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DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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Analysis of the

BUTTE, MONTANA HOUSING MARKET

as of July 1, 1971

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

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Housing Market Analysis

Butte, Montana, as of July 1, 1971

Foreword

This analysis has been prepared for the assistance and guidance of the Department of Housing and Urban Development in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing problems and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in the subject locality.

The factual framework for this analysis was developed by the Economic and Market Analysis Division as thoroughly as possible on the basis of information available on the "as of" date from both local and national sources. Of course, estimates and judgments made on the basis of information available on the "as of" date may be modified considerably by subsequent market developments.

The prospective demand or occupancy potentials expressed in the analysis are based upon an evaluation of the factors available on the "as of" date. They cannot be construed as forecasts of building activity; rather, they express the prospective housing production which would maintain a reasonable balance in demand-supply relationships under conditions analyzed for the "as of" date.

Department of Housing and Urban Development
Federal Housing Administration
Economic and Market Analysis Division
Washington, D. C.

FHA HOUSING MARKET ANALYSIS - BUTTE, MONTANA
AS OF JULY 1, 1971

The Butte, Montana, Housing Market Area (HMA) is defined to include all of Silver Bow County. Most of the population resides in the city of Butte or in unincorporated areas of the county to the south and east of the city. Historically, Butte has had close economic ties with the city of Anaconda, the county seat of neighboring Deer Lodge County, because ore mined in Butte is shipped by rail to a smelting plant in Anaconda. There is much less commuting between Silver Bow and other nearby counties because they are primarily agricultural areas and, in any case, long distance commuting is difficult during the long winter season.

The population of the HMA, estimated at 41,600 persons as of July 1, 1971, has been declining since the 1920's. During this period Butte has remained essentially a one-industry town. The introduction of the open pit method of mining and increased mechanization over the last twenty years has enabled the Anaconda Company to increase copper production with a smaller work force. Periodic strikes also have contributed to the volatility of the Butte economy. However, there has been moderate employment growth during the last two years, and continued employment growth is forecast for the HMA during the next two years if the copper strike, which began on July 1, 1971, is settled within a reasonable period of time.

Anticipated Housing Demand

Although moderate economic growth is expected in Silver Bow County during the next two years, a continued decline in population and households also is expected during the two-year forecast period. Thus, the demand for new nonsubsidized housing during the next two years will be primarily a result of upgrading of living accommodations and replacement needs generated by demolitions. In regard to sales housing, most of the market for new units in recent years has been dependent upon the purchase and demolition operations of the Anaconda Company. Based upon projected demolition activity by the Anaconda Company and on the economic, demographic, and housing factors discussed below, it is judged that an average of approximately 50 new nonsubsidized sales units could be built and marketed annually in the HMA during the two-year period ending July 1973. Those units would best satisfy market requirements if most of them were built to sell for \$20,000 to \$30,000.

Although the number of renter households in the HMA has declined steadily in recent decades and there is a high renter vacancy rate at the present time, it is judged that an average of 50 nonsubsidized rental units a year could be built and marketed successfully in the Butte area during the next two years if provided in small (25 units or less) well-located projects with monthly gross rents at or near the minimum levels achievable with market-interest-rate-financing.

Occupancy Potential for Subsidized Housing

Federal assistance in financing housing costs for low- and moderate-income families may be provided through a number of programs administered by HUD: monthly rent supplements in rental projects financed with market-interest-rate mortgages under Section 221(d)(3); partial interest payment on home mortgages insured under Section 235; partial interest payments on project mortgages insured under Section 236; and federal assistance to local housing authorities for public low-rent housing. Monthly rent supplements also can be provided for a limited proportion of units in rental projects insured under the provisions of Section 236.

For each of the aforementioned programs, the estimated occupancy potentials for subsidized housing are designed to determine (1) the number of families and individuals who could be served under the programs and (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the two-year forecast period. For the Section 235 and Section 236 programs, household eligibility is determined primarily by evidence that household or family income is below established limits, but sufficient to pay the minimum achievable rent or monthly payment for the specified programs. For

rent-supplement accommodations or public low-rent housing, all families and individuals with income below specified income limits are assumed to be eligible. Some families may be alternatively eligible for assistance under one or more of these programs using federal, state, or local support. The total occupancy potential for federally-assisted housing in the Butte HMA approximates the sum of the potential for public low-rent housing and Section 236 housing. As shown in table I, the total occupancy potential in the HMA is estimated to be 225 units annually during the July 1, 1971 to July 1, 1973 forecast period. Future approvals under each program should take into account any intervening approvals under other federal or state programs which serve the same families and individuals. It should be remembered, however, that recent absorption experience under the various federal subsidy programs has been limited to one 60-unit rent-supplement project for the elderly and about 40 units of Section 235 sales housing. Most of these units were occupied by local households who were upgrading their standard of living. Because the depth of this market has not been tested, future proposals under any of the federal subsidy programs should be conditioned on the successful absorption of units as they come on the market.

