

# Salt Lake City's Current Apartment Boom: An Analysis of Salt Lake City's Record Apartment Growth

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# Salt Lake City's Current Apartment Boom

## Analysis in Brief

Salt Lake City continues to add new residents and surpassed the 200,000 resident milestone in 2017. Much of this increase is the result of the recent and significant construction of apartments. Strong demand for rental units in recent years has evolved Salt Lake City into a rental dominated market, with rentals accounting for over half of housing units. Salt Lake City's population growth from 1990 to 2010 was primarily new populations of large, younger families moving into existing housing on the city's west side, replacing aging smaller households. In contrast, population growth since 2010 has primarily been enabled by strong demand for new higher density apartments in downtown locations. This historic expansion in the Salt Lake City rental market should continue as long as regional economic growth remains strong. Robust economic and demographic growth, combined with the locational advantages of the region, are driving demand for more housing opportunities within Salt Lake City.

## Key Points

- From January 2000 to December 2017, Salt Lake City issued permits for 12,278 new residential units; 53 percent in the last four years.
- In one of the most abrupt reversals in Utah's construction history, residential construction in Salt Lake City rebounded from 38 permits issued in 2013 to 1,424 residential permits in 2014.
- Since 2014, Salt Lake City has issued building permits for 6,481 units; 91 percent were for apartments.
- In 2000, rental units accounted for 49 percent of all housing units in Salt Lake City; by 2016 the share increased to 53 percent.
- Since 2000, 74 percent of statewide residential permits were issued in the Wasatch Front counties, 88 percent for multifamily units.
- Since 2000, 84 percent of condominium, townhome, and duplex permits were issued in Salt Lake and Utah counties.
- High levels of apartment activity are likely to continue through 2020, at which point rental market conditions will likely soften with the increased capacity.
- Statewide, detached single-family homes remain the majority of residential permits; 65 percent of all residential permits issued since 2000. Outside of the Wasatch Front, detached single-family permits account for 70 percent of all residential permits.

## At a Glance: Salt Lake City's Apartment Boom 2014 - Present

Geography	
Salt Lake City	<ul style="list-style-type: none"> <li>• 5,912 permits for apartments from 2014 – 2017.</li> <li>• In 2000, 49 percent of occupied housing units were rentals. By 2016, the share had increased to 53 percent.</li> </ul>
Wasatch Front	<ul style="list-style-type: none"> <li>• 74 percent of residential permits issued statewide from 2000 – 2017 were in the Wasatch Front.</li> <li>• 88 percent of multifamily units from 2000 – 2017 were in the Wasatch Front.</li> <li>• Nine of the top 10 ranked cities for apartment permits were in Salt Lake or Utah counties.</li> </ul>
Time	
Pre-Recession (2000 – 2007)	<ul style="list-style-type: none"> <li>• 55 percent of residential permits in Salt Lake City were for apartments.</li> <li>• 13 percent of statewide apartment permits were in Salt Lake City.</li> </ul>
Recession Effects (2008 – 2012)	<ul style="list-style-type: none"> <li>• 68 percent decline in statewide annual residential permits from the peak in 2005 to the trough in 2011.</li> <li>• 9 percent of statewide apartment permits were in Salt Lake City; 77 percent were in the Wasatch Front.</li> </ul>
Recession Recovery (2013 – Present)	<ul style="list-style-type: none"> <li>• 91 percent of residential permits in Salt Lake City since 2013 were for apartments.</li> <li>• In 2013, Salt Lake City issued permits for 38 residential units; in 2014, permits were issued for 1,424 units.</li> <li>• 24 percent of statewide apartment permits were issued in Salt Lake City.</li> </ul>

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## Introduction

Salt Lake City is experiencing historic levels of apartment construction. Since 2014, Salt Lake City has issued 6,481 building permits, 91 percent were for apartments. This boom indicates a clear shift toward higher density housing in Salt Lake City. These years of record apartment construction have not only increased the level of building activity, but shifted the composition of housing types in Salt Lake City. In 2000, rental units accounted for 49 percent of all occupied housing units in Salt Lake City (U.S. Census Bureau). By 2016, the share had increased to 53 percent. Since 2010, Salt Lake City has issued more residential permits for apartment units than any other city in the state, accounting for a fifth of the state’s apartment permits.

The Great Recession had a negative effect on the construction industry, slowing the building of new housing units across the state. As a result, Utah experienced a 68 percent decline in annual residential permits from the Pre-Recession peak in 2005 to the trough of the Recession in 2011. The contraction in residential construction was prolonged in Salt Lake City, continuing through 2013. By then, the number of annual residential permits issued had fallen by over 95 percent to only 38 units.

In one of the most abrupt reversals in Utah’s construction history, residential construction in Salt Lake City rebounded with a total of 1,424 residential permits issued in 2014. A citywide moratorium on impact fees, a favorable zoning environment, and strong demographic and economic growth in the county spurred development. Apartment construction drove much of this development. Since 2000, 75 percent of all residential permits in Salt Lake City were for apartment units. Nearly 84 percent of these permits were issued from 2014 through 2017.

Salt Lake City’s apartment boom is expected to last another couple of years. There are a number of large projects proposed that are projected to begin construction in 2018. By 2020, the number of permits issued for residential units in Salt Lake City will likely slow as rental market conditions soften. However, throughout the Wasatch Front demand for affordable mid-density condominium, townhome, and duplex units will remain strong. So far in 2018, there has been a slowdown in the volume of apartment units issued permits, but through the first half of the year, 91 percent of residential permits were for apartments. Apartment development is likely to remain the dominant residential construction type in the city.

The trend toward more multifamily construction including apartments, condominiums, townhomes, and duplexes is also occurring in the rest of Salt Lake County and Utah County. Along the Wasatch Front, 36 percent of units receiving building permits were multifamily units, Salt Lake City accounted for 17 percent of these permits. With an increase in housing density and a growing population along the Wasatch Front, it is also likely there will be an increase in residential construction in the

ring counties of Wasatch, Juab, Morgan, Summit, and Tooele. The market that demands lower density, detached single-family homes will likely move toward development in these counties as they offer more developable land than the urban core counties.

## Salt Lake City Since 2000

From January 2000 to December 2017, Salt Lake City has issued permits for 12,278 new residential units. Fifty-three percent of residential units receiving permits were issued in the last four years. This is a direct result of an apartment boom, which began in 2014 (Table 1). Peaking at 3,049 residential units in 2016, 91 percent of residential construction receiving permits in 2016 were for apartments\

Figure 1 shows the cumulative residential permits issued in Salt Lake City from 2000 to 2017 by housing type. The increased share of apartment units is clearly visible. The apartment boom has not only increased residential construction activity in Salt Lake City, but has also shifted the composition of housing types toward more renter occupied units. In 2010, the total

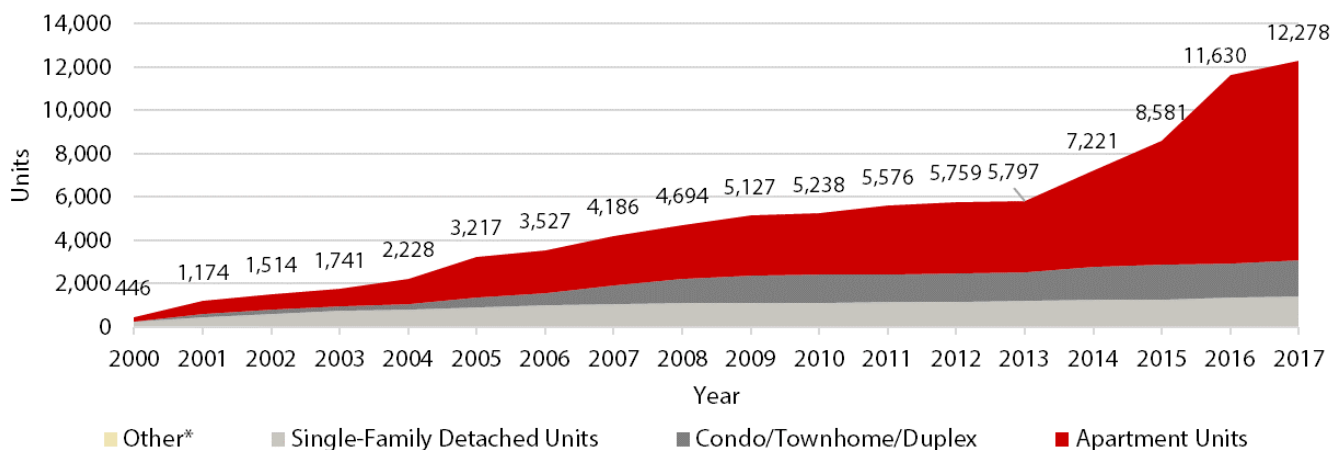
number of housing units in the city totaled 80,724; 51.6 percent were renter occupied (U.S. Census Bureau). As of 2016, renter occupied units accounted for 53 percent of the occupied housing units in Salt Lake City.

