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Bakersfield, Calif.
May 1967

Analysis of the
**BAKERSFIELD, CALIFORNIA
HOUSING MARKET**

as of May 1, 1967

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**A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C. 20411**

February 1968

ANALYSIS OF THE
BAKERSFIELD, CALIFORNIA, HOUSING MARKET
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Field Market Analysis Service
Federal Housing Administration
Department of Housing and Urban Development

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Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will be differences of opinion, of course, in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst and the FHA Market Analysis and Research Section.

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ANALYSIS OF THE
BAKERSFIELD, CALIFORNIA, HOUSING MARKET
AS OF MAY 1, 1967

Summary and Conclusions

1. Total nonagricultural employment in Kern County (about 70 percent in Greater Bakersfield) averaged 97,700 in 1966, an increase of 3,400 (3.6 percent) over 1965; late spring rains slowed down this growth in the first quarter of 1967. The 1963-1967 period has witnessed increased employment in government, trade, and services. Employment in agriculture now comprises about one-sixth of the total civilian employment. Over the next two years it is anticipated that non-agricultural employment will advance by an average of 3,000 yearly, mostly in nonmanufacturing industries.
2. The May 1967 median annual after-tax income of families in Greater Bakersfield was about \$7,550, and the median income of renter households of two or more persons was \$6,150. The May 1969 median after-tax income of all families is projected to \$7,950; for renter households of two or more persons, to \$6,450.
3. In the Greater Bakersfield area population was about 190,000 as of May 1, 1967, compared to 157,850 in April 1960, a growth of 2.7 percent annually. The Greater Bakersfield area is expected to grow by 6,500 (3.4 percent) yearly, reaching 203,000 by May 1969.
4. Households numbered about 57,400 in Greater Bakersfield on May 1, 1967, representing an average increase of about 1,425 annually since April 1960. During the two-year forecast period, households in the Greater Bakersfield area are expected to increase by almost 2,000 (3.5 percent) annually.
5. The housing inventory of the Greater Bakersfield area totals approximately 60,550 units, a net addition of nearly 9,425 (18.4 percent) since April 1960.
6. In the past three years, single-family units have constituted less than two-thirds of all new construction compared to 77 to 91 percent in the 1960-1963 period. Multifamily units have increased in volume as well as in the percentage of total construction.

7. Partly because of the lower volume of housing starts since early 1966, vacancies are close to desirable levels in the Greater Bakersfield area. There were 600 nonseasonal, undilapidated vacant units available for sale on May 1, 1967, and 1,000 such units available for rent. These levels reflected homeowner and rental vacancy rates of 1.5 percent and 5.4 percent, respectively, both down significantly since the 1960 census.
8. The volume of privately owned net additions to the housing supply that will meet the needs of the growing population of the Greater Bakersfield area and maintain a good balance of demand and supply in the market is projected for the next two years at 1,950 units annually, including 1,250 units of single-family and 700 units of rental housing. This demand estimate excludes public low-rent and rent-supplement accommodations. If assistance is made available in the acquisition and cost of land or in the private cost of financing, some additional demand for privately financed units in multifamily structures could be met effectively at the lower rents possible with such assistance. The effective demand for single-family units is summarized by price range in the table on page 15 and the rental demand distribution by size and monthly gross rent in the table on page 16.

ANALYSIS OF THE
BAKERSFIELD, CALIFORNIA, HOUSING MARKET
AS OF MAY 1, 1967

Housing Market Area

The Bakersfield, California Housing Market Area (HMA) is defined in this study as the Bakersfield urbanized area, usually referred to as Greater Bakersfield. It contains a little over half the population of Kern County (the Bakersfield SMSA), and this proportion is gradually increasing. This area includes 1960 Census Tracts 1-23, most of 24, 25-31, and parts of 38, 51 and 62. In April 1960 the HMA had a population of 157,850.

Bakersfield is centrally located in Kern County at the south end of the San Joaquin Valley. The southern border of Kern County is adjacent to the Los Angeles-Long Beach SMSA while its eastern border is adjacent to the San Bernardino-Riverside-Ontario SMSA.

