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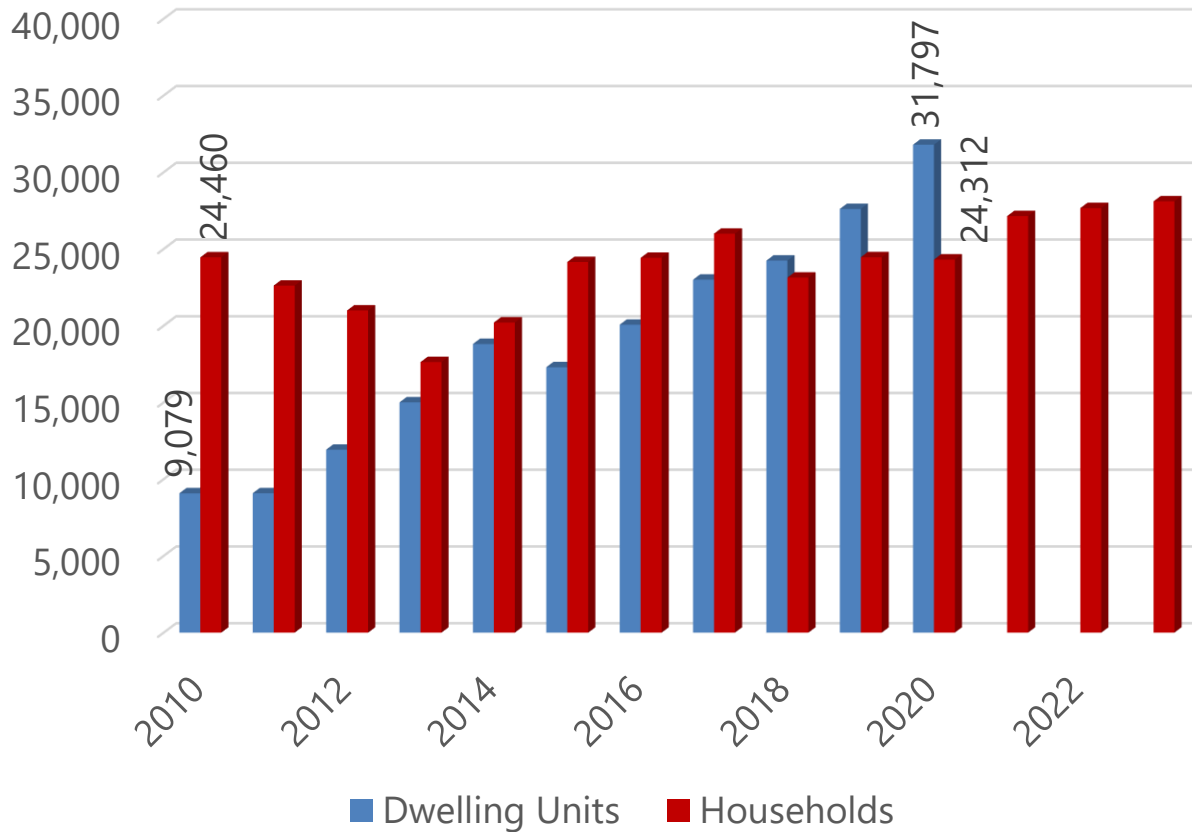
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**POLICY INSTITUTE**

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**Salt Lake City Council**  
**February 1, 2022**