**Table 1: Building Permits Issued for Residential Units in Salt Lake City by Year 2000-2017**

Year	Units	Year	Units
2000	446	2009	433
2001	728	2010	111
2002	340	2011	338
2003	227	2012	183
2004	487	2013	38
2005	989	2014	1,424
2006	310	2015	1,360
2007	659	2016	3,049
2008	508	2017	648

Source: Ivory-Boyer Construction Database

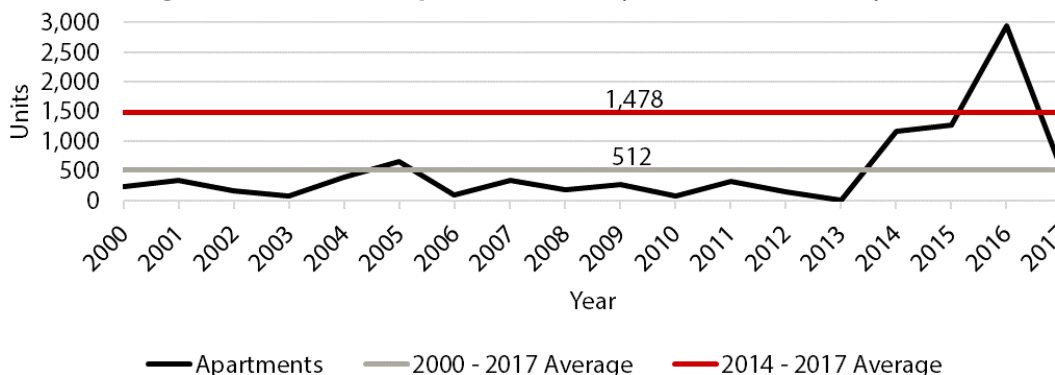
**Figure 1: Residential Building Permits Issued for Cumulative Number of Residential Units by Type in Salt Lake City, 2000 -2017**



\*Other includes: Group quarters, mobile homes, manufactured homes, cabins, accessory dwelling units and any other dwelling unit type not covered by apartments, condominiums, townhomes, duplexes, or detached single-family homes.

Source: Ivory-Boyer Construction Database

**Figure 2: Building Permits Issued for Apartment Units by Year in Salt Lake City, 2000 - 2017**



Source: Ivory-Boyer Construction Database

## 1. Apartments in the City

In recent years, Salt Lake City has experienced a rapid expansion in apartment units receiving building permits. Over 64 percent, or 5,912, of the apartment units issued permits in Salt Lake City since 2000 were issued between 2014 and 2017 (Figure 2). Salt Lake City has averaged 512 apartment units annually since 2000. Since the first quarter of 2014, Salt Lake City has issued permits for an average of 1,478 apartment units per year, nearly a three-fold increase.

The largest volume of apartment permits was 2014 through 2016. During this time, 5,382 apartment units were issued permits, comprising 92 percent of all new residential permits in Salt Lake City. This period included a city moratorium on impact fees for new housing projects which was in place in 2015 and 2016. This moratorium likely boosted development activity. However, the principle drivers of the high levels of apartment activity has been the growing demand for rental housing in Salt Lake City due to strong economic and demographic growth and the local advantages of the city: proximity to jobs, transportation infrastructure, and services.

In 2017, permits were issued for 517 apartment units, accounting for 80 percent of Salt Lake City's residential units for the year. From 2000 to 2017, 75 percent of the residential permits issued by Salt Lake City were for apartment units. During the recent boom, that share increased to 91 percent, a trend that has continued through the first half of 2018. While the impact fee moratorium influenced the number of apartment permits while in effect, any lasting effect on the composition of residential permits going forward is unclear.

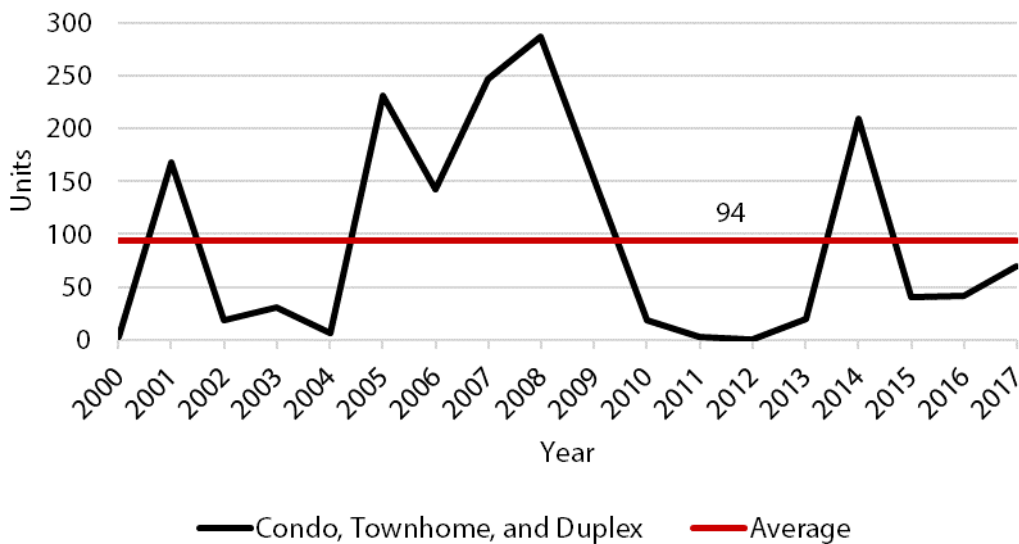
## 2. Condominium, Townhome, and Duplex Units in the City

While Salt Lake City has had a high concentration of new apartment construction, the development of condominium, townhome, and duplex units has been less common. Since 2000, only 1,686 condominium, townhome, and duplex permits have been issued. This is an annual average of 94 units, with the highest volume of permits occurring from 2005 through 2010 (Figure 3). The exception is 2001 and 2014 when 168 and 210 condominium, townhome, and duplex permits received building permits, respectively.

## 3. Detached Single-Family Homes in the City

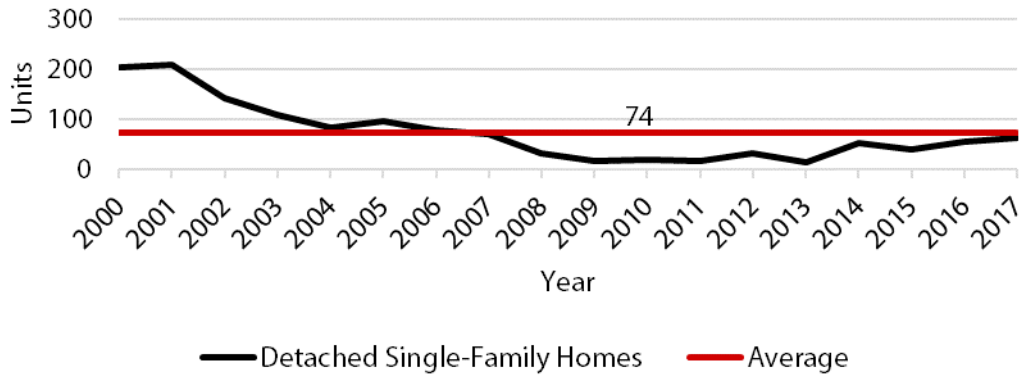
In 2000, Salt Lake City's housing stock was comprised of 49.3 percent of detached single-family homes (U.S. Census Bureau). The latest estimates from the Census Bureau show the city's housing stock to be 47.7 percent detached single-family homes. From 2000 to 2017, Salt Lake City averaged 74 detached single-family units receiving permits annually. There has been an increase in annual units issued permits since 2013, but the volume of units is still below average. Overall, Salt Lake City is trending toward fewer detached single-family permits and an overall decline in detached single-family units as a share of the total housing stock (Figure 4).

**Figure 3: Building Permits Issued for Condominium, Townhome, and Duplex Units by Year in Salt Lake City, 2000 – 2017**



Source: Ivory-Boyer Construction Database

**Figure 4: Building Permits Issued for Detached Single-Family Units by Year in Salt Lake City, 2000 – 2017**



Source: Ivory-Boyer Construction Database

## The Great Recession and its Effects on the Utah Housing Market

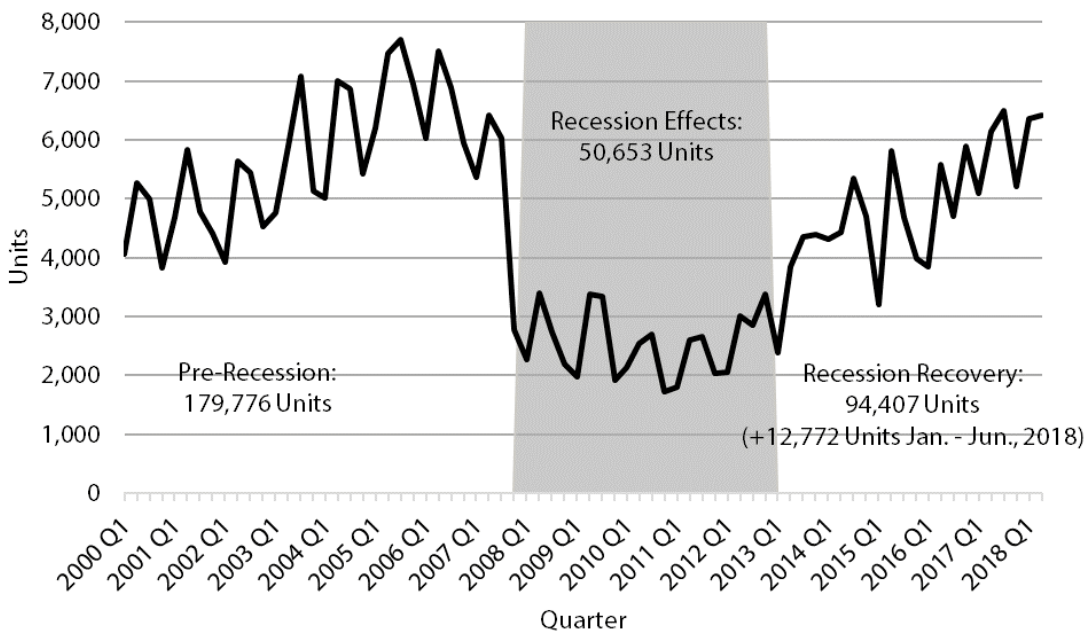
The Great Recession, which ran from late 2007 through 2009, had a devastating impact on the housing market. Utah's housing market began to feel the effects of the recession in late 2007. Building permits issued for new housing units decreased 64.6 percent from the second quarter of 2007 to the first quarter of 2008. It was not until the fourth quarter of 2013 that the state experienced three quarters of continuous growth in permit numbers and it was apparent a recovery was underway. There have been three major periods of activity in Utah's housing sector since 2000: "Pre-Recession" (prior to 2008), "Recession Effects" (2008 – 2012), and "Recession Recovery" (2013 – present). These three periods are shown in Figure 5.

