

## Monitoring Utah's Construction Permitting

Home building is an important part of the Utah economy, as it adds its fair share of jobs to the Utah economic base. Recent times have shown that home building can be rather volatile, with a building surge blossoming between 2003 and 2006, countered by an historic dearth of new home activity (2007 to the present). The amount of new homes requested to be built—gauged through the home-building permitting process—can be an indicator of the health and demand for employment within the construction industry. Because of this, Utah's housing permits become an economic indicator, a forerunner to the important construction and housing-related industries within Utah.

The source for following new-home permitting in Utah is the Bureau of Economic and Business Research (BEBR) at the University of Utah. This agency does economic work well beyond just monitoring Utah's construction industry. But one of its main features is its construction research, and is the go-to source for tracking Utah construction permitting.

BEBR developed and maintains the Utah Construction Information Database, an online database of construction permitting, with geographic analysis by state, county, city, and building type, with data reaching back to 1975. The current data is ongoing monthly summaries, with only a two-month lag on the timing, offering a current snapshot of the future of home building activity in Utah.

The database is user-interactive. There are ten tables to choose from, with the user determining the time periods or dates that they wish to evaluate. The various tables offer views of a cumulative total of permits, or monitoring permits by dwelling type, and these can be viewed as either monthly data, or year-to-date totals.

Home building is not the only construction variable that BEBR monitors and makes available. Nonresidential construction values are also presented, although government projects are generally not included in the accounting (as many government projects do not need permitting approval). This may exclude large construction projects like the former I-15 rebuild through Salt Lake County, or the upcoming NSA data processing center slated for construction at Camp Williams. But even with these exclusions, the nonresidential construction valuation offers a useful picture of the state of nonresidential construction in Utah.

The total valuation in nonresidential activity is presented, not the number of projects, because one large





*The University of Utah's Bureau of Economic and Business Research (BEBR) web site is the go-to source for tracking Utah construction permitting at <http://www.bibr.utah.edu/>.*

*When will home building in Utah revive? The database will be one of the first places to find indications.*



project can be of more value than many small projects. Whereas the number of residential housing projects and the total valuation of residential projects are closely correlated, that relationship does not often hold on the nonresidential side. Any given nonresidential project can have a very wide range to its valuation. So ten small projects in one period can be overshadowed in importance by one very large project in a different period.

Utah is waiting for its economic lifelines to revive and pull it out of the deep national recession. Home building will have to be an important part of that equation. When will that occur? Analysts can make estimates as to when that may happen, but when it does, the permit numbers on the BEBR Construction Information Database will be one of the first places to reveal it. 