The annual occupancy potentials^{1/} for subsidized housing discussed below are based on 1971 incomes, the occupancy of substandard housing, estimates of the elderly population, income limits in effect on July 1, 1971, and on available market experience.^{2/}

Section 235 and Section 236. Subsidized housing for households with low- to moderate-incomes may be provided under either Section 235 or Section 236. Moderately-priced sales housing for eligible families can be made available through Section 235. Subsidized rental housing for the same families may be alternatively provided under Section 236; the Section 236 program also contains provisions for subsidized rental units for elderly couples and individuals. In the Butte HMA, it is estimated (based on exception income limits) that, for the period July 1971 to July 1973, there is an occupancy potential for an annual total of 55 subsidized family units utilizing either Section 235 or Section 236, or a combination of the two programs. In addition there is an annual potential for about 40 units of Section 236 rental housing for elderly couples and individuals. None of the families eligible for either Section 235 or Section 236 housing are eligible for public low-rent housing, but about three-fourths of the elderly households and individuals eligible for Section 236 housing also qualify for public housing or rent-supplement accommodations.

^{1/} The occupancy potentials referred to in this analysis have been calculated to reflect the strength of the market in view of existing vacancy. The successful attainment of the calculated potentials for subsidized housing may well depend upon construction in suitable accessible locations, as well as a distribution of rents and sales prices over the complete range attainable for housing under the specified program.

^{2/} Families with incomes inadequate to purchase or rent nonsubsidized housing generally are eligible for one form or another of subsidized housing.

As of July 1, 1971, approximately 40 new homes in the HMA had been insured by the Helena FHA Insuring Office under the provisions of Section 235. It is important to note, however, that construction had been started on only 22 homes (both subsidized and nonsubsidized) in the HMA in the first six months of 1971, and that few, if any, additional housing starts are expected in the remainder of 1971 because of strikes in the construction industry and the limitations imposed by the comparatively short building season in Montana. Thus, the number of firm commitments issued under this program during the next twelve months will be well below the estimated annual occupancy potential for such housing. As of mid-1971, no Section 236 housing had been built in the HMA, and none was under construction.

Rental Housing Under the Public Housing and Rent-Supplement Programs. These two programs serve households in essentially the same low-income group. The principal differences between the programs arise from the manner in which net income is computed and from other eligibility requirements. In the Butte HMA, the annual occupancy potential for public low-rent housing is estimated to be 50 units for families and 110 units for the elderly, a total of 160 units. None of the families eligible for public housing are eligible for Section 236 housing, but about 25 percent of the elderly households and individuals eligible for public housing also qualify under Section 236. Under the somewhat more restrictive rent-supplement programs, the potential for families would be about 80 percent of the figure shown above; the market among the elderly would remain unchanged, however.

As of July 1, 1971, there were 225 units of public low-rent housing and 60 units of rent-supplement housing in the Butte area. Over two-thirds of the units in the public housing project are occupied by elderly households and individuals. Until recently, there had been a vacancy factor of 5.0 percent or more in the project, but demolition activity during the last year effected the relocation of a number of elderly households into the project. The local housing authority maintains a waiting list of approximately 80 applicants, of whom 50 are elderly. The 60-unit rent-supplement project, completed in the spring of 1971, has no vacancies at present. There are no units under either program under construction in the HMA at the present time; however, the housing authority is preparing a proposal that would involve the construction of 350 units of housing for the elderly. The continued development of housing designed for elderly occupancy under either the low-rent or rent-supplement programs would appear to be feasible in view of (1) the current number of elderly persons residing in and waiting for admission to the public housing project, (2) the fact that a number of elderly households reside in substandard housing, (3) the demolition program being implemented by the Butte Model City Agency, (4) the rapid absorption of units in the recently-completed rent-supplement project, and (5) the comparatively high proportion of the city population (over 14 percent in April 1970) that was comprised of persons aged 65 years and over. It is judged that the 350 units discussed above would be absorbed most successfully if the units were completed in several stages, however.