During the eight years leading up to the recession, the state issued permits for an average of 22,472 new units per year. This figure fell to 10,131 new units annually from 2008 through 2012,

before rising to 18,881 new units annually from 2013 through 2017, still below the Pre-Recession average. If the number of permits issued statewide were to continue at the 2013 – 2017 average, by 2020 the state would experience approximately 151,050 new units receiving building permits, below the Pre-Recession total. The state has averaged a quarterly growth rate of 7.6 percent since 2013, using this average, the state would issue permits for approximately 198,408 units, more than the Pre-Recession total. If current building trends continue, Utah is on track to surpass Pre-Recession levels of residential permits.

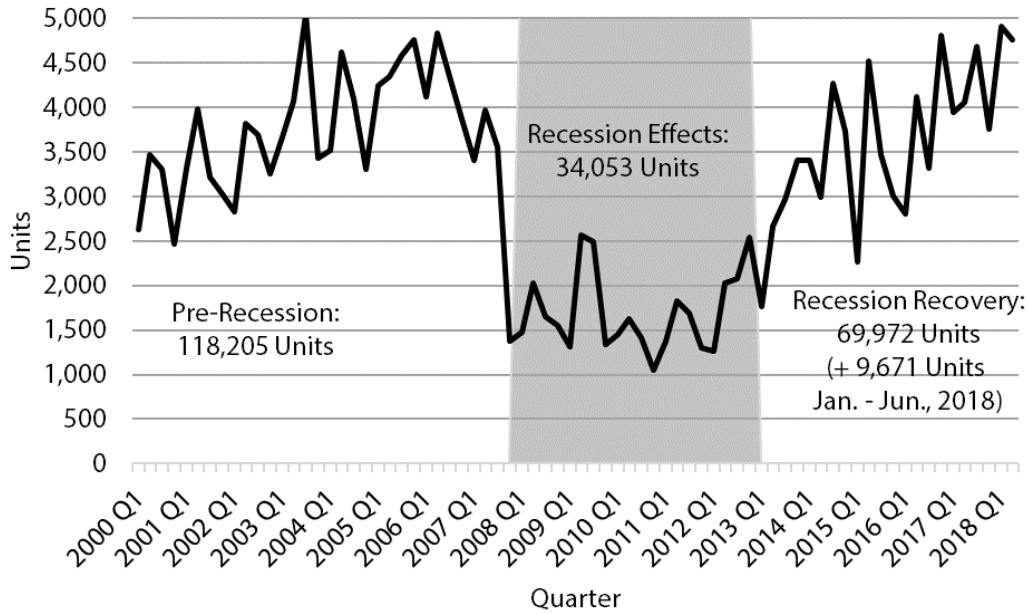
The Recession Recovery has been slightly stronger along the Wasatch Front. Since 2013, the Wasatch Front has issued permits for 69,972 units, or 31.5 percent, of all housing units receiving permits since 2000 (Figure 6). This is an average annual increase of 8.7 percent in residential permits. If this average continues through 2019, the Wasatch Front counties will issue permits for approximately 114,553 units; 97 percent of the Pre-Recession units.

**Figure 5: Building Permits Issued for Residential Units in Utah by Quarter, 2000 – 2017**



Source: Ivory-Boyer Construction Database

**Figure 6: Building Permits Issued for Residential Units by Quarter in the Wasatch Front, 2000 – 2017**

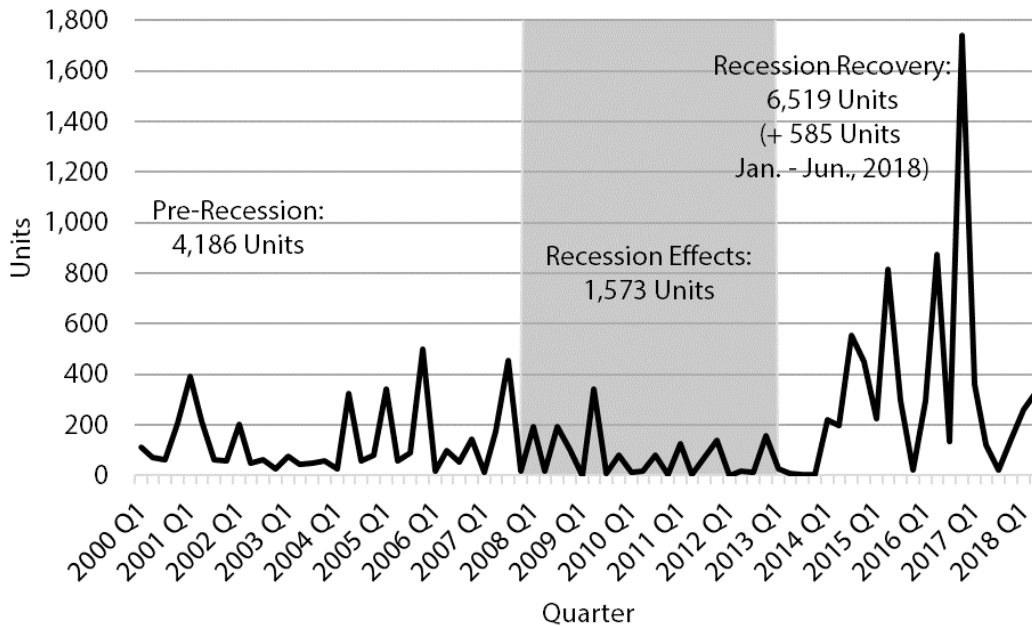


Source: Ivory-Boyer Construction Database

So far, in 2018, residential construction remains strong, with a continued concentration along the Wasatch Front. About a quarter of the units statewide are apartments. During the first quarter of 2018, permits have been issued for 6,357 dwelling units statewide. The second quarter saw permits for 6,415 units. Seventy-six percent of permits issued (9,681 units) during the first half of 2018 were issued in the Wasatch Front counties. In total, 2,716 units were apartments. The top three cities for apartment development so far in 2018 are Salt Lake City (378 units), Millcreek (337 units), and Bluffdale (535 units).

Salt Lake City is a unique housing market. The city is nearly built out, so permit activity fluctuates depending on permits issued for large multifamily projects. Though the Recession had a prolonged effect on residential permits in Salt Lake City, lasting through 2013, the recovery has been substantial. The magnitude of the apartment boom has brought on the highest level of new residential construction to the city in its history (Figure 7).

**Figure 7: Building Permits Issued for Residential Units by Quarter in Salt Lake City, 2000 – 2017**



Source: Ivory-Boyer Construction Database



In the first half of 2018, Salt Lake City issued permits for 585 residential units. Both quarters of 2018 have been higher than the Pre-Recession average of 135 units, at 260 units in the first quarter, and 325 in the second, but lower than the Recession Recovery period average up to fourth quarter 2017 of 326 units. Apartments account for 91 percent of Salt Lake City's residential permits so far in 2018.

## The Concentration of New Homes Along the Wasatch Front

Salt Lake City ranks fourth among all cities in the number of residential units receiving permits since 2000 (Table 2). Salt Lake City has accounted for approximately four percent of all residential units receiving building permits in the state, 5.5 percent of permits issued in the four Wasatch Front counties, and nearly 13 percent of residential permits in Salt Lake County. The city is a major player in Utah residential construction, issuing more permits than most Utah counties (Table 3).

**Table 2: Cities Ranked by Building Permits Issued for Residential Units, 2000-2017**

City	Units
St. George	16,871
South Jordan	14,762
Lehi	13,009
Salt Lake City	12,278
Herriman	11,979
West Jordan	11,525
West Valley City	7,798
Saratoga Springs	7,369
Washington	7,180
Draper	6,906

Source: Ivory-Boyer Construction Database

The four counties of the Wasatch Front account for nearly three-quarters of new housing unit permits issued in the state from 2000 to 2017. The ring counties of Juab, Morgan, Summit, Tooele, and Wasatch accounted for another 7.5 percent of housing units receiving permits during this time. Nearly 80 percent of new housing units receiving permits in Utah from 2000 to 2017 were in the Wasatch Front or surrounding ring counties (Figure 8).

Outside the Wasatch Front, Washington County issued permits for nearly 34,000 units. This high level of residential construction in Washington County, due in part, to the second home market, ranks fourth among all counties in residential units receiving building permits since 2000 (Table 3). St. George (ranked first) and Washington City (ranked ninth) account for a majority of these units and are ranked in the top 10 cities for new dwelling units receiving permits from 2000 to 2017.

