

728.1
:308
F22
Cleveland, Ohio
1966

Analysis of the
CLEVELAND, OHIO
HOUSING MARKET

as of April 1, 1966

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20411
JAN 19 1967

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

January 1967

ANALYSIS OF THE
CLEVELAND, OHIO, HOUSING MARKET
AS OF APRIL 1, 1966

Field Market Analysis Service
Federal Housing Administration
Department of Housing and Urban Development

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.

Table of Contents

	<u>Page</u>
Summary and Conclusions	i
Housing Market Area	1
Map of Area	2
Economy of the Area	
Character and History	3
Employment	3
Principal Employers	4
Unemployment	5
Future Employment	5
Income	7
Demographic Factors	
Population	8
Households	9
Housing Market Factors	
Housing Supply	11
Residential Building Activity	12
Tenure of Occupancy	13
Vacancy	14
Sales Market	17
Rental Market	18
Demand for Housing	
Quantitative Demand	20
Nursing Homes	20
Submarket Summaries	
Cleveland City	23
Suburban Cuyahoga County	33
Lake and Geauga Counties	43

ANALYSIS OF THE
CLEVELAND, OHIO, HOUSING MARKET AREA
AS OF APRIL 1, 1966

Summary and Conclusions

1. The economy of the Cleveland, Ohio, HMA is based on the production of iron and steel and the fabrication of a wide variety of products from iron, steel, aluminum, copper, and brass. Manufacturers engaged in the production of machinery, fabricated metal products, primary metals, and transportation equipment account for about 58 percent of all manufacturing employment.

Responding to record automobile sales and to heavy demands by American industry for producer durable goods, nonagricultural wage and salary employment increased by 25,900 jobs between 1964 and 1965, reaching a 1965 average of 762,800. Since 1958, however, employment has expanded at a much more moderate rate and the current levels of employment are still below peak levels reached during the 1950's. Over the next two years, nonagricultural wage and salary employment is expected to grow by 15,500 yearly. The forecast employment growth is well above average annual gains experienced since 1958, but below the rapid growth of the past year.

2. Current median family income in the Cleveland HMA, after deducting Federal income taxes, is estimated at \$8,300, with about 35 percent of all families earning \$10,000 or more and 12 percent having income of less than \$4,000 a year. By 1968, median family income (after taxes) is expected to reach \$8,750.
3. As of April 1, 1966, the population of the Cleveland HMA is 1,989,700, an increase of 145,500, or 7.9 percent, since April 1, 1960. It is estimated that the population will increase by about 29,350 annually during the next two years, reaching a level of 2,048,400 by April 1, 1968.
4. There are 603,800 households in the Cleveland HMA at present, about 53,750 (9.8 percent) more than were enumerated by the census in 1960. Based on the anticipated increase in population in response to new job opportunities in the area and on the anticipated decline in average household size, there are expected to be 623,100 households in the Cleveland HMA by April 1, 1968 an average addition of about 9,650 households annually during the next two years.

5. The current housing inventory in the Cleveland HMA totals 633,000 units, a net increase of about 56,400 units (9.8 percent) since April 1960. Between 1960 and 1965, there were about 72,250 privately-financed housing units authorized for construction in the HMA, of which 53 percent were in multifamily structures. The number of single-family units authorized has been declining steadily over the last six years, whereas multifamily units authorized increased rapidly from 3,275 units in 1960 to a peak of 10,900 units in 1963. Since then, multifamily construction has fallen off, with only 5,650 units authorized in 1965.
6. Over the last six years, there have been wide fluctuations in the vacancy rates in the HMA. However, because of the more rapid employment growth in the area in recent years and reduced construction activity over the last two years, the over-all net vacancy rate has declined to about the same level as it was in 1960. The composition of vacancies has changed somewhat, with the current net homeowner vacancy rate estimated at 1.2 percent compared with 1.5 percent in 1960, and the current rental vacancy rate estimated at 5.8 percent compared with 5.3 percent in 1960.
7. The volume of privately-owned net additions to the housing supply that is expected to meet the needs of the HMA is projected at 12,650 units annually over the two-year forecast period. Of the total annual demand, 5,900 units will be for sales units and the remaining 6,750 units represent demand for rental housing. This demand estimate excludes public low-rent housing and rent-supplement accommodations. Distributions of demand by sales price and rent level are shown separately for each of the three major submarkets (see table of contents).
8. Over the next two years, the need for additional proprietary nursing home beds can be satisfied by the current gross supply and the number of beds expected to be put on the market in nursing homes now under construction. Enforcement of new licensing standards, however, may result in the elimination of a portion of the current supply and, in addition, some demand may result from the operation of the Medicare program.

ANALYSIS OF THE
CLEVELAND, OHIO, HOUSING MARKET
AS OF APRIL 1, 1966

Housing Market Area

The Cleveland Housing Market Area (HMA) under consideration in this report is defined as Cuyahoga, Lake, and Geauga Counties. These three counties constitute three of the four counties of the Cleveland Standard Metropolitan Statistical Area (SMSA) as currently defined by the Bureau of the Budget. The fourth SMSA county (Medina) cannot be considered as an integral part of the Cleveland housing market.

The Cleveland HMA is located in the northeastern part of Ohio on the south shore of Lake Erie among a complex of five large metropolitan areas, including the Lorain-Elyria SMSA to the west, and the Akron, Canton, and Youngstown-Warren areas to the south and southeast. Chicago lies about 325 miles west of Cleveland and Buffalo is about 200 miles east.

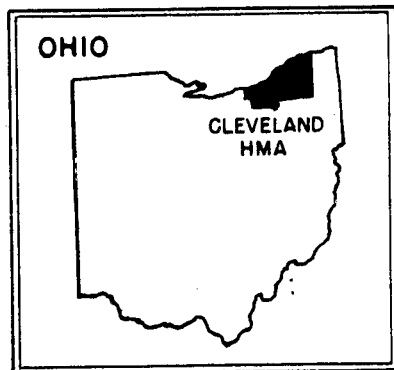
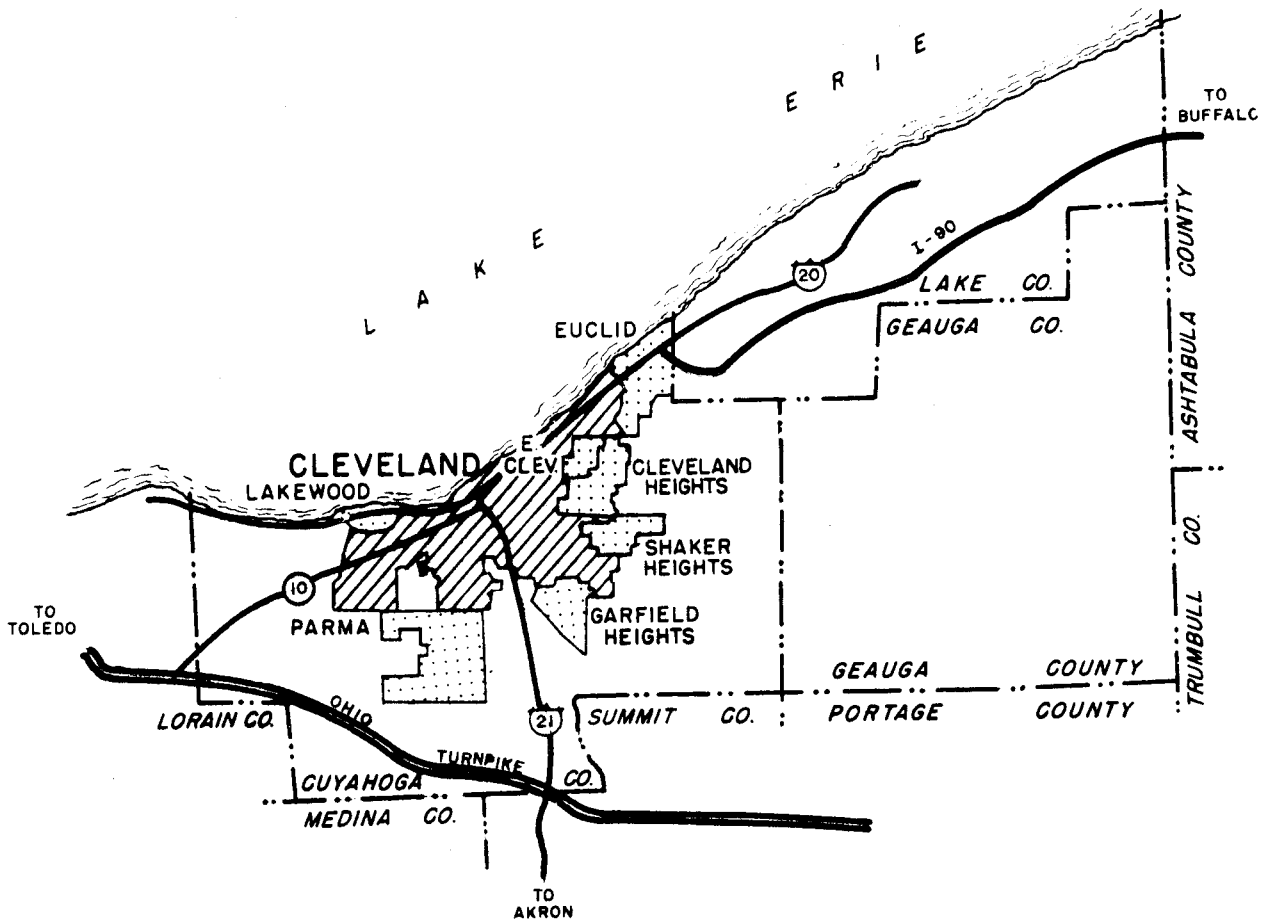
In 1960, the HMA had a population of over 1.8 million and contained ten cities with populations exceeding 25,000 persons each.^{1/} Cleveland, with a 1960 population of about 876,000, was the largest city in Ohio, and the eighth largest in the Nation. The other nine cities are Parma (82,850), Lakewood (66,150), Euclid (63,000), Cleveland Heights (61,800), Garfield Heights (38,450), East Cleveland (38,000), Shaker Heights (36,450), Maple Heights (31,650), and South Euclid (27,550).

