



**WORKFORCE  
SERVICES**  
HOUSING & COMMUNITY  
DEVELOPMENT

Housing Affordability  
IN UTAH

# Making Utah Communities Stronger

The Housing & Community Development Division within Utah Department of Workforce Services assists in improving social infrastructure and developing affordable housing. The mission is to:

- Inform
- Educate
- Debate
- Collaborate



Utah Code 35A-8-202:  
[https://le.utah.gov/xcode/Title35A/Chapter8/35A-8-S202.html?v=C35A-8-S202\\_1800010118000101](https://le.utah.gov/xcode/Title35A/Chapter8/35A-8-S202.html?v=C35A-8-S202_1800010118000101)

# General Supposition: Utah has a Housing Shortage



HOME > LOCAL NEWS

## Utah has nation's worst housing shortage, new programs announced to help

### Housing Prices and the Threat to Affordability

By: James Wood and Dejan Eskic | Kem C. Gardner Policy Institute

SEARCH

The Salt Lake Tribune

## How tight is Utah's housing market? Some buyers offer \$100K over asking.

Prices keep climbing for single-family homes on Wasatch Front, where razor-thin inventories mean buyers are struggling to find bargains.



NEWS

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Density is part of the solution to Utah's housing crisis, but it's difficult getting there



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## Affordable housing in Utah hard to come by for first-time buyers

BY DAN BMMES | FEBRUARY 15, 2021 AT 3:46 PM  
UPDATED: FEBRUARY 15, 2021 AT 4:47 PM

Share

## Housing affordability in Utah entering 'perilous territory,' study says

By Jasen Lee | @JasenLee1 | Dec 9, 2020, 10:01pm MST

DeseretNews.



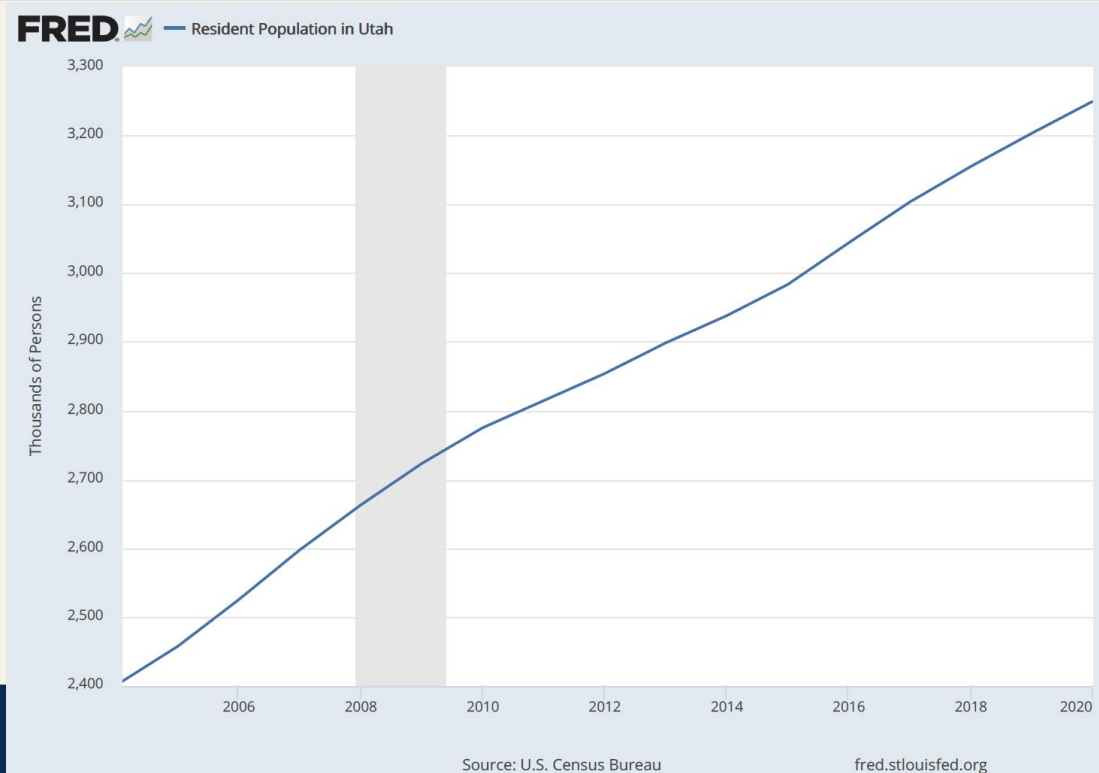
Housing Affordability in Utah - An Issue More of Demand than Supply:

