home sales totaled 7,600 homes, a 5-percent decrease from the 12 months ending February 2021, and the average sales price of an existing home increased 24 percent, to \$475,300.
- New home sales decreased 21 percent from 2,075 homes during the 12 months ending February 2021 to 1,650 homes. Significant price increases contributed to lower sales, the average sales price rising almost 18 percent to \$493,300 during the past year.

continued on page 4

continued from page 3

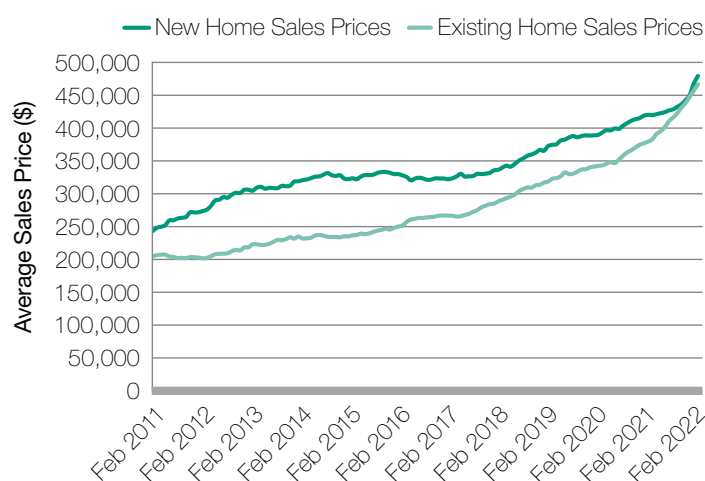
- The percentage of mortgages in the St. George metropolitan area that were seriously delinquent loans—90 or more days delinquent, in foreclosure, or transitioned into real estate owned (REO) status—was 0.6 percent in January 2022, down from 1.8 percent in January 2021 but above the 0.4-percent rate in January 2020 (CoreLogic, Inc.). The rise in rate in January 2021 partly reflected an increase in the number of loans in forbearance, as the economic contraction during the COVID-19 pandemic made it more difficult for some homeowners to stay current on their mortgage payments. The January 2022 rate for

the metropolitan area was below the 0.9-percent rate for Utah and the 1.9-percent rate for the nation.

New home sales construction activity—as measured by the number of homes permitted—rose each year from 2014 through 2021 as sales market conditions tightened. Recent home construction has been concentrated in the city of St. George, where there are many shops and restaurants and services are more readily available.

continued on page 5

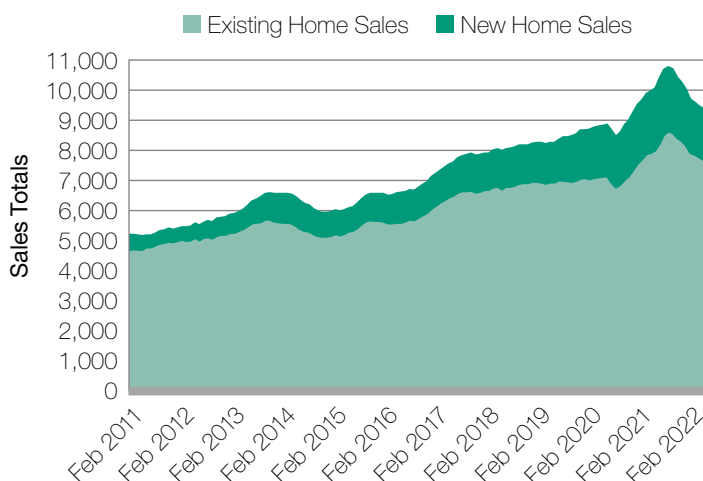
New and existing home sales prices in the St. George metropolitan area have risen moderately over the past decade.



Note: Prices are for single-family homes and townhomes.

Source: CoreLogic, Inc.

