

# COMPREHENSIVE HOUSING MARKET ANALYSIS

## Salt Lake City, Utah

**U.S. Department of Housing and Urban Development,**  
Office of Policy Development and Research

As of December 1, 2022



PD&R

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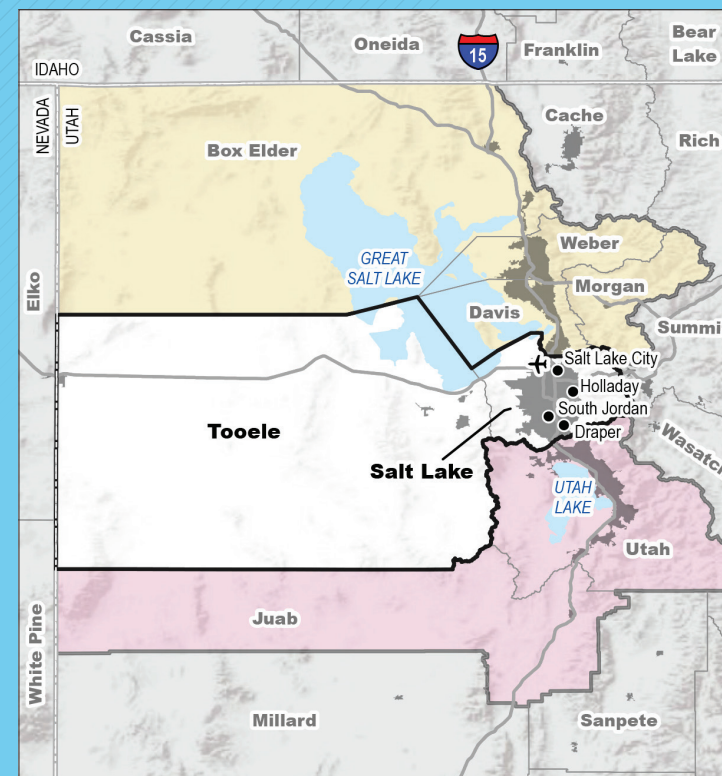
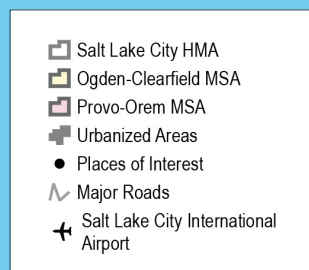
# Executive Summary

## Housing Market Area Description

The Salt Lake City Housing Market Area (HMA) is coterminous with the Salt Lake City, UT Metropolitan Statistical Area (MSA). It includes Salt Lake and Tooele Counties in north-central Utah and is located at the western edge of the Wasatch Mountain Range. The HMA is part of the Wasatch Front region, which also includes the Ogden-Clearfield, UT, and Provo-Orem, UT MSAs and had an estimated combined 3.33 million residents in 2021.

The current population of the HMA is estimated at 1.28 million.

Four ski areas—Alta, Brighton, Snowbird, and Solitude—and the proximity of the HMA to eight other ski areas in nearby counties make the HMA a winter tourist destination. The area ski resorts contributed to the ski industry having a statewide economic impact of \$1.5 billion during the 2019–20 season, which was the fourth-best season despite early closures due to the COVID-19 pandemic (Ski Utah). Salt Lake City is the state capital and the headquarters for The Church of Jesus Christ of Latter-day Saints.



## Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).

Additional data for the HMA can be found in this report's [supplemental tables](#).

For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



**Strong:** During the 12 months ending November 2022, total nonfarm payrolls exceeded 2019 levels by 5 percent, compared with less than 1 percent nationally.

During the 12 months ending November 2022, nonfarm payrolls averaged 788,100 jobs, up by 22,800 jobs, or 3.0 percent, from a year earlier. Job gains in nine sectors more than offset losses in two sectors. The wholesale and retail trade and the leisure and hospitality sectors led job growth, up by 5,600 and 5,000 jobs, or 5.0 and 8.7 percent, respectively. Labor market conditions are tight, with a 2.1-percent unemployment rate, down from 2.9 percent a year earlier; the current unemployment rate is the lowest rate since at least 2000. Job growth is expected to average 2.3 percent during the next 3 years.

Sales Market



**Balanced:** During November 2022, 3.4 months of for-sale inventory were available in the HMA, compared with the historic low level of a 0.9-month supply a year earlier (Redfin, a national real estate brokerage).

The sales vacancy rate is currently estimated at 1.4 percent, down from 2.0 percent in April 2010. Rising interest rates during 2022 contributed to fewer home sales during the most recent 12-month period. During the 12 months ending October 2022, 25,350 homes sold, down 21 percent from the previous 12-month period, and the average sales price increased 15 percent to \$564,100 (CoreLogic, Inc., with adjustments by the analyst). By comparison, home sales increased an average of 3 percent annually during 2020 and 2021, and the average sales price was up an average of 14 percent each year. During the next 3 years, demand is expected for 12,650 new homes. The 3,100 homes under construction will meet a portion of the demand in the first year.

Rental Market



**Balanced, but Easing:** Elevated construction in recent years contributed to the rental market having a 6.9-percent vacancy rate, the same as the rate in April 2010, but underlying factors stemming from a weakened economy influenced the soft conditions during that earlier period.

Apartment market conditions are also balanced, compared with slightly tight conditions a year earlier. The stabilized vacancy rate was 5.5 percent as measured in the fourth quarter of 2022, up from 3.6 percent a year earlier (CoStar Group). Easing market conditions contributed to slower rent growth; the average rent increased 5 percent to \$1,511 between the fourth quarter of 2021 and the fourth quarter of 2022, compared with 15 percent year-over-year rent growth the previous year. During the 3-year forecast period, demand is estimated for 11,500 units. Most of the demand will be met by the 11,000 units already under construction.

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3-Year Housing Demand Forecast			
Salt Lake City HMA	Sales Units		Rental Units
	Total Demand	12,650	11,500
	Under Construction	3,100	11,000

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of December 1, 2022. The forecast period is December 1, 2022, to December 1, 2025.  
Source: Estimates by the analyst



## Economic Conditions

### Largest Sector: Professional and Business Services

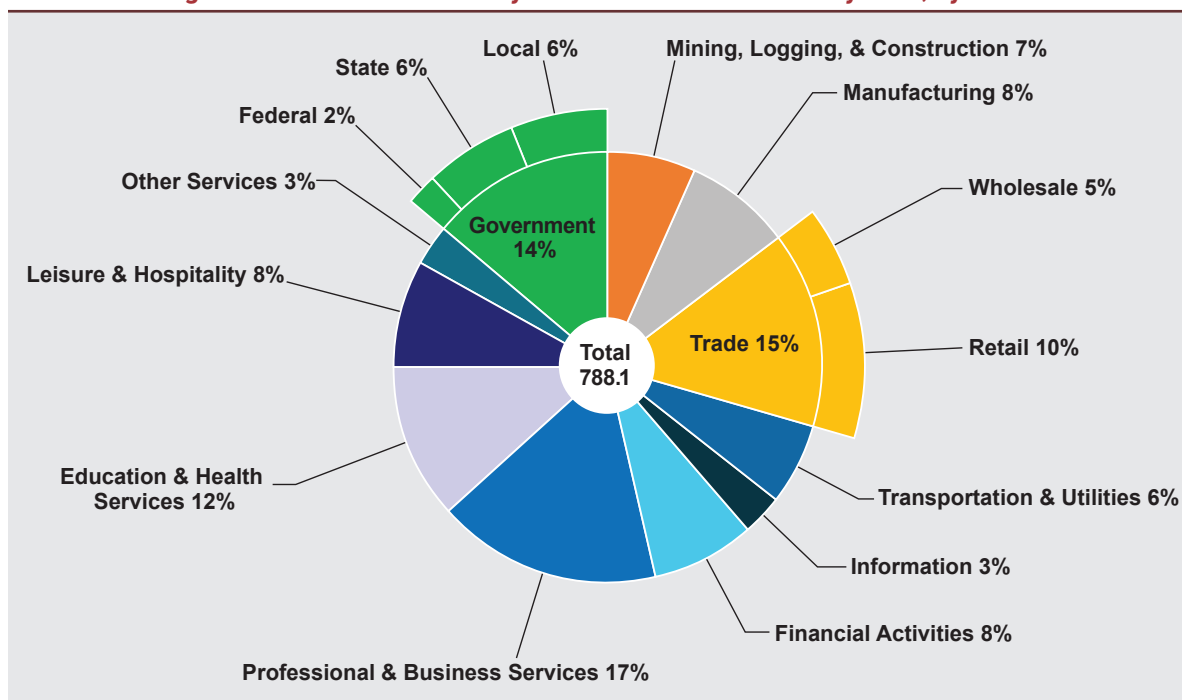
Job gains in 9 out of 11 sectors contributed to the 3.0-percent increase in nonfarm payrolls during the 12 months ending November 2022.

### Primary Local Economic Factors

Salt Lake City is the state capital and center of government activities. As the largest city in the state, it is also a regional center for trade, health care, education, and other services. Salt Lake City hosts a concentration of government jobs that account for 14 percent of jobs in the HMA (Figure 1), providing considerable economic stability. The state government subsector accounts for 44 percent of government sector payrolls. The University of Utah (UofU), which includes the university and University of Utah Health, also supports jobs in the government sector and is the largest employer in the HMA with more than 20,000 workers (Table 1). During the fall 2022 semester, nearly 34,750 students were enrolled, up slightly more than 1 percent from a year earlier. In 2019, UofU accounted for \$2.7 billion of the state gross domestic product (The University of Utah 2020 report).

The mining, logging, and construction sector has expanded rapidly in recent years to meet the increased demand for housing and commercial space brought on by a sustained period of net

Figure 1. Share of Nonfarm Payroll Jobs in the Salt Lake City HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through November 2022.

Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Salt Lake City HMA

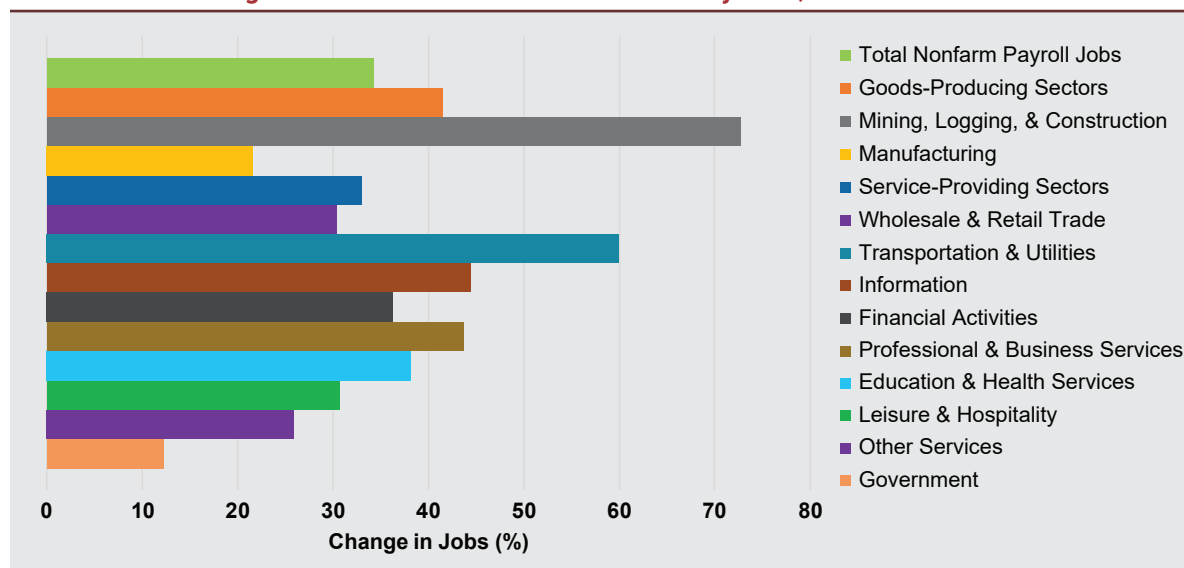
Name of Employer	Nonfarm Payroll Sector	Number of Employees
The University of Utah	Government	20,000+
Intermountain Healthcare	Education & Health Services	20,000+
State of Utah	Government	10,000–14,999
Walmart Inc.	Wholesale & Retail Trade	5,000–6,999
Amazon.com, Inc.	Wholesale & Retail Trade	5,000–6,999
Salt Lake County	Government	5,000–6,999
Salt Lake City	Government	4,000–4,999
Delta Air Lines, Inc.	Transportation & Utilities	4,000–4,999
Associated Regional and University Laboratories, Inc. (ARUP)	Government	4,000–4,999
The Kroger Co. (parent company of Smith's Food and Drug)	Wholesale & Retail Trade	4,000–4,999

Note: Excludes local school districts.

Source: Utah Department of Workforce Services, November 2022

in-migration and economic growth. Since 2011, when the local economic recovery began after the Great Recession, payrolls in the sector have increased nearly 73 percent (Figure 2). From 2014 through 2019—a period that corresponds with the highest levels of annual net in-migration since at least 2000—the sector added an average of 2,000 jobs, or 5.1 percent, each year. The sector is one of just three that added jobs throughout 2020 during the downturn caused by countermeasures to slow the spread of COVID-19. In addition to residential construction, numerous large commercial construction projects were recently completed or are underway in the HMA. The Utah State Correctional Facility (USCF) was moved from the city of Draper to a site in Salt Lake County, west of the airport. Construction of the prison, which opened in July 2022 and includes 35 buildings on 200 acres, took 6 years, cost more than \$1.0 billion, and employed more than 1,500 workers. Construction at the Salt Lake City International Airport is ongoing, with renovations that will essentially rebuild the airport while keeping it open. The project, which began in 2014, is expected to cost \$5.1 billion and will include new terminals, concourses, and parking areas. More than 20 new gates will open in 2023, and construction will continue into 2024. Three dormitories at UofU, with approximately 1,750 beds, are under construction; the dormitories will help accommodate some of the growing enrollment and increased preferences for students to live on campus.

**Figure 2. Sector Growth in the Salt Lake City HMA, 2011 to Current**



Note: Current data are based on the 12-month averages ending in November 2022.  
Source: U.S. Bureau of Labor Statistics

## 2020 to Current—Nonfarm Payrolls

The HMA was moderately affected by job losses associated with the COVID-19 pandemic. During 2020, jobs declined by 15,800, or 2.1 percent, ending 9 consecutive years of economic gains. By comparison, payrolls declined 5.8 percent nationally in 2020. The leisure and hospitality sector, which accounted for 71 percent of the job losses in the HMA, was down by 11,200 jobs, or 17.4 percent. Partially offsetting those job losses, the mining, logging, and construction sector, the financial activities sector, and the transportation and utilities sector added 3,000, 1,400, and 1,000 jobs, respectively, or 6.4, 2.3, and 2.5 percent. Jobs in these sectors were supported by elevated residential construction, ongoing expansion projects at the airport, historically low interest rates contributing to home purchases and mortgage refinancing, and increasing preferences for online purchases resulting from pandemic-related social distancing recommendations. Recovery in the HMA was swift; by early 2021, the HMA recovered the jobs lost in March and April 2020 because of the impacts of COVID-19, a year ahead of the national recovery (not seasonally adjusted). During the 12 months ending November 2022, nonfarm payrolls increased by 22,800 jobs, or 3.0 percent, to 788,100 jobs, compared with the previous 12-month period.

(Table 2). Total nonfarm payrolls surpassed 2019 levels by 5 percent, compared with less than 1 percent nationally. Most sectors in the HMA added jobs, led by the wholesale and retail trade sector, which gained 5,600 jobs, an increase of 5.0 percent, and the leisure and hospitality sector, which increased by 5,000 jobs, or 8.7 percent. Despite strong gains in the leisure and hospitality sector, payrolls in that sector remain nearly 3 percent below 2019 levels, before the sector was affected by the COVID-19 job losses. The mining, logging, and construction sector also had strong growth during the 12 months ending November 2022, adding 4,200 jobs, or 8.0 percent, from a year earlier; the number of jobs in that sector is 22 percent higher than the prepandemic peak in 2019.

Nonfarm payrolls in two sectors declined during the past 12 months: the financial activities sector and the government sector lost 900 and 500 jobs, respectively, or 1.4 and 0.5 percent. In the financial activities sector, the rapid

**Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s)  
in the Salt Lake City HMA, by Sector**

	12 Months Ending November 2021	12 Months Ending November 2022	Absolute Change	Percentage Change
<b>Total Nonfarm Payroll Jobs</b>	<b>765.3</b>	<b>788.1</b>	<b>22.8</b>	<b>3.0</b>
<b>Goods-Producing Sectors</b>	<b>113.8</b>	<b>120.0</b>	<b>6.2</b>	<b>5.4</b>
Mining, Logging, & Construction	52.8	57.0	4.2	8.0
Manufacturing	60.9	63.0	2.1	3.4
<b>Service-Providing Sectors</b>	<b>651.6</b>	<b>668.1</b>	<b>16.5</b>	<b>2.5</b>
Wholesale & Retail Trade	112.8	118.4	5.6	5.0
Transportation & Utilities	42.9	44.0	1.1	2.6
Information	21.3	23.8	2.5	11.7
Financial Activities	63.2	62.3	-0.9	-1.4
Professional & Business Services	135.4	135.7	0.3	0.2
Education & Health Services	89.3	91.9	2.6	2.9
Leisure & Hospitality	57.7	62.7	5.0	8.7
Other Services	21.9	22.8	0.9	4.1
Government	107.1	106.6	-0.5	-0.5

Notes: Based on 12-month averages through November 2021 and November 2022. Numbers may not add to totals due to rounding. Data are in thousands.

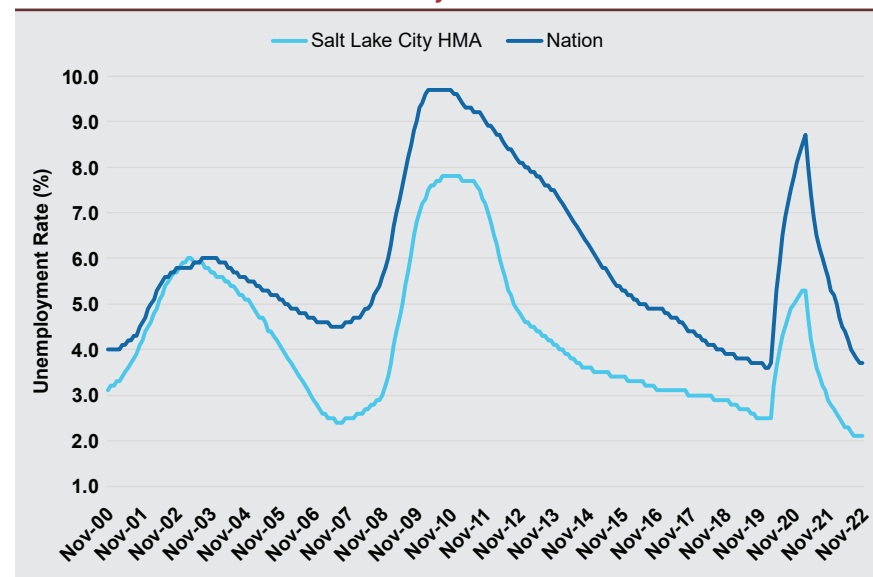
Source: U.S. Bureau of Labor Statistics

rise in interest rates in 2022 resulted in a drop in mortgage and refinance applications, contributing to layoffs in the industry, and Goldman Sachs, which has more than 2,000 workers in the HMA, laid off approximately 1 percent of its global workforce. The government sector declines occurred primarily in the state government subsector and the federal government subsector, in which temporary employment of census workers for the 2020 Decennial Census ended in 2021.

## Current Conditions—Unemployment

Labor market conditions in the HMA are tight. The 3.4-percent increase in resident employment during the 12 months ending November 2022 outpaced the 2.5-percent gain in the labor force, contributing to a sharp decline in the unemployment rate. The unemployment rate averaged 2.1 percent during the 12 months ending November 2022, down from 2.9 percent a year earlier (Figure 3). The unemployment rate is at the lowest level since at least 2000;

**Figure 3. 12-Month Average Unemployment Rate  
in the Salt Lake City HMA and the Nation**



Note: Based on the 12-month moving average.

