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Policy Development & Research

Analysis of the Provo-Orem, Utah

Housing Market As of October 1, 2005



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (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.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. 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 wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis—October 1, 2005 (Current date)—and from the Current date to a Forecast date—October 1, 2008. In the analysis, 1990 and 2000 refer to the dates of the decennial census—April 1 unless specified otherwise. This analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 Census, 2000 Census, Current date, and Forecast date. For purposes of this analysis, the forecast period is 36 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in the demand-supply relationship given the market conditions on the as-of date of the analysis. This analysis was prepared by George Antoine, the Division's supervisory economist in HUD's Denver Office, based on fieldwork conducted in September 2005. Questions regarding the findings and conclusions of the analysis may be addressed to Mr. Antoine at 303-672-5060 and at george_h_antoine@hud.gov.

Housing Market Area

The Provo-Orem, Utah Housing Market Area (HMA), defined as Utah County, is located 45 miles south of Salt Lake City. Provo and Orem are the two largest cities in the HMA and the locations of the leading employers in the HMA—Brigham Young University (BYU) and Utah Valley State College (UVSC). In addition to the attractiveness of these two large post-secondary schools, the moderate climate and natural beauty of the area promote a steady supply of young, educated workers and families migrating to the area. Natural barriers, formed by Utah Lake extending south from the Salt Lake County line to the Juab County line in the county center and the Wasatch Mountains along the eastern border, define the HMA. Development is located along a north-south corridor of cities along this stretch of land between the lake and the mountains. Provo and Orem are bordered by the smaller cities of Lehi, Lindon, Pleasant Grove, American Fork, Eagle Mountain, and Saratoga Springs to the north and Springville and Spanish Fork to the south.

Summary

The rate of growth in the economy of the Provo-Orem HMA is accelerating after a slowdown in employment that began in 2000 because of plant closures and layoffs in manufacturing and information services. Employment grew at an increasing rate over the past 2 years as a result of new high-technology businesses moving to the area and support services increasing to fulfill the needs of a growing population. Total employment is expected to increase by close to 4 percent annually in each of the next 3 years, or an average of 7,200 a year.

New residents have been drawn to the HMA due to job growth, relatively affordable home prices compared with other western states, and the presence of BYU and UVSC. Since 2000, the population has increased at an average annual rate of 3 percent, approximately 25 percent of which was attributable to net in-migration. Net in-migration is expected to increase over the forecast period because of a growing economy and the continued relocation of young families and retirees from high-cost areas, particularly California. As of October 1, 2005, the population of the HMA is estimated to be 434,200.

Mostly lackluster since 2000, the home sales market has improved during the past year because of increased household growth and low interest rates. The average sales price for an existing single-family home is \$210,900, up 11 percent for the 12-month period ending September 2005 compared with the previous year. Strong sales market conditions are expected to continue during the forecast period. The forecast for new sales housing is estimated to be 10,950 homes over the next 3 years.

Rental market conditions are improving but remain soft. Affordable sale prices and a large number of new sales units entering the market have contributed to a weakness in the rental market since 2002. The market is slightly more balanced for newer general-occupancy rental housing while the older inventory, especially single-student rental housing, requires move-in specials and rent concessions to fill its units. Absorption of rental housing is forecast at 1,920 units over a 3-year period. Because of excess vacancies

in the current market, demand will support construction of 1,420 new units in the last 2 years of the forecast period.

Economy of the Area

The Provo-Orem economy is largely based on the presence of two large post-secondary schools and the trade, services, and construction needed to support a fast-growing population. BYU and UVSC contribute to the stability of the HMA. Together, these two schools account for more than 57,000 full- and part-time students and 6,000 faculty and staff. Since 2000, enrollment at BYU has held steady while enrollment at UVSC increased by 3,000 students. The economic impact of the two schools is estimated at \$750 million annually. The existence of research facilities at BYU and the availability of an educated workforce have helped in the development of a significant high-technology sector. Population-driven growth, primarily a result of net natural increases (resident births minus resident deaths) but also including some net in-migration of families and retirees, contributed to expanding trade, service, and construction employment.

