

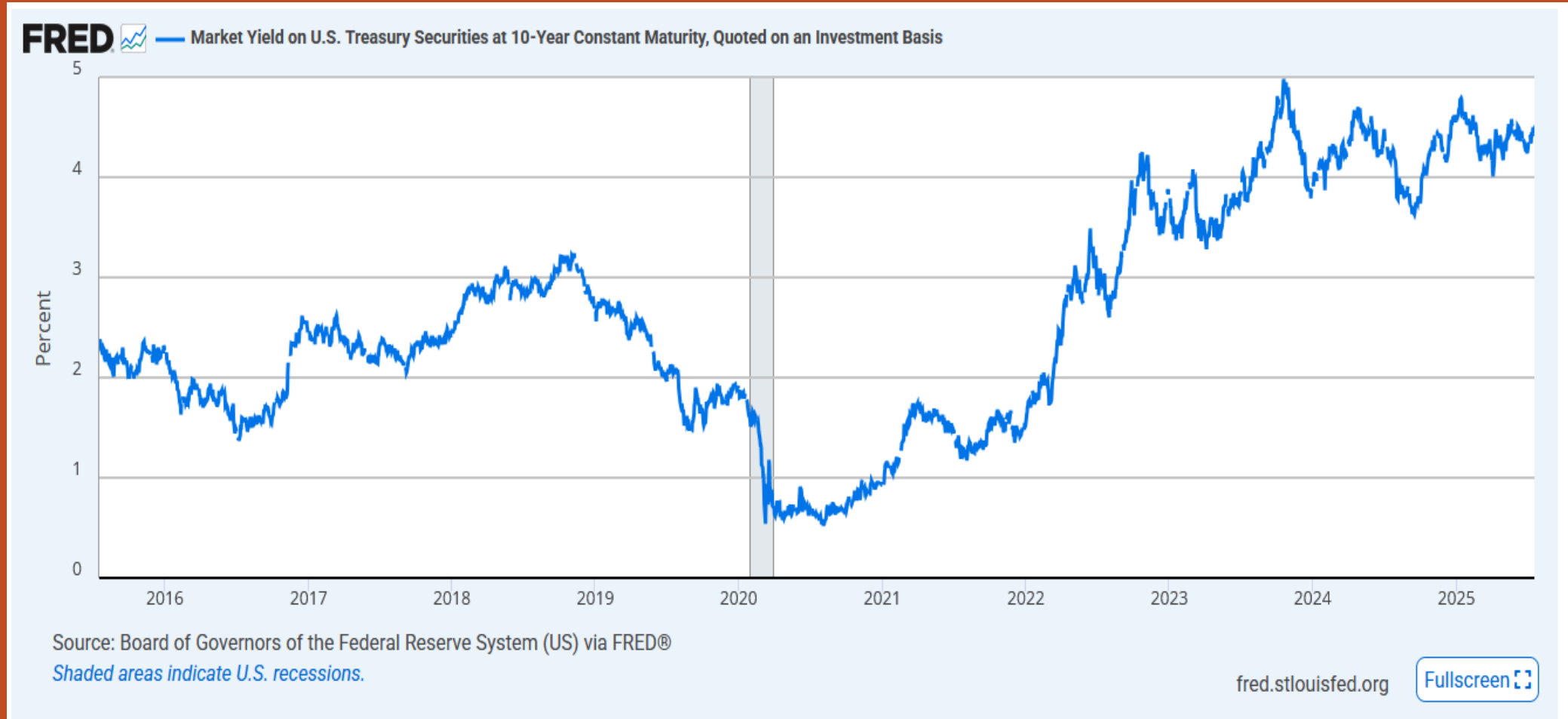


COST FACTORS

- INTEREST RATES
- CONSTRUCTION COSTS
- LAND COSTS
- HOLDING COSTS
- CONNECTION & IMPACT FEES
- INVESTOR RETURNS



INTEREST RATES — 10 Yr TREASURY

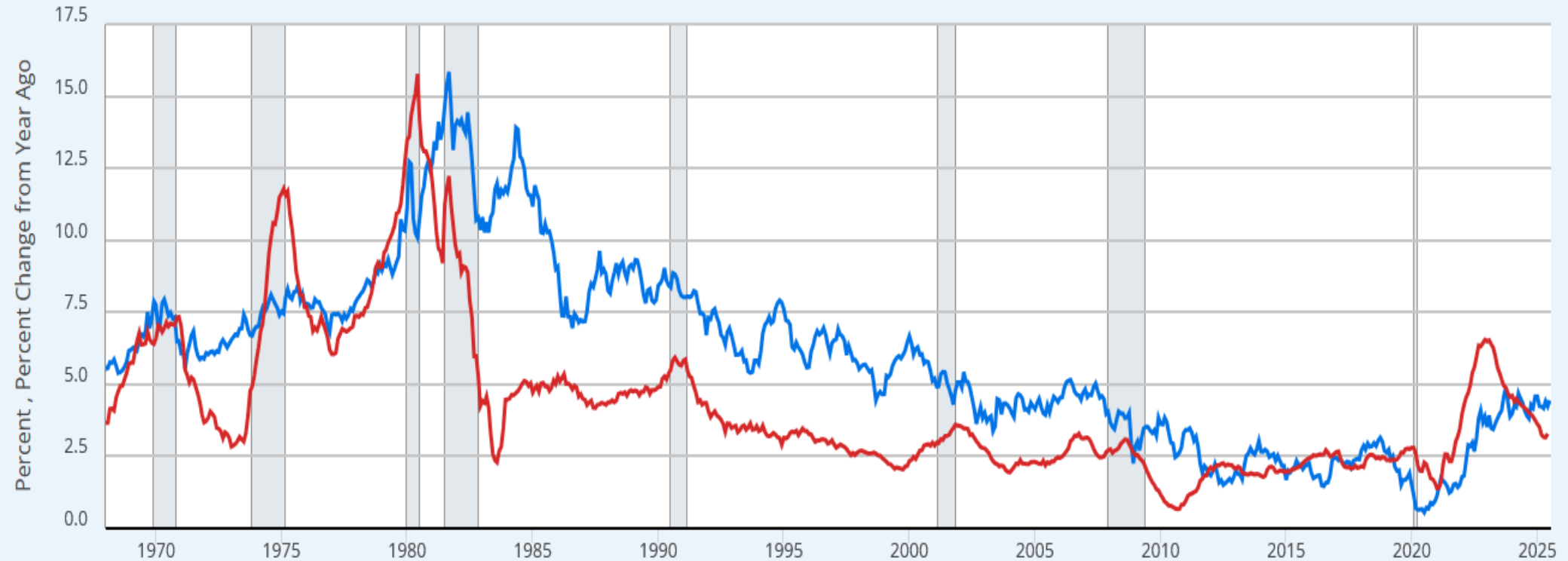


INTEREST RATES — INFLATION

FRED



— Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis
— Sticky Price Consumer Price Index less Food and Energy



Sources: Board of Governors of the Federal Reserve System (US); Federal Reserve Bank of Atlanta via FRED®

Shaded areas indicate U.S. recessions.