The Sales Market

In recent years, the market for new sales housing in Silver Bow County has been dependent primarily upon demolition activity by the Anaconda Company in its program of expanding the perimeter of the Berkeley Pit. In most instances, persons selling their homes to the company have received liberal cash payments, enabling them to make substantial down payments on existing and new homes elsewhere in the Butte area. In addition, there is a small demand for new housing arising as a result of persons desiring to upgrade their standard of living. Although adversely affected by periodic strikes and cyclical fluctuations in copper production, the Butte sales market is usually characterized by a reasonable balance between demand and supply because the volume of new construction is quite sensitive to changing economic conditions. The sales vacancy rate was 1.3 percent in 1960, even though the Census enumeration was completed just after a six-month copper strike. The sales vacancy was 1.2 percent in April 1970, and was estimated to have declined slightly to 1.0 percent as of July 1971. Local sources indicate that the vacancy rate increased at the time of the 1967-1968 strike, but that lower levels of new construction and increased demolition activity in the city by the Butte Model City Agency have reduced the vacancy rate in recent years.

New construction in the Butte area declined sharply at the time of the 1967-1968 strike and has remained at a comparatively low level since then. Data obtained from a local utility company indicate that construction was started on only 205 single-family houses in the HMA between January 1968 and July 1971, an average of fewer than 60 units a year. Few, if any, of the units started in 1971 (a total of 22 houses) have been completed because of a lengthy carpenters strike that began in the spring. Even if the strike were settled shortly, it is likely that construction will start on only a few additional units this year because of the short building season in Montana.

Most of the single-family units built in the HMA in recent years were constructed in unincorporated areas of the county to the south and east of the city of Butte. A number of homes priced between \$19,500-\$23,000 have been completed in the last two years and sold under the financing provisions of FHA Section 235. As of July 1971, the Helena FHA Insuring Office had issued approximately 40 firm commitments under Section 235. New homes sold with Section 235 financing have accounted for roughly 20 percent of all single-family construction in the Butte area since January 1968. Speculative construction in the HMA is confined primarily to a few units in the \$23,000-\$30,000 price range. Practically all new units completed in this price range in recent years have been financed conventionally. There is a limited market for homes priced at \$30,000 and above, most of which are custom built on individually-owned lots.

The Rental Market

The rental market in the Butte area has been extremely weak for many years, as indicated by the high renter vacancy rates in 1960, 1970, and 1971 (see table VI). In part, the high vacancy rates can be attributed to the out-migration of renter families. There was a decline of over 2,000 renter households in the HMA between 1950 and 1970. In addition, the bulk of the renter inventory in Butte is quite old (over three-fourths of the HMA housing inventory was built prior to 1930) and includes many units which, if not dilapidated, are no longer rentable because of functional obsolescence (i.e., antiquated wiring and outmoded kitchen and plumbing facilities). The 1970 Census reported that over one-half of the units available for rent had been vacant for six months or more at the time of enumeration. There has been a moderate decline in the renter vacancy rate in the HMA since 1969 that can be attributed largely to the demolition of vacant units by the Butte Model City Agency.

Only a few apartment projects have been built in Silver Bow County in recent decades. For the first time in several years a 225-unit public low-rent housing project in Butte is almost completely occupied at the present time. Reportedly, several households have moved into the project during the past year because of the increase in demolition activity. Since the early 1950's a wholly-owned subsidiary of the Anaconda Company has built and leased apartments and homes in the Butte area for the use of company employees and in-migrant miners recruited for work in the Butte-Anaconda area. There are few vacancies at the present time, primarily because some of the older, less desirable projects have been boarded up and are no longer available for occupancy. Two projects with a total of 48 units were the only rental projects constructed in the HMA during the 1960 decade. Monthly shelter rents in these projects range from \$150 to \$175 for one-bedroom units, \$185 to \$240 for two-bedroom units, and about \$300 a month for three-bedroom units. The marketability of both projects was adversely affected at the time of the 1967-1968 strike, but all units in both projects are occupied at the present time. A 60-unit rent-supplement project was completed in Butte in the spring of 1971 and has no vacancies. It is interesting to note that a majority of the occupants in all of the projects discussed above are elderly, even though the rent-supplement project is the only one that contains accommodations designed specifically for elderly occupancy.

