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1971

Analysis of the
**CHATTANOOGA, TENNESSEE-
GEORGIA
HOUSING MARKET**
as of April 1, 1971

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
U.S. FEDERAL HOUSING ADMINISTRATION
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FHA Housing Market Analysis

Chattanooga, Tennessee-Georgia, as of April 1, 1971

Foreword

This analysis has been prepared for the assistance and guidance of the Federal Housing Administration 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 - CHATTANOOGA, TENNESSEE-GEORGIA
AS OF APRIL 1, 1971

The Chattanooga Housing Market Area (HMA) conforms to the area defined as the Chattanooga Standard Metropolitan Statistical Area (SMSA) and consists of Hamilton County, Tennessee and Walker County, Georgia. The HMA is located in the Tennessee River Valley region of southeastern Tennessee and northern Georgia. The two-county area had an estimated total population in April 1971 of 308,000, including 119,200 in the city of Chattanooga.

The economy of Chattanooga relies largely on manufacturing activities such as the production of synthetic fibers, chemicals, textiles, apparel, ordnance, and metals. Chattanooga is also the headquarters of the TVA power system. During 1970, the growth of the Chattanooga economy slowed noticeably, but the utilization of subsidized housing programs contributed to a very high volume of residential construction for the local market. During the two-year period from April 1, 1971, to April 1, 1973, it is estimated that the HMA can successfully absorb about 3,200 new housing units per year if the appropriate levels of both subsidized and unsubsidized production are utilized.

Anticipated Demand for Unsubsidized Housing

The demand for new, unsubsidized housing in the Chattanooga Housing Market Area is based upon the anticipated population and household growth during the forecast period (April 1, 1971 to April 1, 1973). Consideration also has been given to a number of other factors including the number of housing units currently vacant, the number of units under construction, anticipated demolitions, and current family incomes. It is concluded that there will be an annual demand for 1,200 units of new, unsubsidized housing in this market area during the two-year period ending April 1, 1973. The housing marketed to meet this demand would be most readily absorbed if the annual volume of new, unsubsidized units included about 700 single-family houses, 250 mobile-home units, and 250 multifamily units. Table I shows the estimated demand for the various types of unsubsidized housing distributed according to prices, rents, and unit sizes.

The forecast annual demand for 1,200 new, unsubsidized housing units suggests the desirability of a volume of unsubsidized production slightly below the level of the past year. This forecast is made in light of local housing market conditions and economic factors, including some increase in vacancy rates over the past year, a decline in the average employment level during 1970, and also because of the expectation that subsidized units will be an increasingly important factor in supplying the area's housing requirements during the next two years. In any event, the estimates of future housing demand discussed in this analysis are not intended to predict actual construction activity, but rather to suggest construction levels which would promote a sound housing market consistent with trends evident in the Chattanooga HMA as of April 1, 1971.

Occupancy Potential for Subsidized Housing

Federal assistance in financing costs for new housing for low- or moderate-income families may be provided through a number of different programs administered by the Department of Housing and Urban Development: rent supplements in rental projects financed under Section 221(d)(3); partial payment of interest on home mortgages insured under Section 235; partial interest payment on project mortgages insured under Section 236; and federal assistance to local housing authorities for low-rent public housing.

The estimated occupancy potentials for subsidized housing are designed to determine, for each program, (1) the number of families who can be served under the program and, (2) the proportion of these households that can reasonably be expected to seek new subsidized housing during the forecast period. Household eligibility for the Section 235 and Section 236 programs 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 particular program. In the case of the low-rent public housing program and the rent supplement program, all families and individuals with incomes below specified income limits are assumed to be eligible; however, there may be additional conditions for eligibility, such as the rent supplement program requirement that families be occupants of substandard housing, or displaced by disaster or governmental action, or headed by a handicapped person in order to be eligible. Some families may be alternatively eligible for assistance under more than one of these programs or under other assistance programs using federal or state support. It is advisable, therefore, that consideration of additional housing under each program should take into account any concurrent approvals or proposals under other programs which might serve the same families and individuals.