REAL WAGE STAGNATION  
HOUSING PRICE INFLATION

# Cannot Just Build Our Way Out of This Crisis



# Utah Population Growth



# Excess Housing Supply

| Housing Occupancy (5 Year Estimate) | Estimate  | Housing Occupancy (1 Year Estimate) | Estimate  |
|-------------------------------------|-----------|-------------------------------------|-----------|
| Total units                         | 1,087,112 | Total units                         | 1,133,543 |
| Occupied units                      | 977,313   | Occupied units                      | 1,023,855 |
| Vacant units                        | 109,799   | Vacant units                        | 109,688   |
| Homeowner vacancy rate              | 1.1 %     | Homeowner vacancy rate              | 0.8 %     |
| Rental vacancy rate                 | 6.0 %     | Rental vacancy rate                 | 7.5 %     |

Source: US Census Bureau, 2019 American Community Survey 5 -Year and 1 Year Estimates

# Availability of Affordable Rental Housing

*Affordable and Available Rental Units Per 100 Low-Income Renter Households (= 80% HAMFI) by County, Relative to State of Utah, 2013-2017*

| <i>Jurisdiction</i>  | <i>Affordable Rental Units</i> | <i>Available Rental Units</i> |
|----------------------|--------------------------------|-------------------------------|
|                      | <i>Per 100</i>                 | <i>Per 100</i>                |
| <b>State of Utah</b> | <b>253.6</b>                   | <b>1111.3</b>                 |

## 3 in 10

low-income people in Utah are homeless or pay over half their income for rent. Most don't receive federal rental assistance due to limited funding.



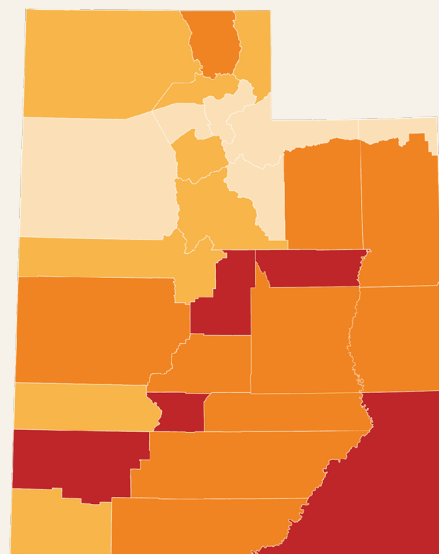
**15,000 Utah children live in unstable housing**

2020 US Department of Housing and Urban Development Comprehensive Housing Affordability Strategy Data; 2020 National Low Income Housing Coalition Gap Report



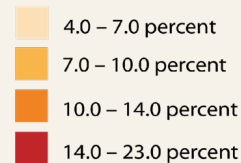
# Share of Utah Households with Cost Burdens

|                   |          |       |
|-------------------|----------|-------|
| Under \$15,000    | Moderate | 10.1% |
|                   | Severe   | 71.8% |
|                   | Total    | 81.9% |
| \$15,000-29,999   | Moderate | 31.8% |
|                   | Severe   | 37.4% |
|                   | Total    | 69.2% |
| \$30,000-44,999   | Moderate | 37.1% |
|                   | Severe   | 11.3% |
|                   | Total    | 48.4% |
| 45,000-74,999     | Moderate | 19.7% |
|                   | Severe   | 2.2%  |
|                   | Total    | 21.9% |
| \$75,000 and Over | Moderate | 3.6%  |
|                   | Severe   | 0.3%  |
|                   | Total    | 3.9%  |



**Map of Percent of Total State Population in Poverty in Utah**

Source: 2018 US Department of Agriculture Economic Research Service, County-level Data Sets/Poverty



Source: Tabulation of US Census Bureau, 2019 American Community Survey One-Year Estimates.

# Breakdown of Low-Income Utah Households



**183,220**

low-income Utah households pay more than half their income for rent, often forgoing necessities, like food or medicine, to keep a roof over their heads. When low-income renters cannot find a decent, affordable apartment, they are more likely to be evicted and risk becoming homeless.