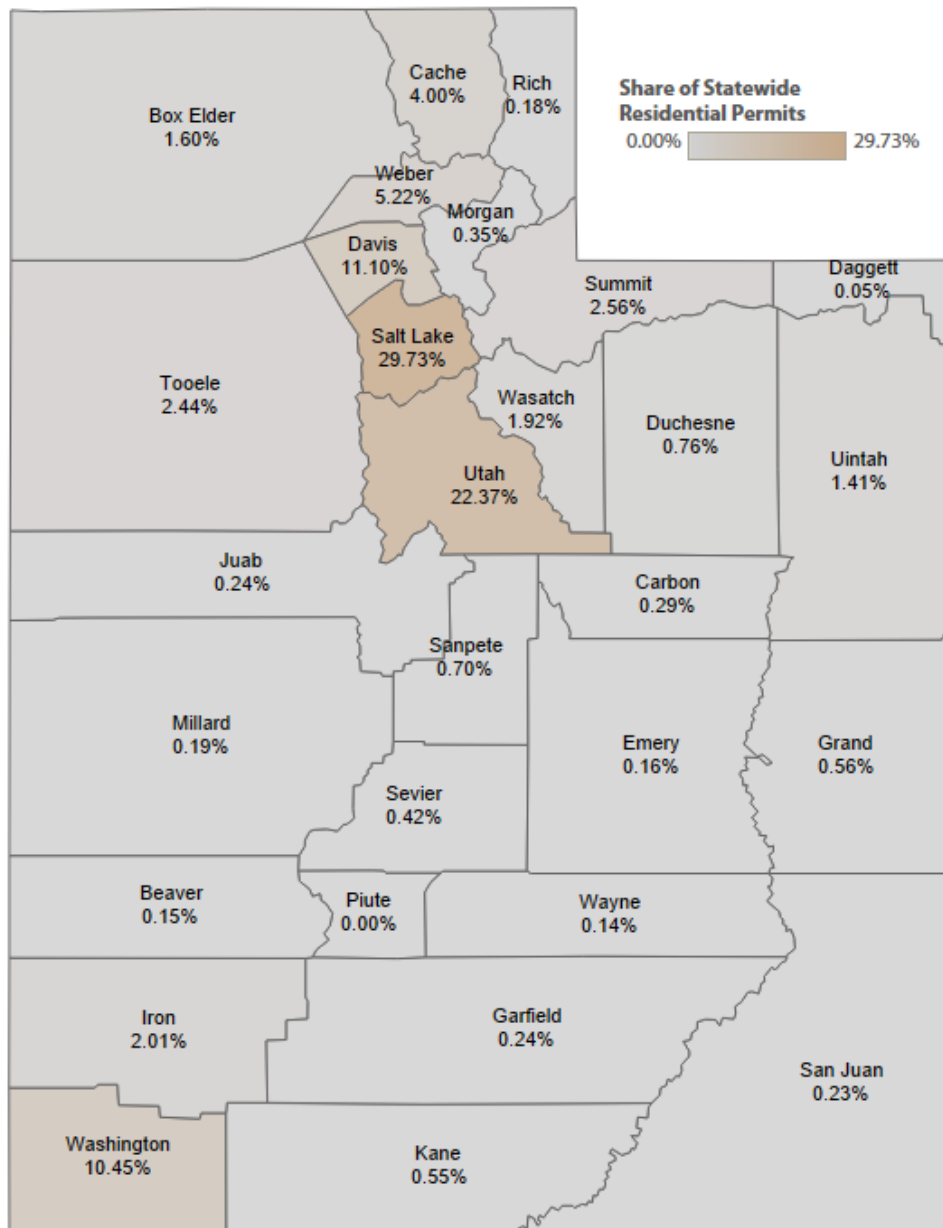
**Table 3: Counties Ranked by Permits Issued for Residential Units, 2000-2017**

Region	Units	Region	Units
Salt Lake County*	84,307	Grand County	1,825
Utah County	72,661	Kane County	1,772
Davis County	36,041	Sevier County	1,350
Washington County	33,953	Morgan County	1,124
Weber County	16,943	Carbon County	946
Cache County	12,989	Garfield County	785
<b>Salt Lake City</b>	<b>12,278</b>	Juab County	768
Summit County	8,321	San Juan County	762
Tooele County	7,916	Millard County	616
Iron County	6,530	Rich County	588
Wasatch County	6,238	Emery County	513
Box Elder County	5,198	Beaver County	502
Uintah County	4,569	Wayne County	452
Duchesne County	2,467	Daggett County	152
Sanpete County	2,270	Piute County	0

\*Salt Lake County with Salt Lake City removed.

Source: Ivory-Boyer Construction Database

**Figure 8: County Share of Building Permits Issued for Residential Units, 2000 – 2017**



Source: Ivory-Boyer Construction Database

**1. Apartment Development Outside City Limits**

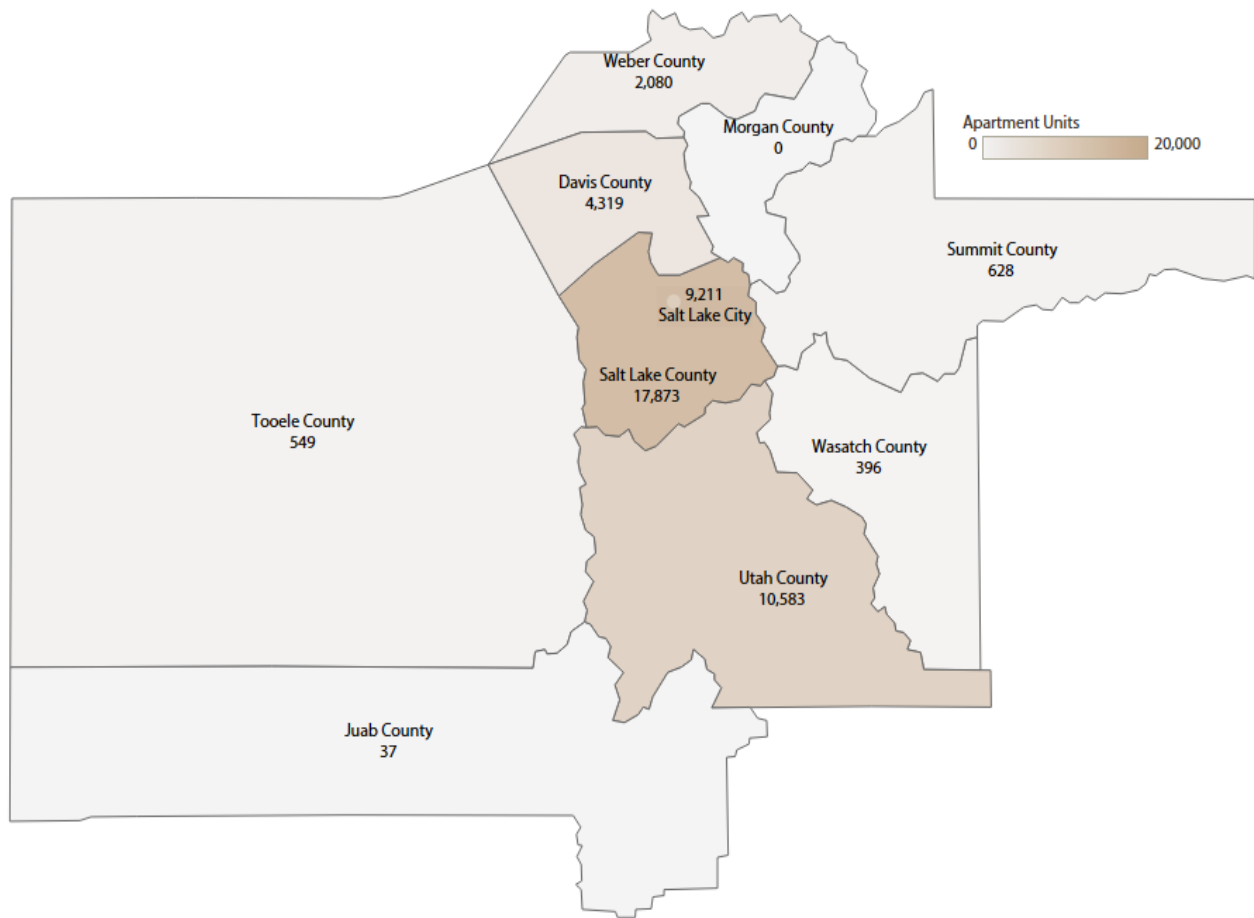
Eighty-four percent (44,066 units) of apartment units receiving building permits from 2000 to 2017 were in the Wasatch Front (Figure 9). Salt Lake County accounted for 61 percent of these units and Salt Lake City, 21 percent. Salt Lake City had nearly three times as many apartments as the next highest ranked city, Sandy (Table 4). Nine of the top 10 ranked cities were in Salt Lake or Utah counties, with North Salt Lake ranking 10th. Combined, the five ring counties have issued permits for 1,610 apartment units.