The largest employment sectors in the economy of the HMA are education and healthcare services, professional and business services, retail trade, and manufacturing. With 34,700 jobs, education and healthcare services is the largest sector, accounting for more than 20 percent of total nonfarm employment in the HMA during the past 12 months. Other major sectors—professional and business services, retail trade, and manufacturing—account for less than 20,000 jobs each. Major private sector employers are BYU, Novell, Intermountain Healthcare, Convergys Corporation, Nestle USA Food Group, Nu Skin Enterprises, Sento Technical Innovations, and the Wal-Mart district office.

During the 1990s the economy of the HMA grew rapidly, stimulated by an expanding high-technology sector and enrollment growth at BYU and UVSC. Total resident employment increased by 4.1 percent annually. Information services and manufacturing together gained 10,000 jobs during the decade; many were in high-technology industries. Expansion at Novell helped attract other related companies that established the area as a high-technology center. The annual unemployment rate decreased from 4.5 percent in 1990 to 3.0 percent in 1999. Beginning in 2001, the economy slowed due to layoffs in the high-technology sector and the closure of Geneva Steel. From 2000 to 2003, information services and manufacturing employment together declined by more than 5,000 jobs. Helping to stabilize the impact of these losses was the employment generated from increasing university expenditures, continued population growth, and the greater role of self-employment in the economy. Since 2000, total employment growth averaged 2.2 percent annually. The trends in employment are presented in Tables 1 and 2.

In 2005, the recovery in the high-technology sector was firmly established in the HMA. Growth has been generated from small firms, primarily in computer software manufacturing and services. Information and manufacturing employment increases for the 12 months ending September 2005 compared with a year ago were 800 and 2,100 jobs, respectively. An estimated 400 companies are currently employing 17,000 workers in the high-technology industry. The strong showing in these sectors contributed to total employment growth of 4 percent. The factors that revived the economy during the past

year—high technology and population-related growth—are expected to continue to affect the economy during the forecast period. Resident employment growth should stabilize at close to 4 percent a year over the forecast period.

Household Incomes

HUD's Economic and Market Analysis Division estimates the median family income in the Provo-Orem HMA is \$56,350 in 2005, a 12.3-percent increase since the 2000 Census.

Population

As of October 1, 2005, the population estimate for the HMA is 434,200, an average annual gain of 11,900, or 3 percent, annually since the 2000 Census. From 1990 to 2000, the population grew by 10,500, or 3.4 percent, annually. Net in-migration accounted for 40 percent of the gain in the 1990s and 25 percent of the gain since 2000. Students at BYU and UVSC and the students' dependents currently account for an estimated 12 percent of the population in the HMA. Enrollment grew by more than 1,000 students a year during the 1990s. Since 2000, UVSC accounted for all the enrollment growth of approximately 500 students a year.

Based on the level of economic growth forecast, increases in the volume of in-migration, and the net natural increase in population expected during the forecast period, the population is expected to increase over the forecast period by 14,400, or 3.2 percent, annually to 477,400 as of October 1, 2008. The rate of growth, although greater than the average rate since 2000, is below the rate from 1990 to 2000. Net in-migration is expected to increase due to the relatively affordable housing market and available jobs that attract working families and retirees. Many of these in-migrants are expected to be from higher cost areas, especially California. BYU enrollment is expected to remain constant over the forecast period, while enrollment at UVSC should continue to increase at the same rate as it has since 2000. Table 3 presents population trends from 1990 to the Forecast date for the HMA.

Households

The trend in growth in the number of households in the Provo-Orem HMA parallels population changes in the HMA since 1990. Currently, the HMA has 118,200 households, an average gain of 3,300, or 3.1 percent, annually since 2000. The rate of increase is below the 3.4-percent annual average increase from 1990 to 2000.

As with population growth, the rate of household growth is expected to increase during the forecast period as a result of the stronger economy. The number of households is expected to increase by an average of 4,000, or a rate of 3.3 percent, annually. The number of households will grow at a slightly faster rate than population because of a small decline in household size, reflecting increased in-migration of smaller families and retirees. The HMA has a significantly larger household size than the national average.

