Economic conditions in the metropolitan area have improved during the past year. During the 12 months ending February 2012, nonfarm payrolls increased by 5,700 jobs, or 3.2 percent, to 183,800. Before this increase in payrolls, the metropolitan area experienced 2 years of payroll declines, of 9,800 jobs, or 5.2 percent, in 2009 and 900 jobs, or 0.5 percent, in 2010. Recent growth has been strongest in service-providing sectors, including the professional and business services sector, which gained 2,500 jobs, or 11.4 percent, during the 12 months ending February 2012. Nearly one-half of the increase in the professional and business services sector was in the temporary employment and administrative services industries. Payrolls in the mining, logging, and construction and the education and health services sectors increased by 1,000 and 800 jobs, or 9.9 and 2.0 percent, respectively, from a year ago. The average unemployment rate during the 12 months ending February 2012 was 7.0 percent, a decrease from the 7.8-percent rate during the previous 12 months but greater than the 6.5-percent statewide unemployment rate.

The rental market in the Provo-Orem metropolitan area is currently tight. According to data from Reis, Inc., in the fourth quarter of 2011, the apartment vacancy rate was 2.8 percent, down from the 4.7-percent rate recorded during the fourth quarter of 2010. Apartment rents in the fourth quarter of 2011 averaged $680 for one-bedroom units, $800 for two-bedroom units, and $930 for three-bedroom units. Overall, the average asking rent was $775, relatively unchanged from a year ago. BYU significantly affects the rental housing market, with student households accounting for nearly 35 percent of all renter households in the metropolitan area.

Builders have responded to the increased demand for rental units. Based on preliminary data, during the 12 months ending February 2012, 490 apartment units were permitted in the metropolitan area, an increase of nearly 20 percent from the 410 units permitted during the previous 12 months. During 2008 and 2009, an average of 80 apartment units was permitted annually, which was a sharp decrease from the annual average of 500
units permitted from 2004 through 2006. Rental units currently under construction include Joaquin Village, a 940-bed student housing project that began construction in September 2010 and is expected to be complete in July 2012. In addition, Sienna Apartments, an 80-unit project in Orem, is expected to have rents of $800 for one-bedroom units and $1,020 for two-bedroom units when complete in May 2012.