Major roads serving the HMA include the Ohio Turnpike, running east and west, south of Cleveland, and Interstate 90, which provides high-speed road transportation to the east from downtown Cleveland. There are six interstate highways and several local freeways currently under construction or planned which should provide an excellent network of limited-access highways for the HMA by the early 1970's. Rail transportation is provided by five major trunk lines and three local railroads. Cleveland also has one of the major ports on the Great Lakes. Since the opening of the St. Lawrence Seaway, it has handled growing amounts of overseas cargo. However, the primary use of the port has been for inbound shipments of iron ore. Cleveland also possesses a rapid transit system that provides rail commuter service to downtown Cleveland from the east and west sides of the city. There is also a rapid transit line that serves Shaker Heights. Contracts have been let to extend the west-side line to the airport, which should be completed within two years. Plans are under consideration to extend the present rapid transit lines west to Bay Village and east to Euclid, and to add three branch lines to serve Cleveland Heights, Maple Heights, and Parma.

According to the 1960 Census, there was a net daily in-commutation to the HMA equal to less than four percent of the labor force. Over half of all in-commuters came from either the Akron SMSA or the Lorain-Elyria SMSA.

^{1/} Inasmuch as the rural farm population of the Cleveland HMA constituted only four percent of the total population in 1960, all demographic and housing data in this analysis refer to the total of farm and nonfarm data.

CLEVELAND, OHIO, HOUSING MARKET AREA



Economy of the Area

Character and History

The development of the economy of Cleveland into one of the Nation's major industrial centers began in the mid-19th Century. Exploitation of iron ore deposits in the Lake Superior region with access to Cleveland through the Great Lakes, together with ready access to coal from southern Ohio and Pennsylvania, led to rapid industrialization of the area throughout the latter half of the 19th Century.

The present economy of Cleveland is based on the production of iron and steel and the manufacture and fabrication of a wide variety of products from iron, steel, aluminum, copper, and brass. A few of the major products produced in Cleveland are automobiles, wire goods, machine tools, printing presses, lamps, and paint. Research also has become an important economic asset to the area. The Lewis Research Center of the National Aeronautics and Space Administration and many research and development laboratories of large corporations are located in Cleveland.

Employment

Current Estimate. According to estimates by the Ohio Bureau of Unemployment Compensation, nonagricultural wage and salary employment in the Cleveland Labor Market Area ^{1/}(LMA) averaged 764,300 during 1965, an increase of about 28,400 jobs (3.9 percent) over the 1964 average. Table I shows employment by industry group for the LMA from 1959 to 1965.

Past Trend. Examination of data on employment covered under the Ohio unemployment compensation law in the three-county HMA reveals that employment in the HMA has been subject to wide variations. Between 1950 and 1951, covered employment expanded by over 50,000 (almost 10 percent). In contrast, covered employment declined by nearly 70,000 (just over 11 percent) between 1957 and 1958. Since World War II, the area has experienced four rather severe recessions, all coincident with national recessions. The 1957-1958 recession in Cleveland was particularly severe, and the economy of the area has yet to recover fully from this setback.

Since the 1960-1961 recession, total nonagricultural employment in the Cleveland area has shown a strong upward trend. Employment gains in the two-county LMA in the years from 1961-1962 and 1962-1963 were 13,800 and 10,700, respectively. Between 1964 and 1965, employment in the redefined four-county LMA expanded by 28,400.

^{1/} The Cleveland LMA, as currently defined, covers four counties--Cuyahoga, Lake, Geauga, and Medina. Prior to 1964, however, the LMA included only Cuyahoga and Lake Counties.

Distribution by Major Industry. Throughout the six-year period since 1959, manufacturing employment has fluctuated widely, from a loss of 22,200 (1960-1961) to a gain of 11,600 (1964-1965), and despite the addition of two counties to the LMA in 1964, it was not until 1965 that manufacturing employment exceeded the 1959 level. Current manufacturing employment is still well below peak levels reached in World War II and the Korean Conflict. Manufacturing is concentrated in producer and consumer durable goods industries. Manufacturers engaged in the production of machinery, fabricated metal products, primary metals, and transportation equipment account for about 58 percent of all manufacturing employment. These four industry groups not only provide a very substantial portion of area employment, but also have been major contributors to employment change. Between 1964 and 1965 these four industry groups provided 8,100 of the 11,600 additional manufacturing jobs. Strongest gains were registered in the machinery industry and fabricated metal products industry.

Since 1959, the nonmanufacturing industries have provided area employment with some measure of stability, growing at a relatively steady pace, interrupted by a minor decline of less than one percent between 1960 and 1961. Government, services, and finance, insurance, and real estate have been the only industry groups in the area to register employment gains in each of the past six years. Between 1964 and 1965, nonmanufacturing employment expanded by 16,800 (3.7 percent), with strong gains in trade and services providing most of the increase.

Principal Employers

Among the major employers in the Cleveland area are some of the giants of American industry such as General Motors Corporation, Ford Motor Company, U. S. Steel, Republic Steel, Jones and Laughlin Steel Corporation, Aluminum Company of America, and the General Electric Company.^{1/}

General Motors Corporation, Ford Motor Company, and Thompson Ramo Wooldridge, Inc. dominate the transportation equipment industry group, with respective employment totals of 15,000, 8,900, and 8,500. General Motors produces motor vehicle parts, passenger car bodies, tanks, and construction machinery in the Cleveland area. Ford Motor Company has three plants in the area manufacturing automobile and truck engines and parts. Thompson Ramo Wooldridge has several plants in Cleveland, two of which produce aircraft parts and components and the other produces motor vehicle parts. Other large manufacturers of transportation equipment includes White Motor Company (trucks) and Eaton Manufacturing Company (transmissions, axles, automobile stamping and accessories, and industrial machinery).

^{1/} Employment data referred to in this section were obtained from the 1965 Directory of Ohio Manufacturers.

The production of steel is one of the bulwarks of the Cleveland economy. Republic Steel is the largest employer in this group, with over 10,500 employees. Jones and Laughlin Steel Corporation employing over 4,000 and U. S. Steel employing over 3,000, together with Republic Steel, dominate the steel producing industry of Cleveland. The main consumer of Cleveland steel is the transportation industry.

Other major employers in the HMA include the General Electric Company, which operates a number of plants throughout the Cleveland area. General Electric employs almost 5,200, and produces a variety of products including lamps, vacuum cleaners, glass, and machinery. Aluminum Company of America has an aluminum foundry in Cleveland, employing about 3,200 persons, and the Addressograph-Multigraph Corporation employs about 3,000 in the manufacture of office machines in its Cleveland plant.

Unemployment

During 1965, unemployment averaged 26,900 in the Cleveland LMA equal to 3.1 percent of the work force. During the year, the unemployment rate varied from a high of 3.7 percent in January to a low of 2.6 percent in May. Since 1961, when the unemployment rate was reported at 7.0 percent, the unemployment rate has dropped steadily, reflecting the improvement in employment opportunities in the LMA.

Estimated Future Employment

It is obvious that the economy of the area is in the midst of a strong expansion. The employment expansion over the last year has been the most rapid annual gain since the early 1950's. Unemployment is low and declining. Over the past few years, there has been considerable investment in new plant and equipment by Cleveland manufacturers. The Cleveland Chamber of Commerce reported that about \$250 million was invested in new plant and equipment during 1965 by industrial firms in the HMA, an increase of over eleven percent above the 1964 level. Automobile production reached record levels in 1965 and is expected to continue at high levels. Military requirements for our commitment to Viet Nam have probably been a factor in the current expansion. Although Cleveland manufacturers are

not prime military contractors, they do derive secondary benefits through supplying and sub-contracting for prime contractors. In addition, it is likely that military requirements have strengthened demand for many types of products manufactured in the area. The immediate future for the economy is therefore quite favorable. However, in view of the past vulnerability of the Cleveland economy to national recessions, it is likely that employment would decline sharply in the event of a national downturn. Following the 1960-1961 recession (the Nation's mildest post-war decline), employment did not reach the pre-recession level again until 1964.

For purposes of this report, it is assumed that the current economic expansion will continue. It is not expected, however, that employment gains will match the 1964-1965 growth. Growing shortages of skilled labor, and a growing scarcity of industrial land are expected to limit employment gains to 15,500 yearly over the next two years, roughly comparable to the average growth since the 1960-1961 recession.

Income

Manufacturing Earnings. Because of the concentration of employment in high-wage durable goods industries, weekly earnings of manufacturing workers in Cleveland are high. Since 1961, earnings of manufacturing workers have increased rapidly, by about five percent a year, compared with less than one percent in the previous two years. The increase in hours worked over the last four years reflects the recovery from the 1960-1961 recession and the growing shortages of skilled workers.

Average Hours and Earnings
of Manufacturing Production Workers
Cleveland, Ohio, Labor Market Area
1958-1965

<u>Year</u>	<u>Weekly earnings</u>	<u>Hourly earnings</u>	<u>Hours worked</u>
1958	\$95.57	\$2.46	38.9
1959	106.84	2.59	41.2
1960	107.66	2.67	40.3
1961	108.57	2.73	39.7
1962	115.73	2.82	41.0
1963	119.50	2.89	41.4
1964	124.32	2.97	41.9
1965	131.46	3.06	42.9

Source: Division of Research and Statistics,
Ohio State Department of Unemployment Compensation.

Family Income. Current median family income in the Cleveland HMA, after deducting Federal income taxes, is estimated at \$8,300, with almost 35 percent of all families earning \$10,000 or more and about 12 percent having incomes of less than \$4,000. The highest incomes are earned by suburban Cuyahoga County residents, with a current after-tax median of \$9,650. Continued increases in income levels of area residents is expected to result in a median family income of \$8,750 by 1968 (see table II).

Demographic Factors

Population

Current Estimate and Past Trend. As of April 1966, the population of the Cleveland HMA numbers about 1,989,700 persons, an increase of 145,500 (7.9 percent) since 1960. Annual population gains have averaged 24,250 persons since 1960, well below the average yearly increments of 35,200 registered during the 1950's.

Population Trend Cleveland, Ohio, HMA 1950-1968

<u>Date</u>	<u>Population</u>	<u>Average annual change</u> <u>from preceding date</u>
April 1950	1,492,157	-
April 1960	1,844,168	35,201
April 1966	1,989,700	24,250
April 1968	2,048,400	29,350

Sources: 1950 and 1960 Censuses of Population.
1966 and 1968 estimated by Housing Market Analyst.