The annual occupancy potentials for subsidized housing are based primarily on the following factors: 1971 incomes, the proportion of households occupying substandard housing, estimates of the elderly population, the income limits in effect on April 1, 1971, and on recent market experience. Consideration

also has been given to the area's current vacancy levels. The total occupancy potential for federally assisted housing approximates the sum of the potential for low-rent public housing, Section 235 housing, and Section 236 housing. For the Chattanooga HMA, this total occupancy potential for the three programs is estimated to be 2,000 units annually, including 1,625 units for families and 375 units for elderly couples and individuals. It should be noted that the successful attainment of the estimated potentials for subsidized housing may well depend upon the choice of location for the units as well as upon a distribution of rents and prices over the complete range attainable under the specified programs. The occupancy potentials for subsidized rental housing are shown in Table II.

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, subsidized sales housing for eligible families can be made available through Section 235. Subsidized rental housing^{1/} for the same families in the same income range may be alternatively provided under Section 236; the Section 236 program contains additional provisions for subsidized rental units for elderly couples and individuals. The Chattanooga Housing Market Area has an estimated annual occupancy potential for family housing for 600 sales units utilizing Section 235 and 350 rental units utilizing Section 236 during each year of the two-year period from April 1971 to April 1973. In addition, there is an annual potential for about 145 units of Section 236 rental housing for elderly couples and individuals. These estimates are based on regular income limits; using exception income limits, the annual occupancy potential would be increased significantly.

The suggested yearly combined total of 950 housing units for families and 145 units for elderly couples and individuals under Sections 235-236 represents a very substantial addition to the supply of housing available to eligible households. In particular, their interest in new rental accommodations, given the ready availability of Section 235 sales housing, remains untested. Careful attention must be given to the absorption of additions to the stock of Section 235 and Section 236 housing and appropriate adjustments made on the basis of market experience.

As of April 1, 1971, the Chattanooga HMA had a total of approximately 1,324 completed housing units which had been marketed under the provisions of either Section 235, Section 236, or comparable programs such as Section 221(d)(3) BMIR or Section 202. This total consisted of about 810 units

^{1/} Interest reduction payments may also be made for cooperative housing projects. Occupancy requirements under Section 236 are identical for tenants and cooperative owner-occupants.

occupied under Section 235, about 310 units under the BMIR program, and 204 units in a Section 202 project for the elderly. All of the housing marketed to date under the above programs has been satisfactorily absorbed. The Section 235 sales housing program became a significant factor in the Chattanooga market during 1970 when about 750 units were sold with this type of financing. Local builders have shifted a substantial portion of their production into the Section 235 price range (from about \$15,000 to \$21,000) and the favorable response from eligible homebuyers has resulted in rapid sales. There were four Section 236 rental projects under construction in the HMA as of April 1, 1971. These projects, containing a total of 346 family units, are all scheduled for completion during 1971 and, according to the current estimate, will supply the market's potential for this type of housing for the first year of the forecast period.

Low-Rent Public Housing and Rent Supplement. These two programs serve households in essentially the same low-income group. The principal differences are in the eligibility requirements and in the manner in which net income is computed. In the Chattanooga HMA, there is an estimated annual potential for 675 low-rent public housing units for families; about 70 percent of this potential (475 units annually) could be met by the alternative of rent supplement housing. As noted previously, the rent supplement program is more restrictive in its eligibility requirements, so that not all of those low-income families who qualify for public housing can also qualify for rent supplements. However, in the case of the elderly, the eligibility requirements for public housing and rent supplements are the same. There is an estimated occupancy potential for an annual total of 330 subsidized units for the elderly utilizing either public housing or rent supplements or a combination of the two programs. About 30 percent (or 100 units annually) of the elderly public housing/rent supplement potential could be met by the alternative of Section 236 housing for the elderly.

Local housing authorities have been established in the cities of Chattanooga, Soddy-Daisy (Tenn.), and Lafayette (Ga.). As of April 1, 1971, Chattanooga had 2,633 completed low-rent public housing units (including 160 designed for the elderly) and 350 units (for the elderly) under construction. Lafayette had 200 completed units (including 60 designed for the elderly) and 74 family units planned for construction this year. The low-rent public housing currently under construction for the elderly is expected to fully supply the area's potential for this type of housing during the first year of the forecast period. Soddy-Daisy had no units completed or under construction. There were over 500 families in the HMA on the waiting lists for low-rent public housing. Under the rent supplement program, two projects have been completed in the HMA. These contained a total of 220 units, all of which are designed for nonelderly families. Both projects were absorbed satisfactorily and have maintained high occupancy levels.