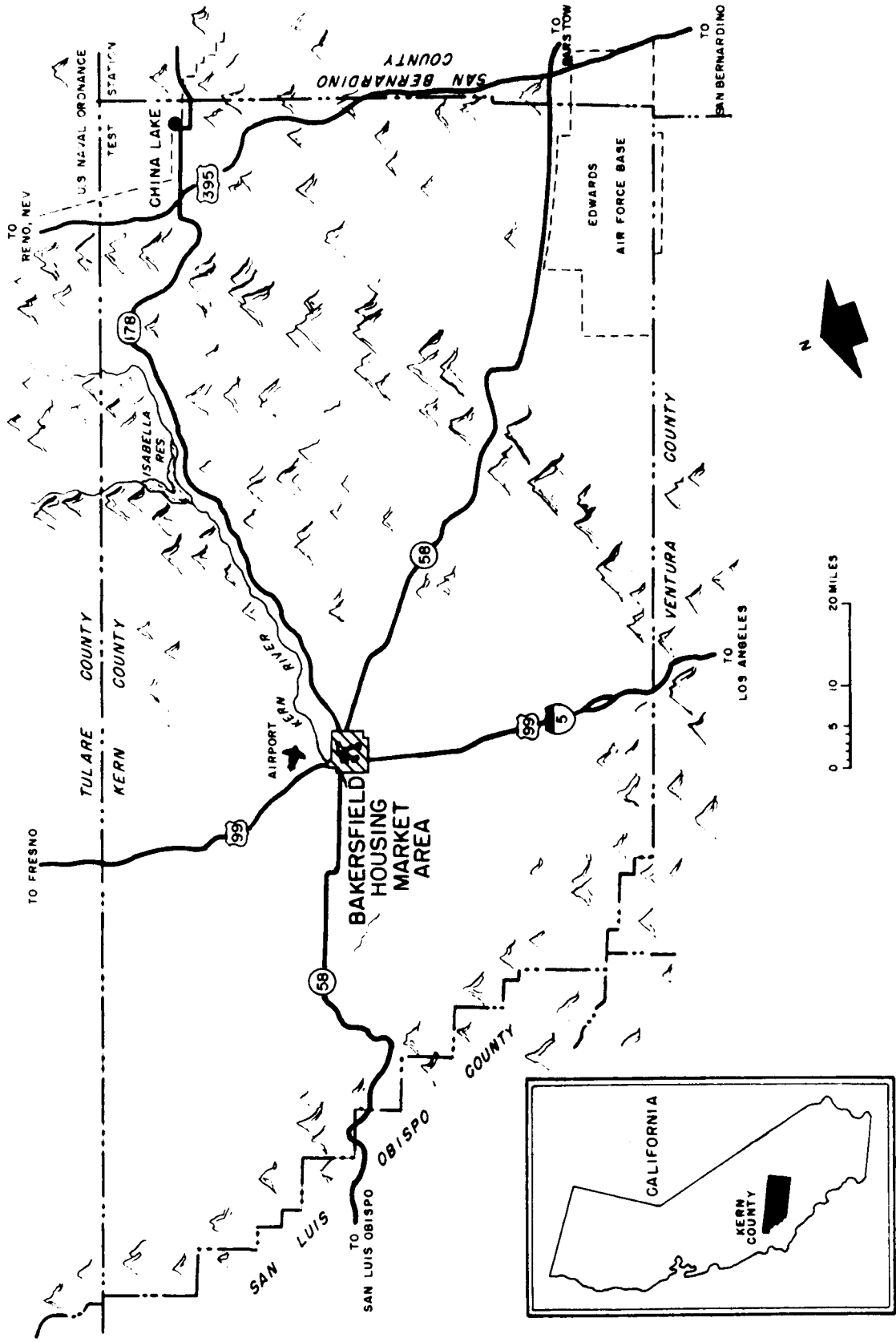
The accompanying map indicates the city of Bakersfield boundaries, and shows the urbanized area extending around the city. The suburban population is spread largely to the east, to the north (including the unincorporated area of Oildale), and to the southwest of Bakersfield. Bakersfield is the county seat of Kern County.

Kern County is the third largest in area of the 58 counties in California. It contains extensive areas of mountain, desert and agricultural valley. This topography makes for large climatic variations within relatively short distances, but the over-all climate is warm and semiarid. The Bakersfield urbanized area is partially surrounded by a horseshoe-shaped rim of mountains with the open side to the northwest and the crest at an average distance of 40 miles.

Bakersfield is served by U.S. Highway 99, running north and south, and by State Highway 58, running east and west. Interstate Highway 5 is being constructed along the west side of the San Joaquin Valley to make a more direct connection between the Los Angeles and San Francisco Bay metropolitan areas. By present highways, the nearest larger cities are Los Angeles, 111 miles to the south, and Fresno, 108 miles to the north.

Bakersfield is served by the Southern Pacific and Santa Fe Railroads. The Kern County Airport (Meadows Field), north of the city, is served by United Airlines and Pacific Airlines.

BAKERSFIELD, CALIFORNIA, HOUSING MARKET AREA



Economy of the Area

Employment

Current Estimate. According to the California State Employment Department, the employment of all types of nonagricultural workers in Kern County averaged 97,700 during 1966, an increase of 3,400 over 1965. In the first quarter of 1967 the average was 97,450 which, on a seasonal basis, indicates a continued moderate growth. In addition, agricultural employment averaged 19,600 in 1966, or about one-sixth of total civilian employment (see Table I). It is estimated that about 70 percent of Kern County's employment is in the Greater Bakersfield Area.