**32%**

are children



**43%**

are working adults



**7%**

are seniors



**14%**

have a disability

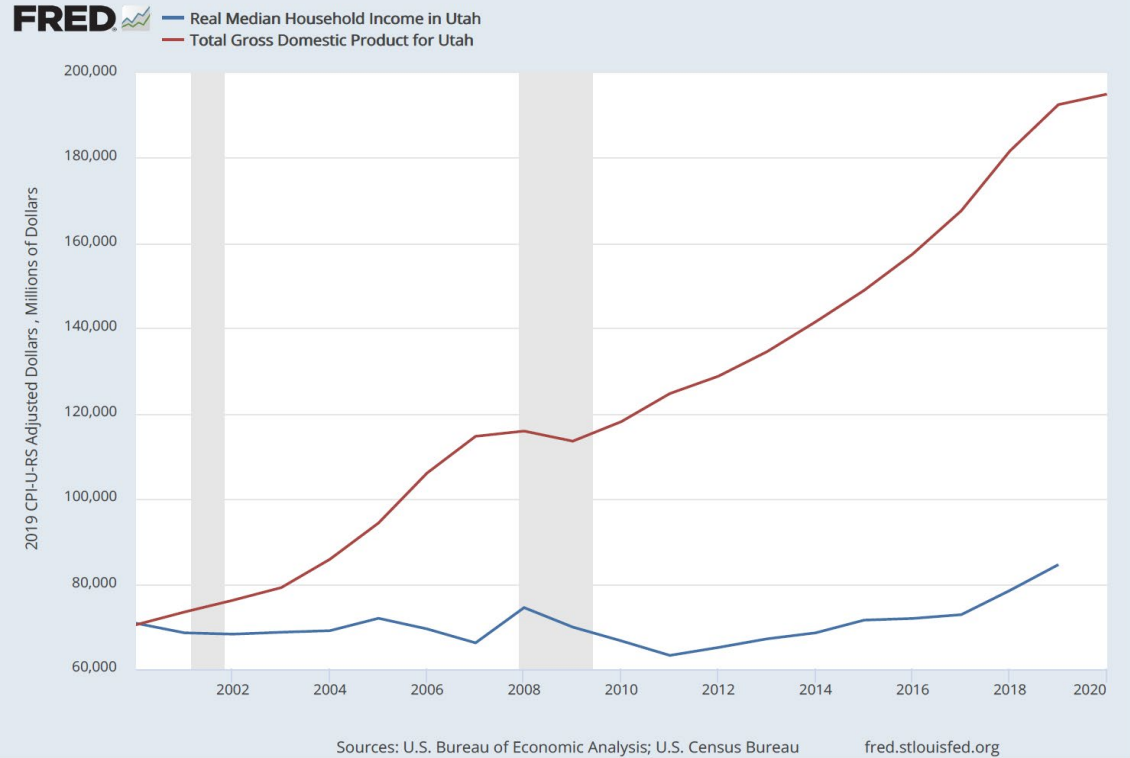


**4%**

are veterans

# Growing Wedge: Productivity and Pay

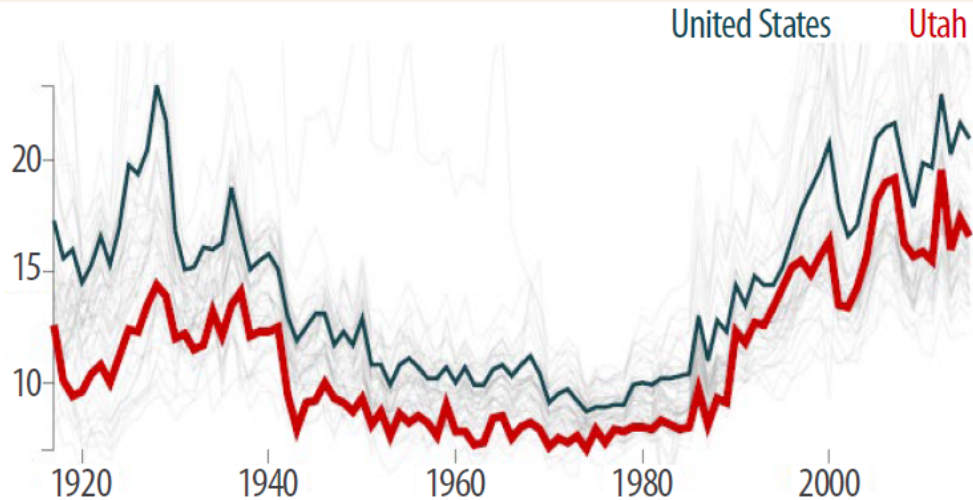
Utah  
Economic  
Growth and  
Real Median  
Income