The Sales Market

As of April 1, 1971, the homeowner vacancy rate in the Chattanooga HMA was estimated to be 1.6 percent, slightly above the rate of 1.4 percent reported in April of 1970. The 1.6 percent rate is slightly above the optimum, considering the area's growth trends, current housing market conditions and future prospects. The increase in vacancies occurred largely in existing, used, homes and reflected some adverse factors in the local economy as well as the impact of a surge in new housing production during 1970. There was a sharp rise in the volume of production of new housing between 1969 and 1970, with most of the increase concentrated in the \$15,000 to \$21,000 price range where sales can be made to families eligible for Section 235 subsidies.

Production of new unsubsidized sales housing has generally kept pace with the modest demand in the HMA and, as of April 1971, this segment of the market was satisfactorily balanced. The greatest portion of this housing was being produced speculatively in the range of \$22,500 to \$30,000.

The annual FHA unsold inventory survey of subdivision activity showed 953 completions during 1970 with 58 percent in the price range from \$15,000 to \$20,000. A similar survey, conducted one year earlier, showed 653 completions during 1969 with about 36 percent in the \$15,000 to \$20,000 range. Speculative units increased from 87 percent of the units completed in 1969 to 92 percent in 1970. Selling prices have been increasing during the past three years by 6 to 8 percent each year, but the Chattanooga HMA is still a relatively low cost area with some new three-bedroom houses recently sold for as little as \$12,000. Mobile homes have played a significant role in the local sales market in recent years. Most of these units are sold for \$4,000 to \$10,000 and are located on scattered sites in the suburban or rural areas of the HMA.

The Rental Market

The Chattanooga HMA had a relatively high rental vacancy rate of 8.5 percent as of April 1, 1971. This rate was based on a total of about 3,100 vacant rental units. These consisted largely of vacancies among unsubsidized rental units; an increase above April 1970 levels resulted from recent additions to the supply of apartments and some concurrent slackening of demand traceable to the area's reduced employment levels. The vacancy level has increased since April 1970 when the census recorded about 2,800 vacant rental units, a renter vacancy rate of 7.8 percent. The increase in vacancies has been noticeable in the newer apartments (built since 1960) as well as in less competitive older apartments and duplexes. The vacancy level and the modest rate of absorption of new units suggest that there is some short-term oversupply of unsubsidized rental units.

Among new unsubsidized apartments marketed during the past three years, the gross monthly rents (utilities included) have been concentrated in the ranges of \$120 to \$140 for one-bedroom units and \$140 to \$175 for two-bedroom units. Very few efficiencies or three-bedroom units have been offered in the Chattanooga market.

Economic, Demographic, and Housing Factors

The following assumptions and findings provided the primary basis for the conclusions regarding the requirements for housing in the Chattanooga Housing Market Area.

Employment. During 1970 an average of 140,500 persons were employed in the Chattanooga Labor Market Area^{1/}. The total consisted of 124,900 nonagricultural wage and salary workers and 15,600 other workers who were either self-employed, domestics, unpaid family workers, or employed in agriculture. Despite a decrease from the 1969 level, the 1970 wage and salary employment still reflects an average annual increase of about 3,380 jobs in this category since 1965. About 40 percent of the current total wage and salary employment is in manufacturing industries.

During the 1965-1969 period, wage and salary employment increased each year with the annual increments ranging from 3,000 (2.5 percent) to 8,200 (7.6 percent). There were substantial gains in most categories in both manufacturing and nonmanufacturing. Growth was especially evident in the manufacturing categories of chemicals, textile mill products, fabricated metals and in the nonmanufacturing classifications of services, trade, and government. Local expansions in the production of explosive ordnance, nylon, and steam generating equipment have been among the prime factors in the generation of new employment opportunities in the Chattanooga area.

In 1970, manufacturing industries in the Chattanooga area were adversely affected by the weakness in the national economy and by the declining demand for defense-related materials. Especially large employment reductions occurred among local producers of chemicals for military ordnance and among local manufacturers of synthetic textile materials. As a result, average annual wage and salary employment declined below the level of 1969, reflecting a decrease of about 2,800 in manufacturing; non-manufacturing industries registered a net gain of about 500 employees.

It is anticipated that, during the next two years, the employment level in the Chattanooga area will increase from the 1970 levels as the local manufacturing industries readjust and begin to respond to the

^{1/} The Chattanooga Labor Market Area is defined as Hamilton County, Tenn. and Walker County, Ga. See table III for work force trends by industry.

demands of a stronger national economy. Increases in nonagricultural wage and salary employment are expected to add about 2,500 employees annually to the work force of the Chattanooga Labor Market Area during the period from April 1971 to April 1973. This gain is expected to reflect a recovery in synthetic textiles and metals as well as a renewal of growth in the nonmanufacturing industries, especially in trade, services, and insurance.