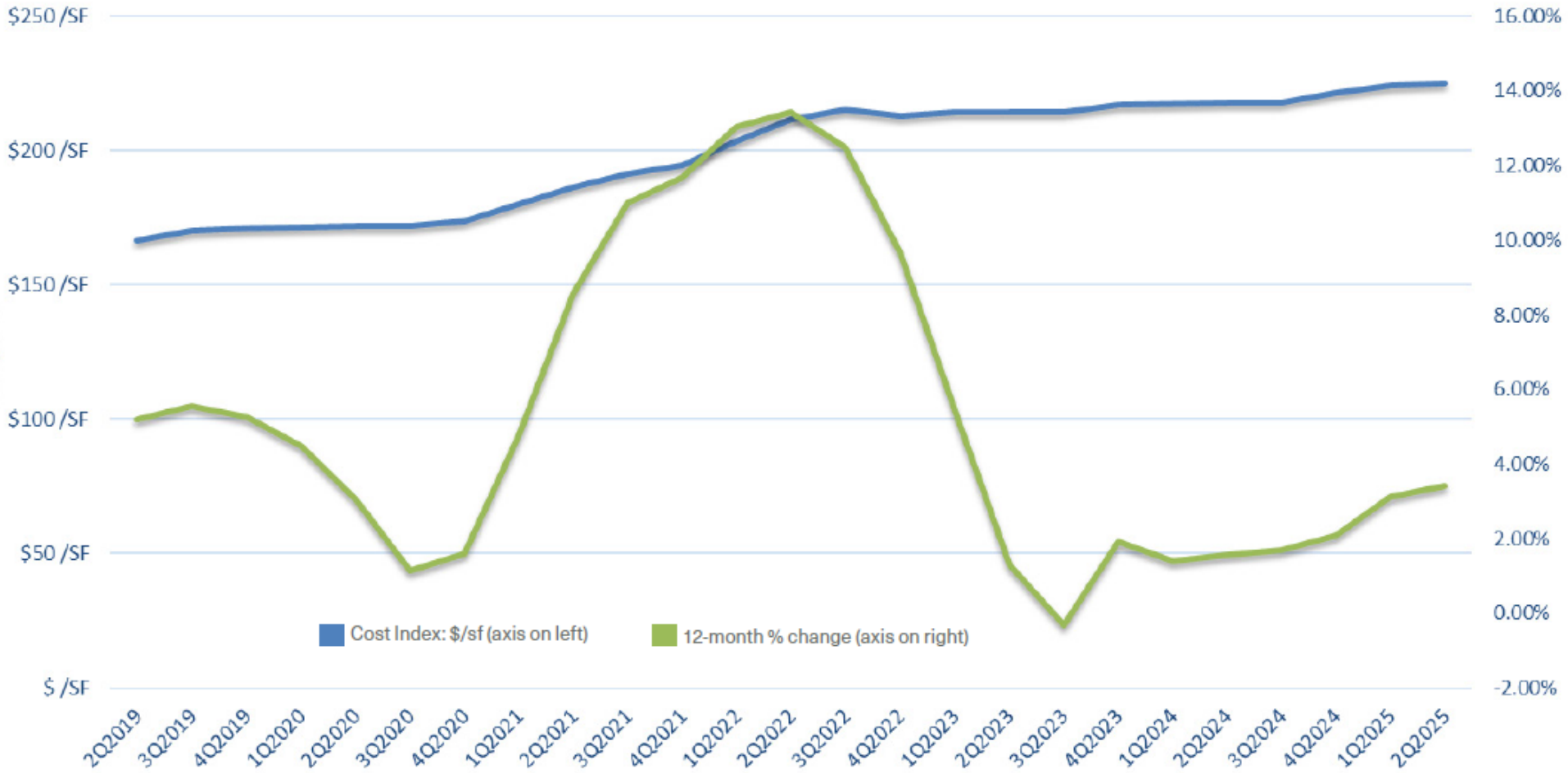
fred.stlouisfed.org

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CONSTRUCTION COSTS Q2 2025

