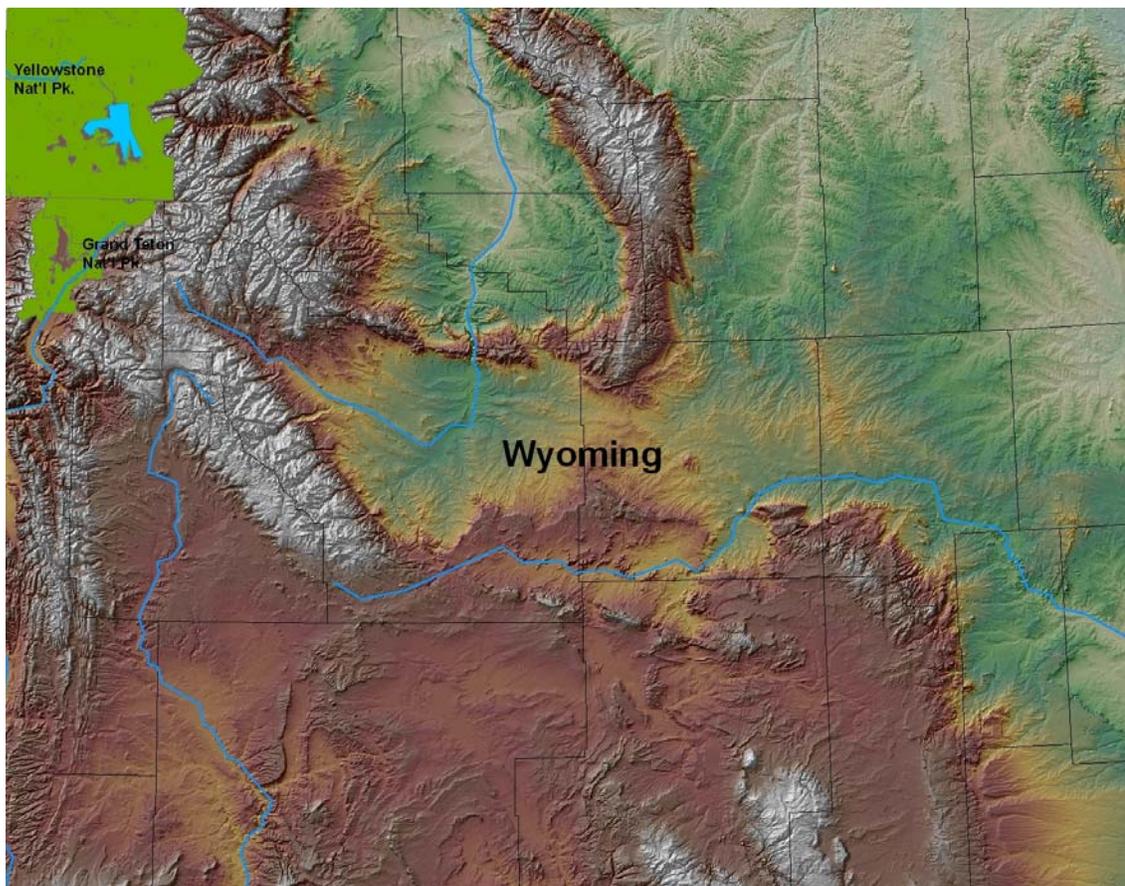


THE 2009 WYOMING PROFILE OF DEMOGRAPHICS, ECONOMICS AND HOUSING

SEMIANNUAL REPORT, ENDING JUNE 30, 2009



VOLUME I

**SPONSORED BY THE
WYOMING COMMUNITY DEVELOPMENT AUTHORITY
FINAL REPORT: AUGUST 31, 2009**

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Wyoming Department of Revenue

Casper Multiple Listing Service

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Copies of the Wyoming Housing Database Partnership Semiannual Report are available free of charge and may be downloaded from the WCDA Web site: <http://www.wyomingcda.com>. On the Web site, select the button, "*Development*," then select the link, "*Community Information/Demographics*" for a list of available publications.

The opinions and conclusions contained within this document do not necessarily reflect those of the aforementioned partners.

