

## Executive Summary

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This study considers housing needs in Utah County. By consolidating data from local, state, and national sources, we have created a picture of current and future housing demand. In summary, we conclude that

- Current levels of public housing assistance are inadequate to meet the demand in Utah County; more than 12,400 renter households in Utah County are living with very low or extremely low incomes and receive no housing assistance from public sources.
- The demand for more affordable rentals continues to grow, particularly for small families. As the small families age, the need for more affordable home ownership options will increase in the coming years. Evidence of this increasing demand is the number of Provo renters with very low income (50 percent or less of HAMFI) who are paying more than 30 percent of their income for rent and utilities; the number has increased from 4,425 in the 2015 assessment to 8,255 today.
- Rental rates will continue to increase. Between 2016 and 2017, the average rent for a two-bedroom, one-bathroom, non-student unit in Utah County increased by 15 percent—from \$862 per month to \$991. The current demand will result in additional rental increases.
- From July 2018 through July 2019, 65 building permits for multi-family dwellings have been issued, bringing nearly 2,000 units to market in the next two years. However, this number is still shy of the projected 3,025 units needed by 2022; as the demand grows, rental rates will climb.
- The median sales price for residential real estate has increased every year since 2011, when it was \$171,000. From January through July 2019, the median sales price was \$325,950. The number of single-family home closings has increased every year this decade, and 2019's trajectory indicates this year will be the same.
- With a slight uptick in foreclosure sales so far in 2019, homebuilders should be cautious in construction of high-priced homes.
- Nearly 11,000 new single-family homes are needed between now and 2022. Homes priced below the 2018 median price of \$315,000 are most needed.

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This study, provided in conjunction with the Housing Needs Assessment 2019 and the Analysis of Impediments to Fair Housing Choice 2019, looks at the current home and rental markets in Utah County. Specifically, it describes the significant characteristics of Utah County's housing market, including the supply, demand, condition, and cost of housing, and the housing stock available to serve low-income persons, persons with disabilities, and persons with other special needs and their families. It also considers and presents estimates of vacant housing, concentrations of racial or ethnic minorities, concentrations of low-income individuals, areas of broadband need, areas vulnerable to natural hazard risk associated with climate change, and shelter and services provided to homeless individuals and their families. In summary, we conclude that

- Low vacancy rates and rapid population growth contribute to the ever-increasing demand for safe, clean rental units; however, this demand continues to push rents higher.
- Strong economic growth and a young, highly educated workforce combine to bring good jobs to the area; however, this young workforce earns lower-than-hoped-for income, making rising rental rates more difficult to pay.
- Current levels of public housing assistance are inadequate to meet the demand in Utah County; more than 12,400 renter households in Utah County are living with very low or extremely low incomes and receive no housing assistance from public sources.
- By 2024, an additional 11,000 renter-occupied units and 11,000 owner-occupied units are needed. New homes priced below the most-recent 12-month median price of \$326,000 are most needed in order to ease the burden of moderate-income households.

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This study, in conjunction with the Housing Needs Assessment 2019 and the Housing Market Analysis 2019, considers impediments to fair housing choice in Utah County. It is a resource for policy makers, service providers, and others in their vital work. While it is not feasible to identify every impediment to fair housing choice, we have considered the most significant ones. With housing demand outpacing housing supply, home builders and others are working to provide public policy, funding, zoning, and market condition solutions.

We conclude that the following barriers are fundamental to the current housing issues in Utah County. They are foundational issues; resolving them will transform fair housing choice.

- Supply of rental units for large families
- Limited land for development
- Construction costs
- Zoning
- Hispanic and other minority mortgage application denial rates
- Continued high rents and sales prices

We offer the following recommendation to elected officials and other policy makers.

- Establish a Utah County Housing Trust Fund
- Seek affordable housing bonds
- Create an Affordable Housing Revolving Loan Fund
- Fast-track permitting for affordable housing
- Aggressively pursue use of publicly owned property
- Utilize inclusionary zoning
- Utilize incentive zoning
- Provide tax incentives for rental property owners
- Employ marketing efforts to improve public perception of small homes
- Create laboratory housing developments for replication
- Improve transit-oriented developments
- Make bicycle and pedestrian improvements