Source: U.S. Bureau of Labor Statistics

it previously peaked at 7.8 percent in 2010 during the Great Recession before steadily declining to a low of 2.5 percent in 2019. The rate spiked to 5.3 percent in early 2021 because of the pandemic-related downturn. Compared with the nation, the unemployment rate in the HMA has been

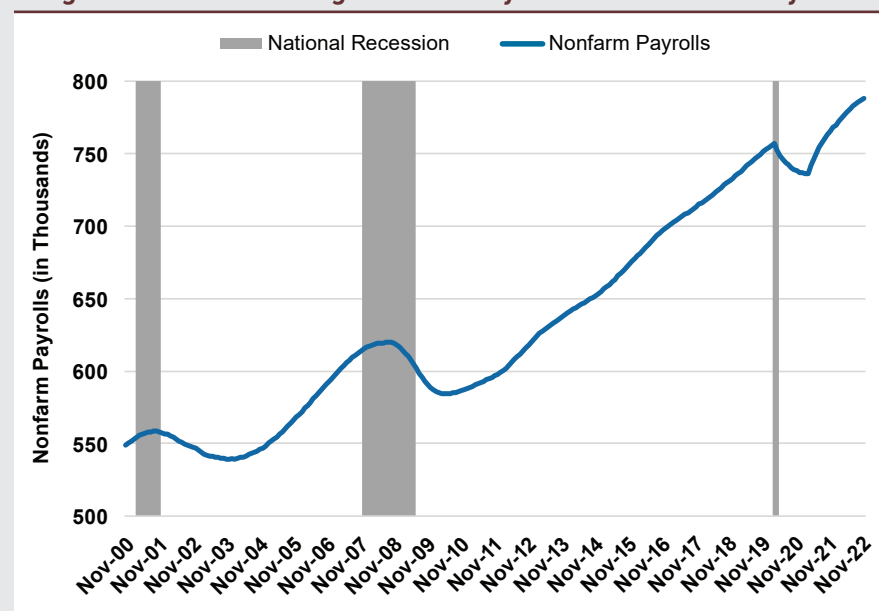
lower every year except for a brief period in 2003. During the 12 months ending November 2022, the national unemployment rate was 3.7 percent, down from 5.6 percent a year earlier and equal to the 2019 rate.

## Historical Trends: Nonfarm Payrolls

### 2001 Through 2008—Recession and Recovery

After peaking at 557,200 jobs in 2001, nonfarm payrolls decreased annually by an average of 8,900 jobs, or 1.6 percent, to a low of 539,400 jobs in 2003 (Figure 4) as a result of the local economic downturn caused by the bursting of the dot-com bubble. Five years of job growth followed, and jobs increased

**Figure 4. 12-Month Average Nonfarm Payrolls in the Salt Lake City HMA**



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

by an average of 15,700, or 2.8 percent, annually from 2004 through 2008 to 618,100 jobs. Service-providing sectors accounted for 80 percent of job gains during the period. The professional and business services sector added the most jobs in numerical terms during the period, up by 3,600 jobs, or 4.0 percent, annually. The fastest job growth in percentage terms was in the mining, logging, and construction sector, which increased by an average of 2,000 jobs, or 5.4 percent, annually. Greater population growth since 2004 caused an increased demand for housing and construction jobs in the HMA.

### 2009 Through 2010—The Local Economic Downturn

Although the Great Recession lasted from December 2007 to June 2009, job losses did not impact the Salt Lake City HMA until 2009, and they were less severe in the HMA than in the nation. Nevertheless, the recession caused 2 years of job losses in the HMA, with total nonfarm payrolls declining by an average of 15,400 jobs, or 2.5 percent, annually, during 2009 and 2010, for a total decline of 5.0 percent. By comparison, the nation shed a total of 5.5 percent of nonfarm payrolls from 2008 to 2010. Nearly 50 percent of the jobs lost in the HMA during 2009 and 2010 were in goods-producing sectors, led by the mining, logging, and construction sector, which lost an average of 4,600 jobs, or 11.6 percent, annually. The wholesale and retail trade and the manufacturing sectors lost averages of 3,600 and 2,800 jobs, respectively, or 3.8 and 4.9 percent, a year, due to weakened consumer confidence and a decline in household spending. MOOG Inc., an aircraft manufacturing company, laid off 220 workers in September 2009. Also in 2009, Rio Tinto, a mining and ore-processing company, laid off approximately 240 workers at Kennecott Utah Copper LLC.

## 2011 Through 2019—Recovery and Expansion

The Salt Lake City HMA had one of the fastest-growing economies in the nation following the Great Recession, as measured by job growth. Recovery began slowly in 2011, with nonfarm payrolls increasing by 10,500 jobs, or 1.8 percent. In 2012, however, the HMA recovered the number of jobs lost as a result of the Great Recession, and by the end of the year, the HMA entered a period of rapid economic growth. By comparison, the nation did not recover the number of jobs lost until 2014. Jobs in the HMA increased by an average of 19,400, or 2.9 percent, annually, from 2012 through 2019,

and 87 percent of job gains occurred in service-providing sectors. The professional and business services sector added the most jobs, increasing by an average of 4,100 jobs, or 3.6 percent, a year. Pluralsight, LLC, which provides technology-related training and services to companies, has been expanding in the HMA since 2015, and in 2017, the company announced plans to add nearly 2,500 employees throughout the state in the next decade. As a part of that expansion, a new office in the city of South Jordan opened in the fourth quarter of 2017, and the company moved its headquarters from the city of Farmington, outside the HMA, to a new office in the city of Draper in 2020.

## Forecast

During the next 3 years, nonfarm payrolls in the HMA are expected to increase by an average of 18,800 jobs, or 2.3 percent, a year. The gains are expected to be generally steady throughout the forecast period. Growth will be slightly slower than in recent years because the economy is in an expansion rather than a recovery phase, and the tight labor market conditions may limit some jobs from being filled. In July 2021, TaxBit, Inc., a tax and accounting software company located in the city of Draper, announced plans to add 1,700 jobs over

the subsequent 10 years, a portion of which are expected during the forecast period. In October 2022, Morgan Stanley Finance LLC, announced plans to add 800 new jobs during the next 10 years to the current 1,600 workers it already has in the financial activities sector. Demolition is underway at the former prison site in the city of Draper, which will support construction jobs. Plans for a mixed-use community on the 600 acres are in development; however, construction will not likely begin until 2026, outside of the forecast period.





# Population and Households

## Current Population: 1.28 Million

Net natural increase contributes more to population growth than net migration, accounting for 96 percent of population growth from 2000 to 2010. It has been declining, however, following long-term national trends, and has accounted for 72 percent since 2010, whereas net in-migration has increased during periods of strong economic growth.

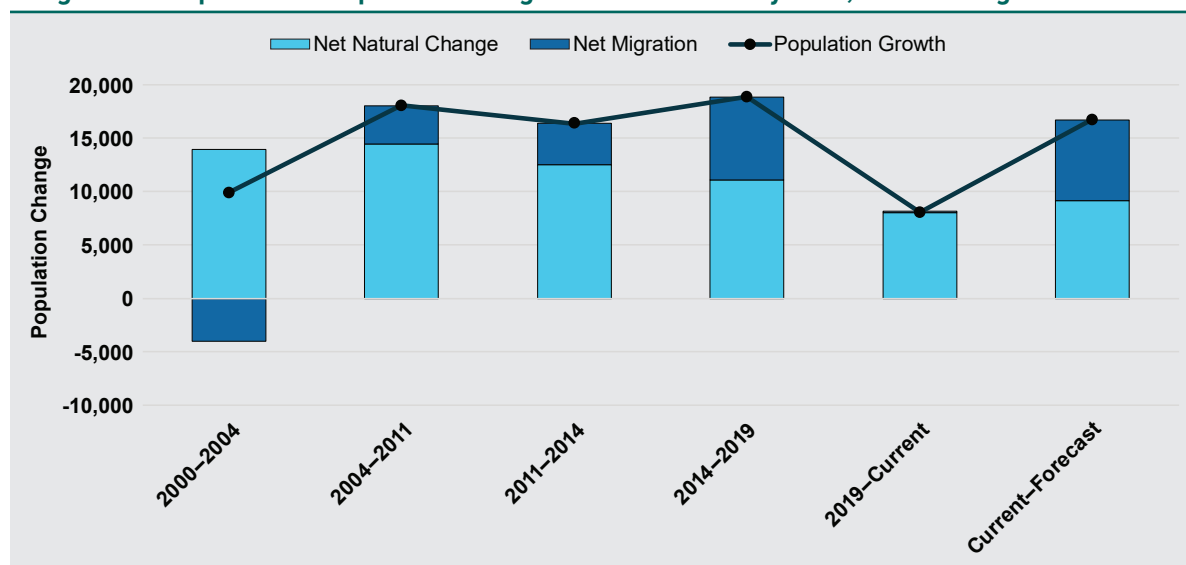
## Population Trends

The population of the Salt Lake City HMA is estimated at 1.28 million as of December 1, 2022. Approximately 94 percent of the HMA population reside in Salt Lake County, a proportion that has been gradually declining since 2000. Tooele County increased the share of population from 4 percent in 2000 to approximately 6 percent currently, in part because the county has more land for development and lower housing costs than Salt Lake County; the average price for a home in Tooele County during the most recent 12 months was 17 percent lower than in Salt Lake County (CoreLogic, Inc., with adjustments by the analyst).