Many agricultural workers reside in the Greater Bakersfield Area or in the smaller cities and towns of Kern County, going daily to the fields where they are needed. In lieu of transient Mexicans formerly employed in agriculture, local high school students now are used for some crops in the summer, and mechanization has increased for the cultivation and harvesting of other crops.

Past Trend. Since 1958, total nonagricultural employment in Kern County has shown a net increase of 17,100, or an average annual growth of 2,100. This growth slowed down in the 1959-1962 period when a branch of a Los Angeles aircraft manufacturer phased out a facility in the Bakersfield area. In the past four years, nonagricultural employment has increased more rapidly, with the largest increment between 1964 and 1965 amounting to 4,500. Agricultural employment has also experienced a little growth in the past two years although it has declined slightly as a percentage of total civilian employment over the past eight years. The following table outlines the change in nonagricultural employment each year in both number and percentage.

Annual Average Nonagricultural Employment
Bakersfield, California, SMSA, 1958-1967

<u>Period</u>	<u>Total</u>	<u>Change from preceding year</u>	
		<u>Number</u>	<u>Percent</u>
1958	80,600	--	--
1959	83,200	+2,600	+3.2
1960	83,500	+ 300	+0.4
1961	83,300	- 200	-0.2
1962	84,100	+ 800	+1.0
1963	86,900	+2,800	+3.3
1964	89,800	+2,900	+3.3
1965	94,300	+4,500	+5.0
1966	97,700	+3,400	+3.6
1st Q. 1966	95,000	--	--
1st Q. 1967	97,450	+2,450	+2.5

Manufacturing has always been a relatively minor part of Kern County nonagricultural employment, almost always less than 10 percent of the total. In 1966 it averaged 9,400 after a gradual growth from a low point of 7,200 in 1961. Durable goods represent the majority of all manufacturing employment. Transportation equipment has the largest segment of manufacturing employment with nearly 2,000 workers, followed by food and kindred products with nearly 1,500.

Nonmanufacturing employment averaged 88,300 in 1966 and has comprised 90 percent or more of total nonagricultural employment over the past eight years. The largest group is government, including Federal, State, and local establishments. These averaged 24,300 in 1966, or 25 percent of the nonagricultural total. Much of the Federal employment, however, is at two military installations in the eastern corners of the county, and these do not affect the Greater Bakersfield area significantly.

The next largest group of nonmanufacturing employment is in trade, which has grown steadily over the past five years, averaging 22,600 in 1966. Employment in services also has been undergoing a slow growth, numbering 17,800 in 1966. Little change in employment has occurred in the past two years in construction, transportation, communications, and utilities, and in finance, insurance, and real estate.

Principal Employers. There is no private employer in Kern County with as many as 1,000 employees. The Naval Weapons Station at China Lake is the largest employer with over 4,100 civilian employees currently, but they live and work at a considerable distance from Bakersfield. There are a little over 3,000 working for various branches of Kern County government.

Unemployment

During 1966 unemployed persons averaged 6,600, or 5.3 percent of the total civilian work force (see Table I). This figure represents the lowest annual average of unemployment in Kern County since 1959. The highest rate of joblessness during the past nine years prevailed in 1961, when it was 6.6 percent. It has slowly improved in subsequent years. In the first quarter of 1967, unemployment averaged 7,800, or 6.4 percent, compared to 6.5 percent in the same period at 1966. The delay in improvement in 1967 was due in part to unusually heavy spring rains, which held up some agricultural employment and associated work.

Estimated Future Employment

Employment has benefited in the past year from the opening in Bakersfield of a large enclosed shopping mall, which is still filling store areas, by the growth of tourism, and by construction work on the California State Water Project and the west side freeway, both of which are continuing. Even though employment increases from the new irrigation facilities are not expected for a few years, the present diversification and trend of economic activities will cause nonagricultural employment to increase by about 3,000 annually for the next two years, most of it in the Greater Bakersfield area.

Incomes

Family Incomes. As of May 1, 1967, the estimated median annual family income of all families in the Bakersfield HMA, after deduction of Federal income tax, was \$7,550. The median after-tax income of renter households of two or more persons was approximately \$6,150. About 27 percent of all families and 39 percent of renter families had after-tax incomes of less than \$5,000; nearly 8 percent of all families and 4 percent of all renter households of two or more persons had after-tax incomes in excess of \$15,000 (see Table II). By 1969, median after-tax income in the Bakersfield area is expected to increase to \$7,950 for all families and to \$6,450 for renter households of two or more persons.