Economic, Demographic, and Housing Factors

The estimated demand for housing in the Butte HMA during the July 1, 1971 to July 1, 1973 forecast period is based on the following findings and assumptions regarding employment, income, demographic factors, and trends in the housing market.

Employment. Since the 1880's, the economy of the Butte area has depended primarily upon the mining of copper ore. In the last twenty years there have been two developments which have had a significant economic impact in the Butte area. The first of these has been the extraction (since 1954) of copper ore by the open pit method, a process by which lower-grade ore can be mined in sufficient quantities so as to be competitive in cost with higher-grade ore obtained through deep shaft mining. During the past two decades the perimeter of the pit has been steadily widened, necessitating the demolition of several hundred houses in the city of Butte and nearby communities. As the process of widening the pit has continued, the mechanization of several mining operations has resulted in increased output per worker and a reduction in employment at the Anaconda Company by roughly one-half since 1956.

The second development of economic significance in the Butte area has been the severity and length of strikes in the copper industry. Several have been quite prolonged, such as a six-month strike in the late 1950's and a nine-month strike between July 1967 and March 1968. On July 1, 1971, (the "as of" date of this report) there was another industry-wide copper strike. The effects of the current strike are, of course, unknown at present, but past strikes often have resulted in curtailed construction activity, a decline in debits at local banks and savings institutions, and a decline in employment at local trade and service establishments.^{1/}

Although employment in the Butte area has increased moderately during the last two years, wage and salary employment in 1970 was still 902(6.5 percent) below the average level of employment attained in the pre-strike year of 1966 (see table II). Employment in mining averaged 3,347 in 1970, as compared with 4,258 in 1966. As stated above, mining employment in Silver Bow County has declined by nearly one-half since the mid-1950's because of a reduction in the amount of underground mining and the mechanization of several operations utilized in the open pit method of mining. Employment in manufacturing also declined between 1966 and 1970, as did employment in construction and financing, insurance, and real estate. Employment in trade, services, and government has increased since 1968, after very little over-all gain in the preceding three years. There has been some increase in government employment at the county and city level over the last few years, and there has been a moderate, but steady, increase in the number of full-time employees (both faculty and maintenance) at Montana Tech. Some of the employment growth in the HMA since 1968 also can be attributed to the return of several jobs to a full-time status. Some nonmanufacturing jobs were done only on a part-time basis during the strike because of depressed economic conditions.

^{1/} The copper strike which began on July 1, 1971, was settled in early October. Although some increase in production can be anticipated in the Butte area as a result of the nationalization of Anaconda holdings in South America, most of the production, at least initially, will be in open pit mining. Because of this, no significant employment gains are expected which would significantly alter the economic, demographic and housing projections discussed in this report. An increase in production at open pit mines does not require the large increase in workers that deep shaft mining would require.

As a result of the copper industry strike, the number of unemployed persons in the HMA increased from an average of 797 (5.2 percent of the work force) in 1966 to 1,181 (9.5 percent) in 1968. The number of persons in the civilian work force declined by 2,873 (18.8 percent) between 1966 and 1968, suggesting that (1) there was considerable out-migration from the Butte area during the two-year period and (2) a number of local residents withdrew from the labor force because of the lack of employment opportunities. The rate of unemployment increased during 1970 and early 1971. Local sources indicate that a major reason for the increase in unemployment in recent months was the re-entrance of many local residents into the work force because of increased employment opportunities. Typically, however, the Butte area suffers from a surplus labor situation because of wide cyclical and seasonal fluctuations in the number of workers required by local employers.

Because of the volatile character of the Butte economy, it is difficult to predict changes in the level of employment growth. The current economic situation is further complicated by the copper strike which began on July 1, 1971. A lengthy strike could, of course, have a very serious effect on the local economy such as that which resulted from the strike in 1967 and 1968. However, there has been some employment growth locally since 1968, and prospects for continued growth during the next two years appear reasonably good, assuming that the copper strike is settled within a reasonable period of time. The recent nationalization of Anaconda copper holdings by the government of Chile lowered the productive capacity of the company considerably, and it is the opinion of many informed local sources that copper production in the Butte area will be accelerated in an attempt to offset the productive capacity lost in South America. If so, it can be anticipated that employment in mining will increase moderately during the next two years, thereby reversing, if only temporarily, the long-term downward trend in mining employment in the Butte area. There are also prospects for improvement in other sectors of the Butte economy. The construction of a \$25 million facility by the Anaconda Company for expansion and pollution control should result in increased employment in the construction industry during the next two years. In addition, warehouse facilities being constructed in the Butte area by two large corporations are expected to provide a number of new jobs. If the local economy should expand as indicated above, this would have a favorable effect on employment in trade, services, and government, which in recent years have accounted for most of the employment growth in the HMA. If the copper strike is settled within a reasonable period of time, it is judged that increases in nonagricultural wage and salary employment in the Butte area will average 750 a year during the July 1, 1971 to July 1, 1973 forecast period, including increases of an average of 50 a year in manufacturing and 700 a year in nonmanufacturing.