Income. As of April 1971, the estimated median annual income of all families in the Chattanooga HMA was \$8,450, after the deduction of federal income taxes. Renter households of two or more persons had an estimated median after-tax income of \$6,200. Almost one-fourth of all families in the HMA have after-tax incomes below \$5,000. Percentage distributions of families and renter households by 1971 after-tax incomes are shown in table IV.

Population and Households. The 1970 Census counted 304,927 persons in the Chattanooga Housing Market Area as of April 1, 1970. In the year since the U. S. Census, it is estimated that the HMA had a net population increase of 3,075 persons, bringing the total to about 308,000 as of April 1, 1971. In the decade between the Censuses of April 1960 and April 1970, the HMA population increased by an average of 2,175 persons annually. During this ten-year period, there was a net out-migration of population from the HMA which is reflected in the fact that the average annual gain was significantly lower than the average annual net natural increase^{1/} of 3,200 per year. The population growth in the area in the 1960's was affected by the fact that there was practically no expansion in employment opportunities in the early part of the decade (1960-1963) and also by the fact that the city of Chattanooga was losing population between 1960 and 1970 coincident with the demolition of a very large number of housing units. Most of the population growth in the Chattanooga HMA occurred after 1964.

During the two-year forecast period, April 1971 to April 1973, the population of the Chattanooga HMA is expected to increase by an average of 3,500 (1.1 percent) each year. Renewed population growth is expected in the city of Chattanooga, but the greater portion of the HMA's gains will continue to be in the suburban areas of Hamilton County.

The total number of households in the Chattanooga Housing Market Area was estimated to be 99,400 as of April 1, 1971; the current figure reflects a gain of about 1,900 since April 1, 1970. During the decade from 1960 to 1970, census data reveal an average yearly increase of about 1,500 households; even the city of Chattanooga registered a gain in households despite losing population during the same period. Most of the household growth in the HMA took place in the period following 1964, coincident with an expansion in the local economy. Average household size in the HMA declined from 3.39 persons in 1960 to 3.08 in 1970 and it is anticipated that this trend toward smaller households will continue during the forecast period. In the two-years ending April 1, 1973, it is expected that the number of households in the HMA will increase by about 2,000 each year. Table V shows demographic trends and projections for the period from 1960 to 1973.

^{1/} The net natural increase is the resident births minus the resident deaths.

Housing Factors. Building permit systems cover about 85 percent of the residential construction activity in the Chattanooga HMA, including all of Hamilton County, but limited in Walker County to the jurisdictions of Chickamauga, Lafayette, and Rossville. During the period since 1965, the records of building permits show that the peak volume was 2,946 new housing units during 1970; the low occurred during 1966 when 1,686 units were authorized. An estimated annual average of 275 units were built without permits; most of these were located in Walker County. The record high volume of residential construction in 1970 was achieved through the authorization of about 1,700 units for subsidized occupancy under Section 235, Section 236, low-rent public housing, and other programs. About 750 units utilized Section 235 financing. Nearly 350 units were started with the aid of Section 236 and another 150 units used the below-market-interest rate program. The rent-supplement program and low-rent public housing accounted for 100 units and 350 units, respectively. Many of the subsidized units, especially those in multifamily projects, were located in Chattanooga, contributing to the city's largest annual volume of residential construction in more than ten years. Despite the increased numbers of apartments constructed in recent years, the single-family house continues as the predominant type of new housing unit produced for the Chattanooga HMA. Most of these new houses, both subsidized and unsubsidized, have been built in Hamilton County to the north and east of Chattanooga.

As of April 1, 1971, there were about 600 single-family houses under construction; it is estimated that 50 percent of these houses will be occupied by families subsidized under the provisions of Section 235. About 975 apartments were under construction at the same time; about 70 percent of these will be subsidized utilizing either Section 236, the low-rent public housing program, or rent supplements. Table VI shows the record of building permits issued in the Chattanooga HMA since 1965.

