

SALT LAKE BOARD OF REALTORS

REAL ESTATE TRENDS AND THE UTAH ECONOMY

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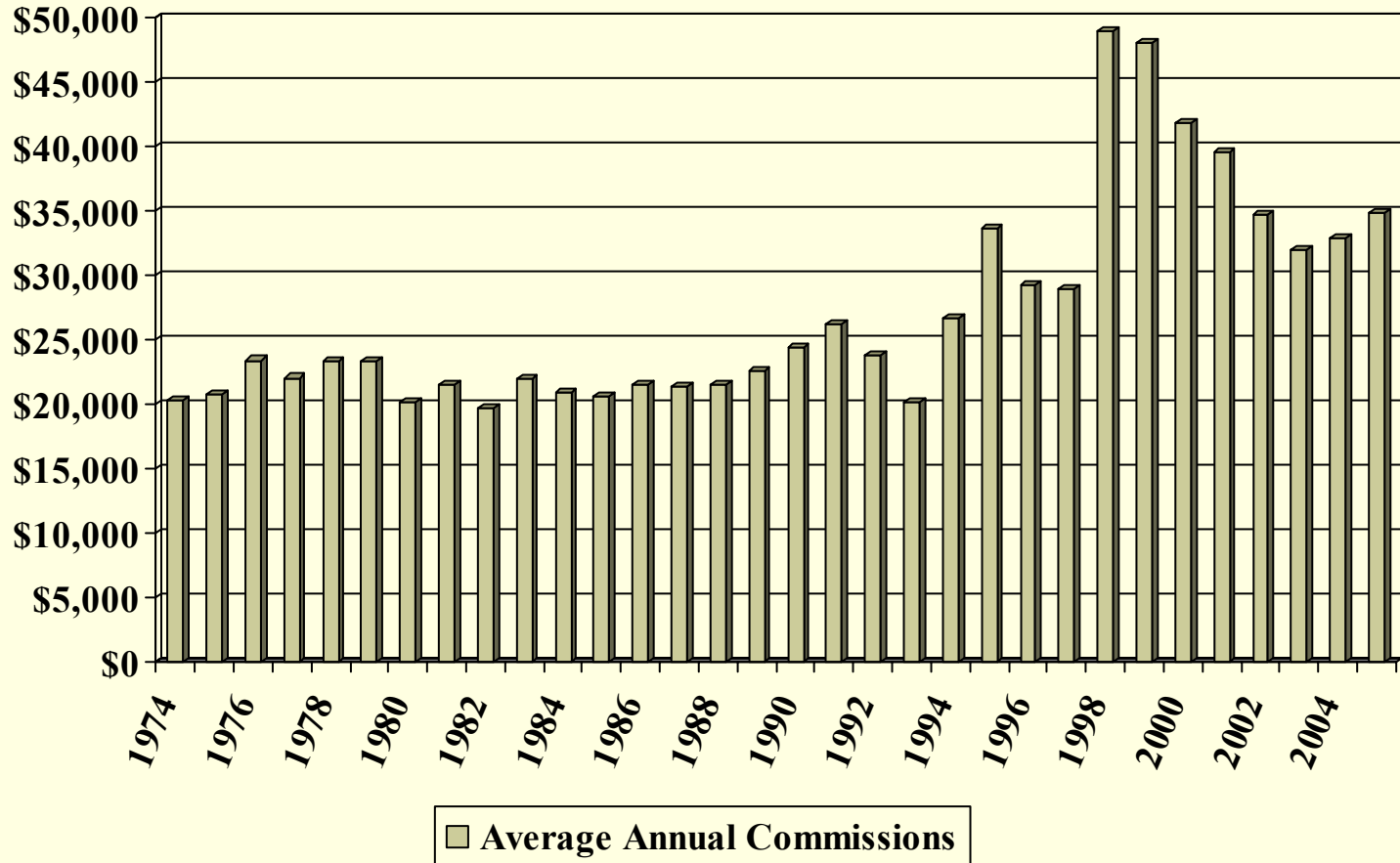
UNIVERSITY OF UTAH