Income. The median annual income of all families in Silver Bow County, after deduction of federal income tax, was estimated at \$8,175 as of August 1971, and the median after-tax income of renter households of two persons or more was \$6,950. As shown in table III, an estimated

eight percent of all families and 10 percent of the renter families currently earn after-tax incomes of less than \$3,000 a year, and approximately nine percent of all families and five percent of the renter households receive annual after-tax incomes of \$15,000 or more.

Population. The population of the Butte HMA was estimated at 41,600 as of August 1, 1971, a decline of 380 persons since April 1970, or an average of 305 a year. The population of the HMA had declined steadily since just after World War I. The average population decline during recent decennial periods was 197 persons annually during the 1950's and 447 a year during the 1960's (see table IV). All of the population growth in the HMA since 1950 has occurred outside the corporate limits of Butte, mostly in suburban developments to the south and east of the city. However, during the 1960's population growth in the suburban areas of the HMA was negligible because of extensive demolition activity by the Anaconda Company to permit expansion of its Berkely Pit operations. Most of the population decline in recent years occurred during the late 1960's as a result of the 1967-68 strike and layoffs at the Anaconda Company subsequent to the strike settlement in March 1968.

The rate of population decline in the Butte area was greater in the 1960's than in the 1950's, and most of the decrease could be attributed to a lower level of net natural increase (excess of resident births over resident deaths). Net natural increase averaged only 330 a year during the 1960's, compared with an average increase of 620 a year during the 1950's. Out-migration was substantial during the last twenty years, averaging about 815 persons a year between 1950 and 1960 and 775 a year between 1960 and 1970. Out-migration was especially significant at the time of the copper strike during 1967 and 1968. As a result of the moderate rate of employment growth expected during 1971 and 1972, the decline in population in the HMA is expected to average only 250 persons a year between July 1971 and July 1973 (see table IV). It is important to note, however, that improved economic conditions will result in only a slightly lower rate of out-migration, an estimated 475 persons a year. This is due to the fact that many workers added to the work force during the next two years will be persons already residing in the Butte area. Many local residents leave the work force during the depressed times, then are attracted back into the work force when the economy improves. Thus, both population and households are expected to decline during the next two years despite prospects for moderate employment growth.

The number of households (occupied housing units) in the Butte HMA was estimated at 14,050 as of July 1, 1971, a decline of an average of 75 a year since April 1970. This compares with an average annual decline in the number of households of 119 a year during the 1960's. The decline in the number of households during the last decade was especially significant at the time of the long copper strike during 1967 and 1968. Based on the anticipated decline in population during the next two years, and on the assumption that the average size of households will continue to

decline slowly, it is estimated that there will be 13,950 households in the HMA by July 1, 1973, a decline of an average of 50 a year during the two-year forecast period. As shown in table IV, a continued decline in the number of households is expected in the city of Butte, but a moderate increase of an average of 50 households a year is expected in the suburban areas of the HMA.

Housing Inventory. As shown in table V, there were an estimated 15,550 housing units in the Butte HMA as of July 1, 1971, a decline of about 130 units since April 1970. The net decline in the housing supply during this period resulted from the construction of 145 housing units and the addition of 25 mobile homes, less 300 units removed from the inventory because of demolitions and other causes. During the 1960's, the housing supply in the HMA declined by nearly 2,600 units (14.2 percent). Most of the decline in the housing supply during the 1960's could be attributed to demolition activity by the Anaconda Company and the abandonment and demolition of a number of small, older structures in the city of Butte.