Estimated Future Population. Based on the anticipated gains in employment forecast for the Cleveland HMA and a small increase in the participation of area residents in the labor force, the population of the HMA is expected to reach 2,048,400 by April 1, 1968. This represents an annual gain of about 29,350 persons, well above the average population growth of 24,250 yearly experienced during the previous six years, although below 1950-1960 average annual population growth. However, recent population increments may have been greater than the forecast population growth, and annual population growth in the early 1960's was probably well below the 1960-1966 average.

Net Natural Increase and Migration. Between the 1950 and 1960 Censuses, the net natural increase (excess of resident births over resident deaths) of the population of the HMA averaged 24,000 persons yearly and total population growth averaged 35,200 annually, indicating a yearly net in-migration of about 11,200 during the decade, equal to about 32 percent of the total population gain. Since 1960, net natural increase has declined to an average of 22,000 a year and additions to the HMA population through net in-migration have dropped to 2,250 a year. The following table summarizes the components of population change for the HMA since 1950.

Components of Population Change
Cleveland, Ohio, HMA
1950-1966

<u>Component</u>	<u>Average annual change</u>	
	<u>1950-1960</u>	<u>1960-1966</u>
Total population increase	<u>35,200</u>	<u>24,250</u>
Net natural increase	<u>24,000</u>	<u>22,000</u>
Net in-migration	<u>11,200</u>	<u>2,250</u>

Sources: 1950 and 1960 Censuses of Population. Ohio State
Department of Health. Estimated by Housing Market Analyst.

Households

Current Estimate and Past Trend. There are about 603,800 households in the Cleveland HMA at present, about 53,750 (9.8 percent) more than were enumerated by the Census in 1960. Paralleling the population trends since 1950, average annual increases in the number of households since 1960 have been below annual gains during the 1950's, with yearly gains in the number of households averaging 8,950 since 1960, compared with 11,500 yearly during the 1950's. The increase in the number of households between 1950 and 1960 reflects, in part, the change in Census definition from "dwelling unit" in the 1950 Census to "housing unit" in 1960.

Number of Households
Cleveland, Ohio, HMA
1950-1968

<u>Date</u>	<u>Number</u>	<u>Average annual change from preceding date</u>
April 1950	435,106	-
April 1960	550,041	11,500
April 1966	603,800	8,950
April 1968	623,100	9,650

Sources: 1950 and 1960 U. S. Censuses of Housing.
1966 and 1968 estimated by Housing Market Analyst.

Household Size. Between 1950 and 1960, the average size of households in the Cleveland HMA remained relatively stable, dropping from 3.31 in 1950 to 3.30 in 1960. Since 1960, the average household size in the HMA has declined to the current level of 3.24, reflecting the declining birth rate of the last six years and the increasing tendency by young and elderly single persons to establish independent households. Over the next two years, it is expected that household size will continue to decline, with an average of 3.23 persons per household expected by April 1, 1968.

Estimated Future Households. Based on the anticipated increase in population in response to new job opportunities in the area and on the anticipated decline in average household size, there are expected to be 623,100 households in the Cleveland HMA by April 1, 1968. This represents an average addition of about 9,650 households annually during the next two years.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. The current housing inventory of the Cleveland HMA totals 633,000 units, a net increase of about 56,400 units (9.8 percent) since April 1960. The census enumerated about 576,600 housing units in the HMA in 1960, an increase of 129,200 (28.9 percent) over the 1950 total. The net increase in the inventory averaged 12,900 units annually during the 1950-1960 decade, compared with about 9,400 a year since 1960.

Units in Structure. About 63 percent of all units in the HMA are single-family units (including trailers), about one percentage point below the proportion in 1960. Units in two-family structures have declined since 1960, not only relatively but absolutely, accounting for about 14 percent of the inventory now compared with 16 percent in 1960. Since 1960, units in multifamily structures of three or more units per structure have accounted for a growing proportion of the inventory, with almost 24 percent of the current inventory in multifamily structures compared with just over 20 percent in 1960.

Housing Inventory by Units in Structure Cleveland, Ohio, HMA, 1960-1966

<u>Units in structure</u>	<u>April 1960</u>	<u>April 1966</u>	<u>Percent of total</u>	
			<u>1960</u>	<u>1966</u>
One unit ^{a/}	367,409	396,900	63.7	62.7
Two units	91,436	87,400	15.9	13.8
Three or more units	<u>117,677</u>	<u>148,700</u>	<u>20.4</u>	<u>23.5</u>
Total units	576,512 ^{b/}	633,000	100.0	100.0

a/ Includes trailers.

b/ Differs slightly from the count of all housing units because units by type of structure were reported on a sample basis.

Sources: 1960 Census of Housing.

1966 estimated by Housing Market Analyst.

Age of Inventory. An age distribution of the current inventory is presented in the following table. Over half of all units in the HMA are over 30 years old, and about 12 percent were built in the past six years.

Age Distribution of All Housing Units
Cleveland, Ohio, HMA
April 1, 1966

<u>Age group</u>	<u>Units</u>	<u>Percent of total</u>
6 years old or less	74,400	11.8
7 through 11 years	74,800	11.8
12 " 16 "	70,400	11.1
17 " 26 "	63,400	10.0
27 " 36 "	55,200	8.7
37 years old or more	<u>294,800</u>	<u>46.6</u>
Total	633,000	100.0
Median age	33 years	

Note: The basic data in the 1960 Census of Housing from which the above estimates were developed reflect an unknown degree of error in "age of structure" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Source: Estimated by Housing Market Analyst based on the 1960 Census of Housing Data.

Condition of the Inventory. Housing is in generally good condition in the HMA. Currently, it is estimated that just over four percent of the inventory is substandard (dilapidated or lacking one or more plumbing facilities), compared with almost six percent in 1960. Substandard units are heavily concentrated in rental housing. In 1960, almost 85 percent of all substandard units were in tenant-occupied units, with about 11 percent of all renter-occupied units reported as substandard.

Residential Building Activity

Over the ten years since 1956, the number of privately-financed housing units authorized by building permits has averaged about 11,900 units annually. The number of units authorized each year has been remarkably close to the ten year average. Only in two years, 1960 and 1963 when 9,400 and 16,400 units were authorized, respectively, did yearly authorizations deviate from the average by more than fifteen percent. Table VI shows units authorized for each county and for selected municipalities in the HMA since 1956, including about 1,950 units of public housing.

From 1960 through 1965, there were almost 72,250 privately-financed units authorized, of which about 53 percent were in multifamily structures. The number of single-family units authorized has been declining steadily in the last six years. The number of multifamily units authorized increased rapidly from about 3,275 in 1960 to a peak of almost 10,900 units in 1963. Since then, multifamily construction has fallen off, with only about 5,850 units authorized in 1965.

Privately-financed Units Authorized by Building Permits
by Type of Structure
Cleveland, Ohio, HMA, 1960-1965

<u>Year</u>	<u>Single-family</u>	<u>Duplex</u>	<u>Multifamily</u>	<u>Total</u>
1960	6,139	227	3,044	9,410
1961	6,026	361	3,907	10,294
1962	5,668	254	6,489	12,411
1963	5,489	228	10,682	16,399
1964	5,570	222	6,811	12,603
1965 ^{a/}	5,250	200	5,660	11,115

^{a/} 1965 distribution by type of structure was partially estimated. The 1965 total is slightly underreported because information was not available for all permit-issuing places.

Sources: Bureau of the Census, Construction Reports (C-40) and local permit-issuing places.

Units Under Construction. Based on information supplied by building inspectors of selected major permit-issuing places and on the postal vacancy survey, it is estimated that there are approximately 7,300 units under construction. About 2,700 are sales-type houses^{1/}, and 4,600 units are in multifamily dwellings.

Demolitions. It is estimated that about 15,400 housing units have been demolished in the HMA over the past six years. Urban renewal activity in Cleveland and right-of-way clearance for highways accounted for most of the losses. It is anticipated that an additional 6,400 units will be demolished in the next two years. Approximately 5,000 of these are expected to be demolished as a result of highway construction.

Tenure of Occupancy

At present, about 61.4 percent of all occupied housing units in the Cleveland HMA are owner-occupied, slightly below the 1960 owner-occupancy rate of 62.1 percent reported by the Census. Between 1950 and 1960, the owner-occupancy rate increased from 53.8 percent to 62.1 percent. The reversal of the trend shown by these data reflects increased construction of rental housing in the past few years which, in turn, is a reflection of the increasing scarcity of land suitable for new sales housing in convenient locations.

^{1/} Includes units not yet started in subdivisions under development.

Occupied Housing Units by Tenure
Cleveland, Ohio, HMA
1950-1966

<u>Tenure</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1966</u>
All occupied units	435,106	550,041	603,800
Owner occupied	234,299	341,354	370,900
Percent of total	53.8	62.1	61.4
Renter occupied	200,807	208,687	232,900
Percent of total	46.2	37.9	38.6

Sources: 1950 and 1960 U. S. Censuses of Housing.
1966 estimated by Housing Market Analyst.

Vacancy

1960 Census. The April 1960 Census reported about 17,100 vacant units available for sale or rent in the HMA, an over-all net available vacancy ratio of 3.0 percent. Included in the total were about 5,350 units available for sale only (a net homeowner vacancy rate of 1.5 percent) and 11,750 units available for rent (a net rental vacancy rate of 5.3 percent). Of the available sales vacancies, almost 100 lacked some or all plumbing facilities; about 2,350 rental vacancies were similarly deficient.

Postal Vacancy Survey. The results of a postal vacancy survey conducted during April 1966 are shown in table VII. The postal survey was conducted for a selected sample of postal routes in the service area of the Cleveland Post Office and covered 63 percent of total possible residential deliveries in this area, 55 percent of residences and 74 percent of apartments. The surveys conducted by 12 other post offices in the HMA covered all possible deliveries to dwelling units within their service areas. On the basis of full coverage of the estimated 575,000 total possible deliveries (about 91 percent of the total inventory), it is estimated that 2.6 percent of all residences and apartments were vacant. Among the estimated 378,000 total possible deliveries to residences, 2.0 percent were vacant. About 3.8 percent of the estimated 197,000 total possible deliveries to apartments were vacant.

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. The Post Office Department defines a "residence" as a unit representing one stop for one delivery of mail (one mailbox). These are principally single-family homes, but include some row houses and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, the survey serves a valuable function in the derivation of estimates of local market conditions.

Other Vacancy Indicators. Each December, an apartment occupancy survey is conducted in the Cleveland metropolitan area. The study area covers Cuyahoga County and the western portion of Lake County. (There has been no significant apartment development outside this area). The survey includes apartment buildings having six or more units, and covers only the better-quality units in the area. Units less than five years old account for about 60 percent of all units surveyed. The following table shows the trend of vacancies, by age, from December 1962 to December 1965.