Demographic Factors

Population

The population of the Greater Bakersfield area (HMA) as of May 1, 1967, is estimated at 190,000, nearly 56 percent of the current Kern County total of approximately 340,000. The HMA increase since April 1960 has been about 4,550 a year, 2.7 percent compounded.

The City of Bakersfield encompasses much less than half the Greater Bakersfield area; annexations have been quite limited and have not kept up with suburban growth. The population of the city is estimated to have increased from 56,848 in April 1960 to about 69,000 in May 1967.

The table below summarizes the trends in population since 1950.

Population Trends
Bakersfield, California, HMA, 1950-1969

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>May</u> <u>1967</u>	<u>May</u> <u>1969</u>
Bakersfield City	34,784	56,848	69,000	73,800
Greater Bakersfield	NA	157,850	190,000	203,000

Source: U. S. Censuses of Population; 1967 and 1969 estimated by Housing Market Analyst.

There was a slowdown in population growth in the early 1960's as new employment opportunities diminished. The later upturn in employment, however, has improved the population trend and outlook.

By May 1969, the HMA population is estimated to reach 203,000, or an average annual growth of 6,500 (3.4 percent).

Households

In the Greater Bakersfield area (HMA) the average growth in number of households since 1960 has been about 1,425 annually, 2.8 percent compounded. Households in this area as of May 1, 1967 are estimated at 57,400, an increase of 21.4 percent over the April 1960 figure of about 47,300. The following table summarizes the trend in households in the city of Bakersfield and in the Greater Bakersfield area.

Household Trends
Bakersfield, California, HMA, 1950-1969

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>May</u> <u>1967</u>	<u>May</u> <u>1969</u>
Bakersfield city	10,874	18,080	22,570	24,260
Greater Bakersfield	NA	47,300	57,400	61,370

Source: U. S. Censuses of Population; 1967 and 1969 estimated by
Housing Market Analyst.

Over the next two years it is estimated that the number of households in the Greater Bakersfield area will increase by about 2,000 a year, 3.5 percent.

Household Size. In the Greater Bakersfield area, household size is estimated at 3.28 persons, a slight decline from 3.30 in 1960. Over the next two years no significant change in household size is anticipated.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. In the Greater Bakersfield area, the housing inventory in May 1967 was about 60,550 units, 9,425 more (18.4 percent) than in April 1960. This has been an average annual growth of approximately 1,325 units, nearly two and a half times the annual rate of increase in the city of Bakersfield. The following table shows the housing inventory changes in Greater Bakersfield between April 1960 and May 1967.

Components of the Housing Inventory Bakersfield, California, HMA 1960 and 1967

<u>Occupancy, tenure and vacancy</u>	<u>April 1960</u>	<u>May 1967</u>
Total housing supply	<u>51,125</u>	<u>60,550</u>
Occupied housing units	<u>47,300</u>	<u>57,400</u>
Owner-occupied	32,020	40,000
Percent of total occupied	67.7	69.7
Renter-occupied	15,280	17,400
Percent of total occupied	32.3	30.3
Vacant housing units	<u>3,825</u>	<u>3,150</u>
Available	<u>2,285</u>	<u>1,600</u>
For sale	880	600
Homeowner vacancy rate	2.7	1.5
For rent	1,405	1,000
Rental vacancy rate	8.4	5.4
Other	1,540	1,550

Residential Construction Activity

Trends. Residential construction activity since 1960, as measured by the number of units authorized for construction by building permits, is shown in Table III for Bakersfield and the unincorporated portions of Kern County. Annual authorizations reached a peak in 1961 at slightly

over 3,000 and then remained fairly steady in the neighborhood of 2,000 units annually for the next four years. In 1966, however, the volume dropped to 1,400 units as mortgage financing became more restrictive.

It is difficult to determine how many housing units authorized in the unincorporated portion of Kern County have been in the Greater Bakersfield area. It is evidently a large majority, and for the period since 1960 the Bakersfield area portion is estimated at about 9,625 units (91 percent) of the 10,585 units authorized in unincorporated areas of Kern County. When added to the 4,384 units authorized in the city of Bakersfield, the total in the Greater Bakersfield area (14,009 units) since 1960 has comprised about 81 percent of those in the entire county.

In Bakersfield and all of the unincorporated portion of Kern County combined, single-family authorizations in the first quarter of 1967, were down almost 30 percent from the first quarter of 1966. Multi-family authorizations were down more than half in the first quarter of 1967. The table below summarizes the number of single and multi-family units authorized by building permits yearly since 1960 in the HMA.