INFORMED DECISIONS™

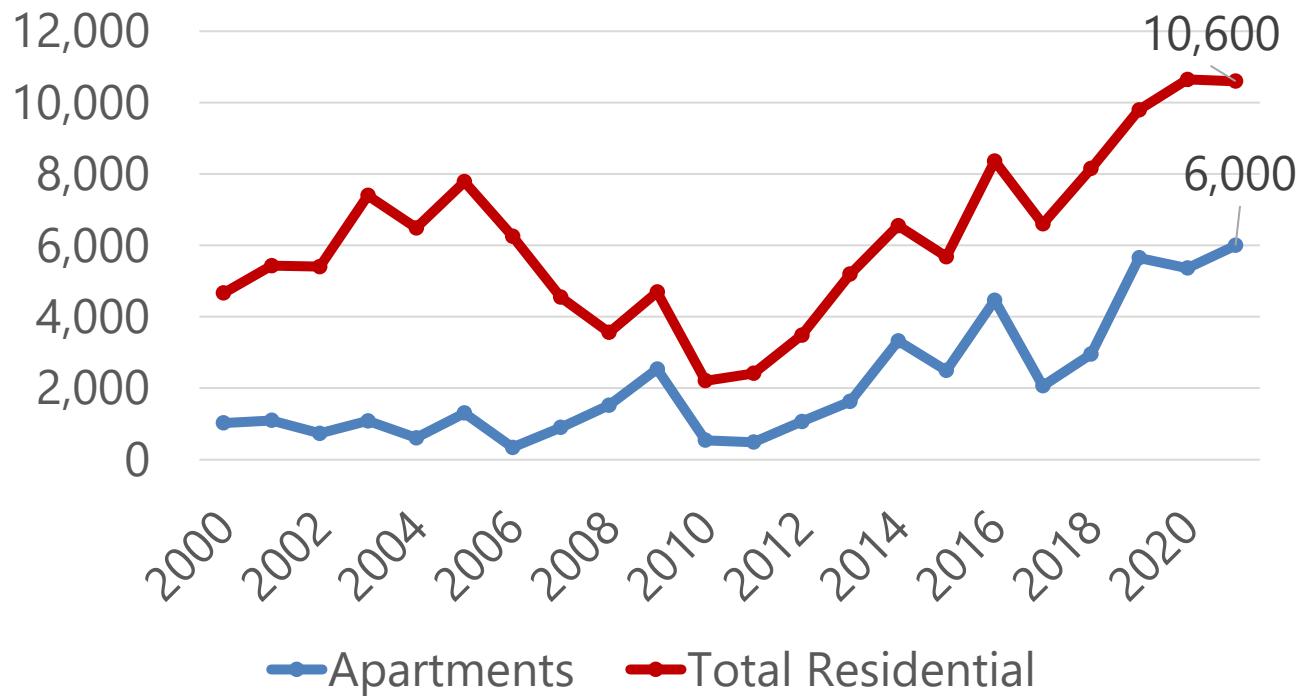
# Does Utah Have a Housing Shortage? Comparison of Additional Housing Units to Additional Households



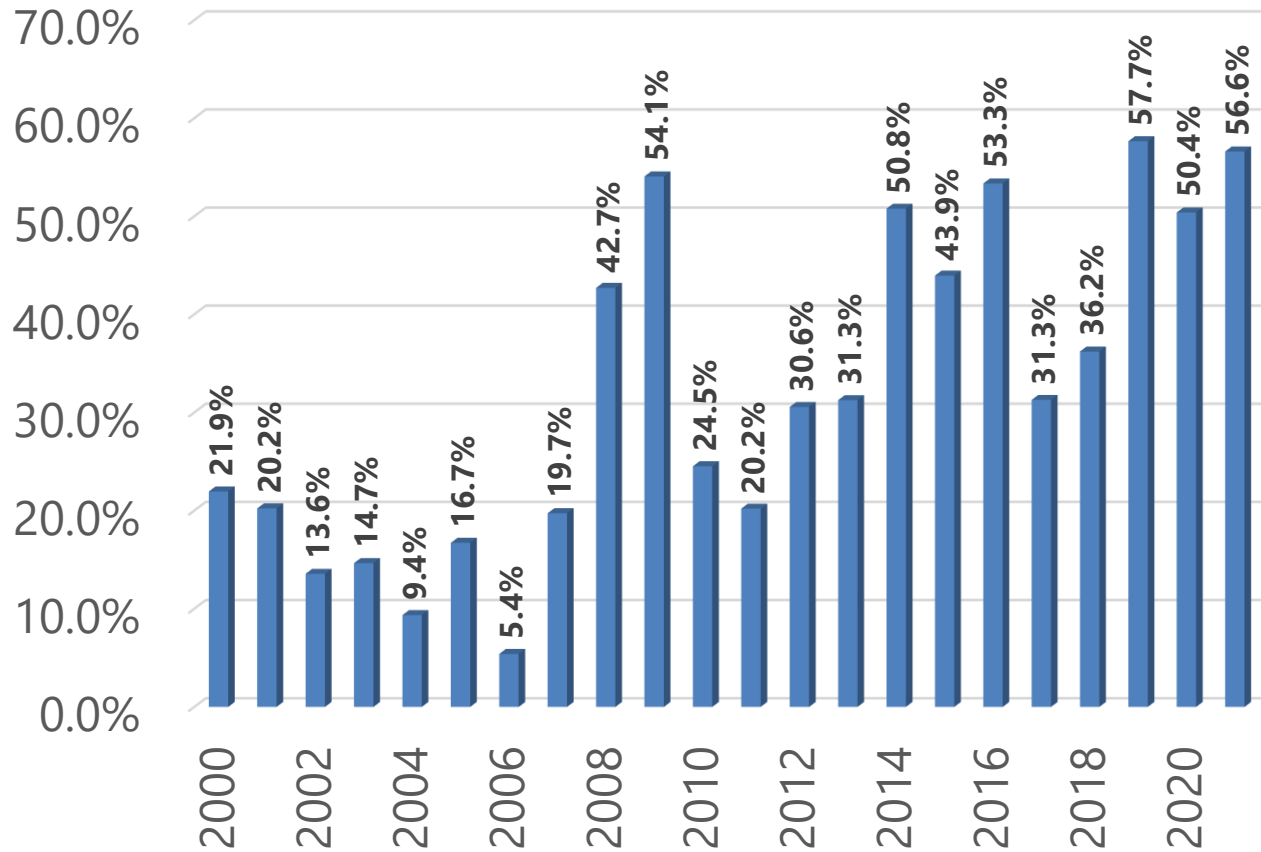
# Other Market Indicators of Utah's Housing Shortage: Points of Entry