It is difficult to measure the trend of residential building activity in the HMA because most new construction in recent years has been in unincorporated areas of Silver Bow County where no building permits are required. Within the city of Butte, the number of housing units constructed in recent years has been comparatively small. Since January 1960, only 145 units have been built in the city, including a privately-financed 21-unit multifamily project in 1966 and a 60-unit rent-supplement project in 1971. In the unincorporated areas of the county, data on the number of new housing starts have been compiled since 1967 by a local utility company. Construction was started on 145 units in the unincorporated areas of the county in 1967, but only 40 units were started in 1968, a year during which the local economy was still recovering from the effects of the 1967-1968 copper strike. Construction activity improved in the succeeding two years to a total of 57 housing starts in 1969 and 86 in 1970; however, construction was started on only 22 units in the first six months of 1971, and of these, few had been completed because of a lengthy carpenters strike. The only apartment project built outside the city since 1960 was a privately-financed development of 27 units completed in 1967.

Since the mid-1950's, there has been an over-all decline in the number of housing units in the Butte HMA. Demolition activity by the Anaconda Company to allow expansion of the Berkely Pit has been significant in recent years. Since January 1960, the company has demolished approximately 1,165 housing units in the HMA, including 760 units in Butte and 405 units elsewhere in the county. In the early 1960's one entire suburban community of 206 homes (Meaderville) was completely demolished. During the forecast period, demolitions in the range of 30 to 50 units annually can be expected in areas near the periphery of the Berkely Pit. Since early 1969 the Butte Model City Agency has demolished approximately 400 housing units in the HMA, most of which were old vacant rental units in the city of Butte. Another factor which has

effected a reduction in the housing supply has been the abandonment and demolition of many small, substandard dwellings in the older sections of Butte near the Berkeley Pit.

Vacancy. As shown in table VI, there were an estimated 900 housing units in the Butte HMA vacant and available for sale or rent in July 1971, an over-all vacancy rate of 6.0 percent. Of the total available vacancies, 100 were for sale, a homeowner vacancy rate of 1.0 percent, and 800 were for rent, a rental vacancy rate of 15.0 percent. Comparative vacancy rates in April 1970 were 1.2 percent in the sales inventory and 15.7 percent in the rental inventory. As shown in table VI, the sales vacancy rate in the HMA has declined slowly since 1960, but there has been a comparatively sharp decline in the renter vacancy rate. Most of the decline in the renter vacancy rate has occurred in the last two years as a result of demolition activity in the city of Butte. Although the renter vacancy rate in the HMA is somewhat excessive at the present time, most of the vacancies are in deteriorating units of such marginal quality that they likely never will be occupied again.

Table I

Estimated Annual Occupancy Potential for Subsidized Rental Housing
Butte, Montana, Housing Market Area
July 1, 1971 to July 1, 1973

<u>Size of unit</u>	<u>Number of Units</u>			
	<u>Section 236</u> <u>exclusively</u>	<u>Families eligible</u> <u>for both programs</u>	<u>Public housing</u> <u>exclusively</u>	<u>Total for</u> <u>both programs</u>
A. Families				
One bedroom	5	-	5	10
Two bedrooms	20	-	20	40
Three bedrooms	20	-	15	35
Four or more bedrooms	10	-	10 _{b/}	20
Total	55 ^{a/}	-	50 ^{b/}	105
B. Elderly				
Efficiency	10	20	70	100
One bedroom	-	10	10	20
Total	10	30 ^{c/}	80 ^{c/}	120

a/ Estimates are based on exception income limits.

b/ About 80 percent of these families are eligible under the rent-supplement program.

c/ All of these elderly couples and individuals also are eligible under the rent-supplement program.

Table II

Work Force, Unemployment and Employment by Industry
Butte, Montana, Housing Market Area
Annual Average, 1965-1971