Slow population growth in the early 2000s accelerated throughout the Great Recession and into the economic expansion of the 2010s

before slowing again as a result of the COVID-19 pandemic. From 2000 to 2004, the population increased by an average of 10,100, or 1.1 percent, a year; net natural increase averaged 14,000 a year, more than offsetting net out-migration, which averaged 3,900 people a year (U.S. Census Bureau decennial census counts and population estimates as of July 1; Figure 5), attributed to the weak economic conditions during that time. The economy strengthened, and the population grew at a faster rate, which continued through the Great Recession, in part because the impacts were less severe in the HMA than the nation. From 2004 to 2011, the population of the HMA increased by an average of 18,000, or 1.7 percent, annually. Net natural increase accelerated slightly from the previous period to an average of 14,400 people a year, but the primary contribution to the higher level of growth was the migration reversal to an average annual net in-migration of 3,600 people, which accounted for 20 percent of the population growth. In the 2010s, net natural increase slowed, mirroring national trends. This trend contributed to slower population growth from 2011 to 2014, when the population increased by an average of 16,400, or 1.5 percent, annually. Slower net natural increase, which averaged 12,450 people a year, was partially offset by increased net in-migration in response to the strengthening economy and averaged 3,950 people a year, or 24 percent of the population

**Figure 5. Components of Population Change in the Salt Lake City HMA, 2000 Through the Forecast**



Notes: Data displayed are average annual totals. The forecast period is from the current date (December 1, 2022) to December 1, 2025.

Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

growth. The period from 2014 to 2019 included economic expansion, with net in-migration nearly doubling from the previous period. The population increased by an average of 18,850, or 1.6 percent, a year, which was both the largest numerical average annual increase and rate of growth since 2000. Net natural increase continued the long slowdown, averaging 11,050 people a year, and net in-migration averaged 7,800 people a year, or 41 percent of the population growth. Since 2019, however, population growth has slowed dramatically. International migration, which had averaged nearly 85 percent of net in-migration from 2011 to 2019 and included job seekers and university students, was severely restricted under pandemic-related policies. From 2015 to 2019, approximately 57 percent of international migrants came from Asia and South America (Census Bureau metro-to-metro migration flows). Deaths increased as a direct result of the COVID-19 pandemic, and births decreased, partly because economic uncertainty contributed to some households deciding to postpone having children, dramatically decreasing the level of net natural increase faster than the long-term trends otherwise indicated. Since 2019, the population has increased by an average of 8,100, or 0.6 percent, a year. Net natural increase has slowed to average 8,000 people annually, and net in-migration has averaged only 100 people a year, which was 1 percent of the population growth.

## Age Cohort Trends

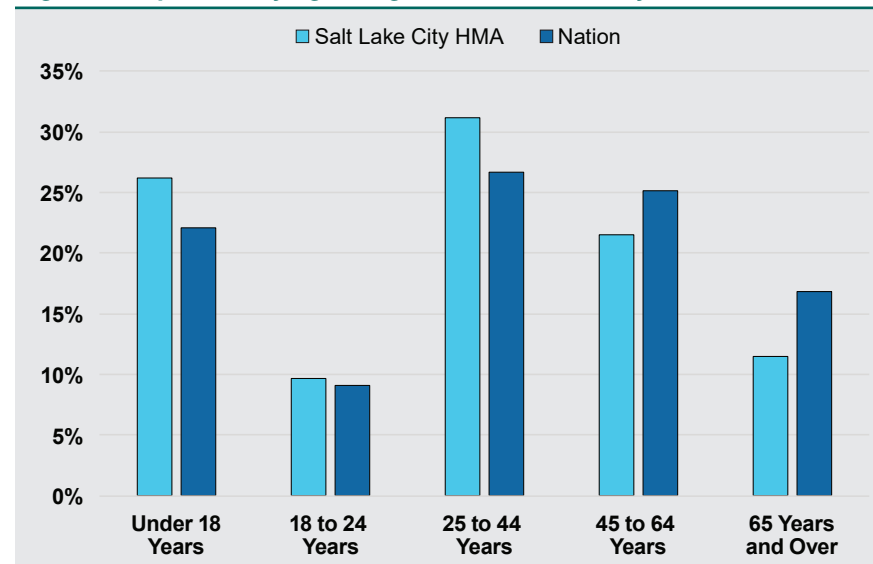
The Salt Lake City HMA is much younger than the national average, which is partly why net natural increase, with more births and fewer deaths, is usually such a large component of population growth. The median age in the HMA was 33.6 in 2021, compared with 38.8 nationally (2021 American Community Survey [ACS] 1-year estimates; Table 3). The share of the population in the HMA under the age of 45 was 67 percent, larger than the national share of 58 percent (Figure 6). The largest age cohort in the HMA included those aged 25 to 44 years and accounted for 31 percent of the population; the second largest cohort included those under the age of 18, accounting for 26 percent of the population. Nationally, the two largest age cohorts were the 25- to 44-year-old and the 45- to 64-year-old populations.

**Table 3. Selected Population and Household Demographics in the Salt Lake City HMA and the Nation**

	Salt Lake City HMA	Nation
<b>Population Under Age 18</b>	26.2%	22.1%
<b>Population Age 65 and Over</b>	11.5%	16.8%
<b>Median Age</b>	33.6	38.8
<b>White</b>	72.6%	61.2%
<b>Black</b>	1.7%	12.1%
<b>Asian</b>	4.0%	5.8%
<b>Other Race</b>	21.7%	20.9%
<b>Hispanic</b>	19.0%	18.8%
<b>Non-Hispanic</b>	81.0%	81.2%
<b>Median Household Income</b>	\$81,307	\$69,717
<b>Households With One or More Children Under Age 18</b>	35.2%	29.5%

Source: 2021 American Community Survey 1-year data

**Figure 6. Population by Age Range in the Salt Lake City HMA and the Nation**



Source: 2021 American Community Survey 1-year data

The age cohort that includes typical college students, the 18- to 24-year-olds, accounted for 10 percent of the population in the HMA, slightly higher than the national average of 9 percent.

## Migration Trends

Housing affordability has impacted migration trends within the HMA and nearby metropolitan areas. Net migration within the HMA occurs from Salt Lake County to Tooele County. From 2015 to 2019, nearly 1,750 people moved annually from Salt Lake County to Tooele County, which was the top destination for people moving out of Salt Lake County (Census Bureau 2015 to 2019 county-to-county migration flows). The county with the largest number of movers into Salt Lake County was Washington County, Utah, which includes the city of St. George, with 840 people migrating annually. At the metropolitan level, the Ogden-Clearfield MSA was the top destination for net out-migration from the HMA, which averaged 1,325 people annually (Census Bureau 2015 to 2019 metro-to-metro migration flows). Home prices in the Ogden-Clearfield area averaged 16 percent lower than in the HMA during that period (CoreLogic, Inc., with adjustments by the analyst), and the metropolitan area is connected to the job centers in the HMA through commuter rail, light rail, and the interstate. The Riverside-San Bernardino, CA MSA contributed the most net movers into the HMA, averaging 840 people a year, and the St. George, UT MSA ranked second, with an average of 800 people annually.

## Household Trends

Household growth slightly outpaced population growth in the 2000s and has continued to increase faster than the population since 2010. From 2000 to 2010, the number of households increased by an average of 5,275 households, or 1.6 percent, a year (Table 4). Since 2010, that has increased to an average of 6,125 households annually, which was also 1.6 percent. Currently, 438,300 households reside in the HMA. The homeownership rate has declined since 2010 because renter households grew at a faster rate than owner households. From 2010 to the current date, renter households increased an average of 2.1 percent annually, compared with 1.3 percent

among owner households. The homeownership rate therefore decreased from 67.7 percent in 2010 to 65.6 percent as of December 1, 2022 (Figure 7).

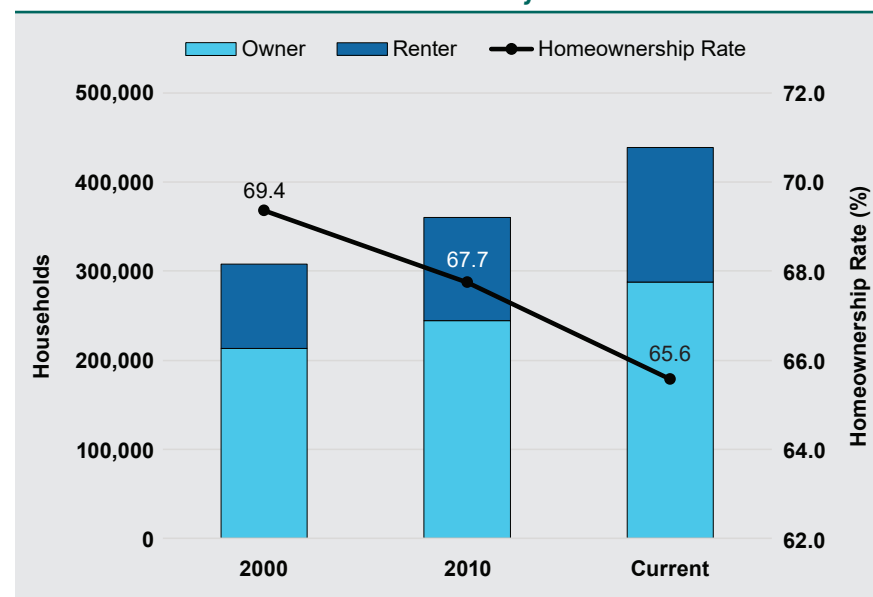
**Table 4. Salt Lake City HMA Population and Household Quick Facts**

	2010	Current	Forecast
<b>Population Quick Facts</b>	<b>Population</b>	1,087,873	1,279,000
	Average Annual Change	14,900	16,700
	Percentage Change	1.5	1.3
<b>Household Quick Facts</b>	<b>Households</b>	360,593	458,800
	Average Annual Change	5,275	6,825
	Percentage Change	1.6	1.5

Notes: Average annual changes and percentage changes are based on averages from 2000 to 2010, 2010 to current, and current to forecast. The forecast period is from the current date (December 1, 2022) to December 1, 2025.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by the analyst

**Figure 7. Households by Tenure and Homeownership Rate in the Salt Lake City HMA**



Note: The current date is December 1, 2022.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by the analyst

## Student Households

Student renter households in the HMA have increased in tandem with enrollment trends at UofU. From 2015 to 2022, UofU student enrollment increased an average of 1.4 percent annually. Students at UofU currently account for approximately 3 percent of the HMA population, a trend that has been generally consistent each year since at least 2015. Student households currently account for an estimated 7 percent of HMA renter households.