- (1) Rental market – vacancy rates remain low overall. Some submarkets softening.
- (2) New home market – high rates building and demand.
- (3) Existing home market – prices increases, sales, and days on market indicate shortage.

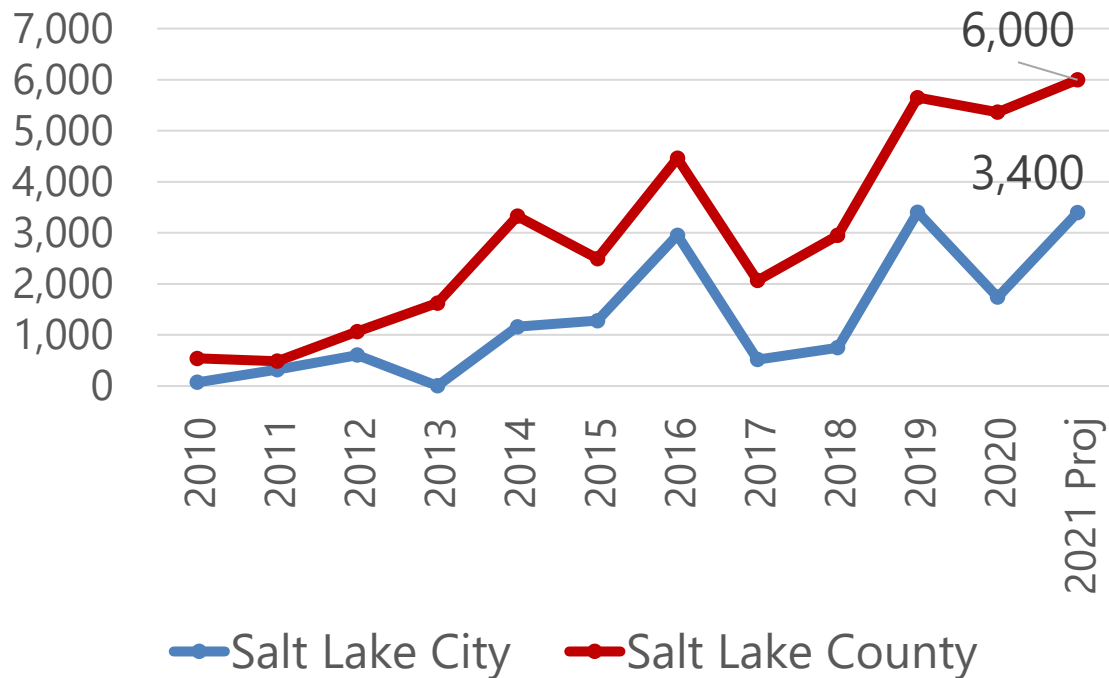
# Building Permits Issued for Apartments and All Residential Units,