PDF of Presentation Available: www.business.utah.edu/go/bebr

January 30, 2006

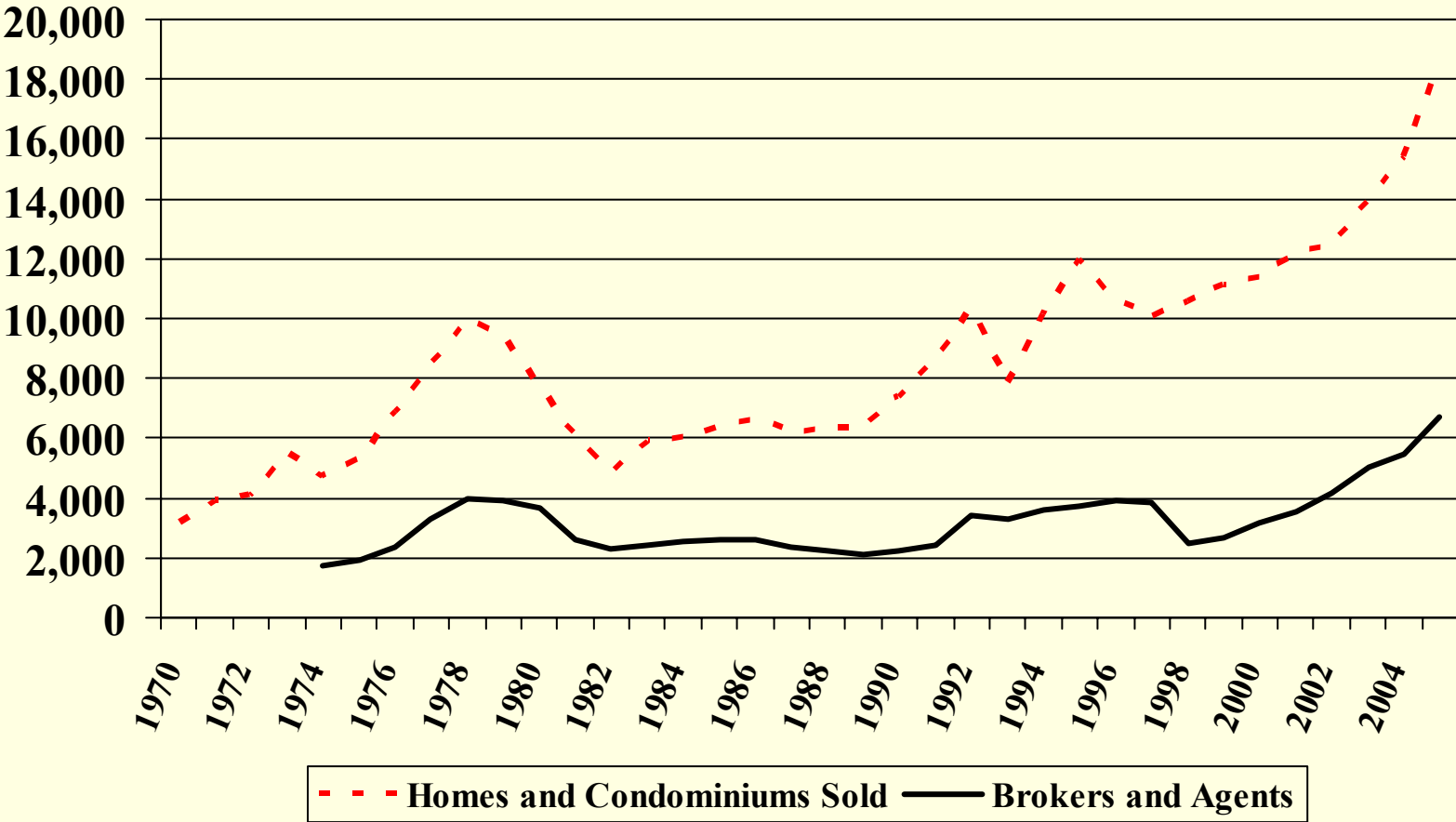
Average Annual Commissions for Members of the Salt Lake Board of Realtors – Residential Sales (Homes and Condos) 2005 Dollars

(Source: Salt Lake Board of Realtors and Wasatch Front Regional MLS)