The estimated total housing inventory in the Chattanooga Housing Market Area was 105,800 units as of April 1971. This total included about 4,850 mobile-home units. The HMA's housing inventory increased by about 2,300 units since the April 1970 Census as a net result of the addition of 2,800 units (including 400 mobile homes) and the loss of about 500 units through demolition, conversion, or other causes. Data from the Census Bureau show that between April 1960 and April 1970, the HMA gained about 15,575 housing units, including about 2,750 mobile-home units. Most of that net increase reflected the expanding housing inventory in the suburban area of Hamilton County and Walker County. In the city of Chattanooga, the construction of new housing during the nineteen-sixties barely exceeded the number of units demolished or lost because of highway construction, urban renewal, condemnation, conversion, fire or other causes. Thus, in the decade from 1960 to 1970, the housing inventory in the city increased only by about 1,500 units. Housing inventory data, including the number of owner-occupied and renter-occupied units, are included in table VII.

There was an estimated total of 6,400 vacant housing units in the Chattanooga HMA as of April 1, 1971. The total consisted of 1,100 units available for sale, 3,100 units available for rent, and 2,200 other vacant units that were unavailable for other reasons (seasonal units, units sold or rented and awaiting occupancy, etc). Almost all of these vacancies were unsubsidized units; vacancies in subsidized housing were minimal. The available vacant units were reflected in a homeowner vacancy rate of 1.6 percent and a renter vacancy rate of 8.5 percent. Consideration of local economic and market conditions as of April 1971, suggested that these vacancy rates were slightly above the levels that would be consistent with optimum conditions in the sales and rental markets for unsubsidized housing.

Table I

Annual Demand for New Unsubsidized Housing
Chattanooga Housing Market Area^{a/}
April 1, 1971 to April 1, 1973

1. Unsubsidized Single-family Houses

<u>Price class</u>	<u>Annual number of units</u>
Under - \$15,000	30
\$15,000 - 17,499	60
17,500 - 19,999	100
20,000 - 22,499	85
22,500 - 24,999	70
25,000 - 29,999	140
30,000 - 34,999	105
35,000 and over	<u>110</u>
Total	700

2. Unsubsidized Mobile Homes

<u>Price class</u>	<u>Annual number of units</u>
\$4,000 - \$10,000	250

3. Unsubsidized Multifamily Units

<u>Gross monthly rent^{b/}</u>	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedrooms</u>	<u>Three bedrooms</u>	<u>All units</u>
Under \$120	10	-	-	-	10
\$120 - 139	10	35	-	-	45
140 - 159	-	35	-	-	35
160 - 180	-	15	55	-	70
180 - 199	-	5	45	-	50
200 - 249	-	-	20	15	35
250 and over	-	-	-	<u>5</u>	<u>5</u>
Total	20	90	120	20	250

^{a/} Hamilton County, Tenn. and Walker County, Ga.

^{b/} Includes estimated cost of utilities.

Source: Estimated by Housing Market Analyst.

Table II

Annual Occupancy Potential for Subsidized Rental Housing
Chattanooga Housing Market Area^{a/}
April 1, 1971-April 1, 1973

	<u>Section 236^{b/}</u> <u>exclusively</u>	<u>Eligible for</u> <u>both programs</u>	<u>Public housing</u> <u>exclusively</u>	<u>Total for</u> <u>both programs</u>
A. <u>Families</u>				
1 bedroom	45	0	90	135
2 bedrooms	140	0	250	390
3 bedrooms	105	0	195	300
4+ bedrooms	<u>60</u>	<u>0</u>	<u>140</u>	<u>200</u>
Total	350	0	<u>675^{c/}</u>	1,025
B. <u>Elderly</u>				
Efficiency	20	60	130	210
1 bedroom	<u>25</u>	<u>40</u>	<u>100</u>	<u>165</u>
Total	45	<u>100^{d/}</u>	<u>230^{d/}</u>	375

Note: See page 3 for estimates of the Section 235 Sales Housing potential.

a/ Hamilton Co., Tenn. and Walker Co., Ga.

b/ Estimates are based on regular income limits.

c/ About 70 percent of these families also are eligible for the rent supplement program.

d/ All of these elderly also are eligible for the rent supplement program.

Source: Estimated by Housing Market Analyst.

