



THE Q1 2021 | UTAH

# GARDNER

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REPORT

*presented by*



Windermere  
REAL ESTATE

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The following analysis of select counties of the Utah real estate market is provided by Windermere Real Estate Chief Economist Matthew Gardner. We hope that this information may assist you with making better-informed real estate decisions. For further information about the housing market in your area, please don't hesitate to contact me.

## ECONOMIC OVERVIEW

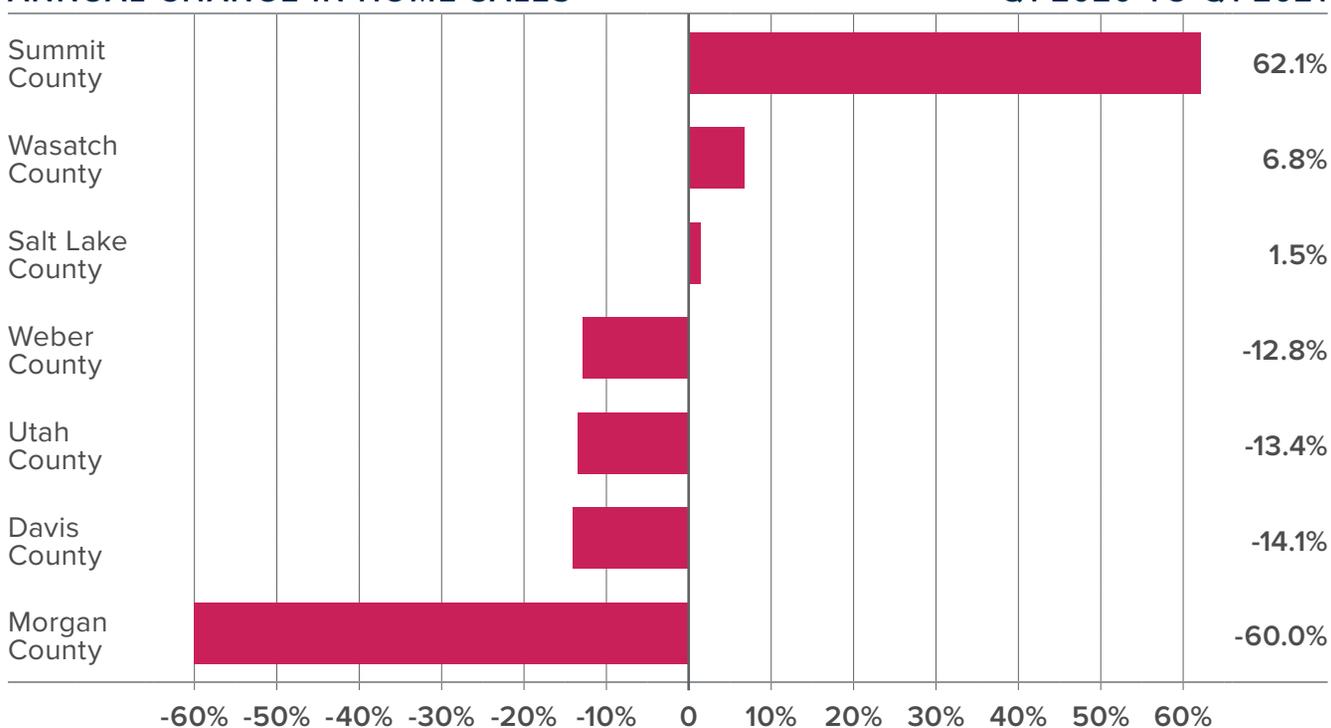
Much like the rest of the nation, COVID-19 had a very significant impact on employment levels in Utah; the state shed 140,000 jobs in only two months. However, I am delighted to report that—as of the end of the first quarter—the region has not only recovered all of the jobs that were lost, but employment levels are now 11,300 jobs higher than the pre-pandemic peak in February 2020. With the recovery complete, at least for the time being, the unemployment rate continues to drop and is currently only 2.9%. At this level, Utah—along with Nebraska, South Dakota, and Vermont—now has the lowest jobless rates of any states in the Union.