Housing Units Authorized by Building Permits
Bakersfield, California, HMA, 1960-1967

<u>Year</u>	<u>Single-family</u>	<u>Multi-family^{a/}</u>	<u>Total units</u>	<u>Percent</u>	
				<u>Single-family</u>	<u>Multi-family</u>
1960	1,930	277	2,207	87.4	12.6
1961	2,740 ^{b/}	275	3,015	90.9	9.1
1962	1,766	305	2,071	85.8	14.2
1963	1,638	503	2,141	76.5	23.5
1964	1,187	703	1,890	62.8	37.2
1965	1,145	787 ^{c/}	1,932	59.3	40.7
1966	844	561	1,405	60.1	39.9
1966-1st Q.	237	342	579	40.9	59.1
1967-1st Q.	170	138	308	55.2	44.8

^{a/} Includes all units in structures containing two or more units.

^{b/} Includes 500 public housing units.

^{c/} Includes 166 public housing units.

Note: Data include Bakersfield and all of unincorporated Kern County (see Table III for detail).

Source: U. S. Census Bureau, Security First National Bank, Los Angeles; local permit-issuing offices.

The ratio of single-family authorizations has ranged from 59 percent in 1965 to 91 percent in 1961. The peak in 1961 was caused partly by 500 Capehart units, all single-family, which were started that year at the Naval Weapons Station at China Lake. The ratio of multifamily units to the total authorized, conversely, has ranged from nearly 9 percent in 1961, at the low point, to about 40 percent in each of the past two years.

Units Under Construction. Based on building permit data, a postal vacancy survey and information obtained locally, it is estimated that there were about 330 units under construction in the county at the beginning of May 1967. About 190 of these were single-family houses and approximately 140 in multifamily structures.

Demolitions and Other Losses to the Inventory. Since April 1960 there has been an estimated net loss of about 775 units through demolitions and conversions from residential to nonresidential use in all of Kern County. A good portion of these demolitions occurred as the result of freeway construction in and near Bakersfield.

Tenure of Occupancy

As shown in the table on page 8, owner occupancy has continued to increase in the Greater Bakersfield area. Approximately 69.7 percent of the estimated 57,400 occupied housing units in Greater Bakersfield are owner-occupied, comparing with 67.7 percent in April 1960.

Vacancy

1960 Census. In the Greater Bakersfield area in April 1960 there were over 2,275 nonseasonal, nondilapidated vacant housing units available for sale or rent. The over-all vacancy ratio was 4.5 percent. As shown in the table on page 8, 880 of these available units were for sale only, representing a 2.7 percent homeowner vacancy rate, and over 1,400 units were available for rent, a rental vacancy rate of 8.4 percent.

Postal Vacancy Survey. A postal vacancy survey was conducted by the Bakersfield Post Office on April 29, 1967, the results of which are summarized in Table IV. This survey, conducted by all postal carriers on all routes in the city of Bakersfield and in the suburban areas surrounding the city, covered a total of 56,220 possible deliveries of mail to residences and apartments, 93 percent of the estimated current housing inventory in the Greater Bakersfield area. Vacancies in residences numbered 1,075, or 2.0 percent of the 52,852 residences surveyed. Apartment vacancies totaled 317 units, or 9.4 percent of the 3,368 apartments surveyed.

It is important to note that the postal vacancy survey data are not entirely comparable with data published by the Bureau of the Census because of differences in definition, area delineation, and methods of enumeration. The census reports units and vacancies by tenure, whereas the postal survey reports units and vacancies by type of structure.

Current Estimate. Based on the postal vacancy survey, on periodic sales housing surveys by the Bakersfield Realty Board, and on local observation, it is judged that both the homeowner and rental vacancy rates have improved in recent years after reaching relatively high rates in 1963.

As of May 1, 1967 there are estimated to be about 1,600 available vacant units in the Greater Bakersfield area which are nonseasonal and not dilapidated. These include about 600 units for sale, a homeowner vacancy rate of 1.5 percent, and 1,000 units for rent, a rental vacancy rate of 5.4 percent (see table on page 8). Both of these ratios are considerably below those reported in the April 1960 Census.

Sales Market

As indicated by the declines in single-family authorizations in 1966 and in the homeowner vacancy rate, the sales housing market is in a fairly balanced condition.

Unsold Inventory of Homes. The most recent sales housing survey made by Bakersfield Realty Board in September 1966 found 272 existing and 80 new homes vacant and for sale. This was the lowest number of existing and the second lowest of new vacant homes in the five years these surveys have been made. The area of coverage in these surveys is equivalent to the Greater Bakersfield area.

The Los Angeles FHA Insuring Office has made annual surveys in January of each year of the unsold inventory among speculative houses in subdivisions with five or more completions during the preceding year in Kern County. Virtually all of these subdivisions are in and around Bakersfield. During the 1964-1966 period, the unsold inventory as a percent of total speculative construction increased from 21 percent at the end of 1964 to 36 percent a year later and then dropped markedly to only 14 percent at the end of 1966. The down-trend in 1966 was largely due to a cutback in new construction caused by more restrictive financing conditions. Only 52 houses were completed in 1966 in subdivisions as described above, compared to 213 in 1964, a drop of over 75 percent.