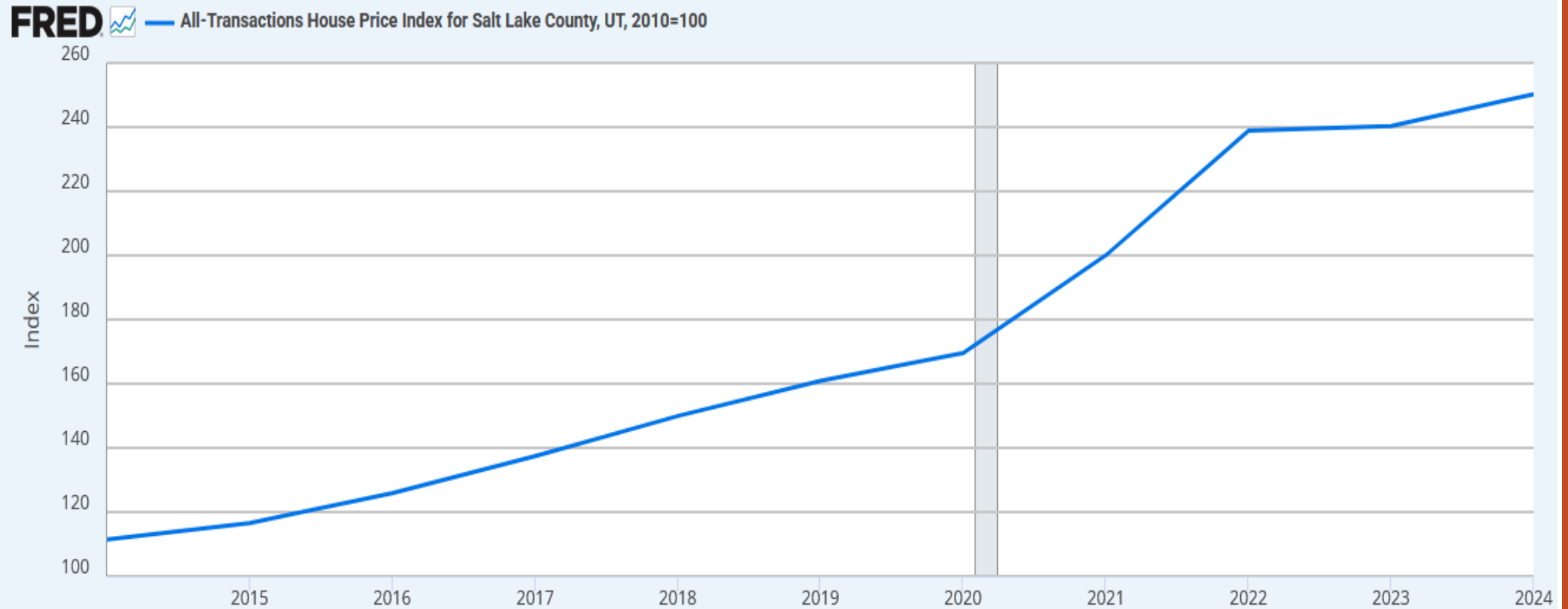
Utah Construction Cost Trend Index, tracked by Jacobsen Construction



