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:
General Supposition: Utah has a Housing Shortage
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
## Excess Housing Supply

### Housing Occupancy (5 Year Estimate)

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total units</td>
<td>1,087,112</td>
</tr>
<tr>
<td>Occupied units</td>
<td>977,313</td>
</tr>
<tr>
<td>Vacant units</td>
<td>109,799</td>
</tr>
<tr>
<td>Homeowner vacancy rate</td>
<td>1.1 %</td>
</tr>
<tr>
<td>Rental vacancy rate</td>
<td>6.0 %</td>
</tr>
</tbody>
</table>

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

### Housing Occupancy (1 Year Estimate)

<table>
<thead>
<tr>
<th>Description</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total units</td>
<td>1,133,543</td>
</tr>
<tr>
<td>Occupied units</td>
<td>1,023,855</td>
</tr>
<tr>
<td>Vacant units</td>
<td>109,688</td>
</tr>
<tr>
<td>Homeowner vacancy rate</td>
<td>0.8 %</td>
</tr>
<tr>
<td>Rental vacancy rate</td>
<td>7.5 %</td>
</tr>
</tbody>
</table>

**Source:** US Census Bureau, 2019 American Community Survey 5-Year and 1 Year Estimates
Availability of Affordable Rental Housing

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Affordable Rental Units Per 100 Low-Income Renter Households (≥80% HAMFI)</th>
<th>Available Rental Units Per 100</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of Utah</td>
<td>253.6</td>
<td>1111.3</td>
</tr>
</tbody>
</table>

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


<table>
<thead>
<tr>
<th>Income Level</th>
<th>Moderate</th>
<th>Severe</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $15,000</td>
<td>10.1%</td>
<td>71.8%</td>
<td>81.9%</td>
</tr>
<tr>
<td>$15,000-29,999</td>
<td>31.8%</td>
<td>37.4%</td>
<td>69.2%</td>
</tr>
<tr>
<td>$30,000-44,999</td>
<td>37.1%</td>
<td>11.3%</td>
<td>48.4%</td>
</tr>
<tr>
<td>45,000-74,999</td>
<td>19.7%</td>
<td>2.2%</td>
<td>21.9%</td>
</tr>
<tr>
<td>$75,000 and Over</td>
<td>3.6%</td>
<td>0.3%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

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

Legend:
- 4.0 – 7.0 percent
- 7.0 – 10.0 percent
- 10.0 – 14.0 percent
- 14.0 – 23.0 percent
Breakdown of Low-Income Utah Households

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.

183,220

32% are children
43% are working adults
7% are seniors
14% have a disability
4% are veterans

2020 National Low Income Housing Gap Report; Center on Budget and Policy Priorities
Growing Wedge: Productivity and Pay

Utah Economic Growth and Real Median Income

Sources: U.S. Bureau of Economic Analysis; U.S. Census Bureau fred.stlouisfed.org
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.

Unemployment Undergirds Real Wage Stagnation
Utah Housing Price Index
Housing Expenditures vis-à-vis Real Estate Earnings

Source: U.S. Bureau of Economic Analysis

Source: Federal Reserve Bank of St. Louis
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

Protecting Against Displacement is Vital

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

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

Affordable Housing and Economic Growth: The Multiplier Effect

- Decreased housing cost burdens
- Increases disposable income, which leads to increases in aggregate demand
- Increases productive capacity, which leads to increases in employment
- New income is generated, which leads to further increases in aggregate demand, and thus, more employment
- Altogether, this constitutes the multiplier effect, that is, affordable housing produces net gains in economic development

*Allocating public resources towards housing affordability, allowing wages to rise with productivity, i.e., ensuring living wages, along with checks on overheating, is, in the final instance, a socially responsible fiscal policy initiative that ensures positive effects in the long run.*
APPENDIX
References on Real Wage Stagnation


References on Speculative-led Housing Price Inflation


QUESTIONS?