Connecting Livability & Upward Mobility

Breakout Session A:
Speakers: James Wood, Chris Parker, Bryson Garbett
Moderator: Ari Bruening
Housing Affordability Threatens Livability and Mobility

One in Eight Wasatch Front Households Has a Severe Housing Cost Burden*

*At Least 50% of Household Income Goes to Housing.
Source: HUD CHAS.
Percent Increase in Median Sales Price of Single Family Homes
(152 Metropolitan Areas)

<table>
<thead>
<tr>
<th>Metropolitan Area</th>
<th>2005</th>
<th>2017</th>
<th>% Chg.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bismarck, ND</td>
<td>$124,900</td>
<td>$242,300</td>
<td>94.0%</td>
</tr>
<tr>
<td>2. Austin-Round Rock, TX</td>
<td>$163,800</td>
<td>$308,000</td>
<td>88.0%</td>
</tr>
<tr>
<td><strong>3. Salt Lake City, UT</strong></td>
<td><strong>$173,900</strong></td>
<td><strong>$305,700</strong></td>
<td><strong>75.8%</strong></td>
</tr>
<tr>
<td>4. Dallas-Fort Worth-Arlington, TX</td>
<td>$147,600</td>
<td>$255,200</td>
<td>72.9%</td>
</tr>
<tr>
<td>5. Denver-Aurora-Lakewood, CO</td>
<td>$247,100</td>
<td>$424,500</td>
<td>71.8%</td>
</tr>
<tr>
<td>6. Boulder, CO</td>
<td>$348,400</td>
<td>$593,200</td>
<td>70.3%</td>
</tr>
<tr>
<td>7. San Antonio-New Braunfels, TX</td>
<td>$133,900</td>
<td>$222,600</td>
<td>66.2%</td>
</tr>
<tr>
<td>8. Houston-The Woodlands-Sugar Land TX</td>
<td>$143,000</td>
<td>$235,600</td>
<td>64.8%</td>
</tr>
<tr>
<td>9. San Jose-Sunnyvale-Santa Clara, CA</td>
<td>$744,500</td>
<td>$1,183,400</td>
<td>59.0%</td>
</tr>
<tr>
<td>10. Portland-Vancouver-Hillsboro, OR-WA</td>
<td>$246,600</td>
<td>$389,100</td>
<td>58.9%</td>
</tr>
</tbody>
</table>

Source: National Association of Realtors.
Utah’s Housing Shortage

1. For the first time in over forty years the number of new households is growing faster than new housing starts.

2. In each housing market demand exceeds supply; (a) existing home market, (b) new home market, and (c) apartment market.

3. Result: housing prices are increasing and the rate of homeownership is declining.
New Households Compared to New Housing Units

For the first time in forty years the increase in households exceeds the increase in housing units.

Source: Ivory-Boyer Construction Database, Kem C. Gardner Policy Institute
1. Labor shortage.
2. Land cost and availability.
3. Local regulation.
Paradox: Increasing Prices but High Degree of Affordability

<table>
<thead>
<tr>
<th>County</th>
<th>Affordable to Median Inc. HH</th>
<th>Total Sales</th>
<th>% Affordable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt Lake</td>
<td>10,678</td>
<td>17,997</td>
<td>59.3%</td>
</tr>
<tr>
<td>Davis</td>
<td>4,210</td>
<td>5,496</td>
<td>76.6%</td>
</tr>
<tr>
<td>Utah</td>
<td>6,839</td>
<td>8,817</td>
<td>77.6%</td>
</tr>
<tr>
<td>Weber</td>
<td>3,703</td>
<td>4,694</td>
<td>78.9%</td>
</tr>
</tbody>
</table>

Source: UtahRealEstate.com
But for 40% of all Households Housing Affordability Serious Threat