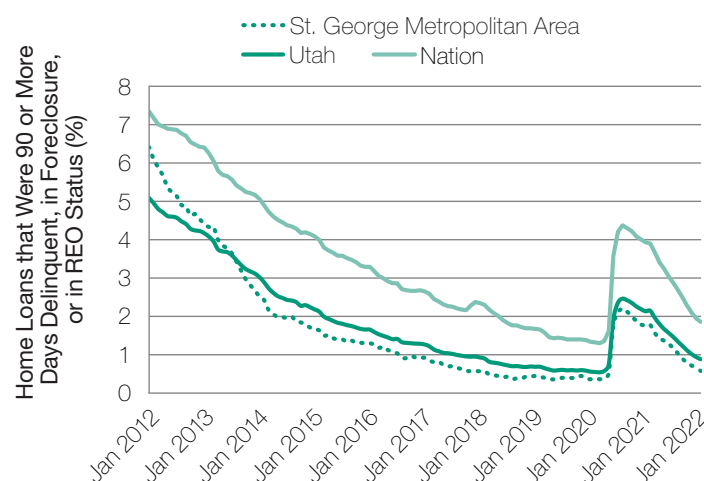
Home sales in the St. George metropolitan area increased rapidly in 2020 before declining the following year due to a low inventory of homes for sale.



Note: Totals are for single-family homes and townhomes.

Source: CoreLogic, Inc.

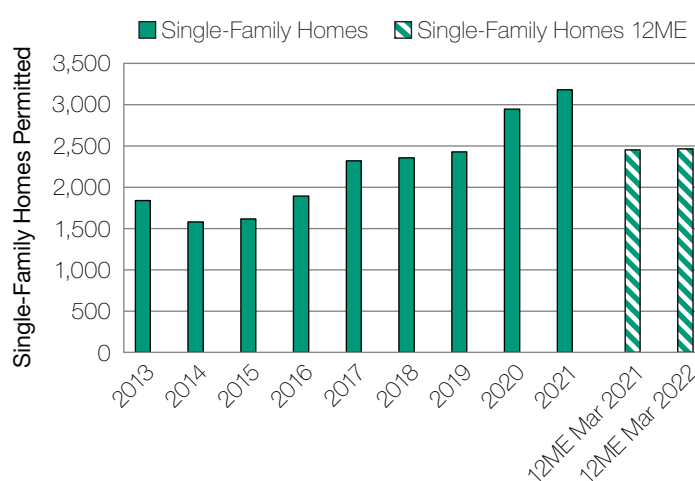
The proportion of seriously delinquent loans and REO properties in the St. George metropolitan area rose during early 2020, but it has since fallen and remains below the national average.



REO = real estate owned.

Source: CoreLogic, Inc.

Single-family home construction in the St. George metropolitan area increased each year from 2015 through 2021.



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst



continued from page 4

- Approximately 2,450 single-family homes were permitted during the 12 months ending March 2022, largely unchanged from a year ago (preliminary data).
- After 1,575 homes were permitted during 2014, the number of homes permitted in the metropolitan area increased during each of the next 7 years, with the fastest increases during 2017 and 2020, when the number of homes permitted rose 23 percent and 21 percent or 430 homes and 520 homes, respectively.

Apartment Market Conditions

Apartment market conditions are slightly tight in the St. George metropolitan area, as relatively strong rental household growth has contributed to rising rents and low vacancy rates since the mid-2010s. A relatively high number of multifamily units permitted during 2019 and 2020 contributed to an increase in the apartment vacancy rate during the past year, but the apartment market remains tight.