Vacancies by Age
Cuyahoga County and Western Lake County, Ohio
December 1962 to December 1965

<u>Age of units</u>	<u>December 1962</u>	<u>December 1963</u>	<u>December 1964</u>	<u>December 1965</u>
Under one year	2,952	3,787	4,978	3,398
Percent vacant	14.1	10.7	23.3	17.4
One through 4 years	7,295	11,820	20,505	24,426
Percent vacant	3.2	5.1	8.8	4.7
5 years - Post-War	10,454	11,813	14,272	15,523
Percent vacant	3.6	2.5	4.9	2.1
Pre-War	3,223	1,812	2,172	2,385
Percent vacant	2.8	3.9	5.9	3.1
Total units	23,924	29,323	41,927	45,732
Percent vacant	4.2	4.7	9.1	4.7

Source: Annual Apartment Occupancy Study of the Greater Cleveland Metropolitan Area, December 1965. Prepared by Special Surveys Company for Jay F. Zook, Inc.

The high vacancy rate in units under one year reflects, of course, the fact that many of these units have not been on the market long enough to achieve satisfactory occupancy. The increase in vacancy in 1964 reflecting the large number of units put on the market that year, and the subsequent decline in the following year affected all age groupings, although units 5 years old or more, in general, maintained good occupancy through the period shown in the previous table.

Current Estimate. As of April 1, 1966, there are about 18,700 vacant housing units available for sale or rent in the Cleveland HMA, representing an over-all net vacancy rate of 3.0 percent. Of the total, about 4,450 units are available for sale only (a net homeowner vacancy rate of 1.2 percent) and 14,250 units are available for rent (a net rental vacancy rate of 5.8 percent). Included in these estimates are about 90 sales vacancies and 2,225 rental vacancies that lack some or all plumbing facilities.

Despite the fluctuations in vacancies that the HMA has experienced since 1960, the over-all net vacancy rate is currently at about the same level as in 1960. The composition of vacancies has changed somewhat, however, with units available for sale below the 1960 level and current rental vacancies some 2,500 units higher than in 1960. The following table compares the current vacancy estimates with vacancies as reported in the 1960 Census.

Vacant Housing Units
Cleveland, Ohio, HMA
1960 and 1966

<u>Vacancy status</u>	<u>April 1, 1960</u>	<u>April 1, 1966</u>
Total vacant units	26,539	29,200
Available	<u>17,095</u>	<u>18,700</u>
For sale only	5,342	4,450
Homeowner vacancy rate	1.5%	1.2%
For rent	11,753	14,250
Rental vacancy rate	5.3%	5.8%
Other vacant	9,444	10,500

Sources: 1960 U. S. Census of Housing.
1966 estimated by Housing Market Analyst.

Sales Market

General Market Conditions. The market for new sales housing in the Cleveland HMA is quite good, although construction generally declined in the last six years. The current vacancy level in the sales market is quite low and builders are producing a limited number of speculatively-built houses. Much of the new construction has been concentrated in small subdivisions and contract construction on scattered lots. Most new homes built in the HMA in recent years have been priced above \$20,000; but this year the price level for new homes has advanced. A large portion of the new sales housing being offered this spring appears to be concentrated in the \$25,000 to \$35,000 price class, with growing numbers of homes being built to sell for \$35,000 and up.

Unsold Inventory Survey. In January 1966, the Cleveland Insuring Office surveyed a total of 65 subdivisions in the HMA in which five or more homes had been completed in 1965. The survey covered a total of over 2,125 houses, of which almost 1,800 (84 percent) had been sold before construction had started. At the time of the survey, about 75 homes remained unsold, 22 percent of the speculative starts.

About 46 percent of all homes surveyed were priced between \$20,000 and \$25,000 and just over 32 percent were priced between \$25,000 and \$30,000. Only 2.5 percent of the homes were priced below \$17,500, while just over six percent sold for \$30,000 or more.

New Sales Houses Completed in the Past Twelve Months ^{a/}
Cleveland, Ohio, HMA
January 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative construction</u>		
			<u>Total</u>	<u>Unsold</u>	<u>Percent</u>
Under \$17,500	53	22	31	12	39
\$17,500 - 19,999	287	235	52	16	31
20,000 - 24,999	971	826	145	27	19
25,000 - 29,999	691	588	103	21	20
30,000 and over	130	123	7	0	0
Total	2,132	1,794	338	76	22

^{a/} Survey covers only subdivisions with five or more completions during 1965.

Source: Federal Housing Administration.

Rental Market

The over-all condition of the rental market in the HMA is good. Vacancies are at reasonable levels, and new rental housing is being absorbed satisfactorily. However, new, luxury high-rise projects have been experiencing market resistance. The following table shows vacancy rates by type of structure for selected apartment projects in metropolitan Cleveland (see page 15 for a discussion of this study).

Vacancy Rates by Type of Structure
Cuyahoga County and Western Lake County, Ohio
1962-1965

<u>Type of structure</u>	<u>December 1962</u>	<u>December 1963</u>	<u>December 1964</u>	<u>December 1965</u>
Walk-up	4.7	5.0	7.9	3.2
Elevator ^{a/}	5.2	3.5	9.0	6.9
High-rise ^{b/}	^{c/}	4.0	16.7	11.4
Other types ^{d/}	3.1	4.9	12.2	3.5
All units	4.2	4.7	9.1	4.7

^{a/} Structures with three or more floors and moderate rent levels.

^{b/} Luxury-type apartments generally having eight or more floors.

^{c/} Classification not used in 1962.

^{d/} Low-density garden apartments and row houses (townhouses).

Source: December 1965 prepared by Special Surveys Company for Jay F. Zook, Inc.

The preceding table suggests that the rental market was overbuilt in 1964, with high vacancy rates in all types of projects. Reduced building activity in low-density projects lowered vacancies by December 1965. The December 1965 vacancy rate for high-rise projects of 11 percent was quite high, but the drop from almost 17 percent in December 1964 indicates that these units are being absorbed.

In a rental market absorption survey conducted in selected areas of the HMA by the Cleveland Insuring Office early this year, it was found that most luxury high-rise projects completed in the last two years are experiencing market resistance and have not or probably will not achieve

satisfactory occupancy within one year. Monthly rentals in these projects start at \$160 for one-bedroom units, \$200 for two-bedroom units, and \$325 for three-bedroom units. Although a few of the lower priced elevator projects were experiencing occupancy problems, most projects have achieved or can expect to achieve satisfactory occupancy well within a years time.

In general, walk-up projects were renting at a rate that would allow sufficient occupancy for profitable operation well within a year's time. Currently, the minimum rents in conventionally-financed projects are averaging about \$90 for an efficiency unit, \$110 for a one-bedroom unit, \$130 for a two-bedroom unit, and \$150 for a three-bedroom unit.

Demand for Housing

Based on the expected growth in the number of households during the next two years (9,650 annually) and on the anticipated level of demolition activity, demand for new housing is expected to total 12,650 units annually over the two-year forecast period. Of the total, 5,900 units will be for sales units and the remaining 6,750 units represent demand for rental housing, including about 315 units of middle-income housing which will require some form of public benefits or assistance to achieve the lower rents necessary for absorption. This demand estimate excludes public low-rent housing and rent-supplement accommodations.

The annual demand for new housing over the next two years is above the 1960-1965 average annual rate of construction, when an average of 12,050 privately-financed units were authorized annually, and represents a reversal of the declining trend in residential construction experienced in the last two years. The sales demand represents about 45 percent of total demand and is slightly above the 1960-1965 average of 5,700 single-family building permits authorized annually. The demand for rental housing in the next two years is roughly equal to the average number of multifamily units authorized annually since 1961.

The table below summarizes annual quantitative demand for new housing during the next two years by area.

Projected Annual Demand for New Housing Cleveland, Ohio, HMA April 1, 1966 to April 1, 1968

<u>Area</u>	<u>Number of housing units</u>		
	<u>Sales</u>	<u>Rental</u>	<u>Total</u>
HMA total	5,900	6,750	12,650
City of Cleveland	300	1,300	1,600
Suburban Cuyahoga County	4,200	4,850	9,050
Lake and Geauga Counties	1,400	600	2,000

Distributions of sales demand by price level and of rental demand by monthly rent and unit size will be found in each of the submarket area sections of this analysis.

Nursing Homes

Existing Nursing Homes. Currently, there are about 100 nursing homes in the Cleveland HMA. These homes contain 5,775 beds, of which about 55 percent are in proprietary nursing homes, and 45 percent are in philanthropic (non-profit) nursing homes. Only 2,075 (36 percent) of the existing beds are classified as conforming to State standards.

Nursing homes may be licensed which do not meet State standards, but in January 1966, new state licensing standards went into effect and the nursing home market in the HMA has been in a state of flux. Since January, the licenses for nursing homes containing approximately 200 beds have either been revoked or the homes have voluntarily gone out of business. Only a portion of the nursing homes in the HMA have been inspected on the basis of the new standards so that the ultimate impact is not yet determinable.

Most nursing homes in the HMA are small structures not originally intended for nursing home use. Monthly charges in these homes start at \$180 a month, the amount of the State-aid allotment for chronic care. There is a scarcity of accommodations for State-aided patients and older homes have been able to maintain nearly full occupancy by accepting welfare patients. New nursing homes entering the market in recent years have taken patients from the older homes and many of the older homes have been forced to take welfare patients to maintain occupancy. Informed opinion in the HMA indicates that a nursing home cannot be operated profitably if most of its clients are welfare cases, paying \$180 a month. It is felt, therefore, that some of the older homes can be expected to close.

Occupancy Rates. Over-all occupancy in area nursing homes is satisfactory. A survey of nine of the larger nursing homes in the HMA, with a capacity of about 950 beds, showed an average occupancy of 88.5 percent early this year. One project containing 50 beds reported full occupancy in March 1966. Another project containing 104 beds reported that almost 40 percent of all beds were occupied although it had been open less than a month.

Beds Under Construction. According to information supplied by the Northeast District Office of the Ohio Department of Health, there are six nursing homes, with a planned capacity of 950 beds, currently under construction. Only one of the six homes under construction is a philanthropic (non-profit) home.