Table III

Civilian Work Force Components
Chattanooga, Tennessee, Labor Market Area^{a/}
1965-1970
(in thousands)

	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Civilian work force	<u>130.3</u>	<u>137.8</u>	<u>140.6</u>	<u>143.5</u>	<u>148.2</u>	<u>146.6</u>
Unemployment	4.2	4.1	4.3	4.2	4.2	5.6
Percent of work force	3.2%	3.0%	3.1%	2.9%	2.8%	3.8%
Total employment	<u>126.1</u>	<u>133.4</u>	<u>135.8</u>	<u>138.2</u>	<u>143.5</u>	<u>140.5</u>
Nonagricultural wage & salary	<u>108.8</u>	<u>116.2</u>	<u>119.2</u>	<u>122.2</u>	<u>127.2</u>	<u>124.9</u>
Manufacturing	<u>45.2</u>	<u>49.9</u>	<u>51.4</u>	<u>51.5</u>	<u>54.2</u>	<u>51.4</u>
Durable goods	<u>19.9</u>	<u>21.7</u>	<u>22.4</u>	<u>21.8</u>	<u>23.4</u>	<u>22.9</u>
Lumber (ex. furn.)	1.1	1.2	1.1	1.0	1.0	1.0
Stone, clay, & glass	2.3	2.5	2.5	2.3	2.5	2.6
Primary metals	4.3	4.6	4.6	4.1	4.6	4.6
Fabricated metal prod.	6.8	7.3	8.0	7.4	7.8	7.5
Mach. (ex. elec.)	2.3	2.6	2.6	2.8	3.2	3.0
Other durable goods	3.1	3.5	3.6	4.2	4.3	4.2
Nondurable goods	<u>25.3</u>	<u>28.2</u>	<u>29.0</u>	<u>29.7</u>	<u>30.8</u>	<u>28.5</u>
Food products	3.7	3.7	3.9	3.9	4.0	3.9
Textile mill products	11.0	11.4	11.5	11.9	12.0	11.5
Apparel	1.4	1.6	1.3	1.1	1.1	1.2
Paper products	1.3	1.4	1.3	1.2	1.2	1.3
Printing & publishing	1.0	1.2	1.4	1.6	1.7	1.4
Chemicals	6.0	7.9	8.6	8.9	9.4	7.9
Other nondurable goods	.9	1.0	1.0	1.1	1.4	1.3
Nonmanufacturing	<u>62.8</u>	<u>66.3</u>	<u>67.8</u>	<u>70.7</u>	<u>73.0</u>	<u>73.5</u>
Mining	.2	.2	.1	.2	.2	.2
Construction	4.8	5.8	5.2	5.4	5.4	5.3
Trans., comm., & util.	5.6	5.7	6.0	6.4	6.5	6.2
Trade	19.8	20.9	21.3	21.9	23.1	22.9
Fin., ins., & real estate	5.7	6.1	6.5	6.8	7.1	7.4
Service	13.0	13.5	14.0	14.7	15.5	16.0
Government	13.7	14.1	14.7	15.3	15.2	15.5
Other nonag. employment ^{b/}	15.9	15.0	14.4	14.0	14.3	13.8
Agriculture	2.2	2.2	2.2	2.0	2.0	1.8
Involved in labor disputes	0	.3	.5	1.1	.5	.5

^{a/} Includes Hamilton Co., Tenn. and Walker Co., Ga.

^{b/} Includes self-employed persons, domestics, and unpaid family workers.

Source: Tennessee Department of Employment Security.

Table IV

Estimated Percentage Distribution of All Families and Renter Households^{a/}
by Annual Income After Deduction of Federal Income Tax
Chattanooga Housing Market Area^{b/}
April 1971

<u>Annual income</u>		<u>All families</u>	<u>Renter households^{a/}</u>
Under	\$3,000	11	20
\$3,000 -	3,999	6	9
4,000 -	4,999	7	10
5,000 -	5,999	7	9
6,000 -	6,999	7	9
7,000 -	7,999	8	9
8,000 -	8,999	7	7
9,000 -	9,999	8	6
10,000 -	12,499	14	11
12,500 -	14,999	10	5
15,000 and over		<u>15</u>	<u>5</u>
Total		100	100
Median income		\$8,450	\$6,200

^{a/} Renter households of two-or-more persons.

^{b/} Hamilton County, Tennessee and Walker County, Georgia.

Source: Estimated by Housing Market Analyst.

