There's No Place Like Home

Home means different things to different people in different places across the nation. What is a home here in Utah and how does it compare to the rest of the nation? The American Community Survey, produced by the U.S. Census Bureau, provides insight to this question giving us a peek at what's really going on in the housing market. For Utah the news is both good and bad.

The good news is the median price of a home in Utah is slightly lower than the national median. This translates to a lower median mortgage payment, an average saving of $95 a month, which adds up to $1,140 a year. Utah's median rent is also below the national median by $63 a month for an annual savings of $756. Compared to the rest of the country it's like getting a month for free! In addition to this, when we compare the size of our homes the median number of rooms in Utah is 6.0 compared to a national median of 5.4. Utah's big families give us an average household size for homeowners of 3.23, which is considerably larger than the national average of 2.7, so apparently there is good reason for those larger homes.

The bad news is that many people really can't afford these homes. Across the board the percentage of household income spent on housing is growing. Over the last five years the number of households in Utah spending less than 20 percent of income on housing has shrunk by more than 30 percent. The percent of households spending more than 30 percent of their income on housing has increased to 32.8 percent for homeowners and a disturbing 41.6 percent for renters. Nationally, the percentages for homeowners and renters are even higher. But our larger household size means losing a percentage of income on rent or mortgage costs will have a deeper impact on how far the remaining disposable income will go. We still have to feed, clothe, medicate, etc., that extra 0.53 of a person in the household. To complicate matters, Utah is also experiencing lower-than-average vacancy rates for both homeowners and renters putting an upward pressure on both home prices and rent.

The trend toward housing taking a bigger bite out of the paycheck is frankly quite concerning. Being "house poor" is not a fun position to be in, but it's becoming a reality for more and more households. In Utah, however, we are not struggling as much as can be seen across the rest of the nation. We pay less for housing than over half the country, and the dollars we spend on housing go farther.

For more information visit: http://factfinder.census.gov/home

The Good News...

	Utah	U.S.
Median House Price	$167,200	$167,500
Median Mortgage Payment	$1,200	$1,295
Median Rent	$665	$728
Median # of rooms	6.0	5.4
Average Household size		
Homeowner	3.23	2.70
Renter	2.66	2.39

Source: American Community Survey, U.S. Census Bureau

...and the Bad

	Utah 1999	Utah 2005	U.S. 1999	U.S. 2005
Owner Costs as a Percent of Household Income				
Less than 20%	51.2%	34.6%	54.1%	36.0%
20% - 29%	24.9%	32.5%	23.3%	29.1%
30% or more	23.5%	32.8%	21.8%	34.5%
Renter Costs as a Percent of Household Income				
Less than 20%	33.0%	26.3%	32.4%	23.8%
20% - 29%	25.0%	25.3%	23.2%	22.8%
30% or more	35.3%	41.6%	36.8%	45.7%

Source: American Community Survey, U.S. Census Bureau