The cost index is calculated quarterly based on representative commercial projects in the greater Salt Lake City area (Provo to Ogden). Projects in Logan, Park City and rural towns may not be as represented above due to regional factors impacting costs.



HOUSING COSTS



Source: U.S. Federal Housing Finance Agency via FRED®

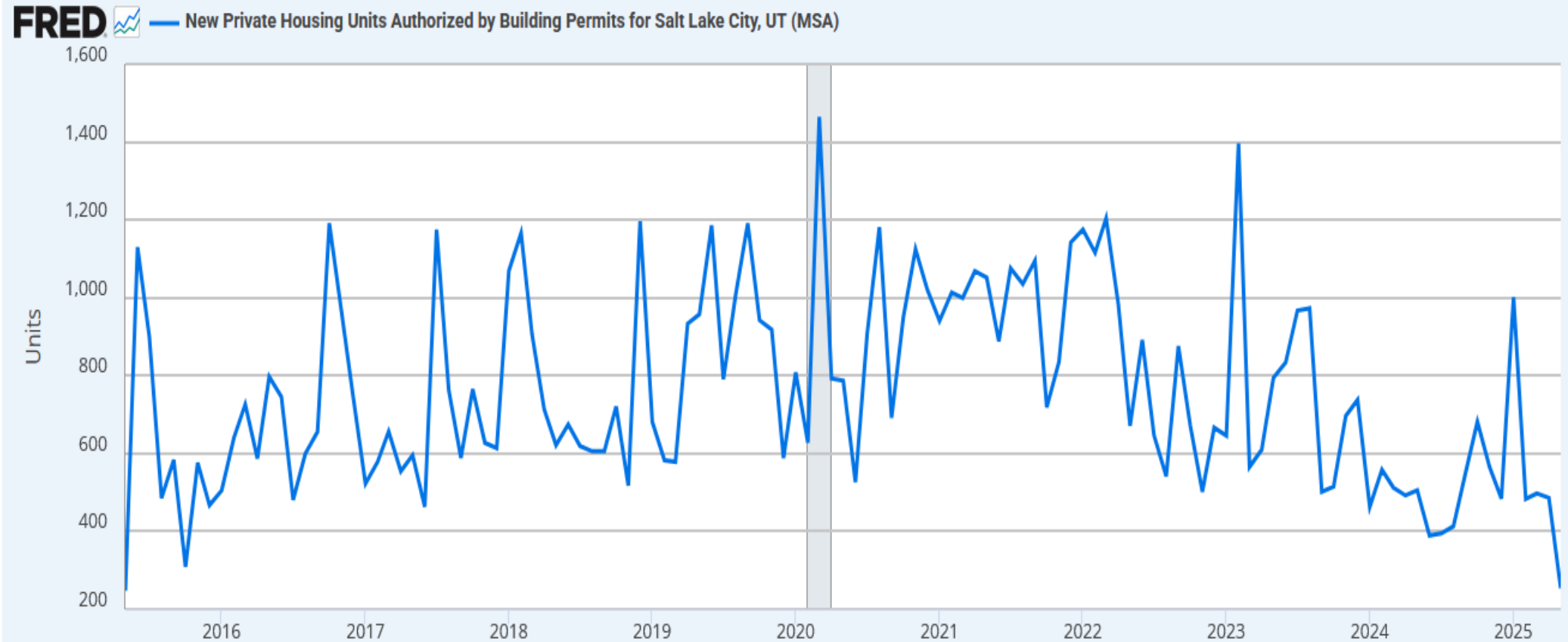
Shaded areas indicate U.S. recessions.