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EXECUTIVE SUMMARY

REVIEW OF AFFORDABLE HOUSING IN WYOMING

Wyoming's historic migration patterns have undergone a transformation: new Wyoming households suddenly flocking to specific areas of the state that presented solid economic opportunities. These householders tended to be younger and quickly purchased available affordable housing. Consequently, Wyoming's housing market has been experiencing severe shortages and growing pains, and affordable housing disappeared from many communities in the state. For these areas, such conditions are beginning to ease.

Home prices have softened slightly and rental vacancy rates have risen or at least remained steady. This change is due to a weakened economy, the lack of availability of credit and substantive construction in selected local rental markets. Still, other areas of the state continue to experience soft markets, primarily coinciding with slow or non-existent population growth.

The statewide average price of existing housing on 10 acres or less, as identified by the Wyoming County Assessors, fell 3.4 percent between 2007 and 2008, to \$256,045, even though the value of new construction increased, exceeding \$238,320 in 2008, according to the Census Bureau. Even in the Casper MLS region, comprising just nine of the local Realtor Associations, average prices fell by 2.4 percent in the first half of 2009 compared with the first half of 2008. However, not all areas of the state necessarily followed this pattern; the Assessors reported that in Teton County the average sales price of a home still rose, from \$1.4 million to 1.8 million between 2007 and 2008. And house prices in Niobrara, the only county with an average price under \$100,000, still rose 17.8 percent between 2007 and 2008, according to the Assessors.

The total number of unit sales appears to be adversely affected as well. The Wyoming Assessors reported roughly 8,800 units sold throughout the state in 2007, with only 5,849 in 2008, a decline of 33.6 percent. The number of sales in the Casper MLS region also saw a decline of 24.5 percent between the first half of 2008 and the first half of 2009, 1,684 units versus 1,272 units.

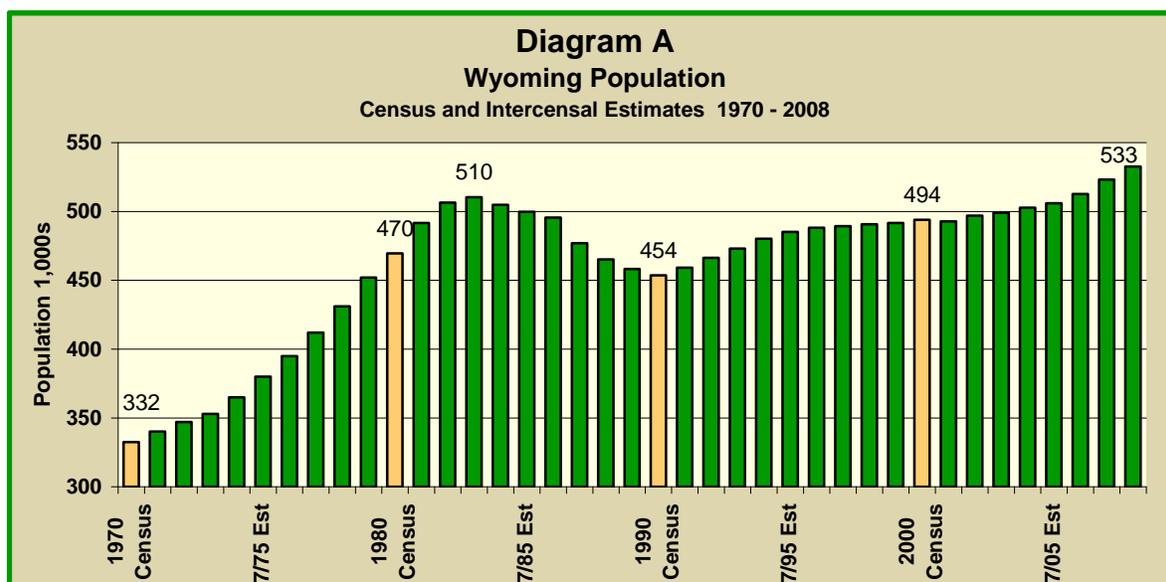
As with sales and prices, permitted construction has followed suit. There were 2,178 single-family units permitted for construction in 2008, 1,557 fewer than seen in 2007, with the total of all permitted units, including apartments, falling from 4,584 units in 2007 to 2,669 in 2008, a drop of almost 42 percent. Even the WCDA has been affected by these influences, with the number of assisted homebuyers falling from 2,057 in the period ending June 2008 to 953 in fiscal 2009.