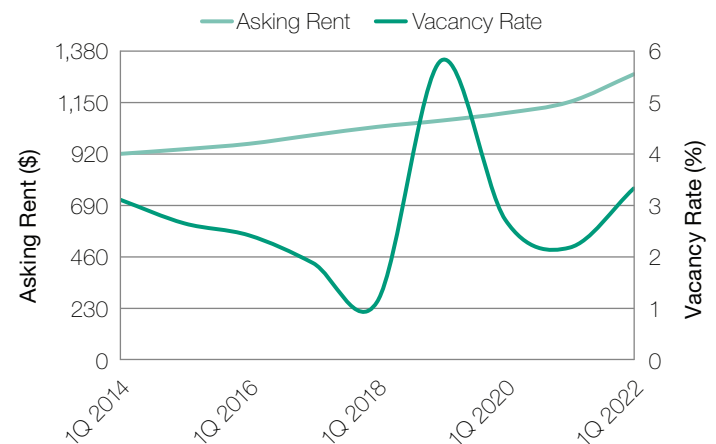
- The apartment vacancy rate in the metropolitan area was 3.3 percent during the first quarter of 2022, up from 2.2 percent a year earlier (CoStar Group). The apartment vacancy rate generally fluctuated between 1.1 and 3.5 percent from the first quarter of 2013 through the first quarter of 2022, except for the first quarter of 2019, when the vacancy rate spiked briefly to 5.8 percent as approximately 400 new units entered the market.
- The average rent in the metropolitan area increased to \$1,279 during the first quarter of 2022, an 11-percent increase from a year ago. Two new apartment buildings containing a combined 455 units, including some high-end apartments, entered the market during the past year, contributing to the increase in the average rent.
- An average of 580 apartment units have been absorbed each year in the metropolitan areas since 2020, whereas deliveries for the same period averaged 380 units annually, contributing to the increased apartment vacancy rate during the past year.

Multifamily construction activity, as measured by the number of multifamily units permitted, has generally been at high levels since the mid-2010s, including a peak of 1,125 units permitted during 2019. High net in-migration supported increased multifamily development.

- During the 12 months ending March 2022, approximately 130 multifamily units were permitted in the metropolitan area, down 36 percent from 200 units a year ago (preliminary data).
- From 2017 through 2019, an average of 860 units were permitted annually, but that figure decreased to an average

- Crimson Vistas, a new subdivision in the city of St. George, broke ground in April 2021. The development will include 95 homes completed over six phases, with an average lot size of a quarter acre, costing approximately \$285,000 each. Each home will be custom-made, with buyers able to utilize their own builders.

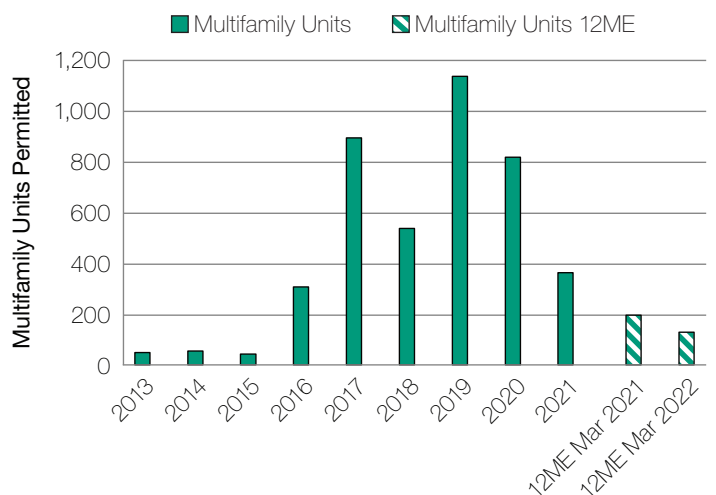
During the first quarter of 2022, the apartment vacancy rate increased in the St. George metropolitan area as more units entered the market.



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

Source: CoStar Group

Multifamily construction in the St. George metropolitan area increased sharply in 2019 but fell during 2020 and 2021.



12ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–20—final data and estimates by the analyst; 2021—preliminary data and estimates by the analyst

continued on page 6

continued from page 5

of 590 units a year in 2020 and 2021; it remained higher than the average of 140 units annually from 2014 through 2016.

- Recent multifamily development has been concentrated in the city of St. George, including the 240-unit Dixie Drive Apartments, which broke ground in December 2021. The project will consist of 10 buildings and a 4,950-square-foot clubhouse.
- The Brookfield Apartments in St. George recently completed construction, with 160 units comprising one-bedroom,

two-bedroom, and three-bedroom apartments. Rental rates range from \$1,389 to \$2,909, depending on the floor plan. The property recently broke ground on a second phase of the development, which will add 100 units when complete.

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, estimates 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	Include single-family, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Seriously Delinquent Loans	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.
----	---