## HOME SALES

- › In the opening quarter of 2021, 6,822 home sales occurred, representing a drop of 4.6% compared to the same period in 2020 and 33.4% lower than the fourth quarter of last year.
- › Total sales activity rose in Summit, Wasatch, and Salt Lake counties, but fell across the balance of the market covered in this report.
- › I am not concerned about the lower level of home sales as the cause is directly linked to a shortage of inventory. The average number of listings in the quarter was down 66.8% compared to a year ago and down 35.1% compared to the fourth quarter of 2020.
- › With such low levels of inventory, it wasn't surprising that pending sales were down 8.8% compared to the fourth quarter of 2020. This suggests that, unless we see a significant number of homes come online as the spring ends, closings in the second quarter may also be lower.

## ANNUAL CHANGE IN HOME SALES

Q1-2020 TO Q1-2021

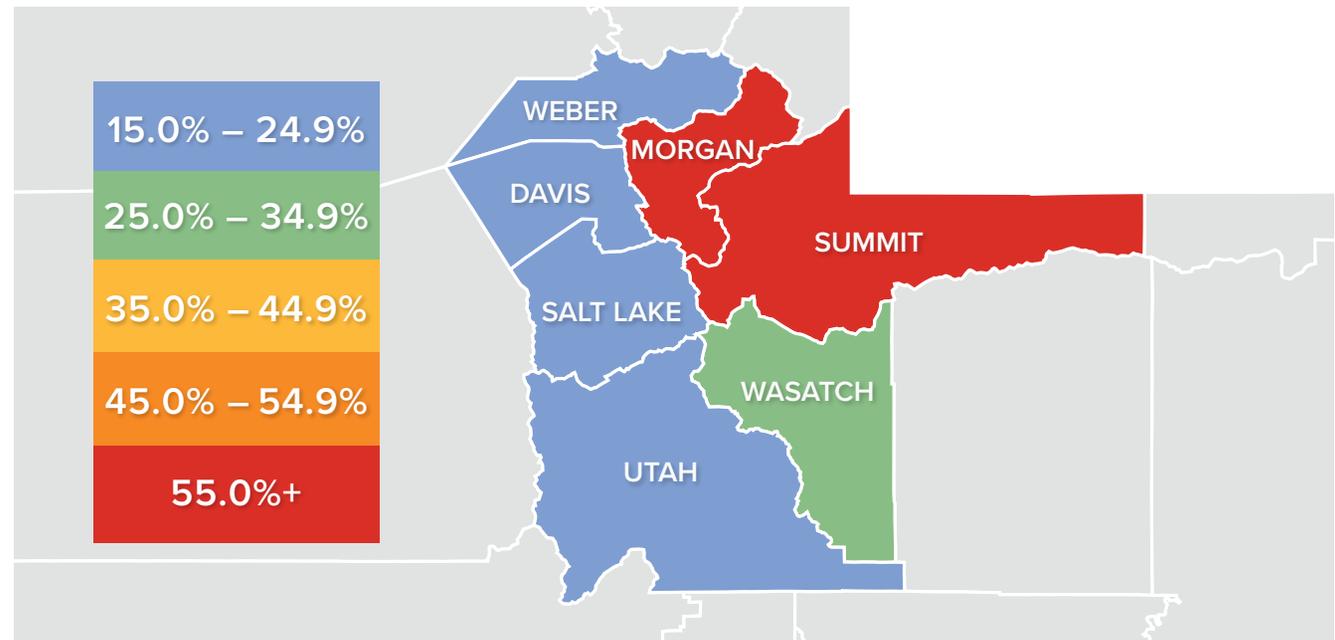
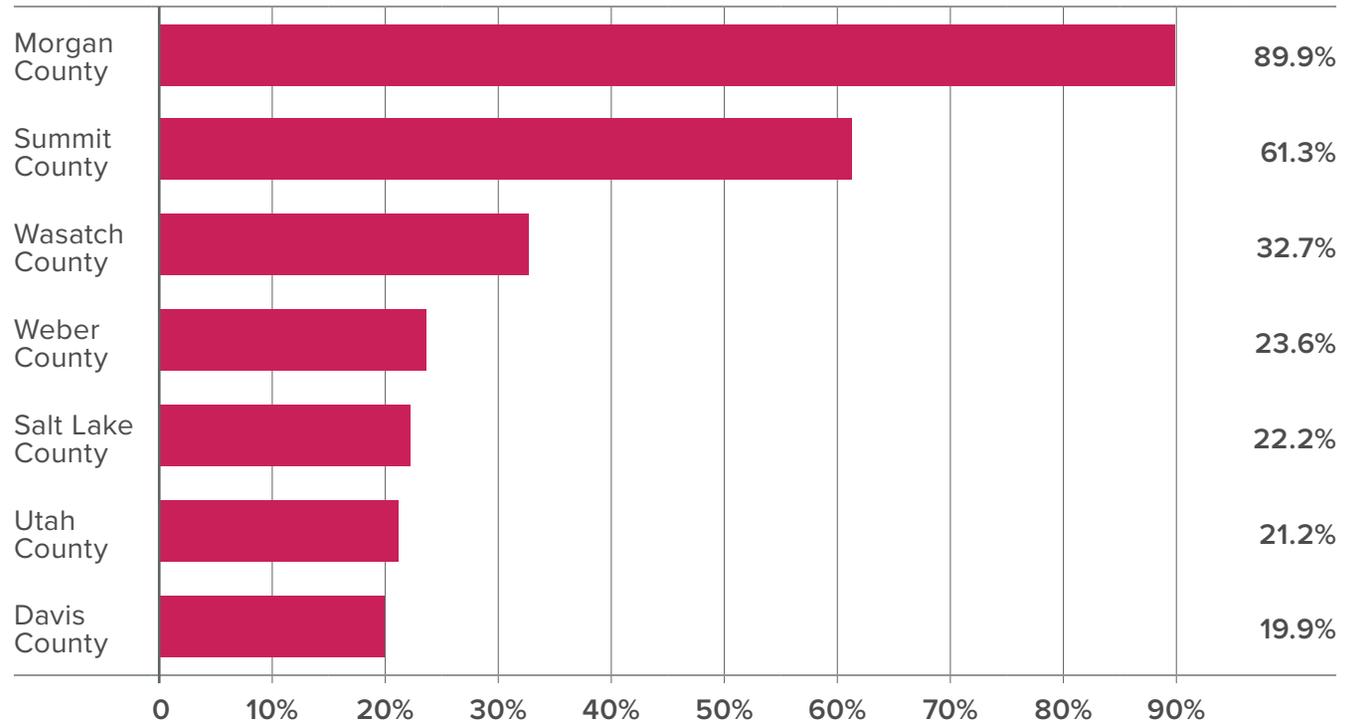