## Forecast

During the next 3 years, the continued strength in the economy is expected to support population and household growth in the HMA, including an influx of workers moving to the area attracted to employment opportunities. The

population and the number of households are expected to increase by averages of 16,700 and 6,825, or 1.3 and 1.5 percent, each year to 1.33 million people and 458,800 households, respectively. International migration, which historically has been the strongest component of migration but had been subdued by the impacts of the pandemic, is expected to resume during the forecast period. Net out-migration to the neighboring Ogden-Clearfield, UT MSA will subside as the comparative advantage of cheaper housing diminishes; the average home price in the Ogden-Clearfield area was 11 percent lower than in the HMA during the 12 months ending October 2022, compared with an average of 16 percent lower from 2015 through 2019. Net natural increase will rise from the most recent period due to the expectation of fewer pandemic-related deaths and the likelihood of increased births. Enrollment at UofU, including international students, is expected to increase during the forecast period.



# Home Sales Market

## Market Conditions: Balanced

The sales vacancy rate is estimated at 1.4 percent as of December 1, 2022, down from 2.0 percent in April 2010 when the sales market was soft.

## Current Conditions

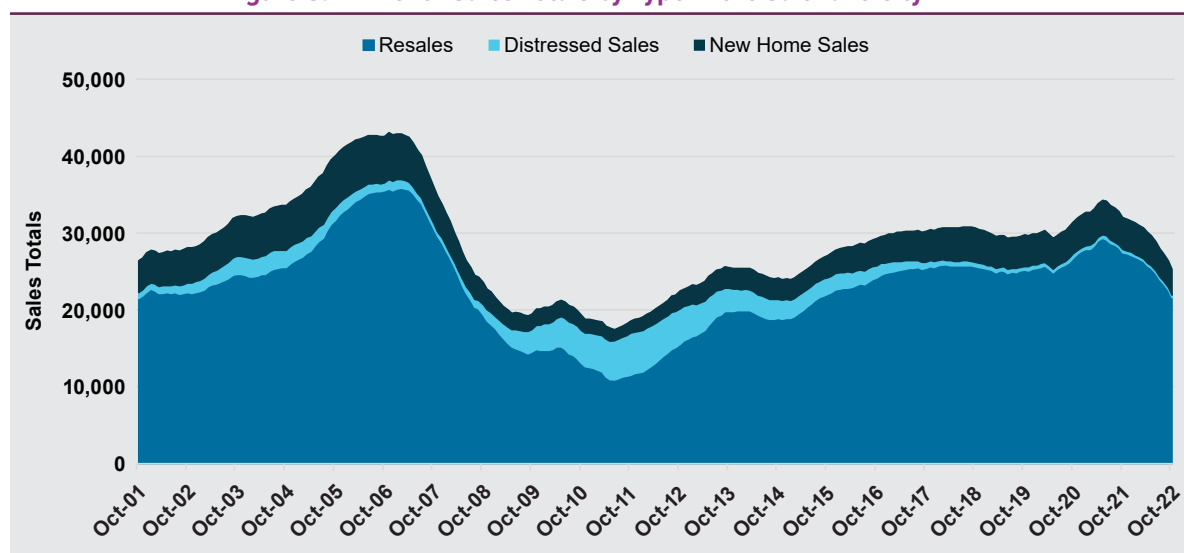
The home sales market in the Salt Lake City HMA is currently balanced. The sales vacancy rate is estimated at 1.4 percent, down from 2.0 percent in April 2010 when the sales market was soft. The home sales market tightened throughout the 2010 decade, and inventory declined, which was exacerbated during the pandemic in 2020 and 2021. Sales market conditions began to ease in 2022. Inventory has increased because household growth slowed, and rapidly rising interest rates significantly increased monthly mortgage payments, which decreased the affordability of buying a home. During the past year, the 30-year fixed mortgage rate more than doubled from 3.1 percent as of the last week of November 2021 to 6.6 percent as of the last week of November 2022 (Freddie Mac). During November 2022, 3.4 months of for-sale inventory were available in the HMA, up dramatically from a 0.9-month supply of for-sale inventory a year ago, when the months of supply was at its lowest November level since at least 2012 (Redfin, a national real estate brokerage). The latest figure

is at the highest level since 5.4 months of supply were available in November 2014, when the housing market was still recovering from the housing crisis that coincided with the Great Recession.

## Home Sales

The number of homes sold fell sharply in the HMA during the early stages of the housing crisis and remained at low levels during the Great Recession. An average of 41,900 homes were sold annually in the HMA during 2005 and 2006, and sales subsequently plummeted to a low of 18,750 during 2010 (CoreLogic, Inc., with adjustments by the analyst; Figure 8). Resales and new home sales averaged 34,150 and 6,375 a year, respectively, during 2005 and 2006, but they totaled only 12,500 and 1,775 during 2010. Distressed sales, however, which averaged 1,375 a year during 2005 and 2006, more than tripled to 4,500 during 2010 and increased from 3 percent to 24 percent of home sales. Home sales increased from 2011 through 2013 by an average of 2,225 sales, or 11 percent, annually, to 25,450 sales in 2013 before dipping slightly to 24,050 in 2014. From 2011 through 2014, as the economy recovered, resales and new home sales each increased an average of 11 percent annually, offsetting the 14-percent average annual decline in distressed sales, the share of which dropped to 18 percent of home sales. The sustained economic and population

Figure 8. 12-Month Sales Totals by Type in the Salt Lake City HMA



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

growth in the HMA contributed to continued increases in resales and new home sales and steeper declines in distressed sales.

From 2015 through 2019, home sales increased by an average of 1,150 sales, or 4 percent, annually, to 29,850 sales in 2019. Resales and new home sales increased by averages of 1,275 and 260 a year, respectively, or 6 and 8 percent, more than offsetting a decline in distressed sales that averaged 390 sales, or 27 percent, annually, and dropped to 4 percent of total home sales. Despite much slower population growth during the pandemic, the increased savings from federal stimulus and a moratorium on federally owned student loan payments, coupled with increased preferences for more space for social distancing and remote work and school, sustained demand for home sales. During 2020 and 2021, home sales increased an average of 3 percent annually to 31,600 homes sold. Resales increased by an average of 910 sales, or 4 percent, annually, accounting for approximately 86 percent of home sales, and new home sales increased by an average of 45 sales, or 1 percent, annually, accounting for 13 percent of home sales. Distressed sales decreased by an average of 80 sales, or 17 percent, annually, and dropped to 1 percent of home sales. Since 2000, only the period from 2003 through 2007 had a higher number of home sales. Rapidly rising interest rates in 2022 tempered home sales demand, and during the 12 months ending October 2022, home sales decreased 21 percent from the previous 12-month period to 25,350 homes sold. Declines occurred across all sale types, with resales and new home sales decreasing 21 and 19 percent, respectively, to 21,600 and 3,400 homes sold. Distressed sales continued the long-trending decline with another 16-percent drop to 320 sales and held steady at 1 percent of home sales.

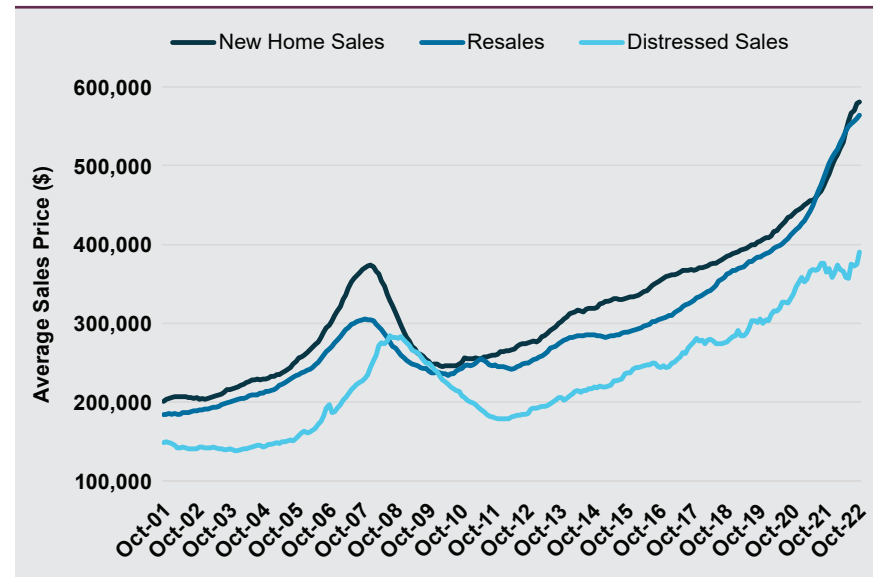
The impact of the rise in mortgage interest rates on home sales was more pronounced during the most recent 3 months. During the 3 months ending October 2022, 5,275 homes sold, down 33 percent from the same period a year earlier, the steepest 3-month year-over-year decline since January 2009 and the lowest level of sales since February 2015. Resales and new home sales decreased 34 and 29 percent, respectively, to 4,525 and 670 sales during the 3 months ending October 2022, and distressed sales were unchanged from

a year earlier with 70 sales. Excluding a brief period during the early stages of the pandemic in 2020, this was the only time the 3-month average of distressed sales did not decline since 2011.