# Apartment Units as Percent of All Residential Units



# Permits Issued for Apartment Units in Salt Lake City and Salt Lake County



# Apartment Units Receiving Permits by City, 2010 to 2021

City	Units	% Share
Salt Lake City	16,200	46.90%
Sandy	3,319	9.60%
West Jordan	2,106	6.10%
Murray	2,076	6.00%
South Jordan	1,992	5.80%
West Valley City	1,869	5.40%
Draper	1,650	4.80%
Otther	29,212	15.50%
Total	34,544	100.00%

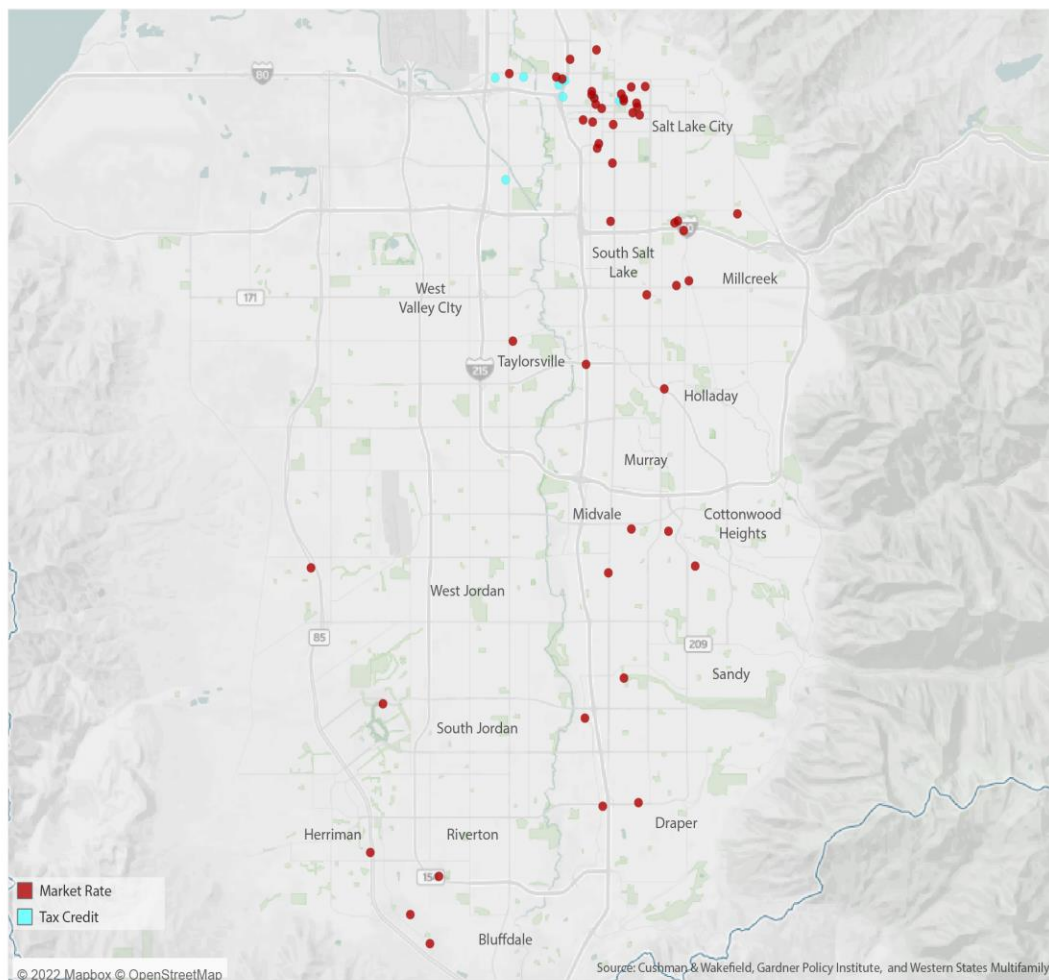
# Pipeline: Units Under Construction and Proposed