University Student Housing

Students at BYU are a major component of the demand for rental housing in the HMA. Approximately 26,000 of the 32,000 students enrolled at BYU currently live off campus. The 6,000 students who live on campus reside in dormitories and apartments for families. Students attending BYU are nearly all full time and have a higher likelihood of forming off-campus households. UVSC, which is largely a commuter campus for local residents, has a much smaller impact on the housing market. An estimated 8,000 students of the 25,000 enrolled at UVSC live separately from their families. Students from both schools account for an estimated 12,200 family and single-student households, or 35 percent of the total renter households in the HMA.

Future student housing demand will be increasingly met by privately financed off-campus housing. BYU proposes to contract for the development of “chartered” housing that will accommodate students in off-campus apartments. The first of the chartered developments is expected to open for the 2006–07 academic year and accommodate 570 single students in 200 units. The move to chartered development for single students allows for the same support services that are available in on-campus dormitories without the major capital investments by the university. UVSC provides no on-campus housing but promotes the private development of single-student apartments off campus. The college places few occupancy restrictions for these arrangements but property managers rent units by bedroom and for the academic year. Since 2000, approximately 500 units and 1,800 private student bedrooms in six developments have been completed. Plans are under way for construction of additional single-student housing near campus when the market has absorbed the units that are still in the lease-up stage.

Housing Inventory

In response to strong population and household growth, the housing inventory of the Provo-Orem HMA has grown significantly since 1990. Between 1990 and 2000, nearly 31,500 units were added, a 43-percent increase in the housing inventory available compared to 1990. Single-family homes represent 73 percent of all units permitted during the decade and multifamily units represent 27 percent. Since 2000, additions to the inventory have increased by nearly 20,700 units or approximately the same annual rate of change as during the 1990s. Single-family building permits accounted for 81 percent of total permits issued since 2000. Currently, the housing inventory in the HMA is estimated at 125,000 units. Tables 4 and 5 present housing inventory, tenure, vacancy trends, and building activity from 1990 to the Current date for the HMA.

Because of the weak home sales market going into the 1990s, the decade started with a low level of single-family permit activity. Stimulated by a strong economy and lower interest rates, building steadily increased, reaching the decade-high number of 3,458 units in 1999. Since 2000, continued low mortgage interest rates and household growth encouraged single-family homebuilding to a new annual record of 3,533 units in 2004. The level of single-family homebuilding activity in 2005 is well ahead of the pace set during last year’s record level. Through the first 9 months of 2005, permits for single-family homes are up 27 percent from the same period during the past year. Because of

natural barriers and adjacent city borders, developable land in Provo and Orem is scarce and costly. Since 2000, more than 90 percent of the single-family homebuilding occurred in the smaller towns outside the central cities of Provo and Orem, primarily in subdivisions established in the towns of Lehi, Pleasant Grove, Eagle Mountain, and Saratoga Springs to the north.

The 1990s also began with a low level of multifamily building permit activity due to earlier weak rental market conditions. Although the vacancy rate was low, rents had not recovered sufficiently to warrant new construction. As economic conditions and rent levels improved, the number of multifamily units permitted quickly increased to 1,481 in 1995, the highest level of the decade. From 1994 to 1996, builders added close to 3,900 units, accounting for 45 percent of all multifamily units permitted for the decade. Because of student enrollment growth and a robust high-technology sector that brought in higher paid workers, multifamily permit activity centered on the construction of apartments in Provo and Orem. While general-occupancy apartments were more dispersed in the two cities, apartment developments targeting student families were built near the two campuses. To address demand for a more upscale product, Class A apartments were introduced to the area for the first time during the decade.

Since 2000, multifamily construction has shifted in emphasis from general-occupancy apartments to single-student apartments and condominiums. Due to a lack of rental housing for UVSC students, single-student apartment development flourished in Orem. Approximately 500 units have been built next to the campus since 2000. Although condominium building was significant in Provo and Orem, the smaller cities to the north received a greater portion of activity than they did during the 1990s. Most new condominium homes are sold to parents of students attending BYU or UVSC or to investors as rentals, although this is less of a factor in the northern cities. Condominiums account for more than 70 percent of multifamily units permitted since 2000 compared with approximately 40 percent permitted during the 1990s. The first large downtown mixed-use condominium development in Provo opened in 2005.