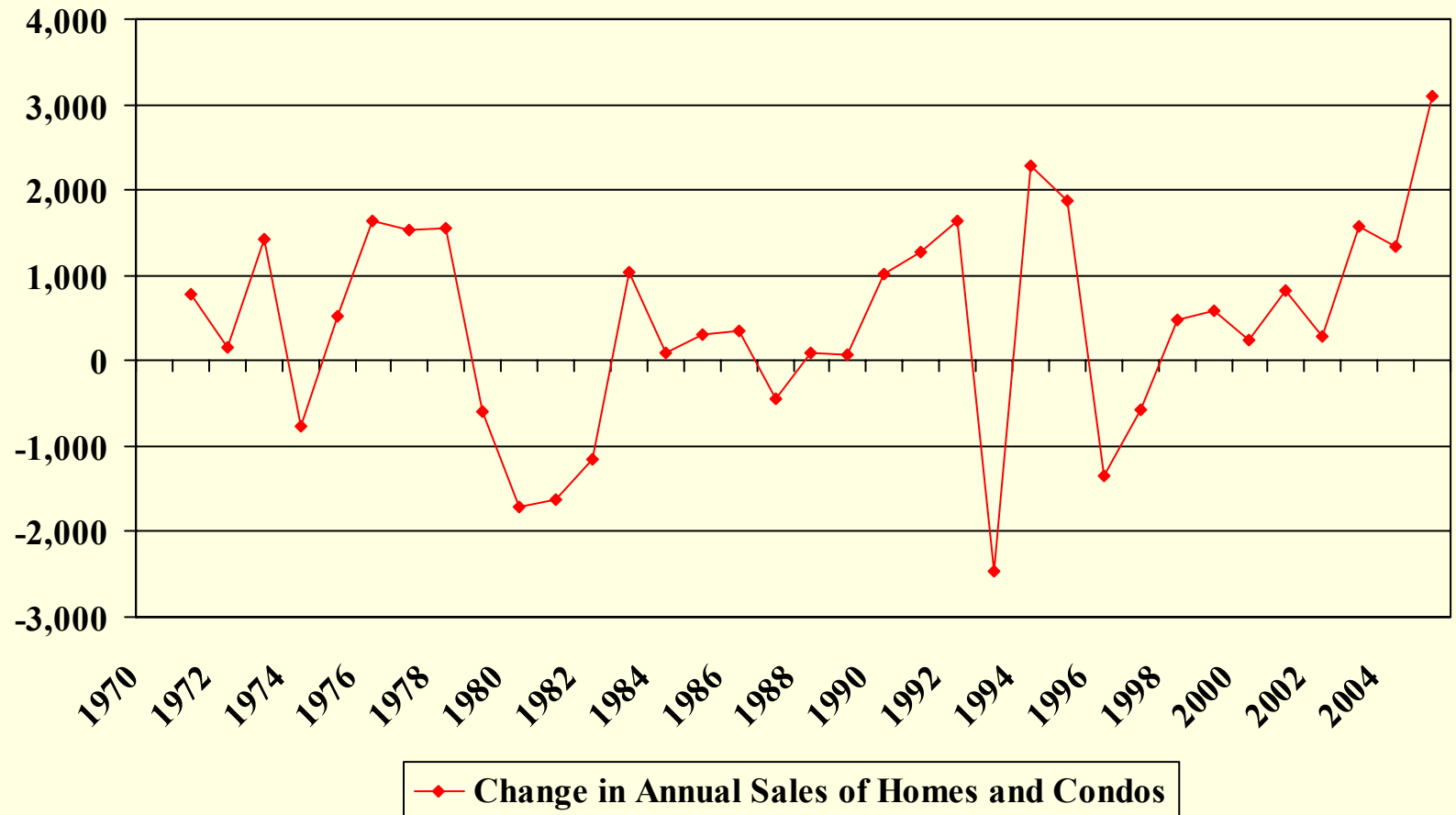
Number of Brokers and Agents and Residential Sales in Salt Lake County

(Source: Salt Lake Board of Realtors and WFRMLS)



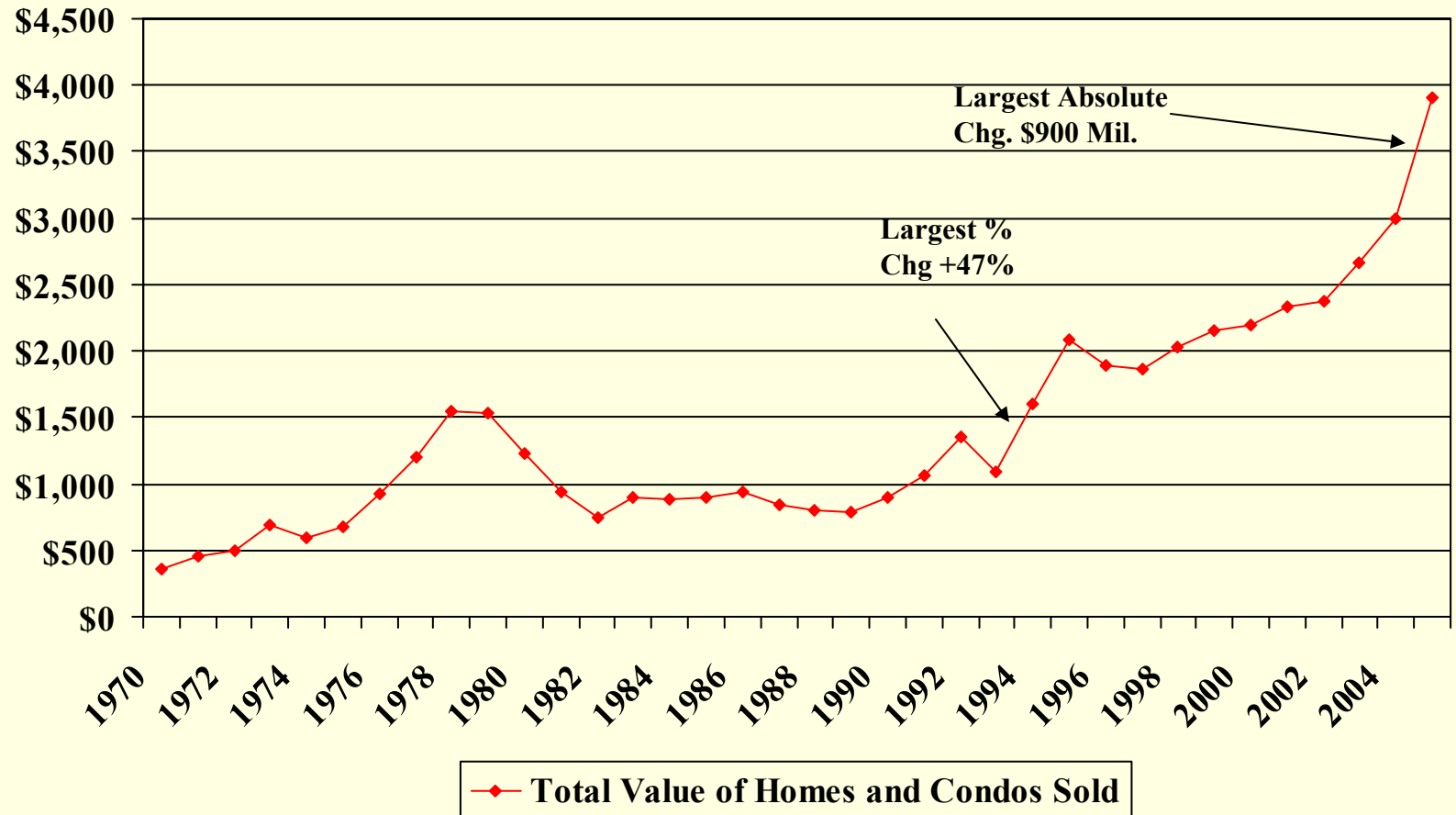
Change in Annual Sales of Homes and Condos in Salt Lake County