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HOUSING SUPPLY



Source: U.S. Census Bureau via FRED®

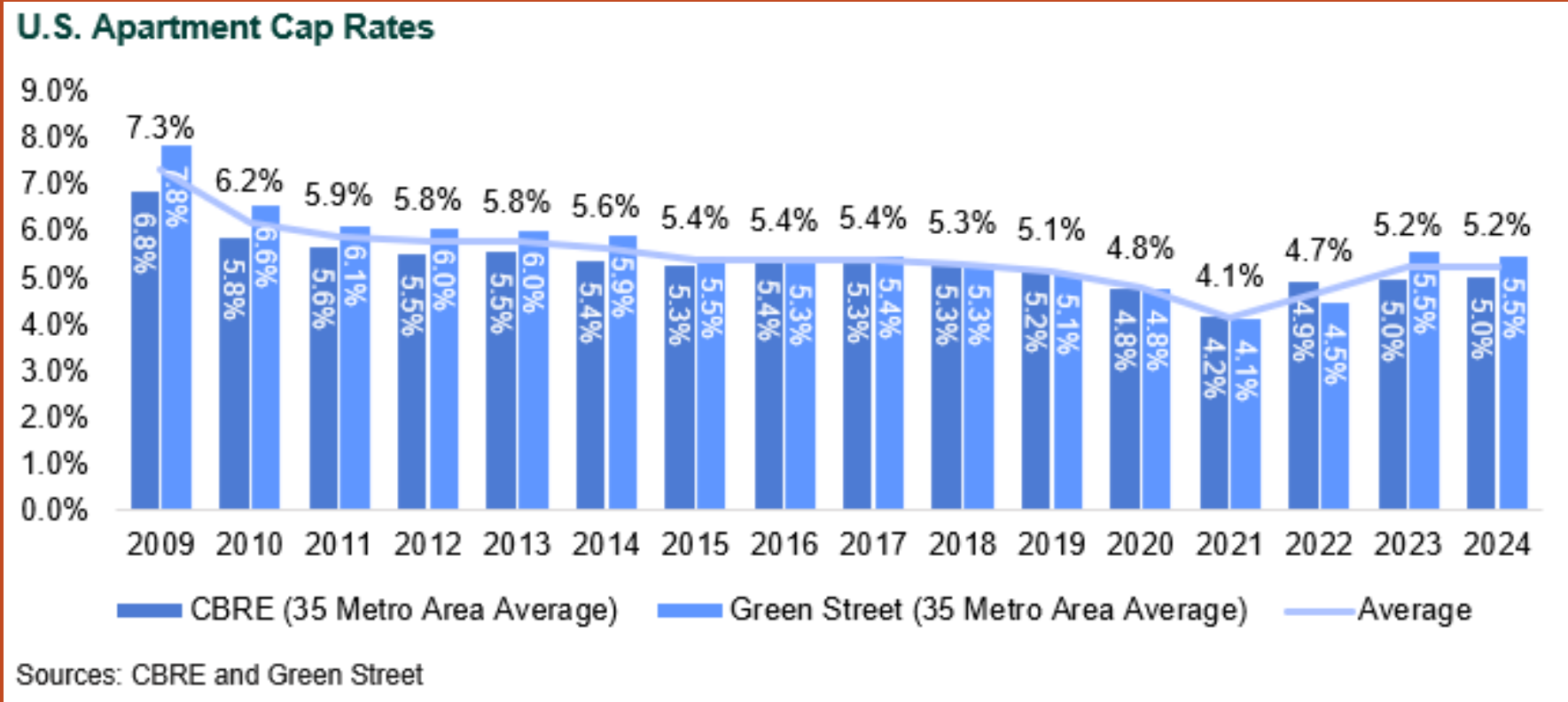
Shaded areas indicate U.S. recessions.