**Table 4: Top 10 Cities Ranked by Building Permits Issued for Apartment Units, 2000 – 2017**

City	Units
Salt Lake City	9,211
Sandy	3,341
West Jordan	3,293
Orem	2,933
Herriman	2,000
Provo	1,840
South Jordan	1,826
Midvale	1,540
Pleasant Grove	1,189
North Salt Lake	1,189

Source: Ivory-Boyer Construction Database

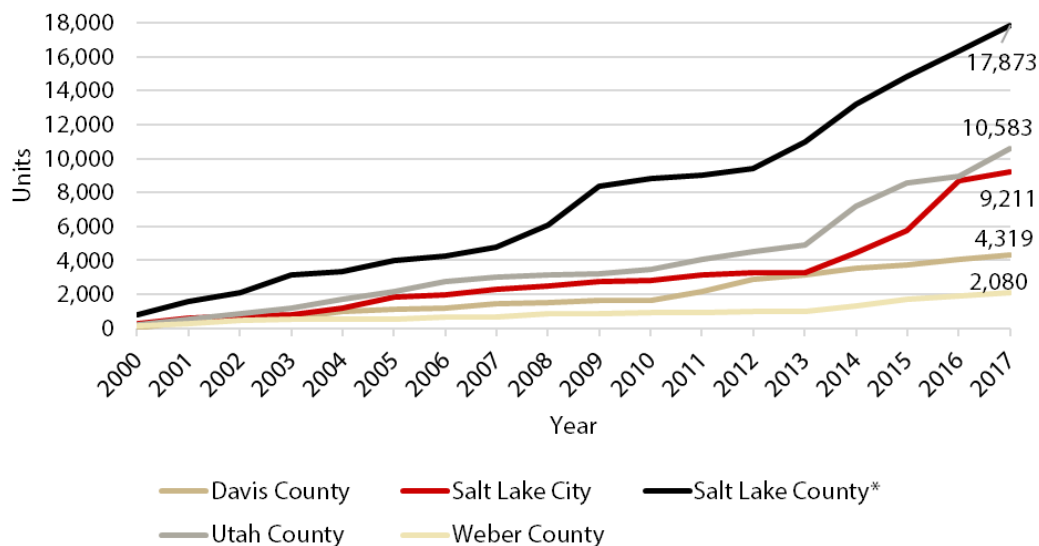
**Figure 9: Building Permits Issued for Apartment Units in the Wasatch Front and Ring Counties, 2000 – 2017**



Note: Salt Lake County’s total does not include Salt Lake City.  
 Source: Ivory-Boyer Construction Database

Since 2000, apartment growth has remained concentrated in Salt Lake and Utah counties. Salt Lake City has experienced a rapid expansion of apartment units receiving building permits since 2014 (Figure 10). New apartment construction can be volatile from year to year due to the timing of, and resources for, large projects. Between 2014 and 2016, Salt Lake City accounted for nearly one-third of all new apartment units issued permits along the Wasatch Front. Since 2017, there has been a dip in the number of apartment units receiving permits. It is too soon to know definitively if 2017 marks the beginning of a slowdown in apartment construction or not. However, given the large number of proposed projects and continued favorable market conditions in Salt Lake County, it is unlikely.

**Figure 10: Cumulative Number of Apartment Units Issued Building Permits in the Wasatch Front Counties and Salt Lake City, 2000 – 2017**



\*Salt Lake County's total does not include Salt Lake City.  
Source: Ivory-Boyer Construction Database

## 2. The Importance of Condominiums, Townhomes, and Duplexes Outside of Salt Lake City

Since 2000, 71 percent of the 50,891 condominium, townhome, and duplex permits issued statewide were along the Wasatch Front, but only 1,686, or 3.3 percent, of the units were issued in Salt Lake City. Statewide, Salt Lake City ranked ninth among all cities in the number of condominium, townhome, duplex units receiving building permits since 2000 (Table 5).

**Table 5: Cities Ranked by Building Permits Issued for Condominium, Townhome, and Duplex Units, 2000-2017**

City	Units
St. George	4,018
South Jordan	2,888
Herriman	2,468
Lehi	2,077
Other Summit Co	2,044
Midvale	1,803
West Valley City	1,777
Orem	1,692
Salt Lake City	1,686
Pleasant Grove	1,541

Source: Ivory-Boyer Construction Database

While the remaining cities of Salt Lake County issued permits for nearly one-third of the state's condominium, townhome, and duplex units; Utah, Washington, Davis, and Summit counties round out the top five counties for this construction type (Table 6). All of these counties are experiencing high population growth, adding upward pressure on housing prices and increasing the demand for more affordable, higher density homes. Washington County stands out as one of the

leading counties in condominium, townhome, and duplex development, which is driven, in part, by the demand for second homes.

**Table 6: Counties Ranked by Building Permits Issued for Condominium, Townhome, and Duplex Units, 2000 – 2017**

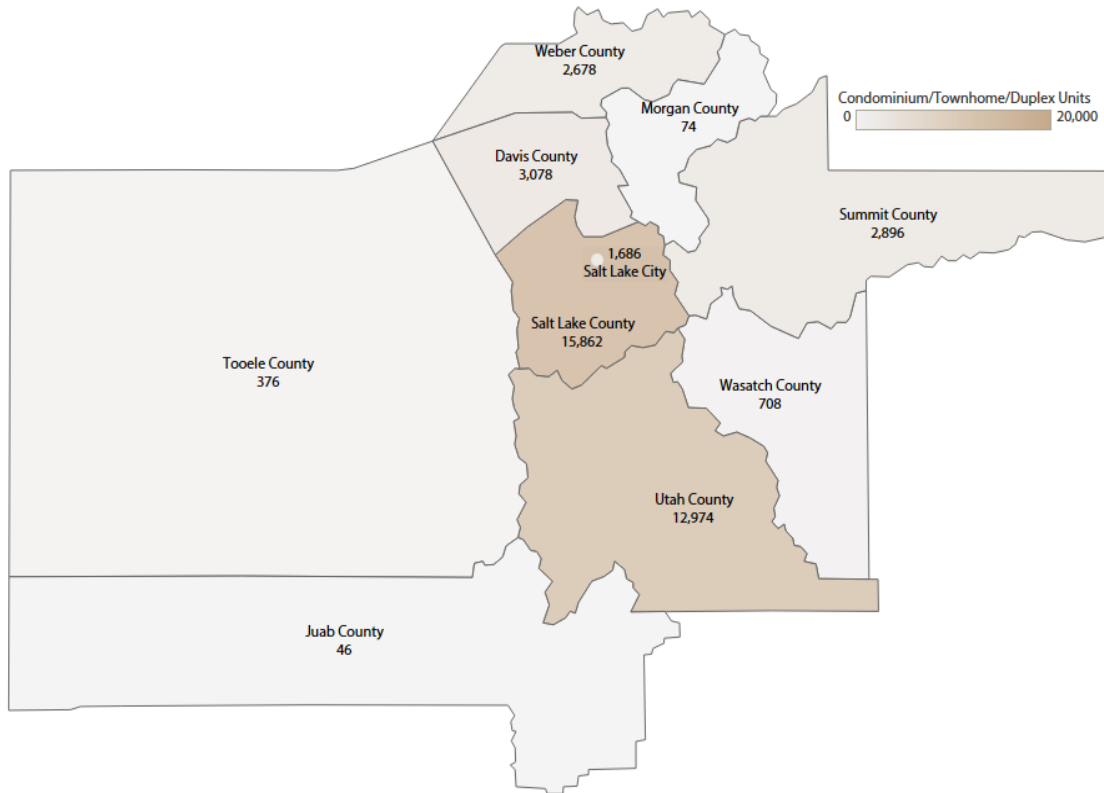
Region	Units	Region	Units
Salt Lake County*	15,862	Kane County	129
Utah County	12,974	Morgan County	74
Washington County	5,299	Sanpete County	71
Davis County	3,078	Rich County	62
Summit County	2,896	Juab County	46
Weber County	2,678	Duchesne County	23
Cache County	2,069	Carbon County	20
<b>Salt Lake City</b>	<b>1,686</b>	Beaver County	12
Iron County	1,463	Wayne County	10
Wasatch County	708	Millard County	7
Uintah County	540	Garfield County	2
Tooele County	376	Daggett County	0
Grand County	353	Emery County	0
Box Elder County	271	Piute County	0
Sevier County	182	San Juan County	0

\*Salt Lake County with Salt Lake City removed.  
Source: Ivory-Boyer Construction Database

While Salt Lake City's share of condominium, townhome, duplex permits are a fraction of the city's share of construction, the remainder of Salt Lake County and Utah County account for one in every two condominium, townhome, or duplex units receiving a building permit in the Wasatch Front counties (Figure 11). Combined, the five ring counties account for an additional 4,100 additional condominium, townhome, and

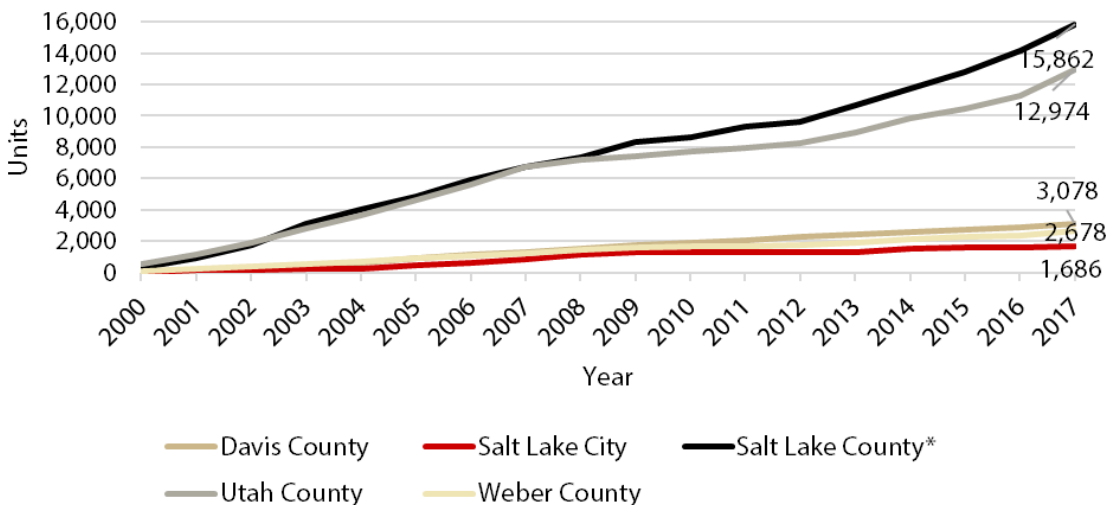
duplex permits. Condominiums, townhomes, and duplex construction account for 16.8 percent of all units issued permits in the ring counties, and eight percent of all construction in this category in the state.