These statewide homeownership conditions have likewise spread to the rental markets. In June of 2009, a statewide rental survey uncovered a vacancy rate of 6.1 percent. In theory, this represents a statewide equilibrium in the rental market, indicating that additional rental housing may not be needed right now. However, in areas with the highest vacancy rates, such as Carbon County, with a vacancy rate of 22 percent or Lincoln County with 12.6 percent, selected respondents were contacted a second time to ask their opinion of why such conditions were being experienced. The respondents said that higher vacancy rates were the result of slowed economic activity. Still, some of these same areas have recently experienced significant increases in construction of new rental housing; and, while many of these new units have become occupied, the economic conditions that have so suddenly emerged have slowed some local absorption rates. Still, there are areas of the state that continue to have low vacancy rates, such as Laramie, Natrona and Sheridan counties, with 3.64, 3.15 and 3.37 percent respectively.

REVIEW OF INFLUENTIAL FACTORS

POPULATION AND MIGRATION

Between 1970 and 1980, Wyoming's population rose 41.3 percent, or more than 137,000 people, from 332,416 to 469,557. The early 1980s saw additional increases, with a population peak of 510,361 in 1983. During the late 1980s, there was a considerable population decline, with the population dipping to 453,588 in 1990. A steady recovery followed, with the population increasing by 8.9 percent, or 40,194 people, between 1990 and 2000. The Census Bureau's most recent population estimate for the period ending July 1, 2008 suggests that population has risen by 7.8 percent, to 532,668, since the 2000 Census. As seen in Diagram A below, growth is accelerating faster than it was five years ago, returning to rates seen in the 1970s.



Total population change is determined by combining the number of births, deaths, and the net migration of people arriving in and leaving the state. Over the 2000 through 2008 period, the natural increase of the population, the result of births minus deaths, was about 23,970. At the same time, total net migration rose 14,916. Hence, this indicates a total population increase of 38,886 people into the state, a healthy increase in the population over the last few years.¹

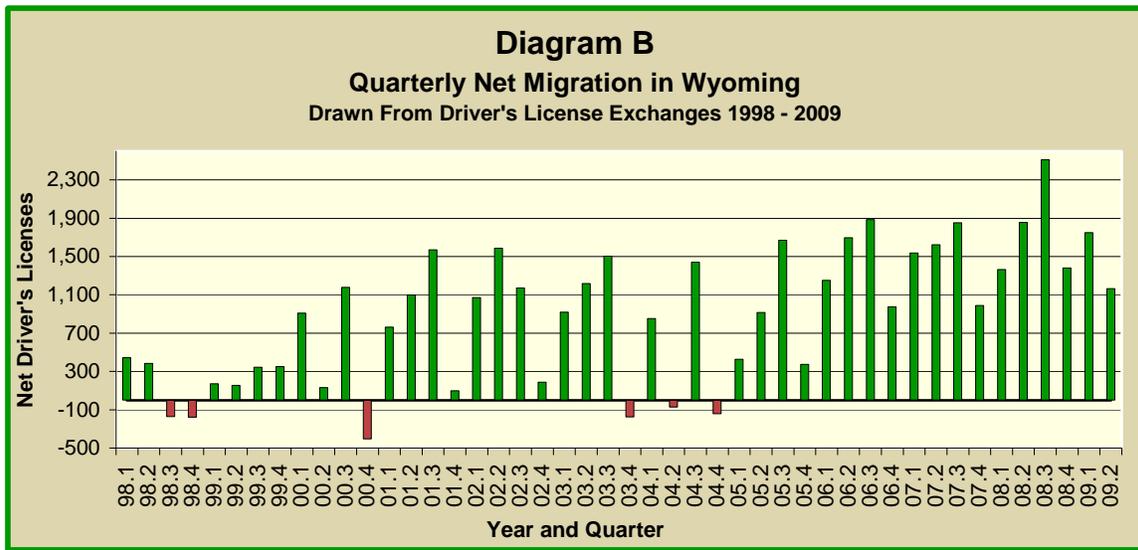
The Wyoming Department of Transportation (DOT) tracks drivers who exchange licenses from other areas, as well as those surrendering their licenses to other states. There was a net change of 2,912 new driver's licenses during the first half of 2009, as the data indicates significant migration of people to Wyoming.² More than half of those arriving were in their prime working years of 26 through 45, as seen in Table A, on the following page. While it is important to remember that these figures represent the net increase in driver's licenses, not total newcomers or households, it is a good indication of the direction of current migration trends for Wyoming – strong in-flow into the state.