(Source: WFRMLS)



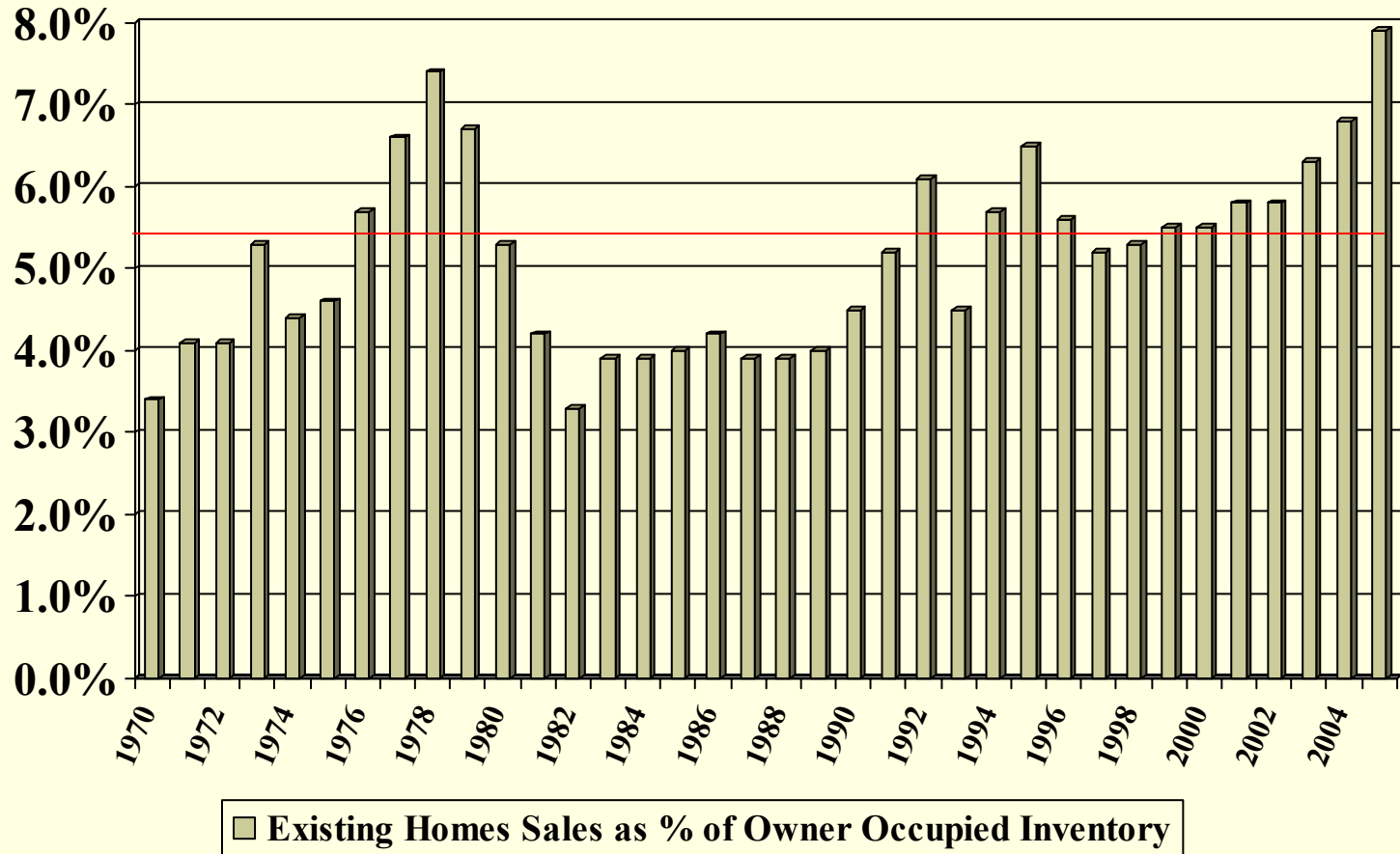
Total Value of Homes and Condominiums Sold Through MLS in Salt Lake County - 2005 Dollars