Although the largest number of completed homes in these subdivisions has been in the \$20,000 to \$25,000 price range in each of the past three years, the distribution indicates an upward trend in home prices. Typical price ranges for new homes in subdivisions are now \$15,000 to \$27,500. The lower prices are in Kern City (for retired couples) and in the Oildale area. The higher prices are in Park Stockdale, west of the city and north of Stockdale Highway, and in the northeast section of the city near Bakersfield Junior College. Lot prices in these subdivisions range from \$3,750 to \$5,000.

Outlook. The outlook for new home sales in 1967 is for a steady and somewhat higher volume than in 1966. The Bakersfield area has been more fortunate than the larger metropolitan areas of southern California, which experienced sharp ups and downs in new home construction in the 1960-1966 period.

Rental Market

In 1966 there was some decline in multifamily unit authorizations in the Greater Bakersfield area from the high years of 1964 and 1965. This trend was steeper in the first quarter of 1967 compared to the same period in 1966. The large number of apartments completed in the past three years have been well absorbed in the market.

There has been a trend toward more apartments at somewhat higher rentals in the southwest portion of the Bakersfield area compared to the northeast portion near Bakersfield College. There are several medium size one- or two-story projects, usually with a pool, and a group of twelve fourplexes just west of the Park Stockdale subdivision which have been well accepted. In the better new apartments typical rents are \$125 for 1-bedroom units and range from \$145 to \$185 for 2-bedroom units; 3-bedroom units (with 2 baths) rent for \$200. Older in-town apartments have lower rents, \$100 to \$110 for 1-bedroom units and \$110 to \$120 for 2-bedroom. Typically the tenant pays for electricity and gas for heating and hot water.

Listings in the classified ad section of the evening newspaper in Bakersfield, a rough measure at best, revealed no significant change in the second week of April 1967 from the same week a year earlier in houses for rent (both furnished and unfurnished) nor for unfurnished apartments. There was, however, a significant increase in furnished apartment listings with a wide range of rental rates, location, and (apparently) also of quality.

Urban Renewal

There are no active urban renewal projects in Bakersfield nor is there a Workable Program for the purpose of qualifying for federal assistance in urban renewal or below-market-interest-rate projects.

Public Housing

There are 460 units of permanent low-rent public housing in four projects in Bakersfield. These are under the management of the Housing Authority of the County of Kern. These projects have been developed over a period of years. The most recent construction involved 166 units completed in 1966, 106 units in a new project and a 60-unit addition to an existing project. Additional federally assisted public housing will require the certification of a workable program for community improvement, either for Kern County or for Bakersfield.

Demand for Housing

Quantitative Demand

Prospective demand for housing in the Greater Bakersfield area is based on the projected level of household growth (about 2,000 annually for the next two years), on the net number of housing units expected to be lost from the inventory through demolition, conversion, fire and other inventory changes, and on the need for a reduction in the current slight excess of rental vacancies. Consideration also is given to the current tenure composition of the inventory and to the continuing moderate trend from renter to owner occupancy. On the basis of these factors, an average annual demand for approximately 1,950 units is projected over the next two years, including 1,250 single-family units and 700 multifamily units. This estimate excludes demand for public low-rent housing and rent-supplement accommodations.

If assistance is made available in the acquisition and cost of land or in the private cost of financing, some additional demand for privately financed units in multifamily structures could be met effectively at the lower rents possible with such assistance.

The projected demand levels are somewhat in excess of recent building rates. In the first year of the forecast period, a maximum of no more than 550 to 600 new multifamily units can reasonably be expected to be supplied. In the meantime, the employment and vacancy levels should be observed closely. If the anticipated employment gains fail to materialize, and if current vacancies show no appreciable reduction, the second year of multifamily demand should be reduced accordingly.

Qualitative Demand

Sales Housing. Based on the distribution of families by annual after-tax incomes, on the proportion of incomes that families in the Bakersfield area ordinarily pay for sales-type housing, and on recent market experience, the estimated demand for 1,250 single-family units a year is expected to approximate the pattern presented in the following table.

Estimated Annual Demand for New Single-family Units
Greater Bakersfield, California, Area
May 1967 to May 1969

<u>Price range</u>	<u>Number</u>
Under \$16,000	125
\$16,000 - 17,999	300
18,000 - 19,999	250
20,000 - 24,999	350
25,000 - 29,999	125
30,000 - 34,999	65
35,000 & over	<u>35</u>
Total	1,250

Over half the projected annual sales demand is for housing priced under \$20,000 and a little over a fourth is in the medium price range of \$20,000 to \$25,000. Less than a fifth is at higher prices over \$25,000 and a considerable portion of this is expected to be done by owners on a contract basis. Construction of single-family homes for less than \$15,000 is not economically feasible in the Bakersfield area.