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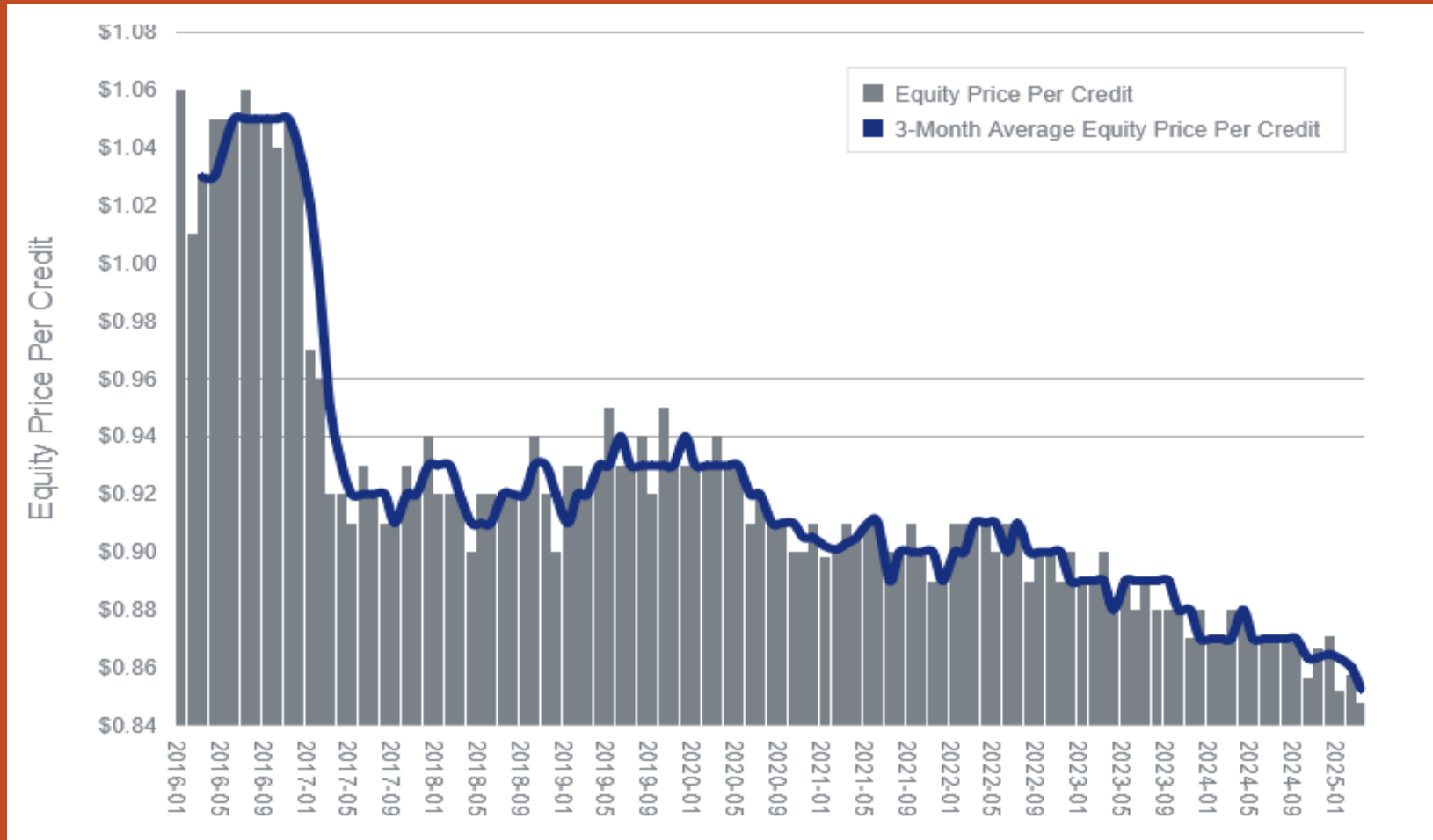
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INVESTOR RETURNS