<table>
<thead>
<tr>
<th></th>
<th>80% AMI</th>
<th>Households at 80% AMI</th>
<th>Households With Severe Cost Burden</th>
<th>HH with SCB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salt Lake</td>
<td>$54,932</td>
<td>142,275</td>
<td>43,960</td>
<td>31%</td>
</tr>
<tr>
<td>Utah</td>
<td>$55,839</td>
<td>54,610</td>
<td>17,695</td>
<td>32%</td>
</tr>
<tr>
<td>Davis</td>
<td>$61,524</td>
<td>33,975</td>
<td>8,405</td>
<td>25%</td>
</tr>
<tr>
<td>Weber</td>
<td>$50,526</td>
<td>37,035</td>
<td>8,260</td>
<td>22%</td>
</tr>
<tr>
<td>Wasatch Front</td>
<td>267,895</td>
<td>78,320</td>
<td>29%</td>
<td></td>
</tr>
</tbody>
</table>

Source: HUD CHAS.
Inequality!

But for Households Above the Median Income Fewer than One in One Hundred Has Severe Cost Burden!
Happiness & Income

Deaton & Kahneman, 2010
$75,000
$75,000
Project Open

**Biological Needs**
- Air Quality
- Housing Stability
- Transportation
- Food Access

**Psychological Needs**
- Creativity
- Purpose
- Stress Relief
- Belonging
Housing & Upward Mobility
Utah is the fastest growing state. Projections show our population will double by 2065.
How does this affect the Utah housing market?

- Land Acquisition
- Environmental Impact
- Construction Costs
Land acquisition

- Home Affordability
- Density
- Location
Home Affordability
Density
Location
Environmental Impact

• Reduced Carbon Footprint

• Water Conservation

• High Performance Homes
Reduced Carbon Footprint
Water Conservation
High Performance Homes
Construction Costs

- Labor/Trades
- Materials
- Land
- Utilities
- Impact Fees
Trade Partners
Materials
Land
Utilities
Impact Fees
Housing Solutions

- Immigration Reform
- Zoning Ordinance
- NAHB Vocational Training
Immigration Reform
Zoning Ordinance
NAHB Vocational Training
Our Contribution
Thank you.
Finally Found A Place We Could Afford
Top Reasons You Chose to Move to/Stay in Utah

1. Family / friends who live here
2. Cost of living
3. Job opportunity
4. Utah culture (family friendly, good people, low crime, etc.)
5. Access to outdoor recreation (skiing, hiking, biking, etc.)
6. Scenery/beauty
7. Neighborhood/home that I like
Salt Lake County

≈ 40,000 Acres Currently Developable
≈ 15,000 Additional Kennecott Acres
Davis County

≈ 20,000 Acres Currently Developable
Weber County

≈ 40,000 Acres Currently Developable
Utah County

≈ 240,000 Acres Currently Developable
Permits for single-family units have declined while permits for multi-family units have increased.

Wasatch Front Residential Permitting

- Single-Family Units
- Multi-Family Units
Permits for single-family units have declined while permits for multi-family units have increased.

Salt Lake County Residential Permitting

- Single-Family Units
- Multi-Family Units
Salt Lake County
Avg. Lot Size by New Home Transactions - Detached

Source: Metrostudy, CoreLogic
Small Town or rural (Examples: Payson, Tooele, Heber City)

Low density residential (Examples: Suncrest, Alpine)

Residential-only suburban (Examples: Rosecrest, the Ranches)

Walkable suburban (Examples: Daybreak, Vineyard/Geneva)

Low-density urban (Examples: the Avenues, Bingham Junction)

Urban and mixed-use (Examples: Downtown SLC, Provo, Sugar House)

Ideal Housing Choices:
High-Tech Workers
The Scenario Utahns Chose

Legend
- Current Urbanized Areas
- New Growth
- Centers with Daily Services

Envision Utah
Your Future
Envision Utah
How we grow matters.
Panel Time!
Connecting Livability & Upward Mobility

Breakout Session A:
Speakers: James Wood, Chris Parker, Bryson Garbett
Moderator: Ari Bruening