**Figure 11: Building Permits Issued for Condominium, Townhome, and Duplex Units in the Wasatch Front and Ring Counties, 2000 – 2017**



Note: Salt Lake County's total does not include Salt Lake City.  
Source: Ivory-Boyer Construction Database

**Figure 12: Cumulative Number of Condominium, Townhome, and Duplex Units Issued Building Permits in the Wasatch Front Counties and Salt Lake City, 2000 – 2017**



Note: Salt Lake County's total does not include Salt Lake City.  
Source: Ivory-Boyer Construction Database

Since 2000, the balance of Salt Lake County and Utah County accounted for 79 percent of all new condominium, townhome, and duplex units receiving permits along the Wasatch Front. The balance of Salt Lake County without Salt Lake City has outpaced Davis County, Weber County, and Salt Lake City permits by more than five-to-one and Utah County has lead Davis County, Weber County, and Salt Lake City by more than four-to-one (Figure 12).

While condominium, townhome, and duplex permits have decreased recently in Salt Lake City, the rest of Salt Lake County and Utah County have been experiencing an increase. The demand for more affordable and mid-density housing options in the more suburban areas of the region are a key driver. These units represent a more affordable alternative to higher priced detached single-family homes.

### 3. Trends in Detached Single-Family Construction

Statewide, detached single-family homes are the most common type of dwelling unit. Nearly two out of every three units receiving a building permit from 2000 to 2017 was a detached single-family home. Sixty-six percent of detached single-family units receiving permits statewide were in the Wasatch Front counties (Table 7). St. George and Washington were the only two cities outside the Wasatch Front to rank in the top 10 cities (Table 8). Salt Lake City ranked 49th statewide with 1,331 units.

**Table 7: Counties Ranked by Building Permits Issued for Detached Single-Family Units, 2000-2017**

Region	Units	Region	Units
Salt Lake County*	49,382	Morgan County	1,040
Utah County	48,717	Grand County	916
Davis County	28,242	Sevier County	869
Washington County	26,184	Juab County	664
Weber County	11,883	Kane County	608
Cache County	8,293	San Juan County	519
Tooele County	6,841	Rich County	450
Wasatch County	5,019	Millard County	441
Summit County	4,486	Garfield County	431
Iron County	4,053	Carbon County	430
Box Elder County	3,974	Beaver County	371
Uintah County	2,518	Wayne County	315
Sanpete County	1,549	Emery County	256
Duchesne County	1,511	Daggett County	64
<b>Salt Lake City</b>	<b>1,331</b>	Piute County	0

\*Salt Lake County with Salt Lake City removed.

Source: Ivory-Boyer Construction Database

**Table 8: Cities Ranked by Building Permits Issued for Detached Single-Family Units, 2000-2017**

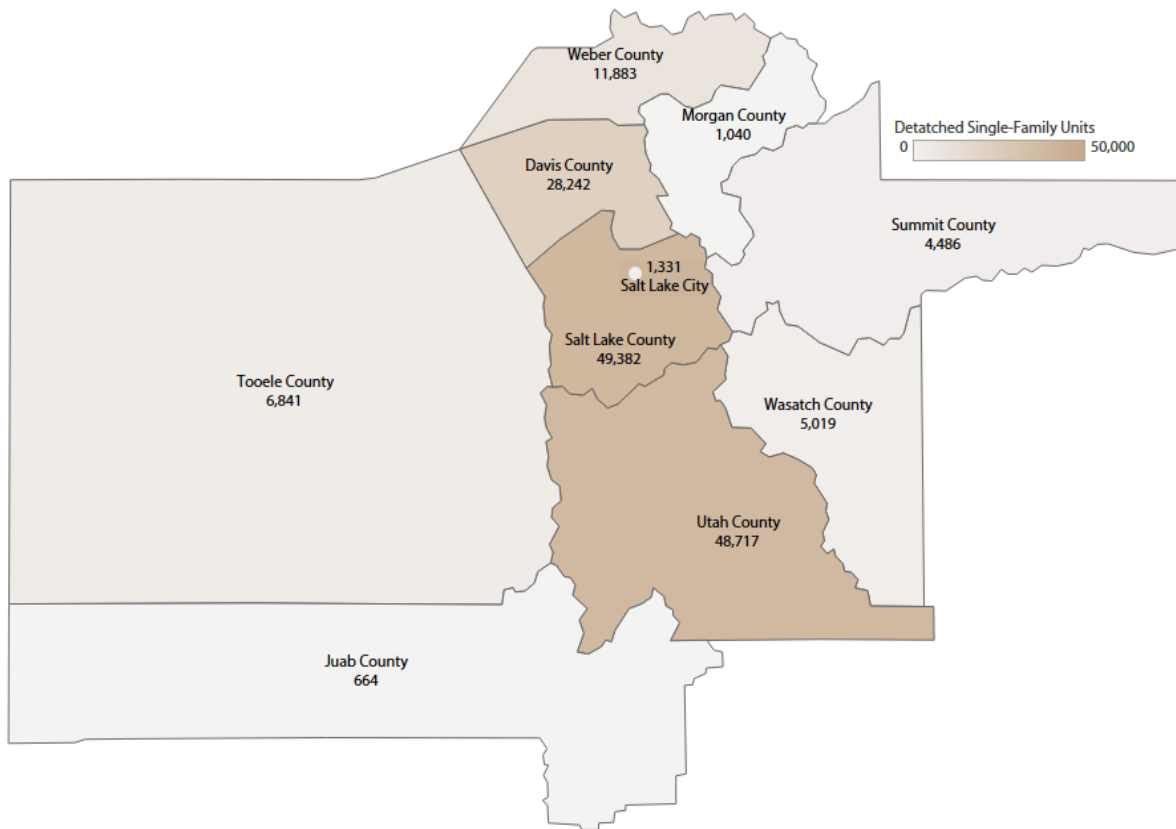
City	Units
St. George	11,280
South Jordan	10,023
Lehi	9,878
Herriman	7,500
West Jordan	6,844
Washington	6,636
Saratoga Springs	5,950
Eagle Mountain	5,871
Syracuse	5,218
Draper	5,194

Source: Ivory-Boyer Construction Database

From 2000 to 2017, 71 percent of new detached single-family home permits along the Wasatch Front were issued in Salt Lake and Utah counties; less than one percent of those were issued in Salt Lake City (Figure 13). The five ring counties of the Wasatch Front issued permits for 18,050 detached single-family units, approximately 8.5 percent of all new detached single-family units since 2000.

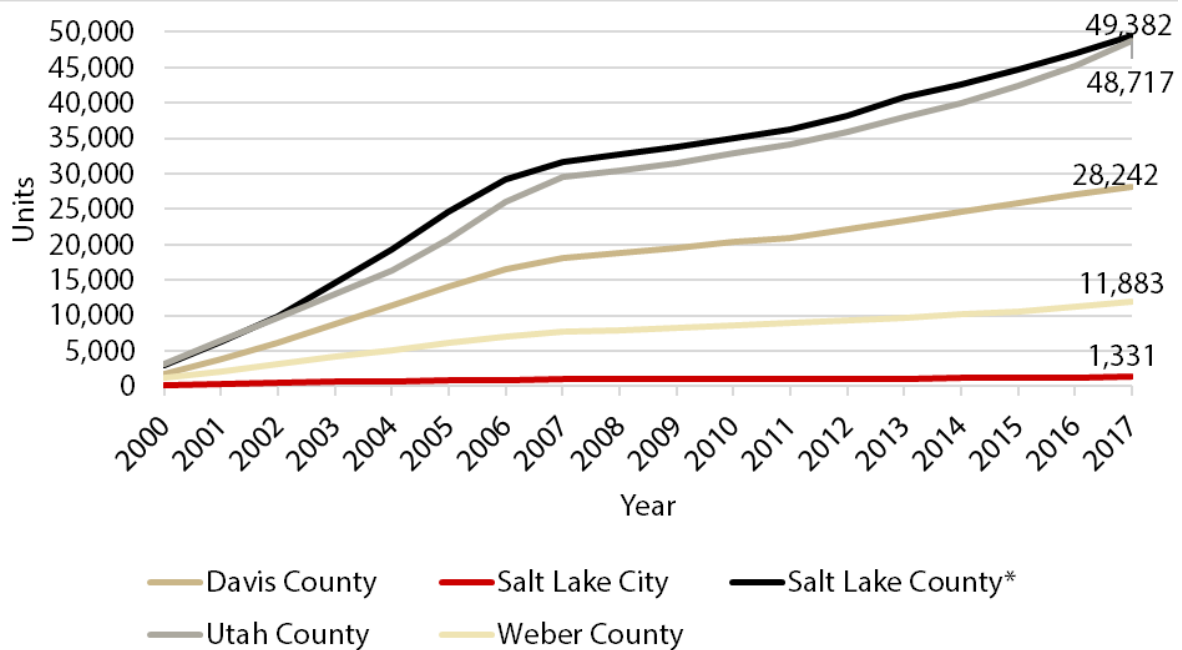
Sixty-three percent of new detached single-family units in the Wasatch Front counties since 2000 were issued prior to 2008. In Salt Lake City nearly 75 percent were issued prior to 2008. The Great Recession slowed the number of new detached single-family permits statewide and has still not rebounded to Pre-Recession levels. The cumulative increase in detached single-family permits for Wasatch Front Counties and Salt Lake City is shown in Figure 14.