The lack of available land near the Provo-Orem center has pushed development to the north along the Interstate 15 corridor. Traffic along the interstate has increased as new residents commute to the employment centers located in Provo and Orem. To help ease some of the traffic, a high-occupancy vehicle lane from American Fork to the Salt Lake County border is under construction. Under discussion is a proposed east-west causeway across Utah Lake to relieve the potential traffic congestion that is expected to result as available land west of the lake is developed. The former Geneva Steel plant in Vineyard, located next to Orem, will open up approximately 1,700 acres of land for development. Preliminary plans call for residential and commercial development to start within the next 3 years.

Housing Vacancy

Since 1990, the sales vacancy rate has been mostly in a balanced state. The extremely low rate in 1990 of 1.1 percent was more a reflection of limited activity in the sales market than a shortage of homes. As the economy improved and confidence in the

housing market was restored, building of new homes increased significantly and existing owners were more likely to place their homes on the market. In 2000, as the supply of homes increased, the owner vacancy rate increased to a more balanced 1.6 percent. Since 2000, the market has remained in a healthy balance of supply and demand. Currently, the owner vacancy rate is estimated at the same balanced level of 1.6 percent.

The renter vacancy rate has increased considerably since 1990. The very-low vacancy rate in 1990 of 2.1 percent reflects the presence of insufficient rents to support additional new construction. Beginning in the early 1990s, market conditions improved, stimulating construction of rental units. Although the vacancy rate increased to 3.3 percent in 2000, demand still exceeded supply. Since 2000, construction of new units and the shift of renters to homeownership weakened the rental market; the average rental vacancy rate increased to an estimated 8 percent as of the Current date.

Sales Market Conditions

Between 2000 and 2004, the sales market was restrained due to a slowdown in employment growth and a continued high level of homebuilding. The average sales price of an existing single-family home increased by a modest 3 percent a year. The volume of home sales increased annually by approximately 10 percent a year, but home price increases were modest due to increased homebuilding and some economic setbacks. In 2005, the sales market in the Provo-Orem HMA strengthened considerably throughout most price ranges. According to the Utah County Association of REALTORS[®], the average price of an existing single-family home increased by 11 percent and the number of homes sold increased by 18 percent for the 12-month period ending September 2005. The average sales price is \$211,500. The improvement is the result of stronger household growth and relatively low interest rates. The market is strongest for existing single-family homes priced under \$180,000, or the beginning of the price range for new single-family homes.

According to the Utah Valley Homebuilders Association, new homes make up 50 percent of the single-family sales market. The bulk of single-family homes are priced in the \$180,000-to-\$220,000 range for the first-time buyer. For the 9 months ending September 2005, the average sales price was \$272,000, up by 8 percent from the past year. The market was active in the northern cities of the HMA because of the availability of land and access to new employment centers. Because of lower land costs, homes priced for first-time buyers are generally located in Lehi, Eagle Mountain, and Saratoga Springs to the north and west. Homes priced from \$220,000 to \$400,000 are focused in subdivisions located in Alpine and Highland. Homes on infill lots along the east bench of Provo and Orem generally command the highest prices in the HMA at more than \$400,000.

The market for townhomes and condominiums is not as strong because of the soft rental market and the ability of builders to keep single-family home prices affordable. The average sales price for existing townhomes and condominiums is up a modest 3 percent to \$137,300 during the past 12 months compared with the annual rate of price appreciation since 2000. Sales activity has increased substantially since 2000 but at the same time homebuilding has added many new units to the inventory. The inventory of

unsold homes has increased by nearly 70 percent from 2000 to 2004. In 2005, however, the market has shown some signs of improving because of the higher priced single-family sales market and the relative affordability of townhomes and condominiums. The inventory of unsold homes has declined by 20 percent from a year ago, indicating that future price increases are likely.

Prices for newly constructed townhomes and condominiums range from \$120,000 to \$150,000 in the northern cities of Pleasant Grove and Lehi to \$220,000 and more near BYU in Provo. The lower priced markets in the northern cities target the affordable owner market, while the higher priced market near BYU appeals to parents of students who purchase condominiums to save on housing costs. In downtown Provo, the first large, mixed-use, high-rise condominium development opened earlier in the year. With 60 units priced from \$200,000 to \$600,000, the development sold out quickly to retirees and professional workers.