<u>Work force components</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>As of May:</u>	
							<u>1970</u>	<u>1971</u>
Total civilian work force	<u>15,892</u>	<u>15,297</u>	<u>13,859</u>	<u>12,424</u>	<u>14,041</u>	<u>14,656</u>	<u>14,429</u>	<u>15,461</u>
Unemployment	894	797	893	1,181	938	1,018	920	1,214
Percent of work force	5.6%	5.2%	6.4%	9.5%	6.7%	6.9%	6.4%	7.9%
Workers on strike	-	-	664	307	-	-	-	-
Total employment	<u>14,998</u>	<u>14,500</u>	<u>12,302</u>	<u>10,936</u>	<u>13,103</u>	<u>13,559</u>	<u>13,509</u>	<u>14,247</u>
Wage and salary employment	<u>12,505</u>	<u>12,790</u>	<u>10,985</u>	<u>9,786</u>	<u>11,750</u>	<u>12,319</u>	<u>12,280</u>	<u>12,799</u>
Manufacturing	764	695	630	529	668	707	716	NA
Nonmanufacturing	<u>11,741</u>	<u>12,095</u>	<u>10,355</u>	<u>9,257</u>	<u>11,082</u>	<u>11,612</u>	<u>11,564</u>	NA
Mining	4,152	4,258	2,773	2,011	2,829	3,349	3,210	NA
Contract construction	714	874	629	511	505	408	367	NA
Trans., comm., & util.	561	306	305	330	485	545	547	NA
Trade	2,509	2,538	2,451	2,415	3,248	3,327	3,457	NA
Fin., ins., & real estate	458	456	444	429	458	470	464	NA
Services and government	3,347	3,663	3,753	3,561	3,557	3,515	3,519	NA
All other employment ^{a/}	2,493	1,710	1,317	1,150	1,353	1,240	1,229	1,448

^{a/} Includes the self-employed, unpaid family workers, domestics, and agricultural workers.

Source: Montana State Employment Services.

Table III

Percentage Distribution of All Families and Renter Households^{a/}
by Estimated Annual After-Tax Income
Butte, Montana, Housing Market Area
As of August, 1971

<u>Annual income after tax</u>	<u>All families</u>	<u>Renter households</u>
Under \$3,000	8	10
\$3,000 - 3,999	5	8
4,000 - 4,999	7	11
5,000 - 5,999	9	10
6,000 - 6,999	9	12
7,000 - 7,999	10	11
8,000 - 8,999	10	10
9,000 - 9,999	9	7
10,000 - 12,499	15	11
12,500 - 14,999	9	5
15,000 and over	<u>9</u>	<u>5</u>
Total	100	100
Median income	\$8,175	\$6,950

a/ Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table IV

Population and Household Trends
Butte, Montana, Housing Market Area
April 1, 1950 - July 1, 1973

	April 1, 1950	April 1, 1960	April 1, 1970	July 1, 1971	July 1, 1973	<u>Average annual changes</u>			
						<u>1950- 1960</u>	<u>1960- 1970</u>	<u>1970- 1971</u>	<u>1971- 1973</u>
<u>Population</u>									
HMA total	<u>48,422</u>	<u>46,454</u>	<u>41,981</u>	<u>41,600</u>	<u>41,100</u>	<u>-197</u>	<u>-447</u>	<u>-305</u>	<u>-250</u>
Butte	<u>33,251</u>	<u>27,877</u>	<u>23,368</u>	<u>22,850</u>	<u>22,150</u>	<u>-537</u>	<u>-451</u>	<u>-415</u>	<u>-350</u>
Remainder of HMA	<u>15,171</u>	<u>18,577</u>	<u>18,613</u>	<u>18,750</u>	<u>18,950</u>	<u>340</u>	<u>4</u>	<u>110</u>	<u>100</u>
<u>Households</u>									
HMA total	<u>15,674</u>	<u>15,334</u>	<u>14,142</u>	<u>14,050</u>	<u>13,950</u>	<u>-34</u>	<u>-119</u>	<u>-75</u>	<u>-50</u>
Butte	<u>11,035</u>	<u>9,969</u>	<u>8,620</u>	<u>8,450</u>	<u>8,250</u>	<u>-107</u>	<u>-135</u>	<u>-135</u>	<u>-100</u>
Remainder of HMA	<u>4,639</u>	<u>5,365</u>	<u>5,522</u>	<u>5,600</u>	<u>5,700</u>	<u>73</u>	<u>16</u>	<u>60</u>	<u>50</u>

Sources: 1950, 1960, and 1970 from U.S. Censuses of Population and Housing.
1971 and 1973 estimated by Housing Market Analyst.