**Figure 13: Building Permits Issued for Detached Single-Family Units in the Wasatch Front and Ring**



Note: Salt Lake County's total does not include Salt Lake City.  
 Source: Ivory-Boyer Construction Database

**Figure 14: Cumulative Number of Detached Single-Family Units Issued Building Permits in the Wasatch Front Counties and Salt Lake City, 2000 – 2017**



\*Salt Lake County's total does not include Salt Lake City.  
 Source: Ivory-Boyer Construction Database

## The Varying Composition of Regional Housing Markets in Northern Utah

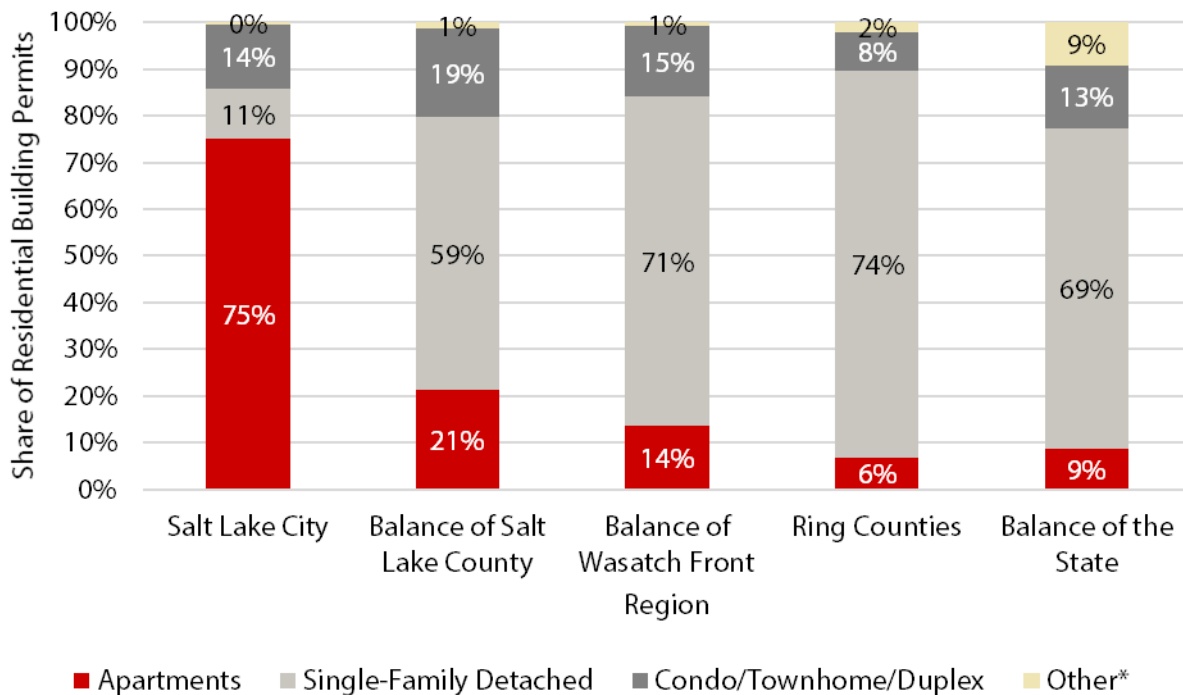
The composition of housing units receiving permits in Salt Lake City differs greatly from the rest of the state. Due to the apartment boom in Salt Lake City, three-quarters of the city's housing units receiving permits since 2000 have been apartments (Figure 15). Comparatively, less than a quarter of the balance of Salt Lake County's units were apartments, and about a seventh of Wasatch Front units outside of Salt Lake County have been apartments.

While the Wasatch Front is experiencing a growth in permits for multifamily units, building activity in the ring counties is dominated by detached single-family homes. The ring counties have the highest share of new detached single-family units at 74 percent (Figure 15). Even the balance of the state (all counties outside of the Wasatch Front and the five ring counties) has a lower share of detached single-family home permits than the ring counties.

Outside of the Wasatch Front and the ring counties, detached single-family homes are still the preference for new units, accounting for 70 percent of residential permits. Apartments comprise nine percent of the permits in this region. In total, multifamily units account for nearly a fifth of the residential unit permits, many of which are a result of building activity in Washington County. Other unit types, which consists primarily of mobile and manufactured homes, a popular housing alternative, prevalent rural counties, comprise another nine percent of residential permits outside the Wasatch Front and ring counties.

Outside Salt Lake City, Sandy was the only other city where more than 50 percent of building permits issued were for apartment units (Table 9). Murray, Orem, North Logan, and Vineyard issued permits of at least 40 percent apartments. In most other cities apartment units were less than one-third of the building permits issued.

**Figure 15: Composition of Building Permits Issued for Residential units by Housing Type, 2000 – 2017**



Note: The balance of Salt Lake County is the county sans Salt Lake City. The balance of the Wasatch Front is Davis, Utah, and Weber counties. The balance of the State is all counties sans Davis, Morgan, Juab, Salt Lake, Summit, Tooele, Utah, Wasatch, and Weber counties.

\*Other includes: Group quarters, mobile homes, manufactured homes, cabins, accessory dwelling units and any other dwelling unit type not covered by apartments, condominiums, townhomes, duplexes, or detached single-family homes.

Source: Ivory-Boyer Construction Database



**Table 9: Top Cities for Share of Building Permits Issued for Apartment Units, 2000 – 2017**

City	Apartments	Condominiums, Townhomes, and Duplexes	Detached Single-Family	Other*	Grand Total	Apartments Share
Salt Lake City	9,211	1,686	1,331	50	12,278	75.0%
Sandy	3,341	1,076	1,783	203	6,403	52.2%
Murray	1,049	287	891	22	2,249	46.6%
Orem	2,933	1,692	1,695	27	6,347	46.2%
North Logan	731	113	693	49	1,586	46.1%
Vineyard	1,131	782	778	0	2,691	42.0%
Midvale	1,540	1,803	598	22	3,963	38.9%
South Salt Lake	254	145	250	7	656	38.7%
Brigham City	434	172	476	46	1,128	38.5%

\*Other includes: Group quarters, mobile homes, manufactured homes, cabins, accessory dwelling units and any other dwelling unit type not covered by apartments, condominiums, townhomes, duplexes, or detached single-family homes.

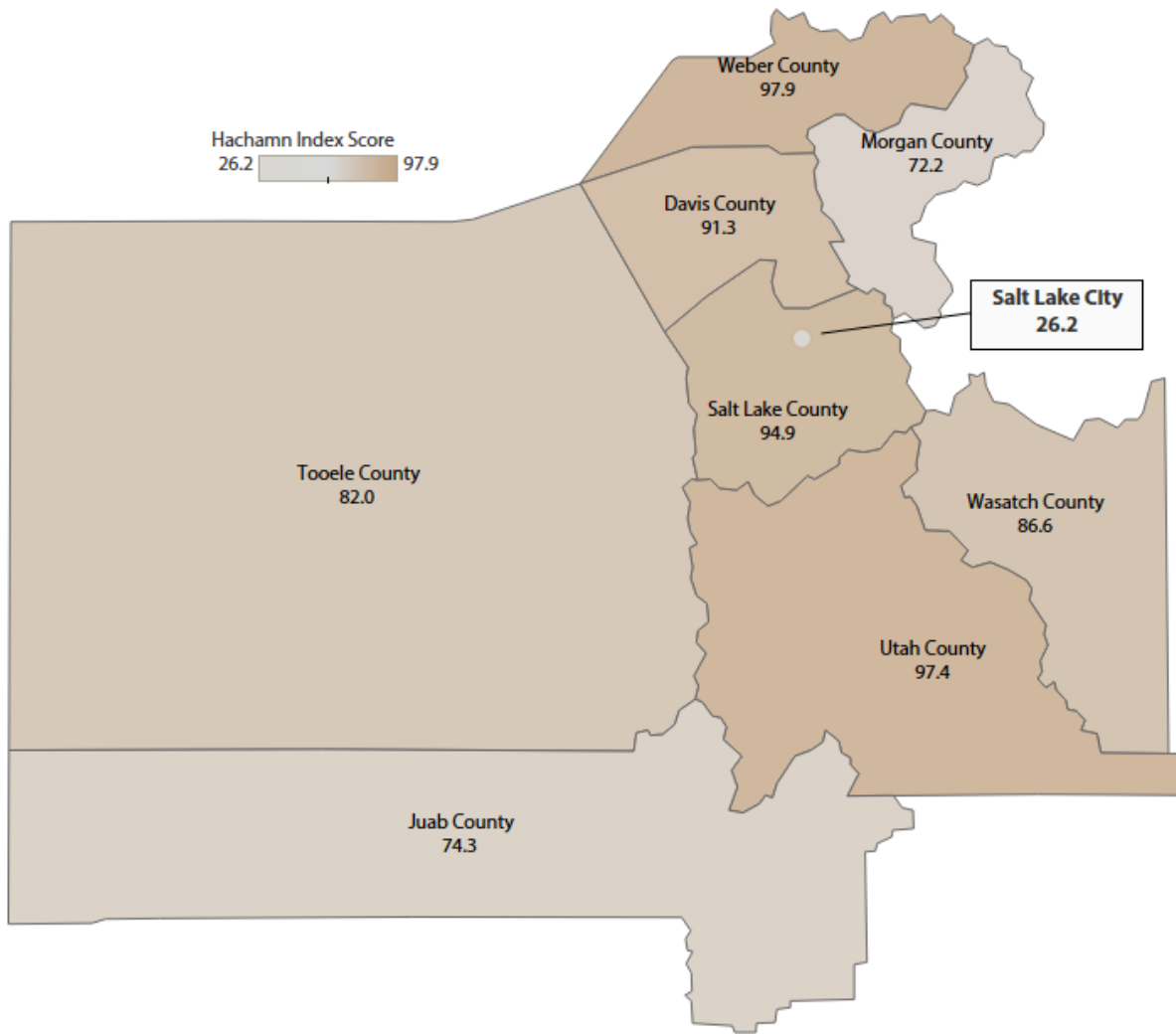
Source: Ivory Boyer Construction Database

## The Hachman Index and Types of Housing by Geographic Area

The Hachman Index is a measure of diversity that can show the degree of similarity between a subject and a reference, in this case housing types. This index uses the assumption that the state, as a whole, has issued permits for the most diverse portfolio of housing types (every permit issued between 2000 and 2017). A Hachman Index score ranges from 0 to 100. A higher score shows that the area's portfolio of residential permits more closely resembles the state and has more diverse housing permits. A lower score shows a region is more homogenous in its housing permits than the state and issues permits for fewer, or more concentrated volumes of one housing type. Diversity of housing options, as represented by a diverse portfolio of housing permit types, is considered a positive aspect of a future housing market.