Estimated Demand for New Proprietary Nursing Home Beds. Based on the projected elderly population as of April, 1968 and the typical utilization of nursing homes by the elderly, it is estimated that there is a need for 6,200 nursing home beds in the HMA. This need can be satisfied by the current gross supply of 5,775 beds and the 950 beds which will be supplied by the six nursing homes now under construction. As indicated, however, about 3,700 beds in the current supply are in nursing homes which do not conform

to present state standards. Enforcement of the new licensing standards may result in the elimination of a portion of the current supply. In addition, some additional demand for nursing home beds will result from the operation of the Medicare program.

The impact of these forces on the absorption of the 950 beds in the homes now under construction must be observed carefully and additional applications should be processed accordingly.

Housing Market Summary
Cleveland, Ohio

Demographic Factors

Population

Current Estimate and Past Trend. There are currently about 800,200 persons residing in the city of Cleveland, representing about 40 percent of the HMA population. The current population of the city is about 75,850 (8.7 percent) below the 1960 level. The post-1960 decline in population in the central city is a continuation of the trend evident during the 1950's. However, the population decline since 1960 has averaged about 12,650 annually, more than triple the average yearly losses experienced during the 1950's when the population of the city declined by 3,875 persons annually.

Population Trends
City of Cleveland, Ohio
1950-1968

<u>Date</u>	<u>Population</u>	<u>Average annual change from preceding date</u>
April 1950	914,808	-
April 1960	876,050	-3,875
April 1965	810,858	-13,050
April 1966	800,200	-10,650
April 1968	779,800	-10,200

Sources: 1950 and 1960 U.S. Censuses of Population; Special Census, 1965; 1966 and 1968 estimated by Housing Market Analyst.

Estimated Future Population. Over the next two years, it is expected that the population of Cleveland will continue to decline, dropping to about 779,800 by April 1, 1968. This represents an average loss of about 10,200 persons yearly over the next two years.

Net Natural Increase and Migration. Since 1960, net natural increase (excess of resident births over resident deaths) averaged about 10,150 persons a year in the city of Cleveland. However, because of an average net out-migration of about 22,800 yearly since 1960 (principally to suburban areas of the HMA), the city has lost population at the rate

of 12,650 annually. It is expected that there will be a modest decline in the rate of out-migration from the city over the forecast period. Declining birth rates in the city of Cleveland have resulted in a steadily declining rate of net natural increase. In 1960, net natural increase added almost 11,950 persons to the city's population, compared with 8,850 in 1964.

Households

Current Estimate and Past Trend. There are about 266,300 households in the city of Cleveland at the present time, a decrease of about 3,600 (1.3 percent) since 1960. During the 1950-1960 intercensal period, households increased by about 390 annually, despite an average annual population decline of about 3,875, reflecting in part an increase in the number of households during the 1950's caused by the change in census definition from "dwelling unit" in 1950 to "housing unit" in 1960. The much greater population decline since 1960 has resulted in a drop in the number of households.

Household Size. The increase in the number of households during the 1950's, while population was declining, is reflected in the decline in the average number of persons per household from 3.29 in 1950 to 3.17 in 1960. Over the last six years, average household size in the city has continued to decline, with the average household containing 2.93 persons at the present time. The trend toward smaller households in Cleveland reflects the out-migration of larger families from the city to the newer, less densely populated suburban areas of the HMA. Over the next two years, average household size is expected to continue to decline, reaching an average size of 2.85 persons by April 1968.

Estimated Future Households. The number of households in the city of Cleveland is expected to continue to decline to a total of 265,300 by April 1968, representing a modest decline of 500 households annually from the present level.

Housing Market Factors

Housing Supply

Trends. As of April 1966, there are about 279,700 housing units in the city of Cleveland, a net loss of nearly 3,225 units since April 1960. In contrast, the total inventory of the city increased by almost 12,000 between 1950 and 1960.

Characteristics of the Inventory. Net losses to the housing inventory have been primarily confined to single-family units and smaller multifamily structures. Multifamily structures (three or more units per structure) currently account for 32.5 percent of all units, up from 30.9 percent in 1960. Units in two-family structures account for 24.0 percent of the current inventory, down from 25.6 percent in 1960. Although the number of single-family units declined by about 1,350, single-family units still account for 43.5 percent of the inventory, the same proportion as in 1960.

The housing stock in the city of Cleveland is quite old, and reflects the fact that Cleveland has been almost fully developed throughout most of this century. Currently, almost three-quarters of all housing units in the city exceed 35 years of age, and only about four percent are six years old or less.

Substandard units (units classified as dilapidated or lacking some or all plumbing facilities) account for 8.2 percent of the current inventory in the city. In 1960, the census reported that 9.1 percent of all units were similarly classified. The housing inventory of the west side of the city was generally in much better condition, with 5.7 percent of the 1960 inventory on the west side reported as substandard, compared with almost 12 percent on the east side of the city.

Residential Building Activity

Trends. An average of 1,530 privately-financed housing units have been authorized annually in the city of Cleveland over the last ten years (1956-1965). The annual volume has fluctuated considerably during this period, however, from a low of only 840 units in 1958 to a high of 2,850 units in 1963 (see table VI). Since the 1963 high, the number of units authorized has declined to about 1,400 in 1964 and only 1,200 in 1965.

Almost seventy percent of all privately-financed units authorized in the city since 1960 have been in multifamily structures. Multifamily authorizations rose throughout the 1960-1963 period, from about 500 units in 1960 to 2,400 units in 1963. The total of 900 multifamily units authorized in 1965 is well below the 1963 level, but still exceeds the 1960 and 1961 levels. The construction of lower-density housing (single-family and duplex housing) has declined since 1960, reflecting the growing scarcity of undeveloped residential property in the city. Since 1960, private residential construction has totaled 10,075 units and an additional 1,550 units have been provided in public housing in Cleveland, so that additions to the inventory have amounted to 11,625 units, over 1,925 a year.

New Housing Units Authorized by Building Permits
Cleveland, Ohio
1960-1965

<u>Year</u>	<u>Single-family</u>	<u>Duplex</u>	<u>Multifamily</u>	<u>Total</u>
1960	720	62	499 ^{a/}	1,281
1961	479	122	685 ^{b/}	1,286
1962	508	62	1,499	2,069
1963	413	28	2,399	2,840
1964	371	28	996 ^{c/}	1,395
1965	298	4	904	1,206

^{a/} Excludes 391 public housing units.

^{b/} Excludes 1,054 public housing units.

^{c/} Excludes 100 public housing units.

Source: City of Cleveland, Department of Housing.

Units Under Construction. Based on the postal vacancy survey and information from the Building Inspector, city of Cleveland, it is estimated that there are approximately 790 housing units under construction at the present time, including about 50 single-family units and 740 units in multifamily structures.

Demolitions. Active urban renewal and highway construction programs in the city of Cleveland have resulted in very substantial levels of demolition over the past six years. Based on data furnished by the Department of Housing, City of Cleveland, and the Real Property Inventory of Metropolitan Cleveland, it is estimated that nearly 14,000 housing units have been lost to the housing inventory of the city since 1960. Continued urban renewal and roadbuilding activity will contribute substantially to demolitions over the next two years which are expected to total about 4,300 units.

Tenure of Occupancy

Of the 266,300 occupied housing units in the city currently, about 118,300 (44.4 percent) are owner-occupied and 148,000 are renter-occupied. As shown in the following table, the owner-occupancy rate increased from 42.7 percent in 1950 to 44.9 percent in 1960. Since 1960, the owner-occupancy rate has declined slightly.

Occupied Housing Units by Tenure
Cleveland, Ohio
1950-1966

<u>Occupied units</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>April 1,</u> <u>1966</u>
Total	<u>265,973</u>	<u>269,891</u>	<u>266,300</u>
Owner-occupied	113,453	121,173	118,300
Rate	42.7%	44.9%	44.4%
Renter-occupied	152,520	148,718	148,000

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

Vacancy

1960 Census. In April 1960, there were about 9,650 vacant housing units available for sale or rent in the city of Cleveland, an over-all net available vacancy ratio of 3.4 percent. About 825 units were available for sale only, a net homeowner vacancy rate of 0.7 percent. The remaining 8,825 units were available for rent, representing a net rental vacancy rate of 5.6 percent. The census further reported that about 25 of the available sales vacancies and some 2,125 rental vacancies lacked some or all plumbing facilities.

Postal Vacancy Survey. In mid-April 1966, the Cleveland Post Office conducted a postal survey on selected routes. The service area of the Cleveland Post Office covers a substantial portion of Cuyahoga County, outside the city of Cleveland as well as the city itself. Within the city, however, the Cleveland Post Office survey included delivery routes serving just over 60 percent of the total possible deliveries. On the basis of full coverage of the 267,100 total possible deliveries in the city (about 95 percent coverage of the total inventory), it is estimated that 3.2 percent of all residences and apartments were vacant. The vacancy rate is estimated to have been the same, 3.2 percent, among the 128,100 total possible deliveries to residences and 139,000 total possible apartment deliveries.

Other Vacancy Indicators. Each year an annual occupancy survey of apartments is conducted in the Cleveland Metropolitan Area.^{1/} The study covers only better-quality apartments. The survey includes less than 10 percent of all apartments in the city, but coverage is nearly complete for units less than four years old. In 1963, 4.0 percent of the units surveyed were reported as vacant. By 1964, the vacancy rate had risen to 6.7 percent, reflecting the large increase in multifamily units authorized by building permits in the previous year. By December 1965, the vacancy level had returned to 4.0 percent. Units less than one year old, in which reported vacancy ratios were 9.9 percent and 12.3 percent in the 1963 and 1964 surveys, reported a 3.8 percent ratio in the 1965 survey.

Current Estimate. There are currently about 9,700 units available for sale or rent in the city of Cleveland, an over-all vacancy rate of 3.5 percent. Vacancies available for sale only total about 850, a net homeowner vacancy rate of 0.7 percent; units available for rent total about 8,850, a net rental vacancy rate of 5.6 percent. Included in these figures are some 25 sales vacancies and 2,000 rental vacancies lacking some or all plumbing facilities. In general, there is little difference between the vacancy levels reported in 1960 and the current estimates, despite the over-all decline in population in the city since 1960.

Sales Market

The market for sales housing in the city is strong, as evidenced by the very low homeowner vacancy rate of 0.7 percent. There have been few new sales houses constructed in recent years, however, and the volume of new sales housing constructed has been declining in the past six years. New sales housing built in the city has, in general, been confined to scattered lots. It is expected that future residential development in the city will tend to result in more intensive utilization of available land and that the construction of new sales housing will remain at low levels.