¹ Net migration includes a residual, a change the Census Bureau has not attributed to any cause.

² Four additional licenses were exchanged but lacked a gender or age designation.

Table A									
Driver's Licenses Exchanged or Surrendered									
January – June 2009: State of Wyoming Data by Age and Gender									
Gender	16 to 17	18 to 22	23 to 25	26 to 35	36 to 45	46 to 55	56 to 65	Over 65	Total
Net Change by Age and Gender									
Male	33	181	217	494	413	334	56	7	1,735
Female	14	104	141	403	233	215	62	5	1,177
Total	47	285	358	897	646	549	118	12	2,912

Diagram B, below, presents the quarterly fluctuation in net driver's license exchanges from 1998 through the first half of 2009. Net migrants during the first half of 2009 decreased by 5.7 percent from the first half of 2008, indicating a slower inflow of new migrants. These population flows into Wyoming are still much higher than estimated by the Census Bureau; the threat of pressure on Wyoming's housing market remains a reality.



Using DOT data, it is also possible to identify where new residents are coming from when first moving to Wyoming. Since 2000, the DOT data suggest that about 46.1 percent of all new residents have been from four western U.S. states as well as Michigan, as seen in Table B, below. Between 2000 and 2009 the state sending the greatest number of in-migrants has been Colorado, but the most net migrants to Wyoming were from California.

Table B				
Net Migrants to Wyoming (Top 5 States)				
Drawn from Driver's License Exchanges				
2000-2009				
Area	In-Migrants	Out-Migrants	Net Migrants	% of Total
California	11,088	2,714	8,374	20.88
Michigan	4,473	1,491	2,982	7.43
Arizona	5,706	3,014	2,692	6.71
Montana	9,199	6,982	2,217	5.53
New Mexico	2,484	275	2,209	5.51
All Other	122,689	101,050	21,639	53.9
Total	155,639	115,526	40,113	100.00

ECONOMICS

Between 2007 and 2008, Wyoming's labor force increased by 1.45 percent, or 4,173 people, while employment increased by more than 3,511. This resulted in an unemployment decline of 662 people. Consequently, the state's unemployment rate increased from 2.9 percent in 2007 to 3.1 percent in 2008 and continues to be well below the national rate of 5.8 percent. This was the ninth consecutive year in which Wyoming recorded an unemployment rate below that of the U.S. Preliminary figures for 2009 indicate that Wyoming's average of the monthly unemployment rates in 2009 were higher than those in 2008, but still below the national average. Unemployment appears to be on the rise in Wyoming, with it reaching 5.0 percent in May 2009, although, weekly initial unemployment insurance claims decreased slightly from a high of 1,478 in the second week of April 2009 to 633 in fourth week of June 2009.

During the past 20 years, the fortunes of Wyoming's wage earners have not kept pace with national trends. While the total earnings of all U.S. workers rose substantially from 1969 through 2008, Wyoming's *real earnings per job* in 2007 were much lower than the national average. The U.S. Bureau of Economic Analysis (BEA) provides this data; 2007 is the most current year available.

According to the 2007 BEA data, high-paying jobs continued to be scarce in Wyoming, while lesser-paying jobs saw increases. The mix of low-paying and high-paying jobs led to modest average earnings per job for Wyoming's working population. In 2007, real average earnings per job in Wyoming were \$43,407, while the U.S. average was \$49,938, as seen in Table C, at right. However, Wyoming's real earnings per job in 2007 reached its highest amount in 36 years. Further, wages in Wyoming are rising more quickly than the nation and the difference between Wyoming and the U.S. average earnings per job has fallen from a high of more than \$11,570 in 2000 to about \$6,530 in 2007.

