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FOR MORE INFORMATION

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2016 UTAH HOMES SALES HIGHEST ON RECORD

SANDY — Utah’s booming economy, high job growth and low interest rates led the state to a record-breaking year for home sales in 2016. Statewide, Utah Realtors sold 49,399 homes, townhomes and condominiums — the most transactions ever in a single year and more than 800 sales higher than 2015.

That’s according to the newly released December 2016 housing market report from the Utah Association of Realtors.

For a decade, 2005 held the statewide record for the most homes sold in a year at 47,987 sales. Realtors crushed that record in 2015 as Utah’s housing market came roaring back. The momentum continued in 2016 with sales nearly 2 percent higher than the 2015 tally.

“Huge demand from buyers combined with low interest rates created incredibly high housing activity,” said DeAnna Dipo, 2017 president of the Utah Association of Realtors. “While that momentum could lose some steam because of increases in home prices and interest rates, markets are still hot. Even in January, which is the slowest month of the year for home sales, we’ve seen bidding wars for properties.”

In counties with more than 200 sales, the areas with the largest sales gains in 2016 were Wasatch County (up 16 percent), Sevier County (up 11 percent) and Washington County (up 9 percent).

With the high demand, home prices headed up in 2016. At \$246,000, the Utah median sales price rose nearly 8 percent from 2015. Prices increased nearly \$18,000 during the year. December marked the 57th consecutive month of year-over-year gains.

In counties with more than 200 sales, prices increased the most in Summit County (up 19 percent), Sevier County (up 15 percent) and Wasatch County (up 12 percent).

Utah housing inventory remained at very low levels. As of Dec. 31, 2016, the number of homes for sale in Utah was at an all-time low, according to records dating back to 2003.

The 11,133 properties on the market represent a supply of 2.6 months. In other words, all homes would be sold in less than three months if no additional properties came on the market. Conversely, at the height of the housing downturn, it would take more than 12 months to deplete supplies.

Buyers have the most selection and least competition in the higher price ranges, especially for homes more than \$500,000. In fact, sales in the \$500,001-to-\$750,000 category increased 24 percent. Meanwhile, sales fell in categories below \$200,000 as buyers fought for relatively few houses.

“With the market moving as quickly as it is, it’s important for both buyers and sellers to be working with an expert who can guide them through the process,” Dipo said. “Buyers need to know how to make their offers competitive so they have the best chance of getting the property they want. On the other hand, sellers need to be very careful as they manage multiple offers — both to get the best price and to avoid going under contract with two buyers.”

Affordability continues to be a challenge, especially with higher interest rates. The Utah Association of Realtors’ Housing Affordability Index fell 10 percent in 2016 to 121. That means a Utah family making the median income had 121 percent of that needed to qualify for the median-priced home — lower than last year but still better than during the 2006-07 housing boom.

While the jump in interest rates after the election dampened some buyers’ enthusiasm, sales were still strong in December, up about 2 percent from last year. Pending sales, a measure of sales activity over the next couple months, also rose 16 percent — evidence the market is still active despite the higher costs.

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The Utah Association of Realtors serves more than 14,000 members and is the official trade association for real estate professionals in Utah. More information about the Association is available at UtahRealtors.com or by calling (801) 676-5200.