Considering nearly three-quarters of the housing permits are issued in the Wasatch Front counties, it is not surprising these counties are all relatively diverse, and similar to the state, with a Hachman Index scores in the 90s (Figure 16). However, when comparing Salt Lake City to the state, it is clear the city varies significantly in terms of diversity and composition of new housing types. This is due mostly to the high volume of apartment units receiving permits, but also the low levels of new detached single-family homes. Outside of Salt Lake City and a few other Wasatch Front cities, detached single-family activity remains the dominant type of residential construction.

**Figure 16: Regional Hachman Index Score of Building Permits Issued for Residential Units, 2000 – 2017**



\*Salt Lake County's total does not include Salt Lake City.  
Source: Ivory-Boyer Construction Database

Among all Wasatch Front and ring county cities, Salt Lake City is the third least diverse city for residential permits (Table 10). Only Goshen (Utah County) and Sunset (Davis County) had lower Hachman Index scores than Salt Lake City. This is due to a low number of overall permits and a high concentration of mobile/manufactured (39 percent) and detached single-family homes (61 percent) in Goshen, and a very high concentration of condominium and townhome (80 percent) permits in Sunset.

## Conclusion: Continued Expansion

Despite an anticipated slowdown in apartment development in Salt Lake City by 2020, the city's post-recession recovery compares favorably to other cities. Salt Lake City has had more building permits issued during the recovery than any other city in Utah (Table 11). Already, Salt Lake City has surpassed Pre-Recession levels of new housing permits.

**Table 10: City Hachman Index Score of Building Permits Issued for Residential Units in Wasatch Front and Ring County Cities, 2000 – 2017**

City	Hachman Index Score	City	Hachman Index Score	City	Hachman Index Score
Other Salt Lake County	97.0	Roy	78.2	Kaysville	66.7
Riverton	95.4	Eagle Mountain	77.3	Woodland Hills	66.3
Layton	94.4	Springville	76.4	Plain City	66.2
South Jordan	93.1	Heber	75.9	Pleasant Grove	65.7
Herriman	93.1	American Fork	75.3	Riverdale	65.6
Lehi	91.6	Highland	75.1	Huntsville	65.6
Tooele	91.5	West Point	75.0	West Bountiful	65.4
Clearfield	91.1	Bountiful	73.2	Alta	65.1
West Valley City	91.0	North Salt Lake	73.0	Eureka	65.1
Ogden	87.6	Farmington	72.4	Millcreek	65.1
Woods Cross	86.7	Grantsville	72.2	Mona	65.1
Saratoga Springs	86.6	Elk Ridge	71.6	South Salt Lake	64.4
Payson	86.4	Alpine	71.3	Coalville	61.0
Holladay	86.0	Taylorville	71.2	Other Summit Co	59.1
Bluffdale	85.2	Kamas	71.1	Levan	58.6
West Haven	85.0	Draper	70.8	Other Davis Co	58.0
Lindon	84.1	Clinton	70.4	Murray	55.1
South Weber	84.1	Centerville	70.3	Harrisville	53.7
Provo	83.8	Nephi	69.8	Other Juab Co	53.2
Santaquin	82.5	Other Morgan Co	69.6	Orem	52.1
Other Wasatch Co	82.0	Mapleton	69.3	Vineyard	51.6
West Jordan	81.7	South Ogden	68.8	Washington Terrace	45.5
Pleasant View	81.3	Other Utah Co	68.5	Sandy	44.5
North Ogden	80.6	Park City	68.4	Midvale	42.9
Other Weber Co	80.6	Other Tooele Co	68.3	Wendover	37.7
Fruit Heights	79.5	Syracuse	68.0	Uintah	28.4
Cedar Hills	79.0	Morgan	67.7	Salt Lake City	26.2
Salem	78.6	Farr West	67.1	Sunset	19.6
Spanish Fork	78.4	Cottonwood Heights	67.0	Goshen	13.1
Midway	78.4	Oakley	66.9		

Source: Ivory-Boyer Construction Database

**Table 11: Top Cities Issuing Permits for More Residential Units during the Recession Recovery Period vs. Pre-Recession**

City	Pre-Recession	Recession Recovery	Difference
Salt Lake City	4,186	6,519	2,333
Herriman	4,563	5,647	1,084
Sandy	2,470	3,412	942
Bluffdale	902	1,596	694
Midvale	958	1,414	456
American Fork	1,361	1,782	421
Murray	868	1,174	306
Orem	2,805	2,919	114
Ballard	29	90	61
Sunset	8	55	47

Source: Ivory-Boyer Construction Database

In the first half of 2018, Salt Lake City has issued permits for 585 residential units, 535 units, or 91 percent, were for apartments. So far in this year, Salt Lake City is continuing to experience both a high volume of permits and a high share of apartment construction, consistent with the last few years. Based on the amount of apartment development in Salt Lake City over the last 17 years, Salt Lake City zoning and attitude toward higher density housing appears favorable. The expansion of the apartment market in the city will likely continue given the large number of projects proposed and current tight rental market conditions.

Increasingly, Salt Lake City is experiencing an increase in apartment construction. Along with the major shift toward density within the city, the rest of Salt Lake County and Utah County are making a shift toward multifamily units as well. As more land in the Wasatch Front is developed, it is reasonable to expect more multifamily construction in these counties. Detached single-family development will continue, but will constitute a smaller share of residential construction and in some years may not even account for a majority of new dwelling units.

As density increases in the metro areas, residential construction in Wasatch, Juab, Morgan, Summit, and Tooele counties is expected increase. However, unlike the more urban areas of the Wasatch Front counties, detached single-family homes are likely to continue to outpace multifamily construction in the ring counties, at least for the near future.

In the meantime, the Wasatch Front, especially in Salt Lake and Utah counties, is likely to see a continued rise in mid-density condominium, townhome, and duplex permits as builders attempt to fill the need for more affordable housing. While not at the same density as Salt Lake City, some cities in Salt Lake County and Utah County are permitting an increasing number of condominium, townhome, and duplex units, increasing the availability of more affordable housing options in suburban cities. The same is true of St. George and Washington City

where development of detached single-family homes is widespread, and condominium, townhome, and duplex activity is increasing. In summary, the demand for housing in Salt Lake City as well as the state will remain strong over the next few years, supported by high levels of economic and demographic growth. In most markets the move toward higher density, more affordable housing will continue.

## Appendix A: About Building Permit Data and the Ivory-Boyer Construction Database

Using building permit data from the Ivory-Boyer Construction Database this report analyzes housing growth and composition in Salt Lake City and its surrounding communities from 2000 to 2017. The Ivory-Boyer Construction Database is a primary source for monthly building permit data throughout the state of Utah.

In addition to an analysis of Salt Lake City's building permit data, this report contextualizes the volume and composition of the city's permits through geographic comparisons of the surrounding region. The unique composition and volume of Salt Lake City's building permit data provides a basis to assess population, density, and housing in the state's capital city.

The Ivory-Boyer Construction Database collects monthly aggregate building permit data directly from cities and counties throughout the state. Each issuing entity reports via a monthly survey or through contact with research analysts at the Gardner Policy Institute. Non-responses are supplemented via secondary sources and are periodically updated and assessed for accuracy until primary data is made available. As of July 1, 2018, the database collects permit data for 201 cities and 29 counties.

The information in this database is based on issued building permits. Each housing unit listed in the database is not guaranteed to be built and/or occupied and the database does not measure housing starts nor certificates of occupancy. Similarly, the data is collected based on date of permit issue, so dates of the start of construction or occupancy are not known in the database. Traditionally, the larger scale the project, the longer the lag time between the permit's date of issue and occupancy. Construction of large-scale residential projects of 100 or more units can take as much as a few years from permit issue to occupancy.

The Ivory-Boyer Construction Database strives to be the most accurate source of building permit data on the state of Utah. As a result, when new or corrected data is available, the database is updated. The data includes 27 data categories: nine for residential construction, 16 for non-residential construction, and two for additions, alterations, and repairs. The categories for residential construction are:

1. Detached Single-Family Homes
2. Condominiums and Townhomes
3. Duplexes/Twin Homes
4. Apartments, 3 or 4 Family
5. Apartments, 5+ Families
6. Group Quarters (Housing for group living situations such as dormitories, prisons, etc.)
7. Other Residential Units (Casitas, Accessory Dwelling Units, etc.)
8. Cabins
9. Manufactured/Mobile Homes

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