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Utah Ranks 4th in US for New Home Construction

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Despite a sharp slowdown, the Beehive State remains a top builder amid high housing costs.

According to research from Construction Coverage, a data source focused on the construction industry, Utah has claimed the No. 4 spot among states building the most new homes in the country. The state saw 18.6 new housing units authorized per 1,000 existing homes in 2024, highlighting a strong pace of development even amid rising costs and a recent dip in overall permitting.

While this is a promising indicator for housing supply in Utah, it's worth noting the number of new homes authorized dropped nearly 25% since 2022, when over 31,700 units were approved. Last year, that number fell to just under 24,000. The decline places Utah among the top 10 states with the steepest drops in new housing activity.

Despite continued development, Utah remains one of the most expensive states for homebuyers. The median home price currently stands at \$535,217, well above the national median of \$367,969. Only six states, Hawaii, California, Massachusetts, Washington, New Jersey, and Colorado, have higher median costs. This affordability gap has kept pressure on the local housing market, even as new inventory slowly makes its way online.

Idaho leads the nation in homebuilding, with 21.2 new units approved for every 1,000 existing homes. North Carolina followed with 18.8, and South Carolina matched Utah's 18.6 to take the third slot. Rounding out the Top 10 were Arizona, Texas, Florida, Delaware, Georgia, and Nevada.

The United States saw 1.48 million new homes approved by building permits in 2024, a slight uptick from the pre-2008 housing crash average of 1.45 million annually. However, according to the study, this level of construction still falls short of addressing the country's long-term housing shortage.

City-Level Impact

Among metro areas with populations over 1 million, the Salt Lake City-Murray region landed at No. 20 nationwide, authorizing 11 new units per 1,000 existing homes in 2024. That marks a staggering 46.1% decline from 2022, when over 10,100 homes were approved. Only the costly California metros of San Francisco and San Jose saw steeper drops.

For mid-sized metros, the Provo-Orem-Lehi area stood out with 27.9 permits per 1,000 homes, ranking eighth overall. Ogden followed further down the list at 14.1 permits. Smaller regions also played a key role: St. George ranked No. 3 among small metros with a rate of 35.6 new units, while Logan, including surrounding areas in Utah and Idaho, landed at No. 20.

As Utah continues to navigate a housing affordability challenge, the state's strong ranking in new builds signals both opportunity and urgency. While new construction is a welcome sign, keeping pace with demand and managing home prices remains the uphill battle.