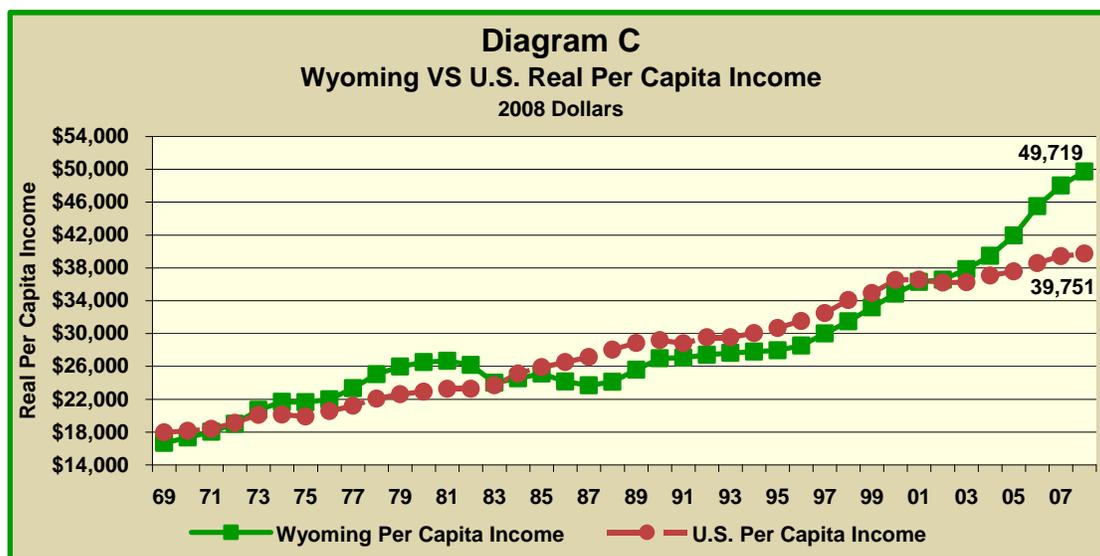
NAICS Categories	Real Earnings per Job	
	U.S.	Wyoming
Farm earnings	19,674	-184
Forestry, fishing, related activities and other	28,685	16,979
Mining	124,928	100,688
Utilities	160,499	98,872
Construction	47,834	46,207
Manufacturing	75,023	63,093
Wholesale trade	72,160	61,451
Retail Trade	29,089	25,101
Transportation and warehousing	50,639	59,841
Information	91,275	43,052
Finance and insurance	83,993	42,852
Real estate and rental and leasing	24,324	23,849
Professional and technical services	75,151	46,557
Management of companies and enterprises	108,852	87,049
Administrative and waste services	30,543	23,073
Educational services	32,083	17,254
Health care and social assistance	47,115	40,022
Arts, entertainment and recreation	25,200	22,850
Accommodation and food services	20,847	19,853
Other services, except public administration	25,545	23,030
Government and government enterprises	61,213	53,422
Total	49,938	43,407

In addition, the population in Wyoming tends to have a strong work ethic. The labor force participation rate, that portion of the population aged 16 to 65 who are working or seeking work, was considerably higher than national norms. The 2008 labor force participation rate for Wyoming, at 71.4 percent, was 5.4 percentage points higher than that of the nation. Further, the number of Wyoming citizens working more than one job was 8.0 percent in 2007, 2.8 percentage points higher than the national average.

Total real personal income rose from about \$5.4 billion in 1969 to more than \$26.4 billion in 2008, an average growth rate of 4.2 percent per year. This growth was due to unearned income sources, such as dividends, interest and rents (DIR), and transfer payments, with DIR and transfer payments both increasing five-fold. Together, these non-wage forms of income comprised nearly 40.0 percent of all personal income received in Wyoming. However, preliminary data for 2009

indicated Wyoming ranked 47th in the nation for total personal income growth, falling 1.6 percent between the fourth quarter of 2008 and the first quarter 2009, far below the national average.

