

Residential Construction Report

March 1, 2012

SCW – Footings & Foundations

Issue #1



Has the Utah Housing Recovery Begun?

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By Kirby Justesen

On January 3, 2012, *Fiserv Case Shiller* released data showing that some metro markets, including Salt Lake City, may have bottomed last year and that many more will see modest improvement in 2012. Here are some highlights of their press release:

- U.S. Home price declined 4.7% in 2011, the lowest decline in 5 years
- Average U.S. home prices are 33% below 2006 peak
- Housing affordability continues to improve
- Almost half of U.S. metro markets to see modest price gains in 2012
- SLC metro Area can expect increases of 1-3% in 2012
- Overall U.S. home prices will decline by 2-7% by 3Q 2012
- Monthly mortgage for median prices homes fell to \$640, from \$1150 at bubble peak.
- Utah home affordability ratio decline to 2.7, after peaking at 3.3 in 2007.
- Family income of \$67,000 and medium home price \$183,000

January 23, 2012

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Forbes Magazine

Fastest Growing Small Towns

Rank	Town	Growth
1	The Villages, FL	29.0%
2	Pecos, TX	23.2%
3	Fort Leonard, MO	17.9%
4	Boone, NC	14.7%
5	Heber City, UT	14.6%
6	Williston, ND	14.6%
7	Gillette, WY	14.0%
8	Laramie, WY	12.6%
9	Andrews, TX	12.5%
10	Elk City, OK	12.3%
11	Vernal, UT	12.0%
12	Hobbs, NM	11.5%
13	Rock Springs, WY	11.5%
14	Jackson, WY-ID	11.0%
15	Oxford, MS	10.9%

Anger is never without reason, but seldom with a good one.

-Benjamin Franklin

Confidence is contagious. So is lack of confidence.

-Vince Lombardi

New Housing Starts 



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Contact John Graber for a bid

The *Utah Association of Realtors* released a report on February 7th, 2012 that shows year end home sales were the highest in 3 years. Here are the highlights:

Highlights from Yearly Chart:

- Residential values and units recorded yearly gains in 2011, after 5 years of losses
- All types of construction experienced yearly increases in 2011 with the largest gain of 78.74% in commercial work
- Residential values and units permitted in 2011 are around the levels recorded in the early 90's
- Units permitted in 2011 are less than half the units permitted in the 2005 peak
- Total construction permitted values in 2011 experienced the largest yearly gain in over 20 years



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WAS THIS THE
TURNING POINT?

**Highlights from
Monthly Chart:**

- Starting in May 2011, residential permits turned positive with the exception of August
- The number of housing units are rising about twice as much as the value of the construction (more for less or small size home)

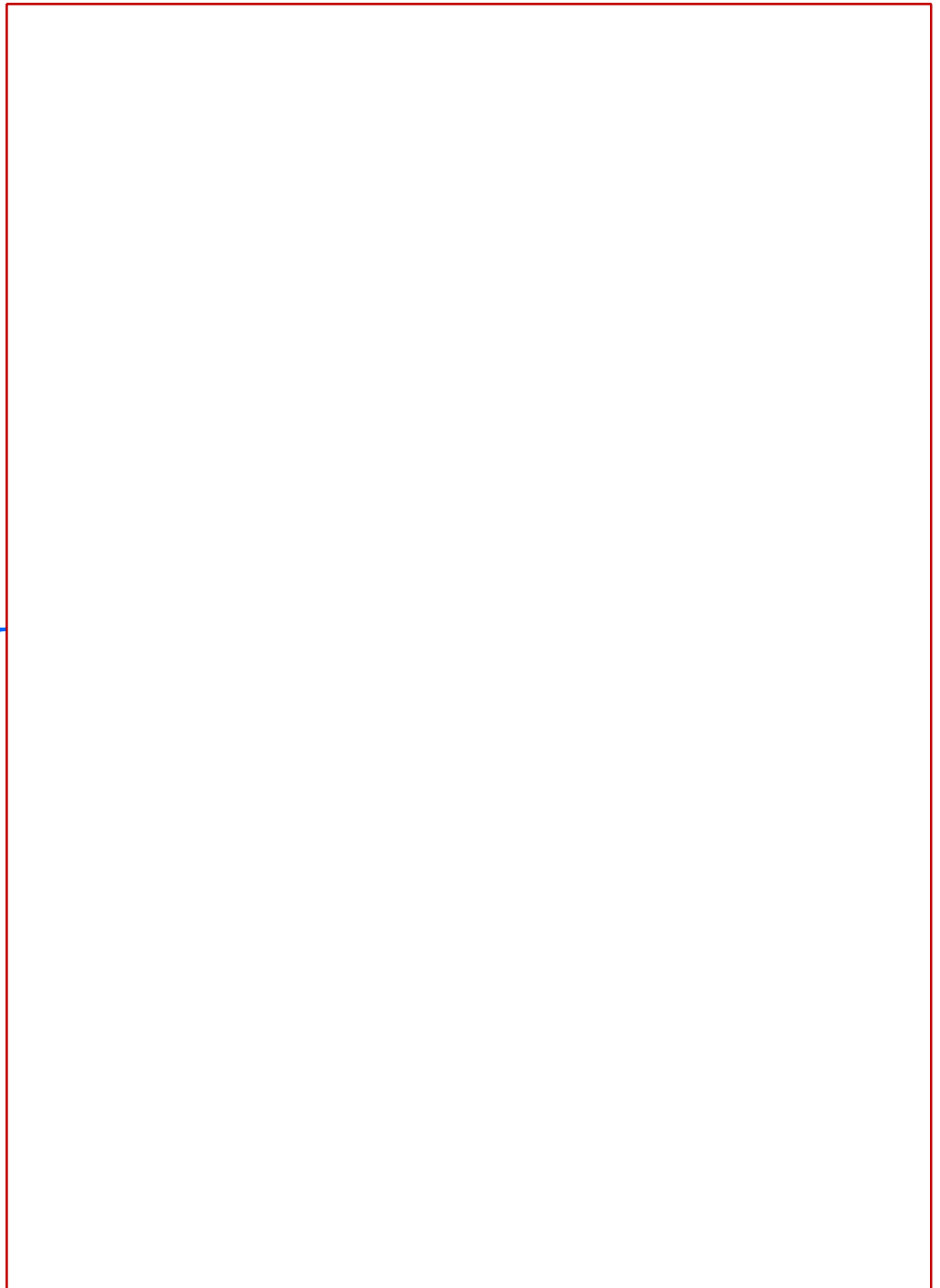
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"Today's not a real good day to move in."



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Has the Utah Housing Recovery Begun?

After 5 years of declining numbers in anything housing related, the latest numbers suggest stabilization and perhaps modest increases ahead. In this issue we will examine the numbers.



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