## Home Sale Prices

Home sales prices in the HMA have risen since the early 2010s. Strong price growth occurred since the early 2010s because of economic growth, the decline of relatively low-priced distressed sales, and the decline of for-sale inventory to historically low levels. After reaching a high of \$312,400 during 2007, the average home sales price in the HMA declined an average of 8 percent a year to a low of \$228,100 during 2011. During this time, the 8-percent average annual decline in new home prices outpaced the 5-percent average annual decline in resale prices and the 7-percent average annual decline in distressed sales prices (Figure 9). The average home sales price

**Figure 9. 12-Month Average Sales Price by Type of Sale in the Salt Lake City HMA**



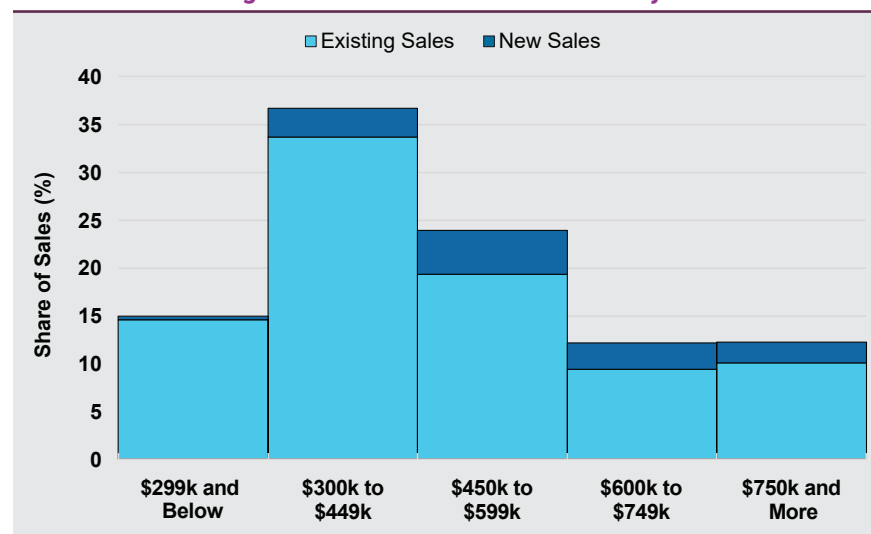
Source: CoreLogic, Inc., with adjustments by the analyst

subsequently rose an average of 7 percent annually from 2012 through 2019 and accelerated to an average of 14 percent a year during 2020 and 2021. The 8-percent average annual increase in the resales price slightly outpaced the 7-percent average annual price increase for both distressed sales and new home sales from 2012 through 2021. The average home sales price rose 15 percent to \$564,100 during the 12 months ending October 2022, 81 percent higher than the peak level price before the housing crisis. During the 12 months ending October 2022, average sales prices for new homes, resales, and distressed sales rose 20, 14, and 7 percent, respectively, to \$580,400, \$564,100, and \$389,800. The plurality of new and existing home sales during the most recent 12 months, approximately 37 percent, were priced between \$300,000 and \$449,999, with an additional 24 percent priced from \$450,000 through \$599,999 (Zonda; Figure 10).

## Seriously Delinquent Mortgages and REO Properties

The foreclosure crisis that occurred alongside the Great Recession had a moderate impact in the HMA and was less severe than in the nation. The rate of seriously delinquent mortgages and real estate owned (REO) properties in the HMA reached a high of 6.6 percent during February 2010, below the 8.6-percent high for the nation, which also occurred during February 2010. The rate subsequently declined rapidly in the HMA throughout the remainder of the 2010s, to 0.6 percent in April 2020, before rising sharply to 2.6 percent in September 2020 because of the impact of the COVID-19 pandemic. The increase in the rate was due entirely to delinquent mortgages; many homeowners were able to avoid foreclosure because of mortgage forbearance programs. As a result of the economic recovery, the rate has since declined significantly. As of October 2022, 0.6 percent of mortgages in the HMA were seriously delinquent or in REO status (Table 5), similar to the low levels prior to the impacts of the pandemic and down from 1.2 percent in October 2021. By comparison, the rate for the nation was 1.3 percent in October 2022, down from 2.3 percent a year earlier and also similar to the national rate before the pandemic impact.

**Figure 10. Share of Overall Sales by Price Range During the 12 Months Ending October 2022 in the Salt Lake City HMA**



Note: New and existing sales include single-family homes, townhomes, and condominium units.

Source: Zonda

**Table 5. Home Sales Quick Facts in the Salt Lake City HMA**

Home Sales Quick Facts	Salt Lake City HMA		Nation
	Vacancy Rate	1.4%	NA
	Months of Inventory	3.4	2.8
	Total Home Sales	25,350	6,762,000
	1-Year Change	-21%	-11%
	New Home Sales Price	\$580,400	\$477,500
	1-Year Change	20%	15%
	Existing Home Sales Price	\$561,600	\$388,600
	1-Year Change	14%	8%
	Mortgage Delinquency Rate	0.6%	1.3%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending October 2022; months of inventory are as of November 2022; and mortgage delinquency data are as of October 2022. The current date is December 1, 2022.

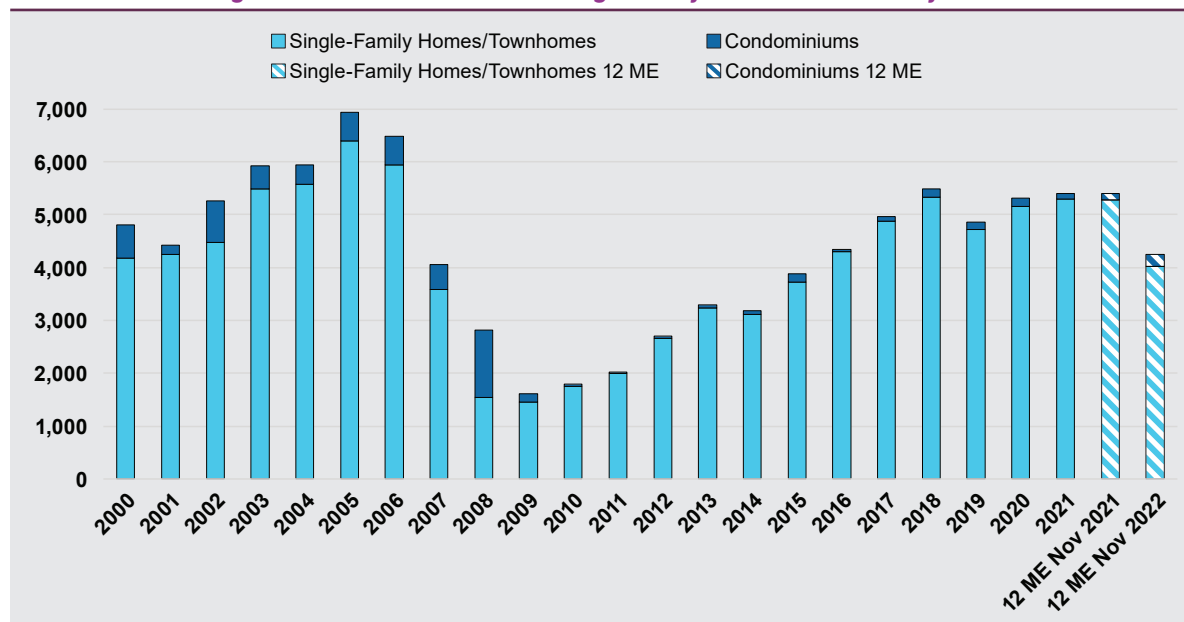
Sources: Vacancy rate—estimates by the analyst; months of inventory—Redfin, a national real estate brokerage; mortgage delinquency rates, home sales, and prices—CoreLogic, Inc., with adjustments by the analyst

## Sales Construction

New home construction in the HMA, as measured by the number of sales homes permitted (building permits), declined precipitously in the late 2000s. Construction activity has since generally trended upward as available inventory has declined and home prices have increased, but rising interest rates have limited demand during the most recent 12 months. The number of new homes permitted reached a high of nearly 6,950 during 2005, but the number declined an average of 31 percent during each of the next 4 years to 1,600 homes in 2009 (Figure 11) because of weakening economic conditions.

A rapid economic expansion, increasing net immigration, and absorption of existing inventory contributed to increased new home construction during much of the 2010s. New home construction rose during 8 years of the decade, averaging 15 percent a year to a decade-high of approximately 5,500 homes in 2018. During 2019 and 2020, which includes the period with the slowest population growth since 2000, home sales construction averaged 5,075 a year, down nearly 8 percent from 2018. Conditions during the past 24 months have changed rapidly. The sharp decline in for-sale inventory associated with the early stages of the pandemic contributed to a continued increase in new home construction during the 12 months ending November 2021, to 5,400 homes. Rapidly rising interest rates during 2022, however, tempered demand for

Figure 11. Annual Sales Permitting Activity in the Salt Lake City HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

new homes, and home construction decreased 21 percent to 4,250 homes during the 12 months ending November 2022 (preliminary data, with adjustments by the analyst). From 2000 through 2019, Tooele County accounted for approximately 11 percent of for-sale construction in the HMA, and since then, the share of construction in the county has increased to 18 percent, partly because it is the more affordable county in the HMA.

## Examples of Recent Sales Construction

Construction of for-sale housing in the HMA generally occurs in the suburban areas, outside of the urban core. Although construction has increased in Tooele County, the majority of construction still occurs in Salt Lake County. The Daybreak master-planned community in the city of South Jordan is the most active community for new construction in the HMA and the state, but construction has slowed recently at the community because demand for new homes slowed amidst rising interest rates. Daybreak has 4,650



homes built or under construction. During 2022, the community sold 400 new homes, down 37 percent from more than 630 homes sold in 2021, ranking it the 38th most active master-planned community nationally, down from a top 10 national ranking during the mid-2000s, when Daybreak broke ground, through 2019 (RCLCO annual report). The master-planned community has 840 lots available, but approximately one-half of the 16 neighborhoods within the community have fewer than 10 lots remaining. Cascade Village in Daybreak began construction in 2021, with more than 150 homes sold through November 2022. The neighborhood has more than 260 lots available, with prices for the single-family homes starting at \$535,000 (Zonda). If construction continues at the recent pace, without adding to the lot supply, Daybreak will approach buildout of the current inventory by the end of the forecast period.

## Housing Affordability: Sales

The Salt Lake City HMA had a precipitous drop in housing affordability during the past year, which contributed to some of the migration to the adjacent Ogden-Clearfield, UT MSA. Home sales prices and interest rates generally increased faster than incomes and contributed to the decline. The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) for the HMA, which represents the share

of homes sold that would have been affordable to a family earning the median income, was 22.5 during the third quarter of 2022, less than one-half of the HOI of 53.0 during the third quarter of 2021 and a fraction of the third quarter high of 81.6 in 2012 (Figure 12). Approximately 81 percent of the 240 ranked metropolitan areas were more affordable than the HMA during the third quarter of 2022, including the Ogden-Clearfield MSA, where the HOI was 31.0. The higher HOI there, coupled with slightly higher incomes in the Salt Lake City HMA, suggests that those moving from the HMA into the Ogden-Clearfield MSA are better positioned to afford a home purchase there; however, the price differential is decreasing. The HOI in the nearby Provo-Orem MSA, however, was considerably lower than in the HMA, at 15.6, and although incomes in that metropolitan area are lower than in the HMA, homes are similarly priced. The HUD median family income during fiscal year 2022 was \$102,400 for the Salt Lake City MSA, \$100,500 for the Ogden-Clearfield MSA, and \$96,000 for the Provo-Orem MSA. For context, the average home sales price in the HMA during the 12 months ending October 2022 was 12 and 2 percent higher than the neighboring Ogden-Clearfield and Provo-Orem MSAs, respectively (CoreLogic, Inc., with adjustments by the analyst).