When total personal income is divided by population, per capita income is the result. Wyoming's per capita income has been growing more quickly than the nation for nearly seven years and exceeded the national average for the last five years. In 2008, estimates indicate that Wyoming had a per capita income of \$49,719 and the U.S. was \$39,751. The entire historic data series from 1969 through 2007 is presented in Diagram C, below. While this trend is very good, the incidence of relatively low wage rates and high property income, such as dividends, interest, and rent, imply that income distribution is skewed to concentrations of lower income wage earners and higher income citizens, with those in the lower income levels likely facing some housing cost issues.



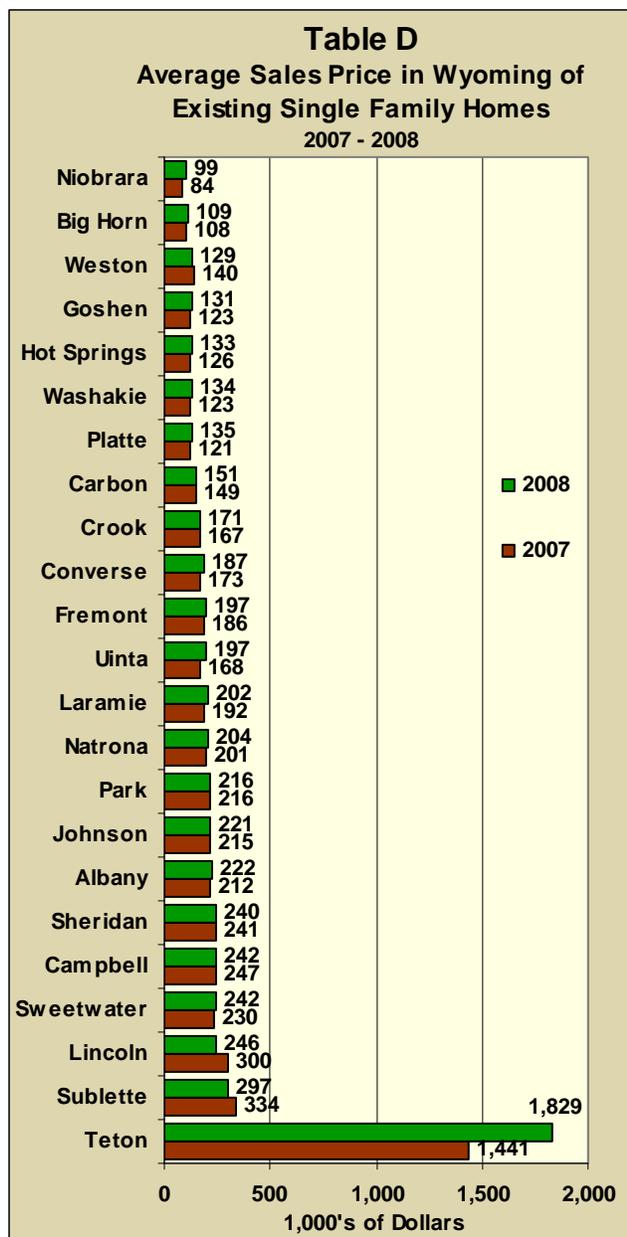
HOUSING COSTS AND SUPPLY

During the past 20 years, rental rates have increased moderately on an annual average basis. In the last few years, however, there have been more substantive changes in the statewide rental rates. During the second quarter of 1997, the average rent for an apartment was about \$379. By the fourth quarter of 2006, average rents increased by \$170 to reach \$549. One year later, in the fourth quarter of 2007, rents rose another 5.6 percent, to an average of \$599. In mid 2008, this had jumped nearly 7.7 percent to \$645. As of the fourth quarter 2008, the average rent for an apartment was \$650, which represents an 8.5 percent increase from the fourth quarter 2007. The largest yearly increase was for houses, with the average rent increasing by 12.2 percent from fourth quarter 2007 to fourth quarter 2008, rising from \$878 to \$940 dollars.