Rental Market

The rental market in the city is currently sound. There is no apparent weakness in the market and new units are being absorbed quite satisfactorily.

^{1/} Annual Apartment Occupancy Study of the Greater Cleveland Metropolitan Area, December 1965. Prepared by Special Surveys Company for Jay F. Zook, Inc.

The city, however, is not the prime rental market in the HMA. In general, the city cannot provide amenities available in such suburban locations as Euclid, Lakewood, or Shaker Heights. A heavy proportion of new rental units coming onto the market in the last several years have been low-density walk-up apartment projects, with low monthly rentals, averaging about \$110 monthly for one-bedroom units and about \$130 monthly for two-bedroom units.

Early this year, the Cleveland Insuring Office conducted a market absorption survey of rental projects completed in the last eighteen months on the west side of the city. Of the total projects surveyed, all but two were walk-up type projects. Only about three percent of all units involved in the survey were vacant. Most projects achieved satisfactory occupancy in eight months or less. Only two percent of all units involved in the survey were efficiencies or three-bedroom units; one-bedroom units accounted for 57 percent and two-bedroom units accounted for 41 percent of the units in the survey.

Urban Renewal

There are six urban renewal projects currently in execution in the city of Cleveland, with six more in the planning stages, and one project which has been completed. The following is a summary of projects currently in execution. Erievue No. 1 (R-36) is a downtown renewal project, located just north and east of the central business district. This project is nearing completion. Several high-rise commercial buildings have been built; the Federal Office Building located in the area is nearing completion; and a 411-unit luxury high-rise apartment building is under construction. In the East Woodland (R-7) project, re-use was changed from residential to industrial and the change is currently being contested in court. St. Vincent's Center (R-13) is nearing completion, with disposal of a few remaining parcels of land. Garden Valley (R-1) is also nearing completion, with some public improvement yet to be done and several parcels of land yet to be disposed of. The Gladstone (R-8) project is planned for industrial re-use, with the sale of the first parcel imminent. The University-Euclid (R-44) is a large project of over 160 acres, located in the eastern part of the city near Cleveland Heights and East Cleveland. Rehabilitation of existing residential property will be emphasized in this renewal area.

Public Housing

The Cleveland Metropolitan Housing Authority currently has almost 7,500 units under management in 15 projects. Vacancies are reported to be nominal, allowing for regular maintenance and repair and normal turnover. This year a contract is expected to be let for an additional 686 units.

Demand for Housing

Quantitative Demand

Continued high levels of demolition activity are expected to offset the anticipated decline of 500 households a year in the city of Cleveland and result in a demand for about 1,600 new housing units annually.

Primarily as a result of a shortage of developable residential land, it is estimated that demand for sales housing in the city will be limited to only 300 units annually; the remaining 1,300 units represent annual demand for rental housing, including 315 units of middle-income housing which will require some form of public benefits or assistance to achieve the lower rents necessary for absorption (excluding public low-rent housing and rent-supplement accommodations).

Qualitative Demand

Sales Housing. Based on current family income and on the relationship between income and sales price typical in the city, the annual demand for sales housing in the city will approximate the distribution shown in the following table.

Estimated Annual Demand for New Sales Housing by Price Class
Cleveland, Ohio
April 1, 1966 to April 1, 1968

<u>Price class</u>	<u>Number</u>	<u>Percent</u>
Under \$18,000	75	25
\$18,000 - 19,999	75	25
20,000 - 24,999	85	29
25,000 - 29,999	40	13
30,000 and over	<u>25</u>	<u>8</u>
Total	300	100

Rental Housing. The monthly rental at which 1,300 privately-owned net additions to the aggregate rental housing inventory 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 at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of new units in higher rental ranges than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Under current costs, minimum gross monthly rents at which new privately-owned rental units can be produced in the area at market-interest-rate financing are approximately \$90 for efficiencies, \$110 for one-bedroom units, \$130 for two-bedroom units, and \$150 for three-bedroom units.^{1/} Of the total rental demand, 315 units a year consist of middle-income rentals that may be marketed only at rents achievable with the aid of below-market-interest-rate financing or assistance in land acquisition and cost. This demand estimate does not include public low-rent housing or rent-supplement accommodations.

Estimated Annual Demand for Additional Rental Housing
Cleveland, Ohio
April 1, 1966 to April 1, 1968

Monthly gross rent ^{a/}	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three or more bedroom</u>
\$ 75 and over	55	-	-	-
80 " "	50	-	-	-
85 " "	45	-	-	-
90 " "	45	470	-	-
95 " "	40	450	-	-
100 " "	35	420	-	-
105 " "	35	395	580	-
110 " "	30	375	555	-
120 " "	25	320	490	195
130 " "	20	265	435	175
140 " "	15	210	365	140
150 " "	10	130	260	130
160 " "	5	75	165	70
180 " "	-	25	50	30

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

Note: The above figures are cumulative and cannot be added vertically.

^{1/} Calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also 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. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. 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 a 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.

The location factor is of especial importance in the provision of new units at the lower-rent levels. Families in this user group are not as mobile as those in other economic segments; they are less able or willing to break with established social, church, and neighborhood relationships, and proximity to place of work frequently is a governing consideration in the place of residence preferred by families in this group. Thus, the utilization of lower-priced land for new rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

Housing Market Summary
Suburban Cuyahoga County, Ohio^{1/}

Demographic Factors

Population

Current Estimate and Past Trend. As of April 1, 1966, the population of suburban Cuyahoga County is 940,200, a net increase of about 168,400 persons (21.8 percent) since April 1960. Average annual population increments since 1960 (28,050) have been only modestly below annual gains during the 1950's (29,700).

Table IV shows population trends in the seven major cities of suburban Cuyahoga County, all of which are contiguous to the city of Cleveland. Cleveland Heights and Shaker Heights have experienced the slowest growth since 1960. In both cities, the rate of population growth since 1960 is lower than in the previous decade. East Cleveland and Lakewood have also gained population slowly since 1960 (less than two percent annually), but, during the 1950's these two cities had population declines averaging between 190 and 200 persons a year.

The population of Euclid has continued to grow relatively fast, with the current population of 75,700 about 20 percent above the 1960 level. Average annual increments to the population of Euclid since 1960 have been roughly comparable to annual increments between 1950 and 1960. Parma, with a current population of 94,600, is the second largest city in the HMA. Although the population of this city has been growing by an average of about 1,950 annually since 1960, average annual population gains between 1950 and 1960 were much higher, averaging 5,400 a year.

Estimated Future Population. Over the next two years, it is anticipated that population in suburban Cuyahoga County will expand by about 30,400 yearly, with total population reaching 1,001,000 persons by April 1, 1968. Completion of Interstate 71 and Interstate 77 and the rapid transit extension to the airport over the next two years will give considerable impetus to population growth in the southern and southwestern part of the county. Continued rapid growth is anticipated in Euclid in the eastern part of the county.

^{1/} Includes all of Cuyahoga County outside the city of Cleveland.

Net Natural Increase and Migration. Over the past 16 years, net in-migration to suburban Cuyahoga County has accounted for over 70 percent of the total population growth of the area. Since 1960, the average annual population growth of 28,050 has been composed of average annual additions of 8,350 persons by net natural increase and an annual net in-migration of 19,700. During the 1950's, net natural increase averaged about 8,600 yearly, with net in-migration contributing an average of 21,100 persons annually to the population.

Households

Since 1960, the number of households in suburban Cuyahoga County has grown by about 45,250 (20 percent) to an April 1966 total of 272,300. The rate of increase in the number of households in the area since 1960 has fallen below the 1950-1960 rate of increase, with an average of 7,550 households added annually since 1960, compared with 8,700 during the 1950's. It is anticipated that the households in suburban Cuyahoga County will total 288,400 by April 1968, an average increase of 8,050 yearly over the two-year forecast period. Table V shows the number of households in the major cities in the area from 1950 to 1966.

Household Size. The average size of households in suburban Cuyahoga County has increased over the last 16 years, from 3.33 in 1950 to 3.36 in 1960, and to 3.42 in 1966. As can be seen in table V, however, average household sizes in the larger cities have, in general, declined slightly since 1960, while average household size has increased relatively rapidly in the remainder of the county. Over the next two years, it is expected that the average household size will continue to increase in suburban Cuyahoga County, as this portion of the HMA continues to attract a high proportion of the younger, child-rearing families. By April 1968, the average household size is expected to increase to 3.44 persons per household.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. At present, there are about 283,200 housing units in suburban Cuyahoga County, a net addition of about 47,450 units (20.1 percent) since April 1960. Between 1950 and 1960, the inventory increased by an average of just over 9,175 units annually, while increases have averaged 7,900 units yearly since 1960.

Characteristics of the Inventory. The current housing inventory in suburban Cuyahoga County is composed of single-family houses, primarily. However, the proportion of the total in single-family homes has declined since 1960 from 80.4 percent in 1960 to 74.9 percent currently. Duplex units, which accounted for 7.4 percent of the inventory in 1960, account for about 6.5 percent now. The proportion of multifamily units in the inventory has increased from 12.2 percent in 1960 to 18.6 percent currently. Although the area has a very high proportion of its inventory in single-family housing, multifamily housing is becoming an increasingly important factor. Over half of the net increase in housing units since 1960 was in multifamily structures.

The housing stock in suburban Cuyahoga County is relatively new, with almost 18 percent of all units six years old or less and about half less than 15 years of age. Approximately 28 percent are over 35 years old. The condition of the inventory is excellent, reflecting its relative newness. Currently, it is estimated that just over one percent of the inventory of suburban Cuyahoga County is substandard (dilapidated or lacking some or all plumbing facilities).

Residential Building Activity

Over the last ten years (1956-1965) residential construction, as measured by the number of units authorized by building permits, has averaged 8,200 units annually, ranging from a low of about 5,875 in 1960 to a high of nearly 11,000 in 1963. Since 1963, the number of units authorized has declined to 9,275 in 1964 and to 8,725 in 1965. However, the number of units authorized in both 1964 and 1965 was well above the ten-year average.

Within the total of 49,700 units authorized during the 1960-1965 period, about 52 percent were in multifamily structures, 46 percent were single-family houses, and about two percent were in duplex structures. Over the six-year period, single-family authorizations have increased slowly from about 3,550 in 1960 to 4,175 in 1965. During the period, multifamily unit authorizations were more erratic, increasing rapidly from 2,175 units in 1960 to 7,100 units in 1963. Since then, multifamily units authorized have declined, with 4,350 units authorized last year.