Figure 12. Salt Lake City HMA Housing Opportunity Index



NAHB = National Association of Home Builders. 3Q = third quarter.  
Source: NAHB/Wells Fargo

## Forecast

During the next 3 years, demand is estimated for 12,650 new homes in the HMA (Table 6). The 3,100 homes currently under construction will meet a portion of the demand during the first year. Demand is expected to be generally steady during each year of the forecast period, similar to economic and population trends. Relatively constrained developable areas of land and continued affordability challenges, primarily in Salt Lake County, will contribute to the continuation of a small shift in demand for homes to Tooele County; the majority of demand for new homes will remain in Salt Lake County.

**Table 6. Demand for New Sales Units in the Salt Lake City HMA During the Forecast Period**

Sales Units	
Demand	12,650 Units
Under Construction	3,100 Units

Note: The forecast period is from December 1, 2022, to December 1, 2025.  
Source: Estimates by the analyst



# Rental Market

## Market Conditions: Balanced, but Easing

In response to the increased vacancy rate from a year earlier, the average apartment rent rose 5 percent during the past year to \$1,511 as of the fourth quarter of 2022, compared with 15 percent year-over-year rent growth the previous year (CoStar Group).

## Current Conditions

The rental market is currently balanced, but easing. The rental vacancy rate is 6.9 percent, the same as the rate in April 2010 (Table 7). Although the current rental vacancy rate suggests similar market conditions to 2010, the underlying fundamental dynamics indicate a different story. The rental market in April 2010 was soft because of the weak economic conditions at the time, whereas the current vacancy rate resulted from a recent surge in apartment completions during a relatively short period of time. This difference can be observed by comparing the overall and stabilized vacancy rates in the apartment market—a subset of the overall rental market—as measured in the fourth quarter of 2022 and the first quarter of 2010, as well as recently completed apartment units and absorption trends around those times. As of the fourth quarter of 2022, the apartment market was also balanced, but easing, with an overall vacancy rate of 8.5 percent, whereas the stabilized vacancy rate

**Table 7. Rental and Apartment Market Quick Facts in the Salt Lake City HMA**

Rental Market Quick Facts	2010 (%)	Current (%)
	Rental Vacancy Rate	6.9
	2010 (%)	2021 (%)
	Occupied Rental Units by Structure	
	Single-Family Attached & Detached	29
	Multifamily (2–4 Units)	14
Apartment Market Quick Facts	Multifamily (5+ Units)	55
	Other (Including Mobile Homes)	2
	4Q 2022	YoY Change
	Apartment Vacancy Rate	1.9
	Average Rent	5%
	Studio	3%
	One-Bedroom	4%
	Two-Bedroom	5%
	Three-Bedroom	5%

4Q = fourth quarter, YoY= year-over-year.

Notes: The current date is December 1, 2022. Percentages may not add to 100 due to rounding.

Sources: 2010 vacancy rate—2010 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2021 American Community Survey 1-year data; apartment data—CoStar Group

was 5.5 percent (CoStar Group). During the previous 4 quarters, 4,175 apartment units were completed, and 1,725 units were absorbed. By comparison, as of the first quarter of 2010, when apartment market conditions were soft, the overall apartment vacancy rate was 9.1 percent; however, the stabilized vacancy rate was much higher than the current period, at 8.1 percent. In addition, during the previous 4 quarters, 1,600 units were completed, which was fewer than one-half of the number of apartment units delivered during the current period, and only 190 units were absorbed.

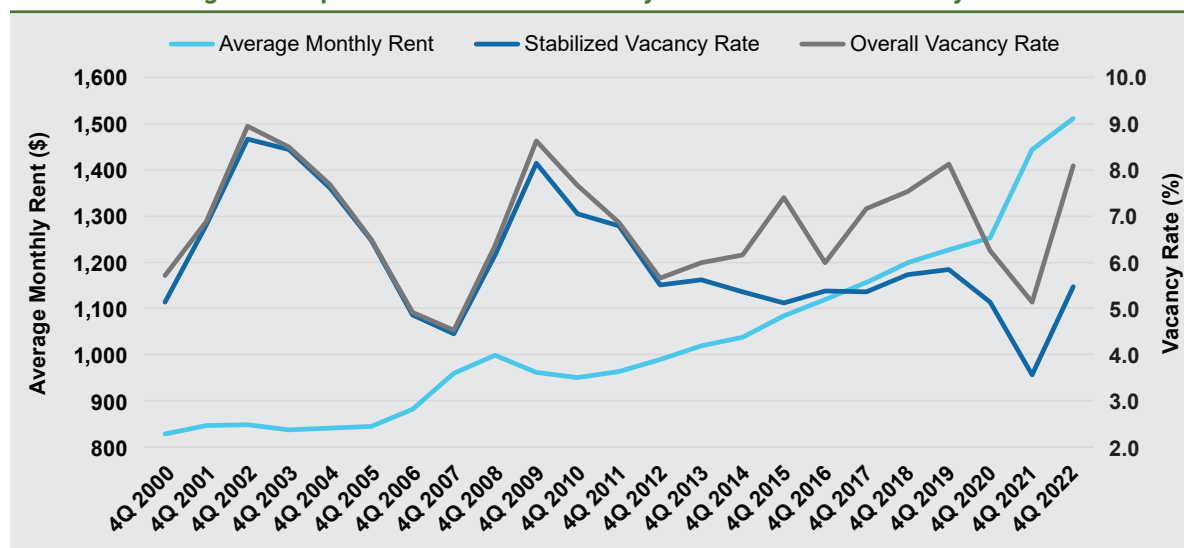
Significant apartment construction since 2010 has increased the share of renter households living in apartments in the HMA. Renters living in multifamily units with five or more units per building, typically apartments, accounted for 55 percent of renter households in 2021 (2021 ACS 1-year estimates). Households renting single-family homes accounted for 29 percent, those living in smaller multifamily buildings with two to four units per building accounted for 14 percent, and residents in other units such as mobile homes accounted for the remaining 2 percent in the HMA. By comparison, in 2010, renters living in multifamily units with five or more units per building, single-family homes, smaller multifamily buildings,

and other rental units accounted for 46, 35, 17, and 2 percent of renter households, respectively (2010 ACS 1-year estimates).

## Apartment Vacancy and Rent Trends

Most renter households in the HMA live in apartments, and the increase in apartment construction has contributed to the easing market conditions during the past year, based on the stabilized apartment vacancy rate increasing from previously slightly tight conditions in 2021. Apartment market conditions were soft in the early 2000s, with the fourth quarter average stabilized vacancy rate peaking at 8.7 percent in 2002 (CoStar Group; Figure 13). As population growth accelerated in the mid-2000s while construction remained subdued, the excess units were absorbed, and the average stabilized vacancy rate declined to a low of 4.4 percent as of the fourth quarter of 2007. Average annual rent growth of 1 percent from the fourth quarter of 2000 through the fourth quarter of 2002 increased to a 3-percent average annual growth through the fourth quarter of 2007. During the local impacts surrounding the economic uncertainty of the Great Recession, the market softened again, with the average stabilized vacancy rate increasing to 8.1 percent as of the fourth quarter of 2009, and the average rent decreased 4 percent from a year earlier. Conditions remained soft in 2010 and 2011,

Figure 13. Apartment Rents and Vacancy Rates in the Salt Lake City HMA



4Q = fourth quarter.  
Source: CoStar Group

with the vacancy rate gradually declining and the average rent declining in 2010 before increasing in 2011 to the same level as 2009. Conditions gradually improved, and the apartment market was balanced from 2012 through 2020. The average stabilized vacancy rate ranged from 5.1 percent as of the fourth quarter of 2015 and the fourth quarter of 2020 to 5.8 percent as of the fourth quarter of 2019, and the average rent increased an average of 3 percent annually from the fourth quarter of 2012 to the fourth quarter of 2020. Construction increased during this time, but the increased net in-migration during most of the period contributed to the new units being absorbed. Conditions were slightly tight in 2021, with a sharp decline in the average stabilized vacancy rate to 3.6 percent by the fourth quarter of 2021, and the average rent increased 15 percent to \$1,444. Increasing apartment construction contributed to the easing conditions in 2022. Year-over-year rent growth decelerated to 5 percent from a year earlier to an average of \$1,511 as of the fourth quarter of 2022.

## Market Conditions by Geography

Market conditions across the 14 CoStar Group-defined market areas ranged from slightly tight in the East Salt Lake City market area to slightly soft in the Holladay area, with average stabilized vacancy rates of 4.1 and 8.8 percent, respectively, as of the fourth quarter of 2022. Most other market areas were balanced.



The vacancy rate increased in all the market areas during the past year. The Downtown Salt Lake City market area, which includes the central business district and the area around UofU, accounts for approximately 17 percent of the apartment inventory in the HMA. As of the fourth quarter of 2022, the average stabilized vacancy rate was 5.6 percent, up from 4.0 percent a year earlier. The average rent increased 4 percent to \$1,669. Average rents in the East Salt Lake City market area, which has the lowest rents in the HMA, increased 18 percent to \$1,300. The Sugar House market area, which includes a neighborhood in southern Salt Lake City, has the highest rents in the HMA, averaging \$1,895 as of the fourth quarter of 2022, up 5 percent from a year earlier.