# Real Income Growth in Utah

## Share of income captured by the top 1% 1917-2015

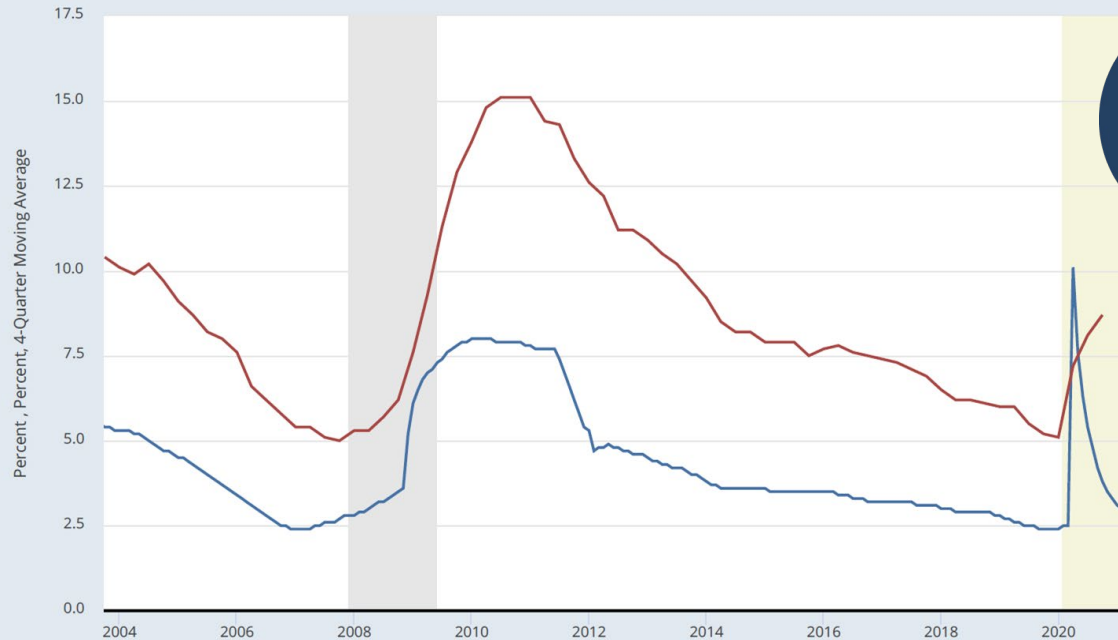
The share of all income held by the top 1% in recent years has approached or surpassed historical highs.



Source: Sommeiller, Estelle, and Mark Price. 2018. The New Gilded Age: Income Inequality in the U.S. by State, Metropolitan Area, and County. Economic Policy Institute, July 2018.

# Unemployment Undergirds Real Wage Stagnation

**FRED**  — Unemployment Rate in Utah  
— Total Unemployed, Plus All Marginally Attached Workers, Plus Total Employed Part Time for Economic Reasons, as a Percent of the Civilian Labor Force Plus All Marginally Attached Workers for Utah