Units Authorized by Building Permits by Type of Structure
Suburban Cuyahoga County
1960-1965

<u>Year</u>	<u>Single-family</u>	<u>Duplex</u>	<u>Multifamily</u>	<u>Total</u>
1960	3,561	137	2,169	5,867
1961	3,845	236	2,667	6,748
1962	3,644	164	4,303	8,111
1963	3,699	188	7,099	10,986
1964	3,901	176	5,197	9,274
1965 <u>a/</u>	4,175	196	4,346	8,717

a/ 1965 distribution by type of structure was partially estimated.

Sources: Bureau of the Census, Construction Reports (C-40) and local permit issuing places.

Units Under Construction. Based on the postal vacancy survey and information from selected municipalities, it is estimated that there are about 6,000 housing units currently under construction in suburban Cuyahoga County. Of the total, about 2,300^{1/} are single-family houses and about 3,700 units are in multifamily structures.

Demolitions. It is estimated that there have been about 1,100 housing units demolished over the last six years, averaging less than 200 units annually. Over the next two years, it is expected that about 2,000 units will be demolished as clearance for freeways currently planned gets underway.

Tenure of Occupancy

Owner-occupied housing units currently account for 73.3 percent of all occupied units in suburban Cuyahoga County. As can be seen in the following table, the current owner-occupancy rate represents a reversal of the trend toward owner-occupancy evident during the 1950's.

^{1/} Includes units not yet started in subdivisions under development.

Occupied Housing Units by Tenure
Suburban Cuyahoga County
1950-1966

<u>Tenure</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1966</u>
All occupied units	139,956	227,035	272,300
Owner-occupied	98,958	175,931	199,700
Percent of total	70.7	77.5	73.3
Renter-occupied	40,998	51,104	72,600
Percent of total	29.3	22.5	26.7

Sources: 1950 and 1960 Censuses of Housing.
1966 estimated by Housing Market Analyst.

Vacancy

1960 Census. In April 1960, there were about 5,750 vacant units available for sale or rent in suburban Cuyahoga County, an over-all net vacancy ratio of 2.5 percent. Of the total number of available vacancies, about 3,450 were available for sale, a net homeowner vacancy rate of 1.9 percent. The remaining 2,300 available vacancies were available for rent, representing a net rental vacancy rate of 4.3 percent. Of the available vacant units, about 30 sales units and 130 rental units lacked some or all plumbing facilities.

Postal Vacancy Survey. The April 1966 postal vacancy survey included suburban areas served by the Bedford, Berea, Chagrin Falls, and North Olmstead post offices and branch offices of the Cleveland Post Office (routes under the jurisdiction of the Cleveland Post Office were surveyed on a sample basis). On the basis of full coverage for the routes within the Cleveland Post Office service area combined with the survey results of the five other participating post offices in suburban Cuyahoga County, about 1.9 percent of the estimated 252,600 total possible deliveries to residences and apartments, were vacant (about 89 percent coverage of the total inventory). Included in the total were 198,900 possible residential deliveries and 53,700 possible apartment deliveries, with respective vacancy ratios of 1.2 percent and 4.8 percent.

Current Estimate. There are about 7,400 vacant housing units available for sale or rent in suburban Cuyahoga County at present, an over-all net vacancy rate of 2.6 percent. Of the total available vacancies, 2,750 units are available for sale only, representing a net homeowner vacancy rate of 1.4 percent; 4,650 units are available for rent, indicating a net rental vacancy rate of 6.0 percent. The number of substandard vacancies (units lacking some or all plumbing facilities) is estimated to be relatively unchanged from the number reported by the 1960 Census, with about 25 sales vacancies and about 125 rental vacancies currently estimated to be substandard.

Sales Market

The market for new sales housing in suburban Cuyahoga County is quite good, and construction of single-family homes has been increasing slowly in the last few years. A large portion of new sales houses constructed in the area have been built in small subdivisions and on scattered lots. Areas where subdivision building is particularly active include North Olmstead, the Parma-Seven Hills Area, and the area southeast of Cleveland in and around Bedford. There are, however, many subdivisions being developed throughout the suburban area. Prices of new sales houses being offered in the area this spring are relatively high, with few subdivisions selling homes priced under \$25,000. A substantial portion of new housing built during 1965 was priced between \$20,000 and \$25,000.

Unsold Inventory Survey. In January 1966, the Cleveland Insuring Office surveyed a total of 44 subdivisions in Cuyahoga County in which five or more houses had been completed in 1965. The survey covered almost 1,775 houses, of which nearly 1,500 (84 percent) had been sold before construction had started. At the time of the survey fewer than 60 houses built during 1965 had remained unsold, representing 21 percent of all speculative completions.

The following table summarizes the unsold inventory survey for Cuyahoga County. Speculative construction does not account for as much as 20 percent of total completions in any of the price groups shown, and the number of unsold houses is low in all groups. Of the total units surveyed, 13 percent were priced between \$15,000 and \$20,000, 46 percent between \$20,000 and \$25,000, 35 percent between \$25,000 and \$30,000, and six percent above \$30,000.

New Sales Houses Completed in the Past Twelve Months ^{a/}
Cuyahoga County
January 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative Construction</u>		
			<u>Total</u>	<u>Unsold</u>	<u>Percent</u>
\$15,000 - \$19,999	227	185	42	13	31
20,000 - 24,999	807	676	131	25	19
25,000 - 29,999	623	525	98	20	20
30,000 and over	110	103	7	0	0
Total	1,767	1,489	278	58	21

^{a/} Survey covers only subdivisions with five or more completions.

Source: Federal Housing Administration.

Rental Market

Since 1960, there has been a marked shift in the character of residential development in suburban Cuyahoga County. Although the area is heavily dominated by owner-occupied housing (about three-quarters of all occupied units are owner-occupied), over half of all units authorized for construction since 1960 have been in multifamily structures. The total of 7,100 multifamily units (three or more units per structure) authorized in 1963 exceeded the net increase in multifamily units in the ten years between 1950 and 1960, as reported by the census.

The rapid increase in multifamily construction from 1960 through 1963 caused a rapid increase in vacancy levels. The decline in apartment construction over the last two years, however, has reduced vacancy levels, so that the rental market is currently in good over-all condition. Vacancies are low and only a few of the new projects are meeting market resistance. Occupancy problems in the market are confined primarily to new luxury high-rise projects. However, vacancy rates in high-rise projects have, in general, declined over the last year and a half despite the fact that over 1,000 high-rise units have entered the market during that time.

The prime rental markets in suburban Cuyahoga County have been in Euclid, Lakewood, and the Heights area, including Shaker Heights, Cleveland Heights and East Cleveland. In the last several years, however, there has been considerable activity throughout the suburban area, with substantial rental construction activity in North Olmstead, Warrensville Heights, Parma Heights, and Rocky River.

Demand for Housing

Quantitative Demand

The demand for new housing over the April 1, 1966 to April 1, 1968 forecast period is based on the expected increase in households in suburban Cuyahoga County, and on the estimated number of units which will be lost through demolitions. Consideration also has been given to the current tenure composition of households, and the current trend toward renter-occupancy which is expected to continue.

On this basis, approximately 9,050 housing units will be required annually over the next two years, including about 4,200 units of sales housing and 4,850 units of rental housing. A modest increase in rental demand can be expected should new middle-income housing be provided at the lower rentals achievable with the aid of below-market-interest-rate financing or assistance in land acquisition or cost (excluding public low-rent housing or rent-supplement accommodations) in those communities in this area in which a workable program is in effect.

The forecast demand of 9,050 units a year is above the average of 8,275 units a year authorized by building permits since 1960, although below the nearly 11,000 units authorized in 1963. The 4,200 units of sales demand is above the average of 3,800 single-family units authorized a year since 1960, but reflects the increasing trend in the production of single-family houses in suburban Cuyahoga County since 1960. The annual demand for 4,850 additional rental housing units is roughly comparable to the average annual production of multifamily units over the last five years.

Qualitative Demand

Sales Housing. Based on the current income levels of families in suburban Cuyahoga County and on sales price to income relationships typical in the area, the annual demand for sales housing is expected to approximate the distribution shown in the following table. The median price of new sales units will be about \$27,000, with over one-third of the annual demand priced at \$30,000 or more.

Annual Demand for New Sales Housing
Suburban Cuyahoga County, Ohio
April 1, 1966 to April 1, 1968

<u>Price class</u>	<u>Number of units</u>	<u>Percent of total</u>
Under \$20,000	420	10
\$20,000 - 24,999	1,090	26
25,000 - 29,999	1,220	29
30,000 - 34,999	590	14
35,000 - 39,999	420	10
40,000 and over	460	11
Total	4,200	100

The foregoing distribution differs from that on page 38, which reflects only selected subdivision experience during the year 1965. It must be noted that the 1965 data do not include new construction in subdivisions with less than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower-value homes, are concentrated in the smaller building operations which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. The monthly rental at which privately-owned net additions to the aggregate rental housing inventory might best be absorbed (excluding public low-rent housing or rent-supplement accommodations) 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 at the specified rentals. The production of new units in higher rental ranges than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Annual Demand for Additional Rental Housing
Suburban Cuyahoga County, Ohio
April 1, 1966 to April 1, 1968

Monthly gross rent <u>a/</u>	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three or more bedroom</u>
\$ 90 or more	275	-	-	-
100 " "	235	-	-	-
110 " "	205	2,225	-	-
120 " "	190	1,950	-	-
130 " "	160	1,725	1,875	-
140 " "	145	1,550	1,800	-
150 " "	120	1,390	1,675	475
160 " "	95	1,150	1,500	425
170 " "	50	1,000	1,350	390
180 " "	35	810	1,150	350
200 " "	15	530	760	235
220 " "	-	300	450	140
240 " "	-	225	275	85

a/ Gross rent is shelter rent plus the cost of utilities. The minimum rent for each unit size is calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Note: The above figures are cumulative and cannot be added vertically.

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also 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. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. 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 submarkets.