(Source: WFRMLS)



Sales of Existing Homes as Percent of Owner Occupied Inventory in Salt Lake County

Historic Avg. 5.3%



CHARACTERISTICS OF CURRENT CYCLE IN SALT LAKE COUNTY

- Now in Middle of Third Real Estate Boom Since 1970: 1976-1978, 1994-1995, 2003-2005+.
- Average Annual Commissions of \$34,900 Ranks as 6th Highest Year.
- Condominiums a Growing Share of Sales – 21% in 2005. Since 1980 Average Share is 13%.
- Investors Presence in Market.
- Sales of Existing Homes Three Times Higher Than Construction of New Homes.
- Volatility of Real Estate Cycle Has Moderated.
- 2005 – Largest Gain in Total Value \$900 Million, Largest Gain in Number of Res. Units Sold 3,095, Highest Avg. Price in Constant 2005 Dollars; \$224,470 for Home and \$148,033 for Condominium.

WHAT DRIVES DEMAND FOR HOUSING

■ ECONOMIC DETERMINANTS

Employment

Income

MLS Sales

Housing Prices

Interest Rates

■ DEMOGRAPHIC DETERMINANTS

Household Formations

Age Structure of Population (% in age groups)

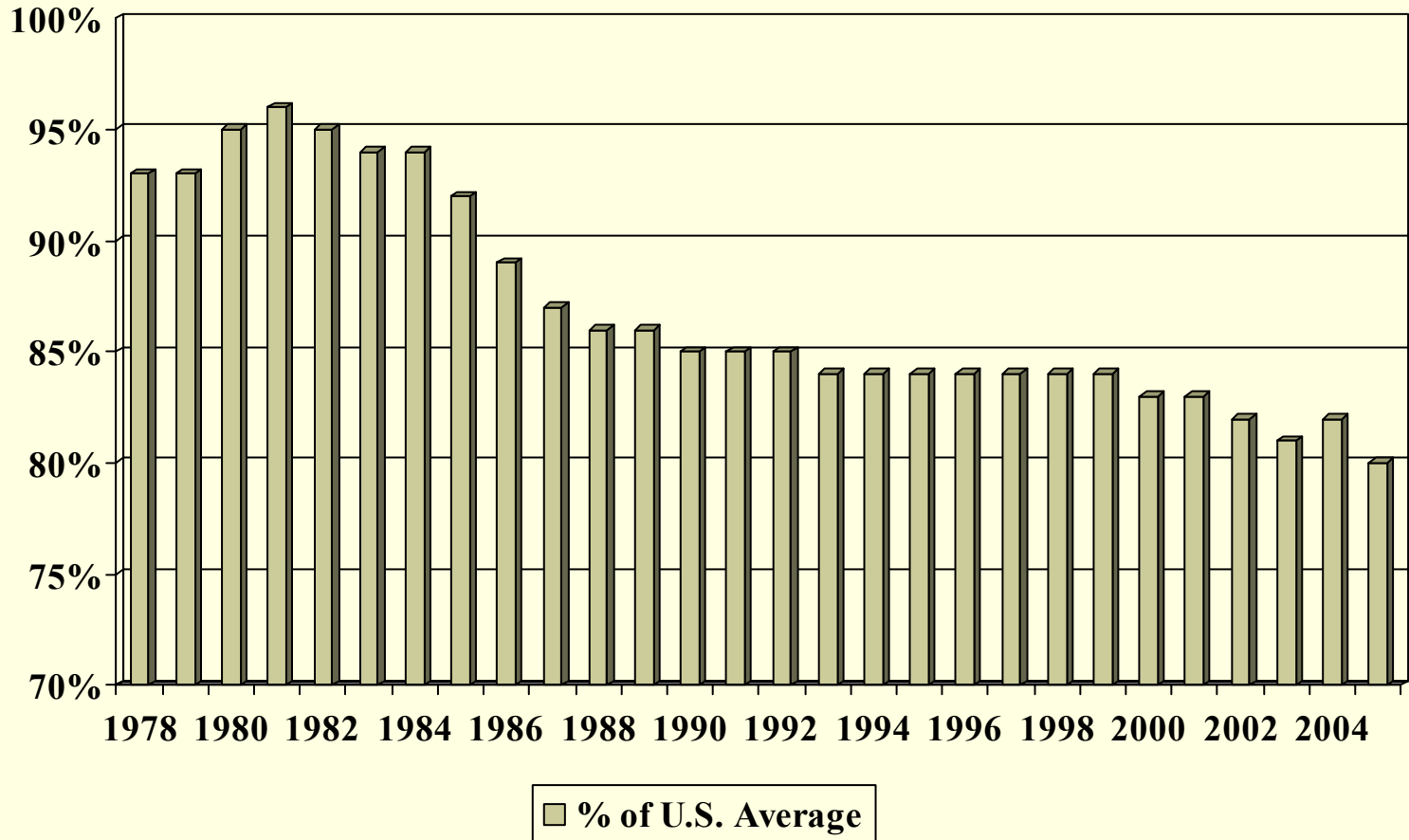
Migration

Marital Status and Headship Rates

Fertility Rate

UTAH AVERAGE ANNUAL PAY AS PERCENT OF U.S. AVERAGE

(Source: U.S. Bureau of Labor Statistics)



TOP SECTORS IN EMPLOYMENT GROWTH

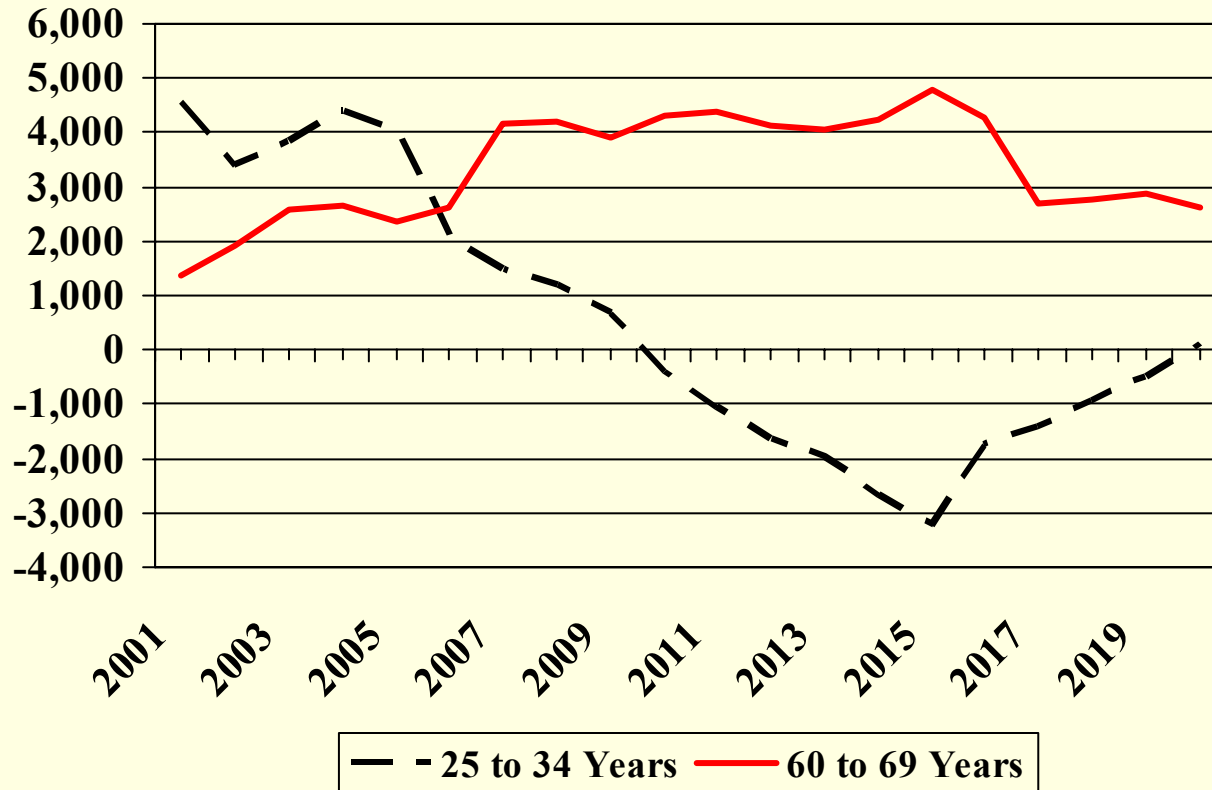
(Average Wage - \$30,612)

(Source: Utah Department of Workforce Services)

Sector	New Jobs in 2005	Total Jobs	Avg. Wage 2003
Construction	9,700	85,700	\$30,528
Prof & Bus.	7,800	149,200	\$34,668
Health	4,700	132,000	\$28,224
Retail	3,100	142,600	\$22,440
Leisure	2,100	103,200	\$12,576

CHANGE IN POPULATION FOR 25 TO 34 YEAR COHORT AND 60 TO 74 YEAR COHORT: SALT LAKE COUNTY

(Source: U.S. Census Bureau and Governor's Office of Planning and Budget)



HOUSING PRICES IN UTAH AND SALT LAKE CO.

