

# Utah's Population Growth Will Reshape The Housing Market

Utah is projected to double its population by 2065. The 4 Wasatch Front counties & Washington County will account for around 80% of that growth. Utah County will be the highest growth county, where household numbers will increase by about 370,000. Right now, Utah County has 175,000 households.

According to those figures, they need to add 6,000 housing units per year.

## 3 MAIN CHALLENGES

### DEMAND

One of the builder's biggest changes is their ability to deliver homes on demand. That's directly related to the lingering labor shortage from the Great Recession, when many construction workers left the field & pursued careers in other trades.

### AIR QUALITY

Air quality is already an issue in Utah and if people opt to live further away from the main metro areas, in order to afford the size of lot & home they desire, it means longer commutes to work, which means more pollution and damaged air quality.

### LAND

Limited land is an issue that has people asking, "Will people pay a lot for housing in order to be close to their job or pay less & live farther away?"

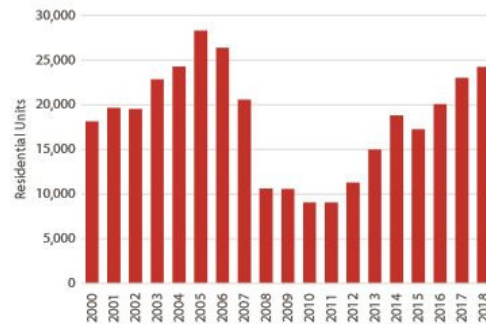
On average, land rates are around \$300,000/acre. Unless builders do multi-family, those prices eliminate so many buyers. 3 years ago builders were mostly building single-family homes, but as the market shifted & land got more expensive, they have migrated to condos & townhomes to stay at a price point that people can afford.

Utah has a lot of retail areas that are probably not going to be viable long term due to online shopping. These areas could eventually become good places to accommodate housing.

Even though it feels busy right now, we are still pulling less building permits than we were in 2005.

Utah is the only state in the country where the home ownership rate hasn't dropped below 60%. Currently, 69% of occupied housing are homeowners.

Figure 2: Number of Residential Building Permits Issued in Utah, 2000 - 2018



Source: Ivory-Boyer Construction Database

## EXPECTED HOTSPOT FOR GROWTH

Tooele County is expected to become a hotspot for growth, especially after major projects, such as the Salt Lake International Airport expansion & the Amazon fulfillment center, are completed.

What you have in that area is about 100,000 jobs & a place which is relatively inexpensive. It should see long-term rates of development & growth. Even Box Elder County will see some growth."

## DEVELOPABLE LAND AVAILABLE BY COUNTY

Salt Lake County: Approximately 40,000 acres (15,000 additional Kennecott acres)

Davis County: Approximately 20,000 acres

Weber County: Approximately 40,000 acres

Utah County: Approximately 240,000 acres

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