Location	Units	Share
<b>Under Construction Units</b>		
Suburban Salt Lake County	3,873	39.9%
Salt Lake City	5,825	60.1%
Downtown	3,643	37.6%
<b>Total</b>	<b>9,698</b>	<b>100.0%</b>
<b>Proposed Units</b>		
Suburban Salt Lake County	3,416	37.4%
Salt Lake City	5,706	62.6%
Downtown	4,521	49.6%
<b>Total</b>	<b>9,122</b>	<b>100.0%</b>
Source: Kem C. Gardner Policy Institute		



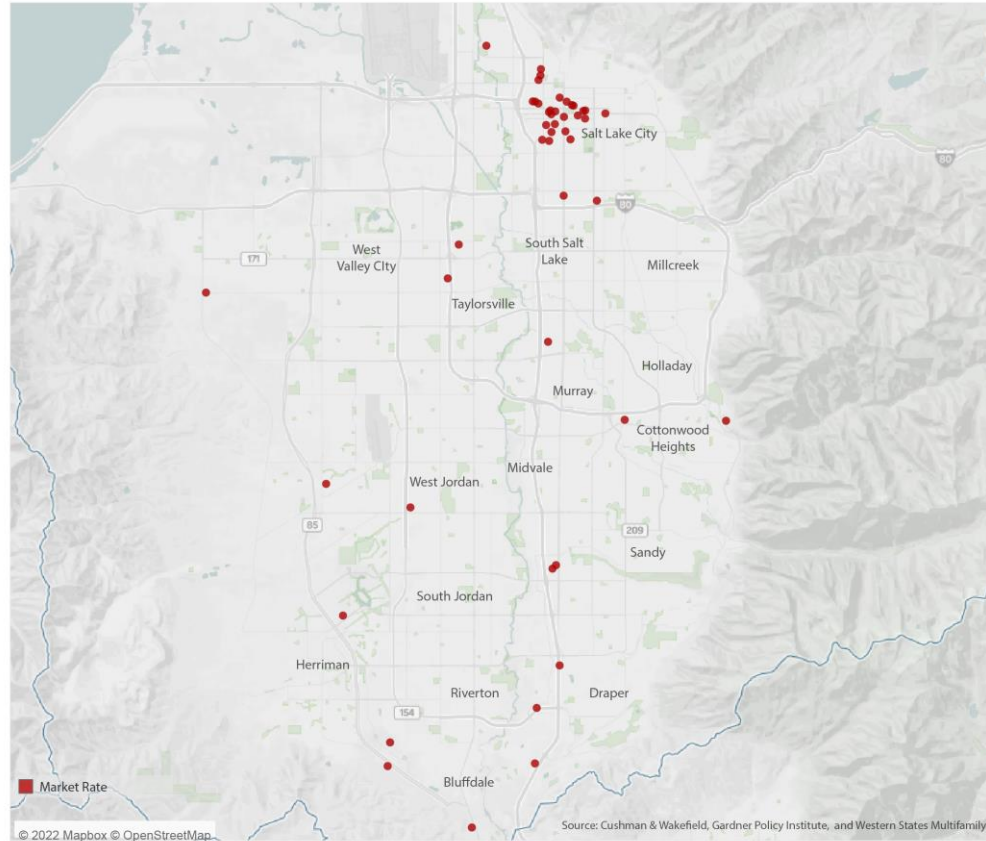
# Apartment Projects Under Construction

Under Construction, Salt Lake County



# Apartment Projects Proposed

Proposed, Salt Lake County



# Rent Comparison: Downtown Salt Lake City to Salt Lake County

	<b>Downtown</b>	<b>Salt Lake County</b>	<b>Downtown Rents Compared to County</b>
<b>Studio</b>	\$1,345	\$980	37.2%
<b>1X1</b>	\$1,659	\$1,190	39.4%
<b>2X1</b>	\$2,000	\$1,157	72.9%
<b>2X2</b>	\$2,185	\$1,471	48.5%
<b>3X2</b>	\$2,862	\$1,628	75.8%
<b>Overall</b>	\$1,810	\$1,301	39.1%