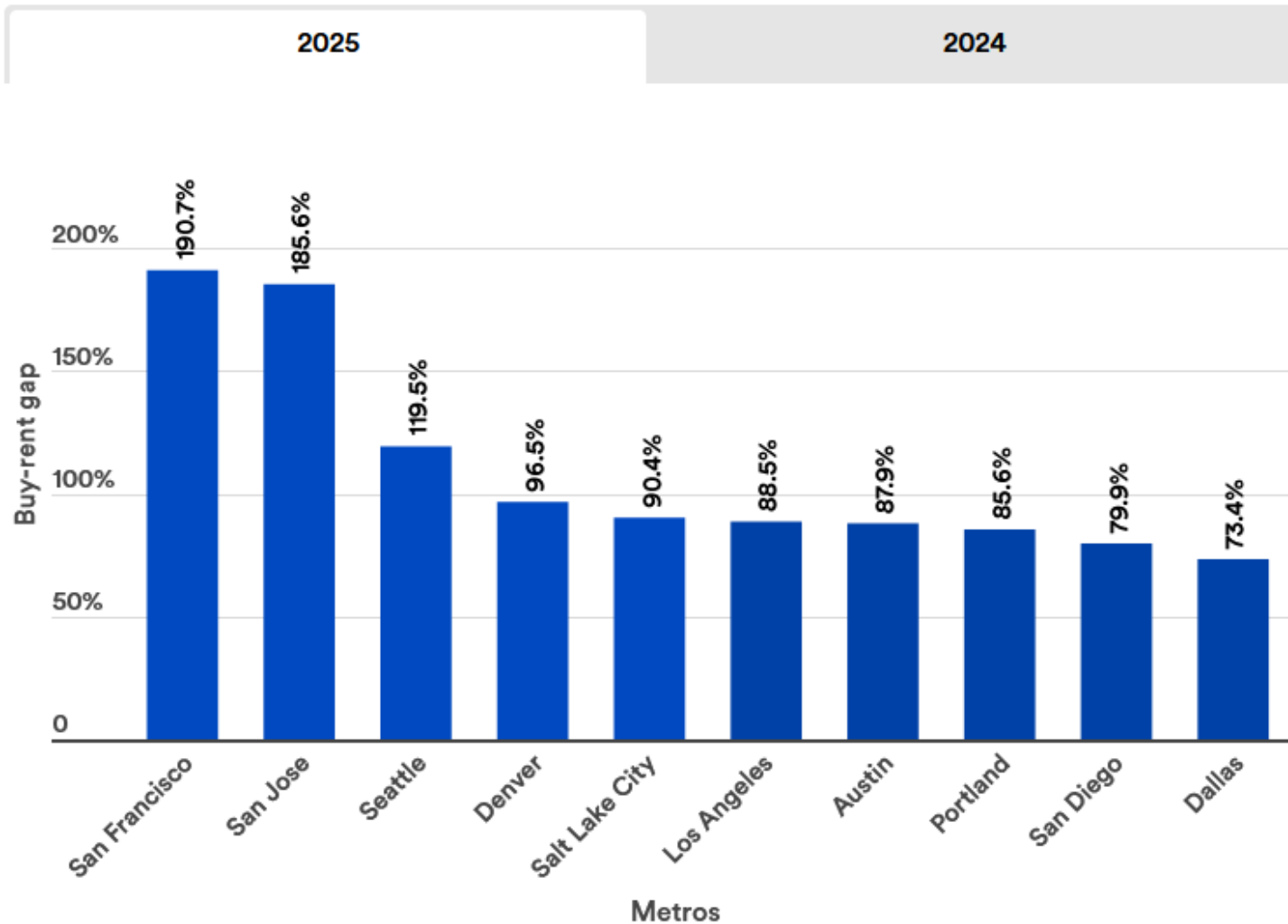
TAX CREDIT PRICING



WHAT CAN THE CITY DO?

- INTEREST RATES
 - SUBSIDIZED CITY LOANS, CREATE AN RDA OR HOUSING AUTHORITY
- CONSTRUCTION COSTS
- LAND COSTS
 - PURPOSEFUL PLANNING OF CITY OWNED R.E. ASSETS.
- HOLDING COSTS
 - STREAMLINE PLAN REVIEW PROCESS, ENTITLEMENT PROCESS, PERMITTING PROCESS, INSPECTION PROCESS
- CONNECTION & IMPACT FEES
 - WAIVERS FOR AFFORDABILITY
- INVESTOR RETURNS
 - PERHAPS THE CITY BECOMES AN INVESTOR WITH LOWER RETURN EXPECTATIONS.





RENT VS BUY

5. Salt Lake City, UT Metro Area

- Typical monthly rent: \$1,680, down 2.4% YoY
- Typical monthly mortgage payment: \$3,197, up 1.1% YoY
- Buy-rent gap: 90.4%