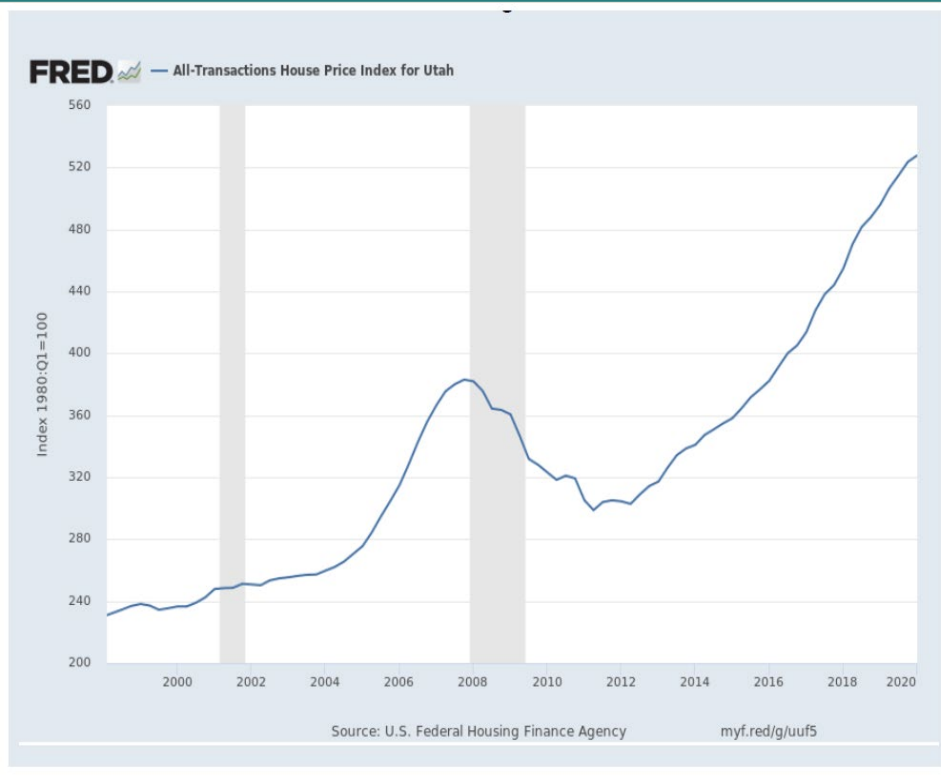


Source: U.S. Bureau of Labor Statistics

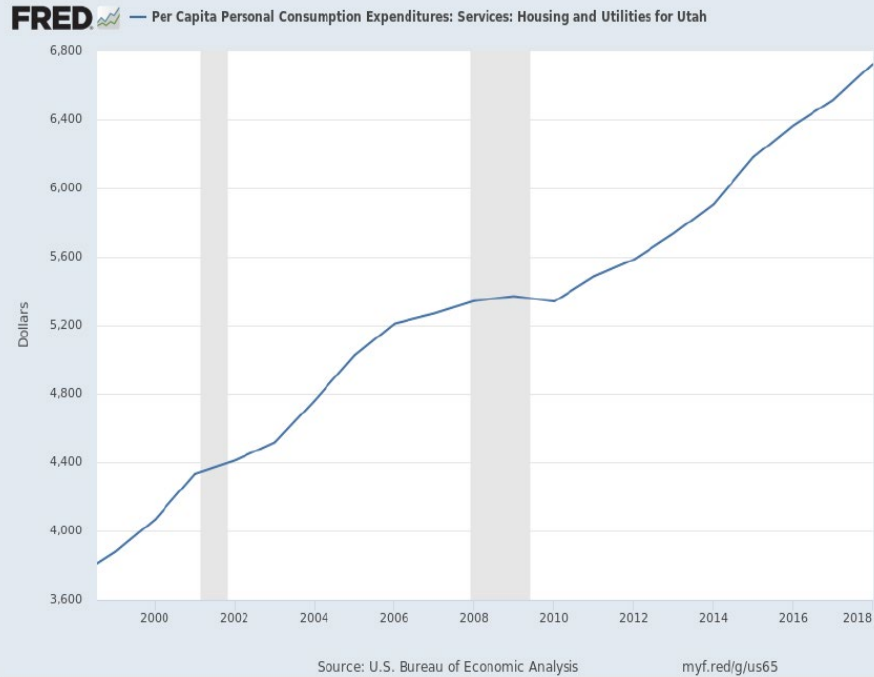