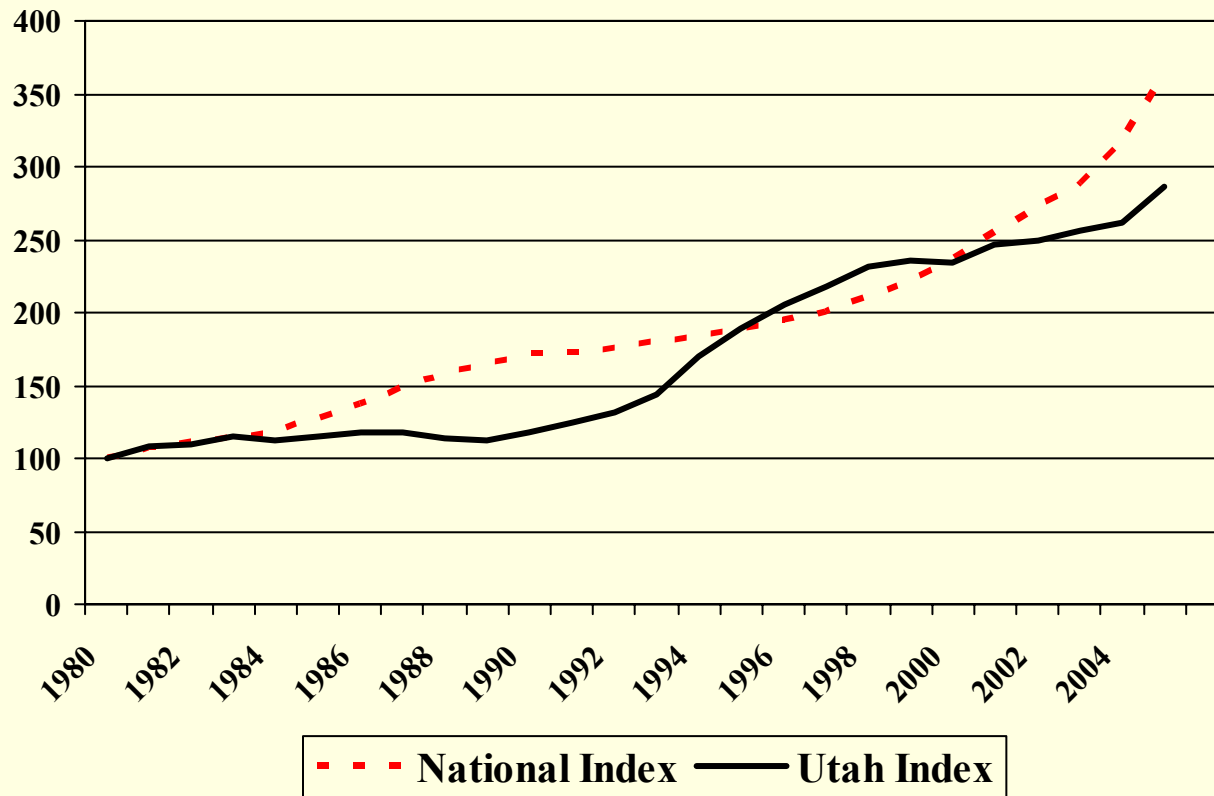
- Ranked 44th in Price Increases of Existing Homes 2000-05. (OFHEO)
- Ranked 22nd in Price Increase in 2005. (OFHEO)
- Share of First Time Home Buyer Market in Past 12 Mo. – 14.9% of **New** Home (Detached and Attached) Closings at Less Than \$150,000 in Salt Lake County. (NewReach)
- Attached Town Homes and Condos Help Affordability. Only 4.5% or 251 of All **New** Homes Closed in SL Co. Priced Less Than \$150,000. In 2003 12.2%. (NewReach)
- Sales of Existing Homes in Salt Lake County – 23.6% Sold for Less Than \$140,000. (WFRMLS)
- Affordability Will Be Less Favorable In Next 12 Months.