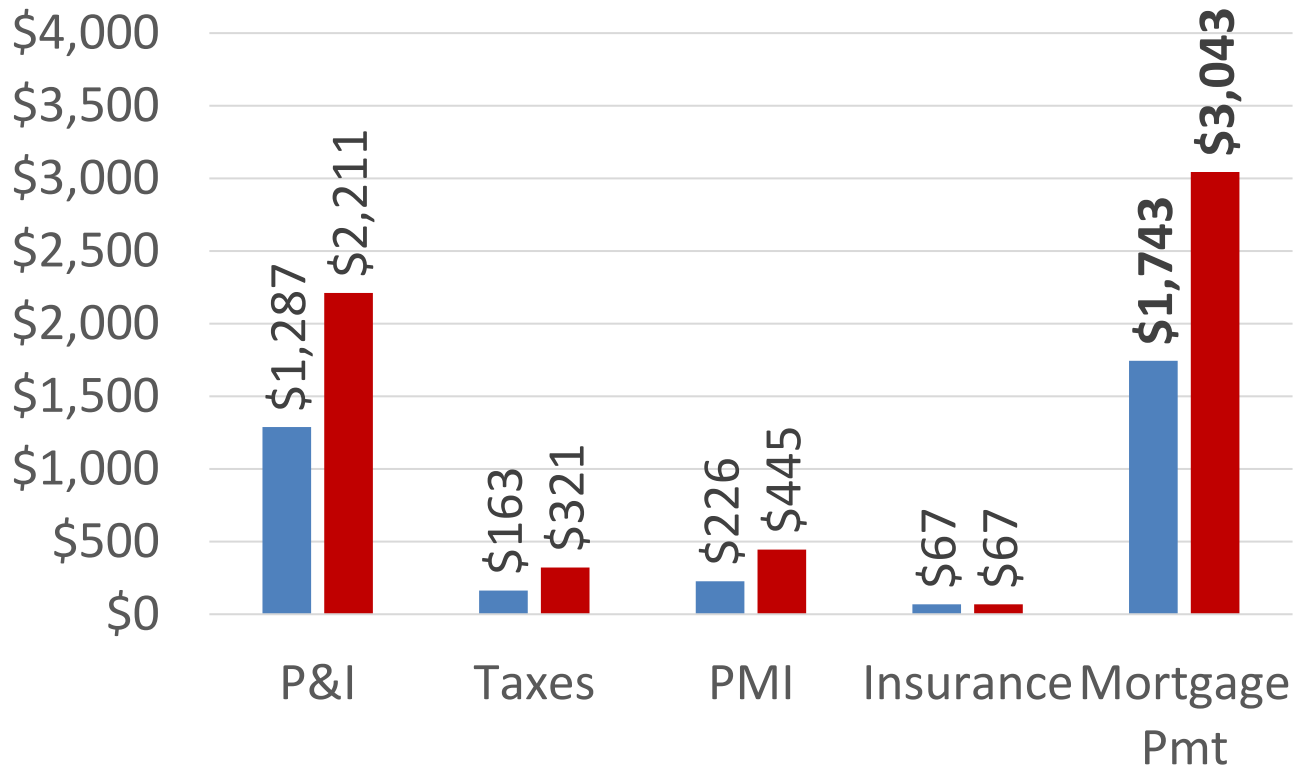
# Housing Price Increases by Metropolitan Area

<b>Salt Lake Metropolitan Area</b>	<b>Percent Change</b>	<b>Rank 100 Metro Areas</b>	<b>US Change</b>
<b>1991 to 2021 3Q</b>	601.9%	2 <sup>nd</sup> to Austin	246.9%
<b>Last 5 years</b>	84.6%	2 <sup>nd</sup> to Boise	51.9%
<b>3Q 2020 to 3Q 2021</b>	28.1%	6th	18.5%

Source: Federal Housing Finance Agency.

# Impact for Potential Homebuyers

## Mortgage Payment for Median Priced Home in Salt Lake County, 2015 (\$280,000) and 2021 (\$550,000)



Income required (DTI = 36%)

2015 = \$58,100

2021 = \$101,400

■ 2015 ■ 2021

# Apartment Market Critical Component of Housing Supply

- (1) Provides some measure of affordability, particularly tax credit projects.
- (2) Relieves doubling-up.
- (3) Strong presence of apartment market needed to counter conditions in ownership market.
- (4) Forecast of vacancy rate (2024)  
Suburban market 3.7%, downtown market 8.0%.