## HOME PRICES

- With far more demand than supply, it wasn't surprising that home prices continued to trend significantly higher. Year over year, the average home price in the region was up 32.6% to \$536,024. Home prices were also 4.5% higher than in the fourth quarter of 2020.
- When compared to the fourth quarter of last year every county, other than Wasatch (+.7%), experienced very solid price growth.
- Price growth was influenced by very significant gains in Morgan and Summit counties, but double-digit increases were seen across the board.
- The economics of supply and demand are clearly impacting home values in the region. The question will be how long this pace of growth can continue. The market needs more supply; without it, affordability will continue to drop.

## ANNUAL CHANGE IN HOME SALE PRICES

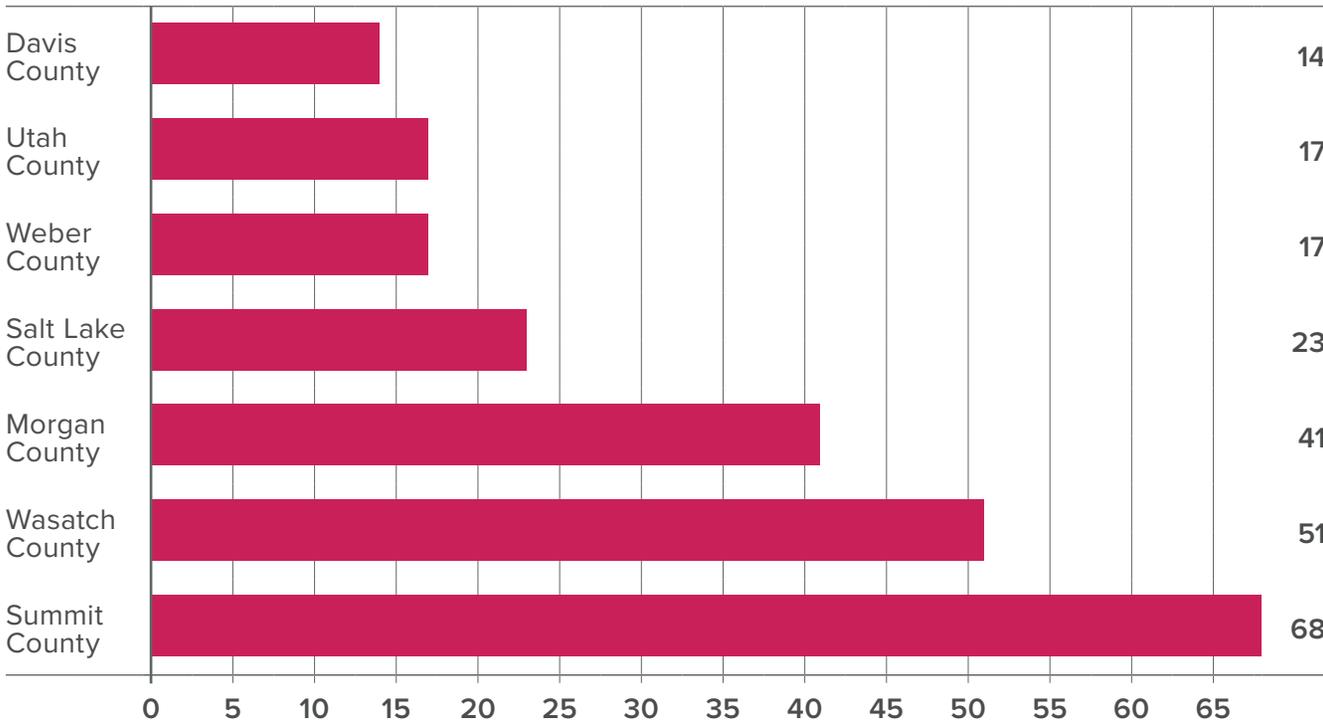
Q1-2020 TO Q1-2021



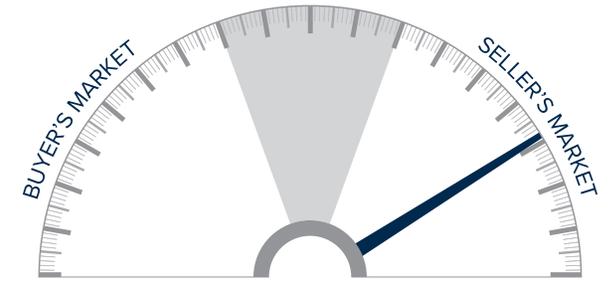
## DAYS ON MARKET

- ▶ The average number of days it took to sell a home in the counties covered by this report dropped 27 days compared to the first quarter of 2020.
- ▶ Homes sold fastest in Davis, Utah, and Weber counties. The longest time it took to sell a home was again in Summit County. Unsurprisingly, it took less time to sell a home in all markets than it did a year ago.
- ▶ During first quarter, it took an average of 33 days to sell a home in the region, down 1 day compared to the fourth quarter of last year.
- ▶ As suggested earlier in this report, the market is in a state of imbalance, with far more buyers than sellers. As frustrating for buyers as this is, I am afraid that I do not see it changing in the near-term.

## AVERAGE DAYS ON MARKET



## CONCLUSIONS



This speedometer reflects the state of the region's real estate market using housing inventory, price gains, home sales, interest rates, and larger economic factors.

An economy that has recovered from the COVID-19-induced decline, combined with historically low levels of inventory, have provided a "perfect storm" that continues to benefit sellers.

I was hoping that the spring would see more sellers put their homes on the market, but that has not yet happened. Concerns about listing before everyone is vaccinated, as well as sellers who are likely waiting until they find a home to buy, are keeping many of them sidelined. This has certainly benefitted those who did decide to sell, and it remains a market that heavily favors sellers. As such, I am moving the needle a little more in their favor.

## ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

In addition to his day-to-day responsibilities, Matthew sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the Washington Center for Real Estate Research at the University of Washington; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington where he also lectures in real estate economics.