The sales market is expected to strengthen throughout the forecast period. The townhome and condominium market should improve because it offers an affordable alternative to the pricier single-family market. Household growth is expected to remain strong along with a continued shift to homeownership.

Rental Market Conditions

Conditions in the rental market of the HMA have changed from an extremely tight market in 2000 to soft conditions as of the Current date. The tight market in 2000 was the result of growing rental demand as the economy expanded and population increased during the 1990s. The current soft market resulted from increased construction of rental units, competition from homeownership, and slower growth of renter households. Newer general-occupancy apartments are reported to have higher occupancy rates than older developments.

In 2005, market conditions have improved somewhat from a year ago. Vacancies are slightly fewer and, for the first time in 3 years, small rent increases were possible for newer apartments. Rents for new market-rate apartments entering the market are \$700 for a one-bedroom unit, \$800 for a two-bedroom/two-bath unit, and \$1,000 for a three-bedroom unit; 60-percent tax credit rents are about \$100 lower. For older properties, the market has shown little improvement. In response, property managers have continued to upgrade their units or lower rents and are willing to lease units to students without doubling up bedrooms. New condominium rentals are comparable in rent to new apartments coming on line. Rents are generally lower the greater the distance from Provo and Orem.

Approximately 800 low-income housing tax credit (LIHTC) units for families and the elderly have been built in the HMA since 1990. Rents are mostly below market, although the maximum 60-percent rent under the program is close to the market rents for older rental units. Because of the low asking rents on LIHTC units, most of these units are affordable to households earning less than 50 percent of the area median income. As of the Current date, the average vacancy rate in these rent-restricted developments is less

than 6 percent. The market for federally assisted, rent-subsidized units has strengthened. Since 2000, waiting lists for HUD-subsidized units in the HMA have doubled to more than 3,000 households.

The outlook is for improvement in the market. Stronger employment and household growth will help the market come into balance. Condominiums used as rentals are more likely to be converted to owner units, as they become a more affordable alternative to single-family homes. The number of large apartment developments in the planning stages is very small. The single-student market is weaker than the general-occupancy market and will likely require a relatively longer period to recover.

Forecast Housing Demand

Based on anticipated household growth, replacement needs, and current market conditions, it is estimated that there will be a demand for 10,950 sales units during the 3-year forecast period or an average of 3,650 units a year. The majority of the demand is expected to be met by single-family detached homes. Demand for townhomes and condominiums is expected to increase due to the increase in sales prices for single-family detached homes and rising interest rates. Most of the demand is expected to be for homes priced at \$200,000 or less. As in the recent past, homebuilding will center in the northern cities due to the availability of land. Table 6 presents sales demand by price range for townhomes, condominiums, and single-family homes.

Demand for additional rental housing during the forecast period is expected to total 1,920 units or 640 a year. Currently, approximately 500 excess vacancies are in the market; thus, the need for additional new rental units is expected to start in the second year of the 3-year forecast period. Approximately 600 units currently under construction will be completed during the next 12 months. Any delays in construction to meet prospective demand will give the market time to absorb these surpluses during the first year. Table 7 presents a summary of total rental demand by rent level. It is estimated that there will be demand for both affordable rentals financed by LIHTC and general-occupancy market-rate units.

Table 1
Labor Force and Employment
Provo-Orem HMA
1990 to October 1, 2005

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Labor Force	116,900	123,700	128,300	135,400	144,300	149,300	154,100	157,900	165,400	170,200
Employment	111,700	118,200	122,800	130,400	139,700	145,000	149,500	153,700	160,300	165,100
Unemployment	5,200	5,500	5,400	5,000	4,600	4,300	4,500	4,200	5,100	5,100
Rate (%)	4.5	4.4	4.2	3.7	3.2	2.9	2.9	2.6	3.1	3.0

	2000	2001	2002	2003	2004	Previous 12 Mos. ^a	Current 12 Mos. ^b
Labor Force	179,800	181,800	184,300	186,500	191,760	190,300	197,000
Employment	174,500	174,400	173,900	176,800	182,500	181,000	188,300
Unemployment	5,300	7,400	10,400	8,500	9,200	9,300	8,700
Rate (%)	3.0	4.1	5.7	4.7	4.8	4.9	4.4

^a Ending September 2004.