Table V

Population and Household Trends
Chattanooga Housing Market Area^{a/}
April 1960-April 1973

	<u>April 1960</u>	<u>April 1970</u>	<u>April 1971</u>	<u>April 1973</u>	<u>Average annual change</u>					
					<u>1960-1970</u>		<u>1970-1971</u>		<u>1971-1973</u>	
					<u>Number</u>	<u>Rate^{b/}</u>	<u>Number^{c/}</u>	<u>Rate^{b/}</u>	<u>Number</u>	<u>Rate^{b/}</u>
<u>Population</u>										
HMA total population	283,169	304,927	308,000	315,000	2,176	0.7	3,075	1.0	3,500	1.1
Hamilton County	237,905	254,236	256,500	261,800	1,633	0.7	2,275	0.9	2,650	1.0
Chattanooga	130,009	119,082	119,200	120,100	-1,093	-0.8	125	0.1	450	0.4
Remainder of Hamilton Co.	107,896	135,154	137,300	141,700	2,726	2.3	2,150	1.6	2,200	1.6
Walker Co.	45,264	50,691	51,500	53,200	543	1.1	800	1.6	850	1.6
<u>Households</u>										
HMA total households	82,485	97,545	99,400	103,400	1,506	1.7	1,900	1.9	2,000	2.0
Hamilton County	69,825	81,929	83,400	86,600	1,210	1.6	1,500	1.8	1,600	1.9
Chattanooga	39,832	40,563	40,700	41,100	73	0.2	150	0.3	200	0.5
Remainder of Hamilton Co.	29,993	41,366	42,700	45,500	1,137	3.2	1,350	3.2	1,400	3.2
Walker Co.	12,660	15,616	16,000	16,800	296	2.1	400	2.5	400	2.4

^{a/} Hamilton Co., Tenn. and Walker Co., Ga.

^{b/} Average annual percentage rates computed on a compound basis.

^{c/} Rounded.

Sources: 1960 and 1970 Censuses of Population and Housing; estimates by Housing Market Analyst.

Table VI

New Housing Units Authorized by Building Permits
by Location and Type of Unit
Chattanooga Housing Market Area

<u>Location</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	(Jan.-Feb.) <u>1971</u>
HMA, total units authorized	<u>1,963</u>	<u>1,686</u>	<u>1,853</u>	<u>2,390</u>	<u>1,744</u>	<u>2,946</u>	<u>309</u>
Hamilton County	<u>1,903</u>	<u>1,584</u>	<u>1,825</u>	<u>2,357</u>	<u>1,711</u>	<u>2,658</u>	<u>290</u>
Chattanooga	229	189	229	749	355	1,026	40
East Ridge	106	102	218	231	148	159	48
Lookout Mountain	8	10	10	11	5	6	1
Red Bank	111	182	125	95	118	117	11
Signal Mountain	53	35	45	51	28	29	3
Remainder of Hamilton County	1,396	1,066	1,198	1,220	1,057	1,321	187
Walker County	<u>60</u>	<u>102</u>	<u>28</u>	<u>33</u>	<u>33</u>	<u>288</u>	<u>19</u>
Chickamauga	1	2	-	4	4	29	10
La Fayette	53	98	23	27	27	145	9
Rossville	6	2	5	2	2	114	-
<u>Type of unit</u>							
Single-family	1,410	1,190	1,281	1,192	1,028	1,528	227
Duplex	402	314	418	308	372	394	36
Multifamily	151	182	154	890	344	1,024	46

Note: Data include subsidized and unsubsidized housing.

Source: Bureau of the Census, Construction Reports, C-40; local building inspectors.

Table VII

Components of the Housing Inventory
Chattanooga Housing Market Area^{a/}
April 1960, April 1970, April 1971

	<u>April</u> <u>1960</u>	<u>April</u> <u>1970</u>	<u>April</u> <u>1971</u>
Total housing inventory	87,929	103,506	105,800
Occupied housing units	82,485	97,545	99,400
Owner-occupied	51,524	64,589	65,900
Percent	62.5%	66.2%	66.3%
Renter-occupied	30,961	32,956	33,500
Percent	37.5%	33.8%	33.7%
Vacant housing units	5,444	5,961	6,400
Available vacant	2,643	3,726	4,200
For sale	862	925	1,100
Homeowner vacancy rate	1.6%	1.4%	1.6%
For rent	1,781	2,801	3,100
Renter vacancy rate	5.4%	7.8%	8.5%
Other vacant ^{b/}	2,801	2,235	2,200

^{a/} Hamilton County, Tenn. and Walker County, Ga.

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

Sources: 1960 and 1970 Censuses of Housing; 1971 estimated by Housing Market Analyst.