The rent for a mobile home lot rose from \$132 per month in the second quarter of 1987 to \$232 by the fourth quarter of 2007 and to \$263 in late 2008. The statewide average rent for two- or three-bedroom homes increased from \$356 per month in the second quarter of 1987 to \$513 by the second quarter of 1997. Rent for homes increased further, reaching \$878 during the fourth quarter of 2007 and \$940 in the fourth quarter of 2008. Rental costs for a mobile home (on a lot) rose from \$265 per month in the second quarter of 1987 to \$392 in 1997. This went up again, to \$569, by the fourth quarter of 2007, and rising to \$626 by the fourth quarter of 2008.

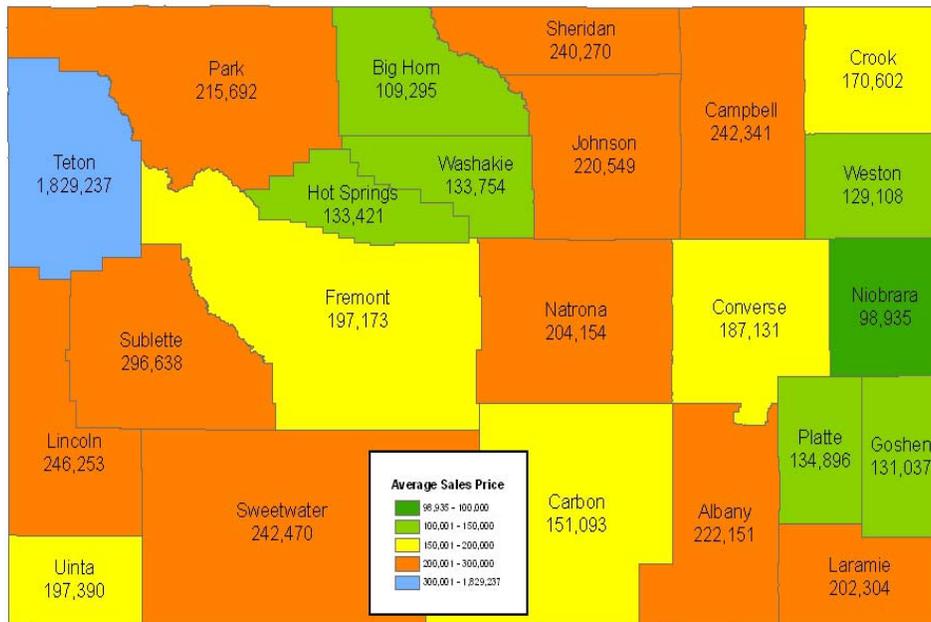
According to figures reported by County Assessors, the cost of purchasing an existing home located on 10 acres or less increased in many counties of the state, with prices declining in six counties, as presented in Diagram D, at right. Only one county, Niobrara, has an average sales price less than \$100,000, even though Niobrara jumped more than 17 percent. Furthermore, the statewide average sales price fell to \$256,045 in 2008 from \$265,044 in 2007. This constituted a decrease of 3.45 percent as compared to the 2007 average, a modest decrease in prices statewide.

While Wyoming’s housing costs are less than national norms, the range of average prices among counties is large. The highest average price was in Teton County, at \$1.8 million. Sublette County’s average was the next highest at \$296,638.³ A map presenting the geographic distribution of these prices is presented in Exhibit A, on the following page.

