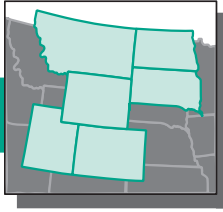


Housing Market Profile

Rocky Mountain • HUD Region VIII



Ogden-Clearfield, Utah

The Ogden-Clearfield metropolitan area, consisting of Davis, Morgan, and Weber Counties, is located just north of Salt Lake City. The metropolitan area is home to Hill Air Force Base (AFB), which employs more than 22,000 military and civilian personnel. The metropolitan area is also home to a large service center for the Internal Revenue Service that employs 6,000 people. Consequently, government sector employment in the metropolitan area accounts for about 25 percent of jobs compared with 17 percent of jobs in both the state and the nation. As of April 1, 2010, the population of the metropolitan area was estimated at 548,000, an increase of 9,200, or 1.7 percent, since April 1, 2009. Due primarily to recent job losses, population growth is down from the 2.6-percent annual average that was recorded during the previous 3 years.

Hill AFB, the largest single-site employer in Utah, provides a vital source of stability to the Ogden-Clearfield economy. According to The University of Utah, the base contributes more than \$3.5 billion annually to the Utah economy, with much of the impact in the Ogden-Clearfield area. In addition to its direct spending, the base broke ground in 2008 on the Falcon Hill Aerospace Research Park, a 550-acre, \$1.5 billion public-private venture located on the west side of the base. The project will replace 1.5 million square feet of antiquated U.S. Air Force buildings with retail, hotel, office, and restaurant space over the course of 15 to 20 years. Nearly 2 million square feet of commercial and supporting retail space are planned for the first phase, with completion expected in late 2012, assuming market conditions improve.

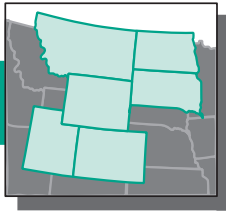
Nonfarm employment declined by 7,100 jobs, or 3.5 percent, to an average of 192,500 jobs during the 12 months ending March 2010. Before turning negative in 2008, nonfarm employment increased by an average annual rate of 5,700 jobs, or 3 percent, from 2003 to 2007. During the past 12 months, the mining, logging, and construction sector accounted for 38 percent of job losses in the metropolitan area, with a decline of 18 percent, or 2,700 jobs, primarily in residential construction employment. The only significant job gains were in the education and health services and the government sectors. The education and health services sector increased by 800 jobs, or 3.6 percent, somewhat below the 4.3-percent increase recorded during the previous 12 months. Due to job gains in the federal government subsector, government employment increased by

270 jobs, or 0.6 percent. During the 12 months ending February 2010, the unemployment rate increased to an average of 6.2 percent, up from 3.9 percent during the previous 12 months.

As a result of the slowing economy and tighter credit standards, the sales market in the Ogden-Clearfield metropolitan area is currently soft, although recent increases in sales activity indicate the market may be beginning to recover. According to NewReach, Inc., approximately 4,900 existing single-family homes were sold during the 12 months ending March 2010, representing an increase of 26 percent compared with the previous 12 months, but still down significantly from the record 7,500 homes sold in 2006. In 2008 and 2009, home sales totaled 4,600 and 4,875, respectively. The average sales price of existing single-family homes in the metropolitan area increased by nearly 1 percent to \$203,400 during the 12 months ending March 2010 and remains slightly below the record of \$217,900 recorded in 2007. According to Lender Processing Services Mortgage Performance Data, from March 2009 to March 2010, the number of loans that are 90 days or more delinquent, in REO, or in foreclosure increased from 3 percent to 5.3 percent.

Builders responded to the increased sales activity by slightly increasing new home construction activity, as measured by the number of building permits issued. According to The University of Utah, single-family construction activity peaked in 2005, with 3,850 homes permitted, and declined in 2008 to just more than 1,000 homes permitted. During the 12 months ending February 2010, 1,250 single-family homes were permitted, a 34-percent increase compared with the number permitted during the previous 12 months, based on preliminary data. Current single-family home construction activity is concentrated in the southern Davis County cities of Farmington, Layton, and North Salt Lake and the central Weber County city of West Haven; when combined, these cities account for nearly one-half of the total single-family homebuilding activity in the metropolitan area. Prices for new single-family three-bedroom, three-bathroom homes start at \$190,000 in Farmington and \$180,000 in West Haven.

The condominium sales market in the Ogden-Clearfield metropolitan area is also soft. According to NewReach, Inc., 1,100 condominiums were sold during the 12 months ending March 2010, an increase of nearly 28 percent from the number sold during the previous 12 months. During the 12 months ending March 2010, the average condominium sales price declined by



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nearly 5 percent to \$152,800 and remains just below the record \$161,200 sales price reached in 2007. According to The University of Utah, 320 condominiums were permitted during the 12 months ending February 2010 compared with 340 permitted during the previous 12 months. In recent years, condominiums have averaged about 15 percent of residential sales volume and 20 percent of for-sale construction activity. Sales prices for new three-bedroom, three-bath condominiums start at \$140,000 in Clearfield and at \$130,000 in Ogden.

The Ogden-Clearfield rental market is somewhat soft, with an average apartment vacancy rate of 6.6 percent during 2009, according to Reis, Inc. Vacancies are up significantly from the 5.1 percent recorded in 2008, primarily because several larger projects were completed

and entered lease-up during 2009. According to The University of Utah, during the 12 months ending February 2010, about 140 apartment units were permitted compared with 230 permitted during the previous 12 months. The average apartment asking rent remained relatively unchanged at \$686. With the completion of the FrontRunner North commuter rail in 2008, several transit-oriented developments (TODs) are currently anticipated throughout the metropolitan area. A 324-unit TOD project, Park Lane Village Apartments, is expected to start construction this year near the Farmington Station commuter rail stop. Residents are anticipated to move into the apartments in mid 2011; proposed average rents are \$800 for a one-bedroom unit, \$1,025 for a two-bedroom unit, and \$1,150 for a three-bedroom unit.