Rental Housing. Excluding rental housing produced with some form of public benefits or assistance in land purchase or financing, acceptable new privately-owned rental housing can be produced only at gross rents that are at and above minimum levels achievable under current construction and land costs. The monthly rentals at which 700 privately-owned net additions to the aggregate rental housing inventory (without public benefits or assistance in financing) might best be absorbed by the rental market are indicated for various size units in the following table. These net additions may be accomplished by either new construction or rehabilitation. The production of new units in higher rental ranges than indicated below may be justified only if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Annual Demand for New Rental Housing
Greater Bakersfield, California
May 1967 to May 1969

<u>Monthly</u> <u>gross rent a/</u>	<u>Size of Unit</u>			
	<u>Efficiency</u>	<u>1-BR</u>	<u>2-BR</u>	<u>3-BR</u>
\$105 - \$124	30	--	--	--
125 - 144	20	100	--	--
145 - 164	--	80	100	--
165 - 199	--	50	150	60
200 and over	--	<u>20</u>	<u>50</u>	<u>40</u>
Total	50	250	300	100

a/ Gross rent is shelter rent plus the cost of utilities.

The preceding distributions of average annual demand for new apartments are based on projected renter family income, the size distribution of renter households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Even though a deviation may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.

APPENDIX TABLES

Table I

Civilian Work Force and Employment by Industry^{a/}
Bakersfield, California, SMSA (Kern County)
(In thousands)

<u>Industry</u>	<u>Annual average</u>									<u>1st quarter</u>	
	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966p</u>	<u>1966p</u>	<u>1967p</u>
Civilian work force	<u>105.6</u>	<u>106.9</u>	<u>107.7</u>	<u>109.0</u>	<u>108.4</u>	<u>111.6</u>	<u>114.8</u>	<u>120.2</u>	<u>123.9</u>	<u>119.3</u>	<u>122.2</u>
Unemployment	6.5	5.4	6.2	7.2	6.9	6.9	6.8	7.0	6.6	7.7	7.8
As percent of work force	6.2%	5.1%	5.8%	6.6%	6.4%	6.2%	5.9%	5.8%	5.3%	6.5%	6.4%
Agricultural employment	18.5	18.3	18.0	18.5	17.4	17.8	18.2	18.9	19.6	16.6	17.0
Nonagricultural employment ^{b/}	<u>80.6</u>	<u>83.2</u>	<u>83.5</u>	<u>83.3</u>	<u>84.1</u>	<u>86.9</u>	<u>89.8</u>	<u>94.3</u>	<u>97.7</u>	<u>95.0</u>	<u>97.4</u>
Manufacturing	<u>7.9</u>	<u>8.7</u>	<u>7.9</u>	<u>7.2</u>	<u>7.3</u>	<u>7.9</u>	<u>8.1</u>	<u>9.0</u>	<u>9.4</u>	<u>9.4</u>	<u>9.1</u>
Durable goods	<u>4.6</u>	<u>5.3</u>	<u>4.4</u>	<u>3.9</u>	<u>3.7</u>	<u>4.0</u>	<u>4.1</u>	<u>5.0</u>	<u>5.4</u>	<u>5.4</u>	<u>5.2</u>
Nondurable goods	3.3	3.4	3.5	3.3	3.6	3.9	4.0	4.0	4.0	4.0	3.9
Nonmanufacturing	<u>72.7</u>	<u>74.5</u>	<u>75.6</u>	<u>76.1</u>	<u>76.8</u>	<u>79.0</u>	<u>81.7</u>	<u>85.3</u>	<u>88.3</u>	<u>85.6</u>	<u>88.3</u>
Agric. services	1.3	1.3	1.3	1.3	1.2	1.2	1.1	1.1	1.1	1.0	1.0
Mining	8.0	7.6	7.1	7.1	6.9	6.9	7.3	7.7	8.0	8.0	7.9
Contract construction	5.1	5.3	5.1	5.2	5.0	4.9	4.7	4.7	4.8	4.7	4.7
Transp., comm. & utils.	5.9	6.0	6.0	6.1	6.1	6.2	6.4	6.4	6.5	6.2	6.2
Wholesale & retail trade	18.3	19.3	19.8	19.3	19.5	20.1	20.4	21.9	22.6	21.6	22.6
Finance, ins. & real estate	2.5	2.7	2.8	2.8	2.9	3.2	3.3	3.3	3.2	3.2	3.3
Services	13.0	13.5	14.1	14.6	15.1	15.9	16.9	17.5	17.8	17.4	18.1
Government	18.6	18.8	19.4	19.7	20.1	20.6	21.6	22.7	24.3	23.5	24.5

^{a/} Figures may not add to totals because of rounding.