## Student Housing

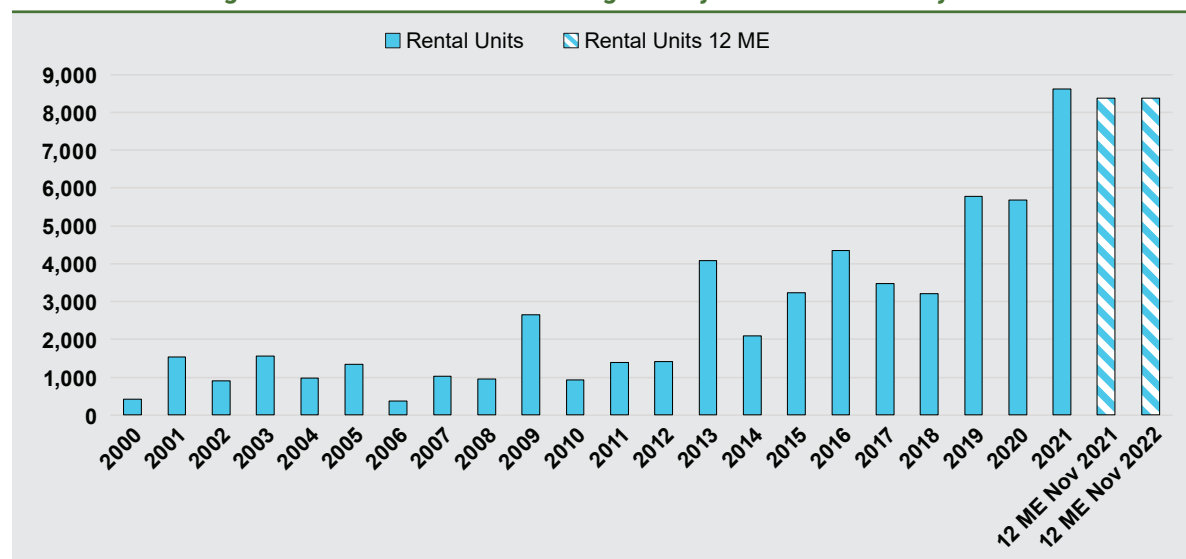
UofU is increasing campus residences as part of a goal to accommodate the number of students who want to live on campus and to lessen parking and traffic congestion from commuters in the surrounding campus area. Approximately 4,800 students live on campus, including at the campus hotel, which has been temporarily repurposed to house students. Nearly 3,000 students are on a waitlist to live on campus. The most recently completed dormitory, Kahlert Village, opened in the fall of 2020 and houses approximately 1,200 students. Dormitory construction projects underway include an expansion at Kahlert Village to add 430 beds by fall 2023, and the 775-bed Lassonde Studios, which will open in fall 2024 and house business school students. Construction

began in mid-2022 on Ivory University House to accommodate more than 550 students, with the first of four buildings to open before the fall 2023 semester. The Annex, a nonresidential building on campus, was demolished in 2021; UofU intends to rebuild the structure as on-campus housing for approximately 1,100 students, and it is expected to open in fall 2025. The current plans will help alleviate the shortage of on-campus housing at the university, but continued expected increases in enrollment will keep many students living off campus, supporting rental demand in the surrounding areas.

## Rental Construction

As measured by the number of rental units permitted, rental construction activity in the HMA has trended upward from low levels during the 2000s and early 2010s because households increasingly chose to rent, and renter households accounted for a larger share of households. Demand for additional housing and the declining homeownership rate contributed to rental construction, accounting for a larger share of total residential construction. From 2000 through 2012, an average of 1,200 rental units, primarily apartments, were permitted annually (Figure 14). Rental market conditions were soft throughout most of this period,

**Figure 14. Annual Rental Permitting Activity in the Salt Lake City HMA**



12 ME = 12 months ending.

Note: Includes apartments and units intended for rental occupancy.

Sources: U.S. Census Bureau, Building Permits Survey; 2000–21—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

limiting demand for additional units. Excess units were absorbed with stronger population growth and robust economic expansion during the rest of the 2010s. Rental construction nearly tripled to average 3,400 units permitted annually from 2013 through 2018, and construction increased further to average 5,725 units each year during 2019 and 2020. Since 2020, slightly tight apartment market conditions in 2021, despite slower population growth, contributed to a surge in rental permitting. During the 12 months ending November 2022, 8,375 rental units were permitted, unchanged from the previous 12-month period (preliminary data, with adjustments by the analyst). A record high level of 11,000 rental units is under construction in the HMA. Rental units accounted for 22 percent of total residential construction from 2000 through 2012; that share more than doubled to 50 percent from 2013 through 2021 and spiked to 66 percent of residential construction during the most recent 12-month period. The increased share in the past 12 months was due to elevated rental construction and a year-over-year slowdown in construction of for-sale homes.

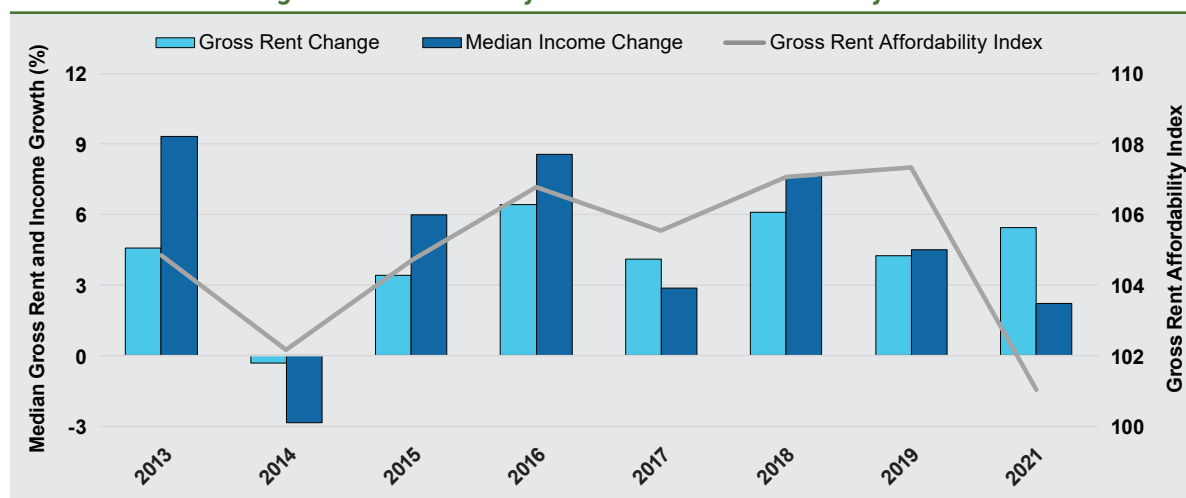
Rental construction is largely in the urbanized areas of the HMA near job centers or transit access. Rental construction is concentrated in the Downtown Salt Lake City market area, which accounts for approximately 49 percent of apartment units under construction in the HMA. The level of units under construction

is approximately 21 percent of the current inventory of the market area. The 580-unit Post District residences opened in the Downtown Salt Lake City market area in September 2022 and is in lease-up. The studio, one-bedroom, two-bedroom, and three-bedroom units have average rents of \$1,314, \$2,406, \$3,016, and \$4,040, respectively. Also in the Downtown Salt Lake City market area, construction began on the 264-unit The Citizen Apartments in November 2021, with completion expected in mid-2023.

## Housing Affordability: Rental

Unlike the sales market, the HMA is generally affordable for renters, with the median income for renter households increasing at a faster rate than the median gross rent during all but 2 years from 2013 to 2019. As a result, the HUD Gross Rent Affordability Index, a measure of median renter household income relative to qualifying income for the median-priced rental unit, increased from 102 in 2014 to 107 in 2019 (Figure 15). From 2019 to 2021, however, median rents increased at more than twice the rate of renter incomes, and the index declined sharply to 101, indicating that although the HMA is still affordable, affordability decreased rapidly during the early 2020s. By comparison, the national Gross Rent Affordability Index remained below 100 from 2013 through 2021, signifying that renting in the HMA is more affordable than the national average.

**Figure 15. Salt Lake City HMA Gross Rent Affordability Index**



Notes: Data for 2020 are not available. The Gross Rent Affordability Index differs from the HUD Rental Affordability Index published on the U.S. Housing Market Conditions website in that it is based on combined rent and utilities expenditure.  
Source: American Community Survey 1-year data

### Forecast

During the 3-year forecast period, demand is estimated for 11,500 new rental units (Table 8). The 11,000 units currently under construction will meet demand well into the third year, and developers should not plan for additional units to come online until the second half of the third year of the forecast. Demand will be steady throughout the forecast and strong near the job centers in downtown Salt Lake City and UofU, although the units currently under construction are already concentrated in those areas.

Table 8. Demand for New Rental Units in the Salt Lake City HMA During the Forecast Period

Rental Units	
Demand	11,500 Units
Under Construction	11,000 Units

Note: The forecast period is from December 1, 2022, to December 1, 2025.  
Source: Estimates by the analyst



# Terminology Definitions and Notes

## A. Definitions

<b>Building Permits</b>	Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.
<b>Demand</b>	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
<b>Distressed Sales</b>	Short sales and real estate owned (REO) sales.
<b>Existing Home Sales</b>	Includes resales, short sales, and REO sales.
<b>Forecast Period</b>	December 1, 2022–December 1, 2025—Estimates by the analyst.
<b>Home Sales/ Home Sales Prices</b>	Includes single-family home, townhome, and condominium sales.
<b>Net Natural Increase</b>	Resident births minus resident deaths.



<b>Other Vacant Units</b>	In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.
<b>Rental Market/ Rental Vacancy Rate</b>	Includes apartments and other rental units such as single-family, multifamily, and mobile homes. Includes stabilized properties and properties in lease up.
<b>Resales</b>	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.
<b>Seriously Delinquent Mortgages</b>	Mortgages 90+ days delinquent or in foreclosure.
<b>Stabilized Vacancy Rate</b>	The vacancy rate for stabilized apartments, which excludes properties in the lease up stage. A stabilized property, as defined by CoStar Group, has been open for at least 18 months or has reached 90 percent occupancy.

## 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.	Urbanized areas are defined using the U.S. Census Bureau 2010 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2010 Census.

## C. Additional Notes

1.	The NAHB Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
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2.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

#### D. Photo/Map Credits

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