Change in Sales Price of Existing Homes in Utah, Metro. Area and Salt Lake County

Data Source	1980	1990	2000	2005	Average Annual Growth Rate for Period			
					1980-1990	1990-2000	2000-2005	1980-2005
Office of Federal Housing Oversight (Statewide Index)	100.0	117.5	236.9	286.5	1.6%	7.3%	3.9%	4.3%
National Assoc. of Realtors (Salt Lake MSA)	\$65,800	\$69,400	\$141,500	\$181,400	0.9%	7.4%	3.7%	5.1%
Wasatch Front Reg. MLS (Salt Lake County)	\$67,949	\$83,951	\$176,479	\$224,470	2.1%	7.7%	4.9%	4.9%

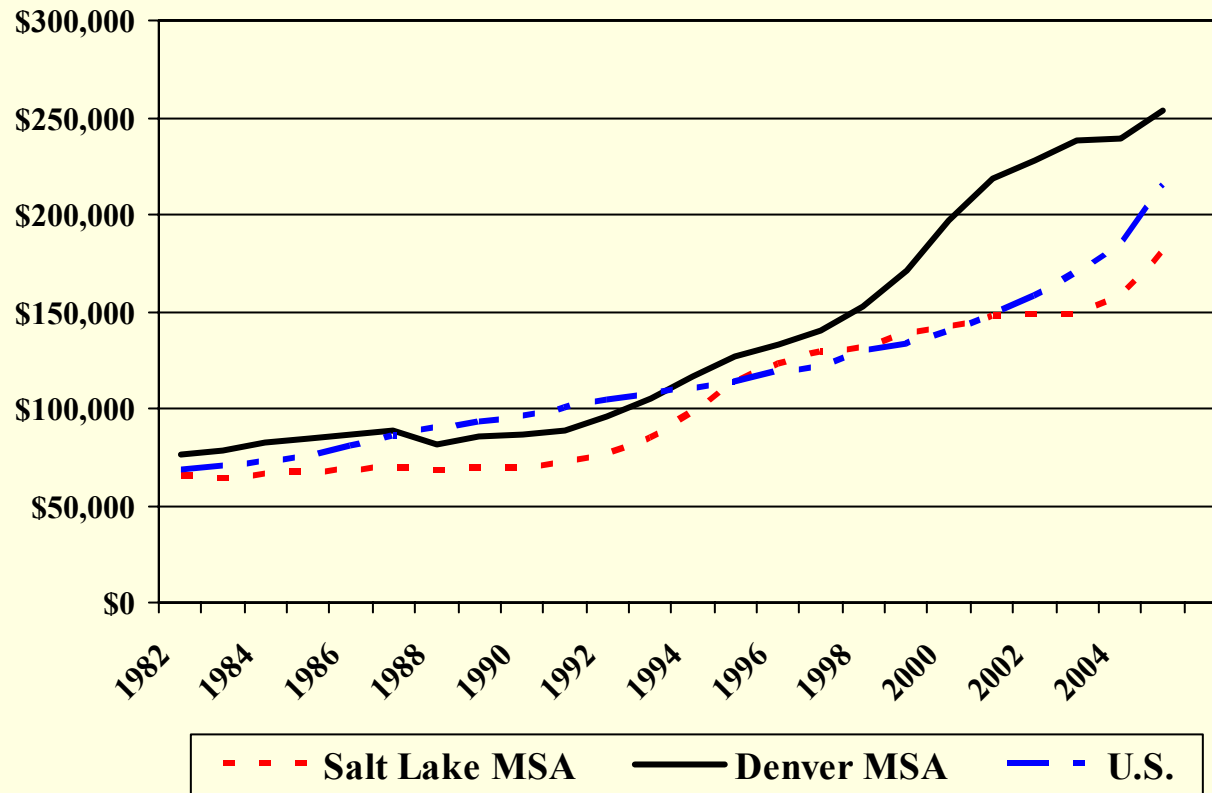
HOUSING PRICE INDEX – Existing Homes

(Source: Office of Federal Housing Enterprise Oversight)



Median Sales Price of Existing Homes

(Source: National Association of Realtors)



CHANGE IN UTAH'S ECONOMIC INDICATORS

Category	2004	2005	2006
Nonag. Employment (% chg.)	2.8%	3.5%	3.3%
Unemp. Rate	5.2%	4.7%	4.5%
Total Wages (% chg.)	6.4%	7.8%	6.8%
Population (% chg.)	1.6%	3.2%	2.9%
Average Annual Pay (% chg.)	3.5%	3.8%	3.4%
Net Migration (000)	18.4	40.6	37.0
New Auto/Truck Sales (000)	101.4	107.6	105.5
Residential Units (000)	24.3	28.0	26.0
Residential Valuation (million)	\$3,552.6	\$4,600.0	\$4,620.0
NonRes. Valuation (million)	\$1,089.9	\$1,200.0	\$1,400.0
Taxable Retail Sales (billion)	\$20.4	\$22.0	\$23.5