^b Ending September 2005.

Notes: Numbers may not add to totals due to rounding. Includes Utah County only.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Table 2
Nonfarm Employment by Industry
Provo-Orem HMA
1990 to October 1, 2005 (1 of 2)

Employment Sector	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total Nonfarm	97,800	103,900	106,100	112,100	119,700	127,000	133,000	138,400	144,700	149,000
Goods-Producing	17,400	19,300	19,500	20,600	23,400	26,900	28,800	29,300	30,400	29,800
Construction	3,800	5,200	6,000	6,500	7,500	9,800	10,400	10,200	11,100	11,300
Manufacturing	13,600	14,100	13,500	14,100	15,800	17,000	18,400	19,200	19,300	18,500
Service-Providing	80,300	84,600	86,600	91,500	96,300	11,200	104,100	109,100	114,300	119,200
Trade	17,600	18,300	18,600	19,000	20,300	21,700	23,100	24,500	24,500	25,900
Wholesale Trade	3,400	3,500	3,600	3,600	3,700	3,900	4,900	4,100	4,200	4,200
Retail Trade	12,100	12,900	13,200	13,700	14,800	16,000	17,000	18,200	18,600	19,400
Transport. & Utilities	2,100	1,900	1,800	1,700	1,800	1,900	2,000	2,200	1,700	2,200
Information	2,700	3,200	4,600	5,600	6,200	6,400	5,900	5,600	6,400	7,500
Financial Activities	2,800	2,700	2,900	3,300	3,800	3,700	4,100	4,100	4,500	4,800
Prof. & Bus. Svcs.	15,100	15,800	15,100	15,800	16,400	16,100	16,100	16,900	17,900	18,700
Edu. & Health Svcs.	18,800	20,400	20,400	22,000	22,900	23,700	25,100	26,500	28,100	28,600
Leisure & Hospitality	6,600	7,000	7,300	7,500	8,100	8,900	9,700	10,100	10,500	10,800
Government	15,200	15,500	15,800	16,300	16,400	17,200	17,600	18,700	19,400	19,700
Federal	1,000	900	900	900	900	900	1,000	1,000	1,000	1,100
State	4,400	4,600	4,700	4,700	4,500	4,600	4,700	4,900	5,100	5,200
Local	9,800	10,000	10,100	10,700	11,000	11,600	11,900	12,800	13,300	13,500

Notes: Numbers may not add to totals due to rounding. Includes Utah and Juab Counties.

Source: U.S. Department of Labor, Bureau of Labor Statistics—North American Industry Classification System (NAICS)

Table 2
Nonfarm Employment by Industry
Provo-Orem HMA
1990 to October 1, 2005 (2 of 2)

Employment Sector	2000	2001	2002	2003	2004	Previous 12 Mos. ^a	Current 12 Mos. ^b
Total Nonfarm	155,400	156,700	154,500	155,600	162,900	161,000	167,900
Goods-Producing	30,800	31,000	28,400	27,700	29,500	29,000	30,800
Nat. Res. Min. & Con.	11,600	11,100	11,000	10,900	11,900	11,700	12,900
Manufacturing	19,200	19,900	17,300	16,800	17,500	17,300	19,400
Service-Providing	124,700	125,700	126,200	128,000	133,400	132,100	137,200
Trade	26,300	25,900	25,300	25,300	26,300	24,000	24,200
Wholesale Trade	4,200	4,200	3,900	3,900	4,100	4,000	4,400
Retail Trade	19,600	19,600	19,400	19,600	20,100	19,900	19,900
Transport. & Utilities	2,400	2,000	1,900	1,900	2,000	2,000	2,000
Information	8,600	7,400	6,600	6,700	7,100	6,900	7,700
Financial Activities	4,700	5,100	5,400	5,800	6,100	6,000	6,200
Prof. & Bus. Svcs.	19,800	18,700	18,000	18,200	19,600	19,400	20,100
Edu. & Health Svcs.	29,300	30,700	31,800	32,800	33,900	33,600	34,700
Leisure & Hospitality	11,500	12,500	12,400	12,300	12,800	12,600	13,300
Government	20,800	21,900	22,700	23,000	23,700	23,500	24,300
Federal	1,200	1,100	1,100	1,100	1,100	1,100	1,000
State	5,400	5,600	5,700	5,700	5,900	5,800	6,100
Local	14,200	15,200	15,900	16,200	16,700	16,600	17,100

^a Ending September 2004.