Table V

Changes in the Housing Inventory, Tenure, and Total Vacant Units
Butte, Montana, Housing Market Area
April 1, 1950-July 1, 1971

<u>Inventory, tenure, and vacancy</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1970</u>	<u>July 1, 1971</u>
<u>HMA total</u>				
Total housing inventory	<u>16,583</u>	<u>18,222</u>	<u>15,631</u>	<u>15,500</u>
Total occupied units	<u>15,674</u>	<u>15,334</u>	<u>14,142</u>	<u>14,050</u>
Owner occupied	<u>8,861</u>	<u>9,841</u>	<u>9,527</u>	<u>9,500</u>
Percent	<u>56.5%</u>	<u>64.2%</u>	<u>67.4%</u>	<u>67.6%</u>
Renter occupied	<u>6,813</u>	<u>5,493</u>	<u>4,615</u>	<u>4,550</u>
Percent	<u>43.5%</u>	<u>35.8%</u>	<u>32.6%</u>	<u>32.4%</u>
Total vacant units	<u>909</u>	<u>2,888</u>	<u>1,489</u>	<u>1,450</u>
<u>Butte</u>				
Total housing inventory	<u>11,563</u>	<u>12,316</u>	<u>9,738</u>	<u>9,550</u>
Total occupied units	<u>11,035</u>	<u>9,969</u>	<u>8,620</u>	<u>8,450</u>
Owner occupied	<u>5,166</u>	<u>5,345</u>	<u>4,979</u>	<u>4,875</u>
Percent	<u>46.8%</u>	<u>53.6%</u>	<u>57.8%</u>	<u>57.7%</u>
Renter occupied	<u>5,869</u>	<u>4,624</u>	<u>3,641</u>	<u>3,575</u>
Percent	<u>53.2%</u>	<u>46.4%</u>	<u>42.2%</u>	<u>42.3%</u>
Total vacant units	<u>528</u>	<u>2,347</u>	<u>1,118</u>	<u>1,100</u>
<u>Remainder of HMA</u>				
Total housing inventory	<u>5,020</u>	<u>5,906</u>	<u>5,893</u>	<u>5,950</u>
Total occupied units	<u>4,639</u>	<u>5,365</u>	<u>5,522</u>	<u>5,600</u>
Owner occupied	<u>3,695</u>	<u>4,496</u>	<u>4,548</u>	<u>4,625</u>
Percent	<u>79.9%</u>	<u>83.8%</u>	<u>82.4%</u>	<u>82.6%</u>
Renter occupied	<u>944</u>	<u>869</u>	<u>974</u>	<u>975</u>
Percent	<u>20.3%</u>	<u>16.2%</u>	<u>17.6%</u>	<u>17.4%</u>
Total vacant units	<u>381</u>	<u>541</u>	<u>371</u>	<u>350</u>

Sources: 1950, 1960, and 1970 from U. S. Census of Housing.
1971 estimated by Housing Market Analyst.

Table VI

Changes in Vacancy
Butte, Montana, Housing Market Area
April 1, 1950-July 1, 1971

<u>Vacancy characteristics</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1970</u>	<u>July 1, 1971</u>
<u>HMA total</u>				
Total vacant units	<u>909</u>	<u>2,888</u>	<u>1,489</u>	<u>1,450</u>
Available vacant units	<u>275</u>	<u>1,847</u>	<u>971</u>	<u>900</u>
For sale	39	128	112	100
Homeowner vacancy rate	0.4%	1.3%	1.2%	1.0%
For rent	236	1,719	859	800
Rental vacancy rate	3.3%	23.8%	15.7%	15.0%
Other vacant units ^{a/}	634	1,041	518	550
<u>Butte</u>				
Total vacant units	<u>528</u>	<u>2,347</u>	<u>1,118</u>	<u>1,100</u>
Available vacant units	<u>218</u>	<u>1,589</u>	<u>827</u>	<u>775</u>
For sale	18	52	53	50
Homeowner vacancy rate	0.3%	1.0%	1.1%	1.0%
For rent	200	1,537	774	725
Rental vacancy rate	3.3%	24.9%	17.5%	16.9%
Other vacant units ^{a/}	310	758	291	325
<u>Remainder of HMA</u>				
Total vacant units	<u>381</u>	<u>541</u>	<u>371</u>	<u>350</u>
Available vacant units	<u>57</u>	<u>258</u>	<u>144</u>	<u>125</u>
For sale	21	76	59	50
Homeowner vacancy rate	0.6%	1.7%	1.3%	1.1%
For rent	36	182	85	75
Rental vacancy rate	3.7%	17.3%	8.0%	7.1%
Other vacant units ^{a/}	324	283	227	225

^{a/} Includes seasonal units, units held off the market, dilapidated units, and units rented or sold and awaiting occupancy.

Sources: 1950, 1960, and 1970 from U. S. Census of Housing.
1971 estimated by Housing Market Analyst.