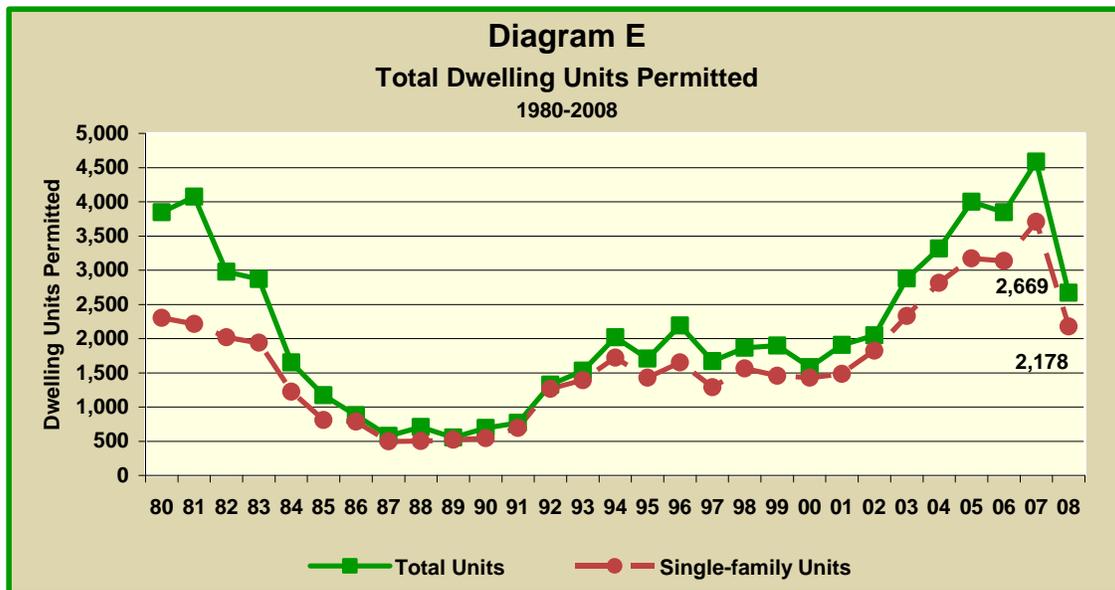


³ In 2008, a uniform method for extracting and computing average residential sales prices was implemented and run by the Wyoming Department of Revenue.

Exhibit A 2008 Average Single-Family Home Sale Prices Wyoming by County



Over 81 percent of all permits issued in 2008 were for single-family units, as shown in Diagram E, below. This represents a decrease in single-family production of 1,599 units from 2007 levels.



The Wyoming Housing Database Partnership conducts a semi-annual Rental Vacancy Survey. It has been completed seventeen times during the past nine years, most recently in June 2009. The June 2009 survey resulted in 872 completed surveys with property managers who oversaw a total of 23,260 units. Participants in the survey indicated that of these, there were 1,410 vacant units, indicating that the statewide rental vacancy rate increased over the last year to 6.06 percent, as seen in Table D, at right. The range in county vacancy rates is pronounced, with Carbon County at over 22.06 percent and a few counties having vacancy rates around 3.0 percent. On the other hand, for counties with more than 1,000 units in the survey, Albany County had a relatively high vacancy rate of 10.45 percent.

Year	Sample	Total Units	Vacant Units	Vacancy Rate
2001a	249	8,977	378	4.21
2001b	219	10,928	476	4.36
2002a	218	9,653	457	4.73
2002b	276	13,362	617	4.62
2003a	260	12,666	451	3.56
2003b	398	17,916	735	4.10
2004a	439	18,776	716	3.81
2004b	423	17,885	861	4.81
2005a	434	16,547	546	3.30
2005b	456	21,349	749	3.51
2006a	436	17,802	476	2.67
2006b	533	20,632	503	2.44
2007a	555	21,585	312	1.45
2007b	569	21,904	379	1.81
2008a	711	23,294	673	2.89
2008b	851	23,156	909	3.93
2009a	872	23,260	1,410	6.06

HOUSING NEEDS

The Department of Transportation administers a voluntary survey to all drivers exchanging out-of-state driver's licenses. During the last ten years, the Housing Needs Assessment Survey has indicated that a majority, 62.0 percent of the incoming householders, were seeking single-family homes.⁴ Data from the 2009 survey indicate that fewer than 35.6 percent became homeowners right away. Of those who are currently unsatisfied with their housing and want to own a home, 62.4 percent wanted to buy an existing unit, with the remainder wishing to build. However, some 73.8 percent of the newcomers unsatisfied with their current housing hope to buy a house for less than \$100,000.

Those who are unsatisfied with their housing and who wish to rent are experiencing a tightening market. Persons anticipating rents between \$475 and \$599 tend to have expectations within current market conditions. Unfortunately, about 25.9 percent of new rental residents hope to spend less than \$475 per month on rent. It is also unfortunate that the areas seeing the most growth are the ones in which housing prices have been rising the most quickly.

⁴ This percent value excludes missing observations.