^b Ending September 2005.

Notes: Numbers may not add to totals due to rounding. Includes Utah and Juab Counties.

Source: U.S. Department of Labor, Bureau of Labor Statistics—NAICS

Table 3
Population and Household Trends
Provo-Orem HMA
April 1, 1990 to October 1, 2008

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Population										
Provo-Orem HMA	263,590	368,590	434,200	477,400	10,500	3.4	11,900	3.0	14,400	3.2
Households										
Provo-Orem HMA	71,249	99,937	118,200	130,300	2,870	3.4	3,300	3.1	4,000	3.3

Notes: Rate of change is calculated on a compound basis.
Averages may not add to HMA total due to rounding.
Sources: 1990 and 2000—U.S. Census Bureau
Current and Forecast—Estimates by analyst

Table 4
Housing Inventory, Tenure, and Vacancy
Provo-Orem HMA
1990, 2000, and October 1, 2005

	Provo-Orem HMA		
	1990	2000	Current
Total Housing Inventory	72,821	104,315	125,000
Occupied Units	71,249	99,937	118,200
Owners	44,493	66,786	83,700
%	62.4	66.8	70.8
Renters	26,756	33,151	34,500
%	37.6	33.2	29.2
Vacant Units	2,653	4,378	6,900
For Sale	503	1,200	1,360
Rate (%)	1.1	1.6	1.6
For Rent	578	1,142	3,000
Rate (%)	2.1	3.3	8.0
Other Vacant	1,572	2,145	2,500

Note: Numbers may not add to totals due to rounding.
Sources: 1990 and 2000—U.S. Census Bureau
Current—Estimates by analyst

Table 5
Residential Building Permit Activity
Provo-Orem HMA
1990 to October 1, 2005

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Provo-Orem HMA										
Total	1,303	1,655	2,656	3,423	3,765	4,395	3,955	3,258	4,099	4,143
Single-family	982	1,312	1,985	2,646	2,736	2,914	2,584	2,386	3,008	3,458
Multifamily	321	343	671	777	1,029	1,481	1,371	872	1,091	685
	2000	2001	2002	2003	2004	2005				
Provo-Orem HMA										
Total	3,731	3,829	3,725	4,271	4,492	4,017				
Single-family	3,193	3,082	2,920	3,254	3,533	3,452				
Multifamily	538	747	805	1,017	959	565				

Note: 2005 data through September.
Source: U.S. Census Bureau, Building Permits Survey

Table 6
Estimated Qualitative Demand for New Market-Rate Sales Housing
Provo-Orem HMA
October 1, 2005 through October 1, 2008

Price Range (\$)		Units of Demand
From	To	
120,000	179,999	3,830
180,000	199,999	2,740
200,000	299,999	1,750
300,000	399,000	1,090
400,000	499,000	880
500,000	699,000	550
700,000	and higher	110

Source: Estimates by analyst

Table 7
Estimated Qualitative Demand for New Market-Rate Rental Housing
Provo-Orem HMA
October 1, 2005 to October 1, 2008

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
650	300	750	570	850	550
700	270	800	470	900	500
750	250	850	430	950	450
800	220	900	390	1,000	390
850	190	950	340	1,050	320
900	160	1,000	280	1,100	290
950	140	1,050	240	1,150	250
1,050	110	1,150	190	1,250	180
1,150	90	1,250	130	1,350	130
1,250	70	1,350	90	1,450	100
1,350	60	1,450	60	1,550	80
1,450	40	1,550	40	1,650	60
1,550	30	1,650	30	1,750	50
1,650	20	1,750	10	1,850	30
and higher		and higher		and higher	

Notes: Distribution above is noncumulative.
Demand shown at any rent represents demand at that level and higher.
Source: Estimates by analyst