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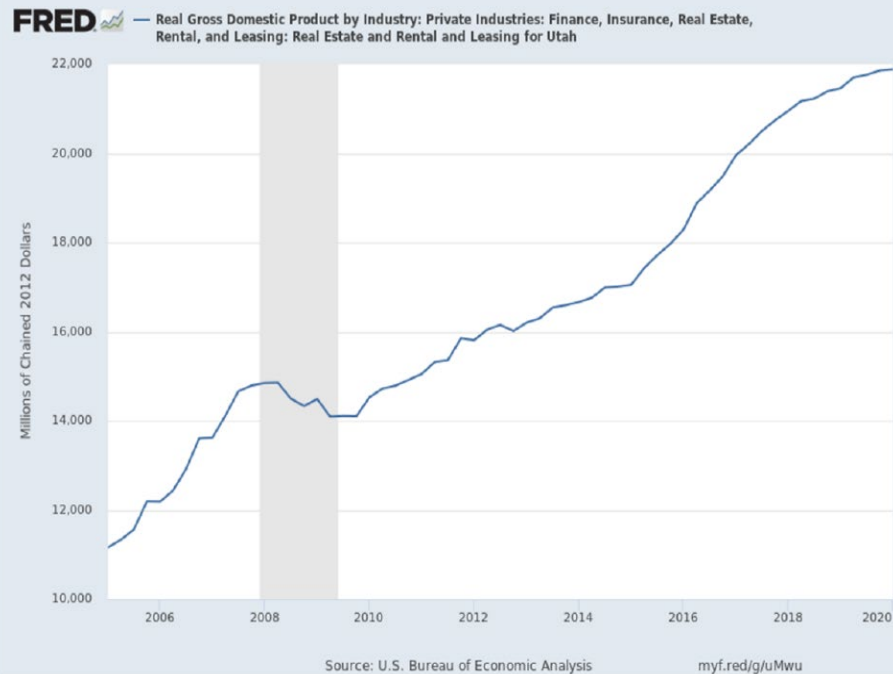
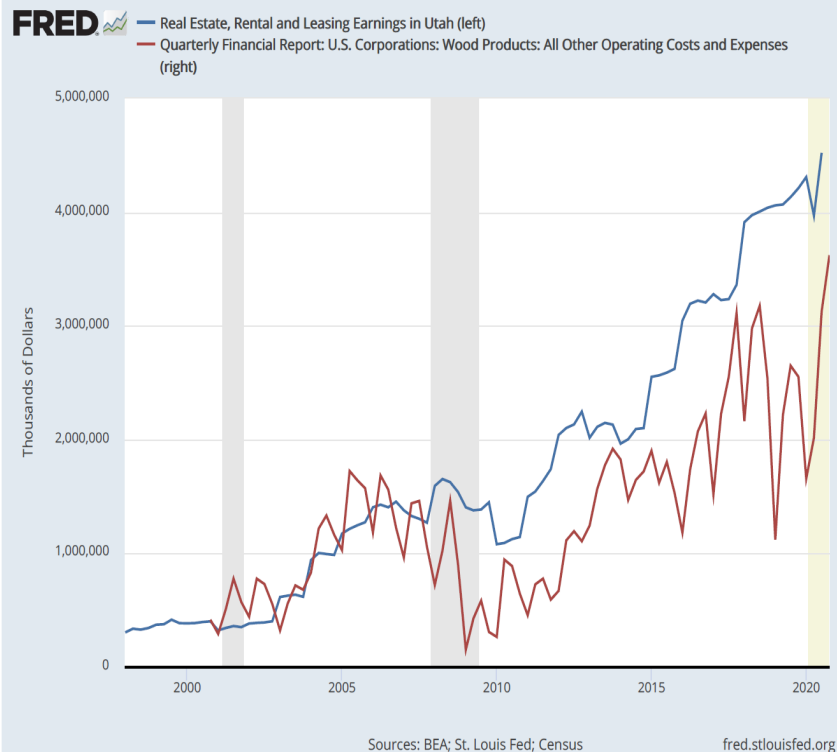
# Utah Housing Price Index