^{b/} Includes wage and salary workers, self-employed, unpaid family workers and household domestic workers.

p Preliminary.

Source: California State Department of Employment.

Table II

Estimated Percentage Distribution of Families and Renter Households
By Annual Income, After Deducting Federal Income Tax
Bakersfield, California, Housing Market Area
1967 and 1969

<u>Annual income</u>	<u>1967</u>		<u>1969</u>	
	<u>All families</u>	<u>Renter households^{a/}</u>	<u>All families</u>	<u>Renter households^{a/}</u>
Under \$2,000	5.4	8.5	4.7	7.9
\$2,000 - 2,999	6.2	9.2	5.7	8.5
3,000 - 3,999	8.1	9.7	7.6	9.2
4,000 - 4,999	7.5	11.2	7.2	10.2
5,000 - 5,999	8.6	10.0	7.9	10.1
6,000 - 6,999	9.3	10.5	9.0	9.6
7,000 - 7,999	9.3	10.7	8.6	10.1
8,000 - 8,999	8.9	8.1	8.7	9.1
9,000 - 9,999	8.5	5.4	8.2	6.1
10,000 - 12,499	13.0	8.9	15.0	9.5
12,500 - 14,999	7.6	4.2	8.1	5.2
15,000 - 19,999	4.3	2.2	5.5	2.7
20,000 - 24,999	1.5	0.7	1.6	0.9
25,000 and over	<u>1.8</u>	<u>0.7</u>	<u>2.2</u>	<u>0.9</u>
Total	100.0	100.0	100.0	100.0
Median income	\$7,550	\$6,150	\$7,950	\$6,450

^{a/} Excludes one-person households.

Source: Estimated by Housing Market Analyst.

Table III

Housing Units Authorized by Building Permits
Bakersfield, California, HMA
1960-1966

<u>City</u>	<u>1960</u>	<u>1961</u>	<u>Total Units Authorized</u>			<u>1965</u>	<u>1966</u>
			<u>1962</u>	<u>1963</u>	<u>1964</u>		
Bakersfield	1,028	861	596	554	443	548 <u>a/</u>	287
Kern County <u>c/</u>	<u>1,179</u>	<u>2,154</u> <u>b/</u>	<u>1,475</u>	<u>1,587</u>	<u>1,447</u>	<u>1,384</u>	<u>1,118</u>
Total	2,207	3,015	2,071	2,141	1,890	1,932	1,405
<u>Multifamily Units Authorized</u>							
Bakersfield	145	136	130	210	232	312 <u>a/</u>	158
Kern County <u>c/</u>	<u>132</u>	<u>139</u>	<u>175</u>	<u>293</u>	<u>471</u>	<u>475</u>	<u>403</u>
Total	277	275	305	503	703	787	451

a/ Includes 166 public housing units

b/ Includes 500 military units at China Lake Naval Weapons Station.

c/ Includes all of county except incorporated areas with their own permit systems.

Table IV

Bakersfield, California, Area Postal Vacancy SurveyApril 29, 1967

Postal area	Total residences and apartments						Residences						Apartments						House trailers		
	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant units				Under const.	Total possible deliveries	Vacant	
		All	%	Used	New			All	%	Used	New			All	%	Used	New			No.	%
Bakersfield	56,220	1,392	2.5	1,233	159	185	52,852	1,075	2.0	954	121	48	3,368	317	9.4	279	38	137	861	32	3.7
Branches:																					
Hillcrest Center	9,258	257	2.8	228	29	12	8,483	190	2.2	181	9	11	775	67	8.6	47	20	1	56	6	10.7
Oildale	8,980	172	1.9	170	2	24	8,893	167	1.9	165	2	12	87	5	5.7	5	-	12	492	11	2.2
Stations:																					
Annex	19,637	517	2.6	410	107	137	17,976	388	2.2	299	89	15	1,661	129	7.8	111	18	122	132	2	1.5
A	9,791	201	2.1	201	-	7	9,293	130	1.4	130	-	5	498	71	14.3	71	-	2	-	-	-
B	8,554	245	2.9	224	21	5	8,207	200	2.4	179	21	5	347	45	13.0	45	-	-	181	13	7.2

The survey covers dwelling units in residences, apartments, and house trailers, including military, institutional, public housing units, and units used only seasonally. The survey does not cover stores, offices, commercial hotels and motels, or dormitories; nor does it cover boarded-up residences or apartments that are not intended for occupancy.

The definitions of "residence" and "apartment" are those of the Post Office Department, i. e.: a residence represents one possible stop with one possible delivery on a carrier's route; an apartment represents one possible stop with more than one possible delivery.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).