# Housing Expenditures vis-à-vis Real Estate Earnings



# Construction Costs vis-à-vis Profit Share







# Capacity for Pluralist Solutions?

*Public Investment in Housing Affordability Engenders  
Positive Social Welfare Gains in the Long-Run*

# Social Equitability

## 1. Housing Stabilization Programs

- Rent assistance
- Eviction Moratoria
- Generous unemployment insurance
- Mediation
- Subsidized child care and healthcare

## 2. Allow wages to rise with cost of living

- Living wage ordinances

## 3. Address Zoning Inequities



Freeman, Lance, Schuetz, Jenny, 2017. "Producing Affordable Housing in Rising Markets: What Works." *Cityscape: A Journal of Policy Development and Research*, 19(1): 217-236

# Protecting Against Displacement is Vital



- Housing market pressures drive up rents and home prices, pushes residents out of their communities, or into homelessness

Hochstenbach, Cody, Arundel, Rowan, 2020. "Spatial housing market polarization: National and urban dynamics of diverging house values". *Transactions of the Institute of British Geographers*, 45(2): 464-482

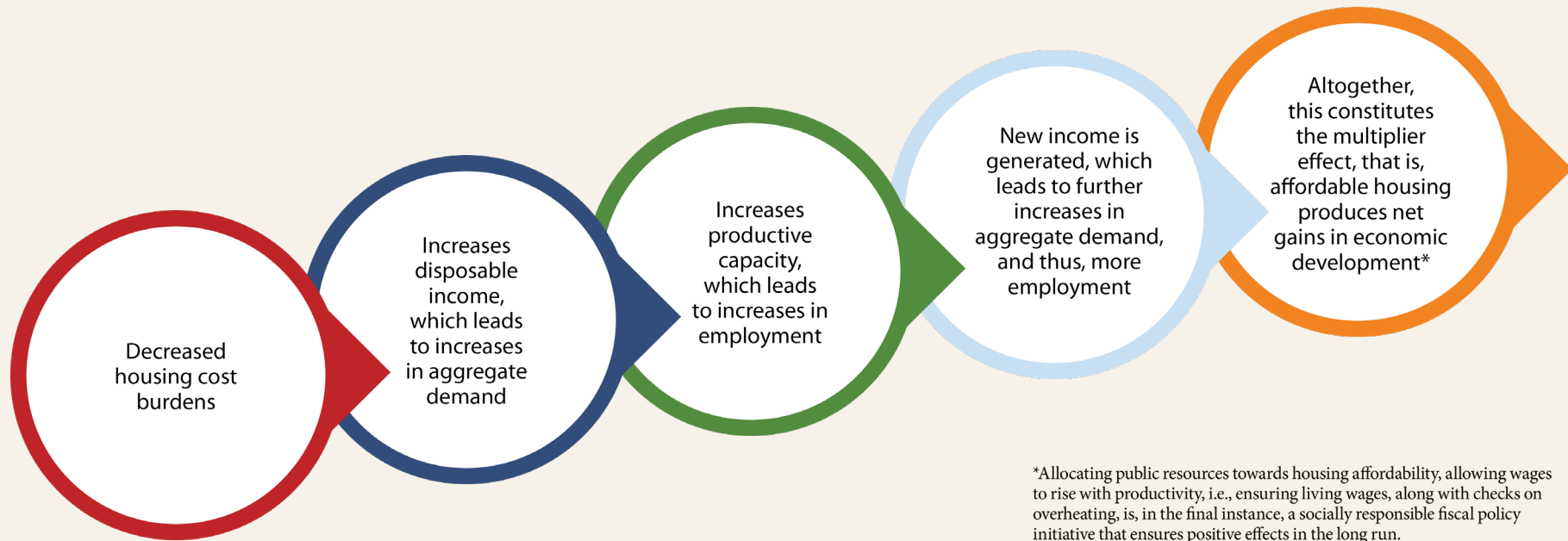
# Ensuring and Expanding Homeownership

- Strict regulations against redlining
- Down payment assistance
- Socially equitable affordable homeownership supports economic well-being, builds wealth



Dawkins, Casey, Jeon, Jae Sik, Knaap, Gerrit Jan, 2017. "Creating and Preserving Affordable Homeownership Opportunities: Does Inclusionary Zoning Make Sense?". *Journal of Planning Education and Research*, 37(4): 444-456

# Affordable Housing and Economic Growth: The Multiplier Effect



# APPENDIX

# References on Real Wage Stagnation

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- [2] Wilmers, Nathan, 2018. "Wage Stagnation and Buyer Power: How Buyer-Supplier Relations Affect U.S. Workers' Wages, 1978-2014." *American Sociological Review*, 83(2): 213-242
- [3] Petach, Luke, 2020. "Income Stagnation and Housing Affordability in the United States." *Review of Social Economy*, 1-28
- [4] Barba, Aldo, Pivetti, Massimo, 2009. "Rising household debt: Its causes and macroeconomic implications—a long-period analysis." *Cambridge Journal of Economics*, 33(1): 113-137
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- [6] Cynamon, Barry Z., Fazarri, Steven M., 2016. "Inequality, the Great recession and Slow Recovery." *Cambridge Journal of Economics*, 40(2): 373-399
- [7] Wolff, Edward N., Zacharias, Ajit, 2013. "Class Structure and Economic Inequality." *Cambridge Journal of Economics*, 37(1): 1381-1406



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- [1] Aalbers, Manuel, 2017. "The Variegated Financialization of Housing". *International Journal of Urban and Regional Research*, 41 (4): 542-554
- [2] Crosby, Andrew, 2020. "Financialized Gentrification, Demoviction, and Landlord Tactics to Demobilize Tenant Organizing". *Geoforum*, 108(1): 184-193
- [3] Ong, Rachel, et. Al., 2013. "Channels from Housing Wealth to Consumption". *Housing Studies*, 28(7): 1012-1036



QUESTIONS?