HOUSING MARKET SUMMARY
LAKE AND GEAUGA COUNTIES, OHIO

Demographic Factors

Population

Current Estimate and Past Trend. Lake and Geauga Counties are the two easternmost counties in the HMA. The current population of these two counties totals 249,300 persons, an increase of about 53,000 persons (27.0 percent) since 1960, with about 77 percent of the population of the two-county area living in Lake County. Population is concentrated in the eastern part of Lake County. Willoughby (19,400 persons), Willowick (26,600 persons), Eastlake (18,650 persons), and Wickliffe (20,600 persons), are the major cities located in this area of the county. Painsville, located in the center of Lake County has a current population of about 18,900. Geauga County is a relatively rural county, with no major cities. About half of the population of Geauga County is located in the western part of the county, bordering Cuyahoga and Lake Counties.

Over the past six years, population growth in the two-county area averaged about 8,825 annually, compared with an average of 9,375 annually between 1950 and 1960. Table IV shows 1950-1966 population trends in Lake and Geauga Counties. Over three-quarters of the 16-year population growth of the two counties occurred in Lake County. In addition, compared with 1950-1960 annual population growth, annual population increments have dropped more rapidly in Geauga County than have the annual increments in the population of Lake County since 1960.

Estimated Future Population. Over the next two years, it is anticipated that population in the two-county area will expand by about 9,150 annually, resulting in a total population of 267,600 by April 1968. It is expected that the rate of annual population growth in Geauga County will not change appreciably in the next two years while annual population growth in Lake County is expected to increase over the forecast period.

Households

The total number of households in the two-county area is currently about 65,200, an increase of almost 12,100 (22.8 percent) since April 1960. Increases in the number of households since 1960 have averaged just over 2,000 a year, compared with an average of almost 2,400 a year between 1950 and 1960. During the next two years, it is anticipated that households in the two-county area will increase by an average of about 2,100 annually, reaching a level of 69,400 by April 1968.

Household Size. Household size in the two-county area currently averages 3.79 persons per household. The current household size represents a continuation of the trend toward larger households indicated during the 1950's, when the average household size increased from 3.46 (1950) to 3.66 (1960). Over the next two years, it is expected that the household size will continue to increase to an average of 3.82 persons per household in April 1968.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of April 1966, there are about 70,100 housing units in the two-county area, a net gain of 12,200 units (21.1 percent) or 2,025 units a year since April 1960. In comparison, the net change in the inventory between 1950 and 1960 averaged 2,550 units annually.

Characteristics of the Inventory. Currently, 90.7 percent of the inventory of housing in the two-county area is composed of single-family houses (including trailers), with about 2.4 percent of all units in two-family units and 6.9 percent in multifamily structures (three or more units per structure). In comparison, 94.8 percent of the 1960 inventory was in single-family structures, 2.7 percent in two-family units, and 2.5 percent in multifamily structures.

Housing in Geauga and Lake Counties is relatively new, with about 17 percent of the inventory six years old or less, and about half of all units less than 15 years of age. Units more than 35 years of age account for about one-quarter of the current inventory.

It is estimated that about 6.2 percent of the current inventory is substandard (dilapidated or lacking some or all plumbing facilities). In 1960, the census reported that 7.5 percent of the inventory was substandard. However, over half of the substandard units were located in rural areas.

Residential Building Activity

Over the past ten years, the annual volume of new construction, as measured by the number of units authorized by building permits, has remained relatively stable, generally averaging between 2,200 and 2,400 units a year. In the last two years, however, the number of units authorized has declined well below annual volume in the previous eight years.

The following table shows the number of units authorized since 1960 by type of structure. Over the last six years, 68 percent of all units authorized were single-family houses; however, the annual volume of single-family construction has declined steadily over the period. The number of units authorized in multifamily structures increased rapidly from 1960 to 1963. Since 1963, multifamily authorizations have declined, paralleling the experience of multifamily construction activity in the HMA as a whole.

Units Authorized by Building Permits
Lake and Geauga Counties, Ohio
1960-1965

<u>Year</u>	<u>Single-family</u>	<u>Duplex</u>	<u>Multifamily</u>	<u>Total</u>
1960	1,858	28	376	2,262
1961	1,702	3	555	2,260
1962	1,516	28	687	2,231
1963	1,377	12	1,184	2,573
1964	1,298	18	618	1,934
1965	1,161	14	183	1,358 ^{a/}

^{a/} Underreported. Information was not available for all permit-issuing places. Distribution by type of structures was partially estimated for 1965.

Source: U. S. Bureau of the Census, Construction Reports (C-40).

Tenure of Occupancy

The following table shows occupied housing units by tenure from 1950 to 1966. The current owner-occupancy rate of 81.1 percent is quite high. As in the remainder of the HMA, however, the owner-occupancy rate in the two-county area has declined since 1960.

Occupied Housing Units by Tenure
Lake and Geauga Counties, Ohio
1950-1966

<u>Tenure</u>	<u>April 1,</u> <u>1950</u>	<u>April 1,</u> <u>1960</u>	<u>April 1,</u> <u>1966</u>
All occupied units	29,177	53,115	65,200
Owner-occupied	21,888	44,250	52,900
Percent of total	75.0	83.3	81.1
Renter-occupied	7,289	8,865	12,300
Percent of total	25.0	16.7	18.9

Sources: 1950 and 1960 U. S. Censuses of Housing.
1966 estimated by Housing Market Analyst.

Vacancy

1960 Census. In 1960, the census reported that there were 1,700 vacant housing units in the two-county area available for sale or rent. Of the total, 1,075 units were available for sale only, a net homeowner vacancy rate of 2.4 percent. The remaining 625 units were available for rent and represented a net rental vacancy rate of 6.6 percent. Of the available vacant units, about 40 sales units and 90 rental units lacked some or all plumbing facilities.

Postal Vacancy Survey. In April 1966, postal vacancy surveys were conducted by seven post offices in Lake and Geauga Counties. A total of about 55,450 residences and apartments were surveyed, representing about 79 percent of the inventory. About 1,040 residences and 350 apartments were reported as vacant, for respective vacancy ratios of 2.0 percent and 7.6 percent. Table VII shows the results of the survey in detail. Vacancy rates reported by the two post offices in the western part of Lake County (Willoughby and Wickliffe) are very low, particularly for residences.

Current Estimate. As of April 1, 1966, there are about 1,600 housing units available for sale or rent in the two-county area. Currently, there are about 850 units available for sale only, a net homeowner vacancy rate of 1.6 percent, and 750 vacant units available for rent, a net rental vacancy rate of 5.7 percent. Of the available vacant units, an estimated 50 sales vacancies and 100 rental vacancies are judged to be substandard (lacking some or all plumbing facilities).

Sales Market

In general, the sales market in the two-county area is sound, although the volume of construction has declined steadily in recent years. Paralleling the declining rate of construction, however, there has been a decline in sales vacancies, with the homeowner vacancy rate in the western part of Lake County particularly low. Most new homes in the area are constructed on a contract basis.

The FHA unsold inventory survey conducted in January 1966, covered 21 subdivisions in Lake and Geauga Counties. The survey covered 365 houses which had been built during 1965. About 84 percent of the total completed were sold before construction was started. The results of the survey for the two counties are shown in the following table. About 45 percent of all completions were priced between \$20,000 and \$25,000, with about 24 percent priced above \$25,000.

New Sales Houses Completed in the Last Twelve Months^{a/}
Lake and Geauga Counties, Ohio
January 1966

<u>Sales price</u>	<u>Total completions</u>	<u>Pre-sold</u>	<u>Speculative construction</u>		
			<u>Total</u>	<u>Unsold</u>	<u>Percent</u>
Under \$17,500	47	22	25	11	44
\$17,500 - 19,999	66	50	16	4	25
20,000 - 24,999	164	150	14	2	14
25,000 - 29,999	68	63	5	1	20
30,000 and over	<u>20</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	365	305	60	18	30

^{a/} Survey covers only subdivisions with five or more completions during 1965.

Source: Federal Housing Administration.

Rental Market

The rental market in the two-county area is in good condition. The decline in the construction of multifamily housing in the last two years has resulted in a decline in the rental vacancy rate, so that the current rate is below the 1960 rate.

The production of new rental housing over the past several years has been heavily concentrated in the western part of Lake County, where the Lakeland Freeway and Interstate 90 provide excellent access to Cleveland. Typical new rental housing in the area is in garden-type projects, with townhouse-type housing also becoming popular.

Demand for Housing

Quantitative Demand

The demand for new housing in Lake and Geauga Counties over the two-year forecast period is based on the increase in households, adjusted to reflect a modest loss of units to the inventory through demolition. Consideration has been given to the current tenure composition of households and the current trend toward renter occupancy in the area. On this basis, approximately 2,000 additional housing units will be required annually, including 1,400 units of sales housing and 600 units of rental housing. A modest increase in rental demand can be expected should new middle-income housing be provided at the lower rentals achievable with the aid of below-market-interest-rate financing or assistance in land acquisition or cost (excluding public low-rent housing or rent-supplement accommodations) in those communities in this area in which a workable program is in effect.

The annual demand estimated for the two-county area over the next two years is roughly comparable to the average annual production of new units over the last six year. However, the estimates of future demand represent a reversal of the declining trend in residential construction in the last three years. The reduced rate of production over the last two years has resulted in a substantial tightening of the market, and the forecast demand represents a return to long-term levels of production the area has experienced in the past.

Qualitative Demand

Sales Housing. Based on the current income levels in the two-county area, and on sales price to income relationships typical of the area, the annual demand for new sales housing is expected to approximate the distribution shown in the following table. The median price of new sales units in the area is expected to be about \$26,000.

Annual Demand for New Sales Housing
Lake and Geauga Counties, Ohio
April 1, 1966 to April 1, 1968

<u>Sales price</u>	<u>Number of units</u>	<u>Percent of total</u>
Under \$20,000	210	15
\$20,000 - 24,999	390	28
25,000 - 29,999	410	29
30,000 - 34,999	210	15
35,000 - 39,999	110	8
40,000 and over	70	5
Total	1,400	100

The foregoing distribution differs from that on page 47, which reflects only selected subdivision experience during the year 1965. It must be noted that the 1965 data do not include new construction in subdivisions with less than five completions during the year, nor do they reflect individual or contract construction on scattered lots. It is likely that the more expensive housing construction, and some of the lower-value homes, are concentrated in the smaller building operations which are quite numerous. The preceding demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. The monthly rental at which 600 privately-owned net additions to the aggregate rental housing inventory might best be absorbed, excluding public low-rent housing and rent-supplement accommodations, 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 at the specified rentals. The production of new units in higher rental ranges than indicated below may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result.

Annual Demand for Additional Rental Housing
Lake and Geauga Counties, Ohio
April 1, 1966 to April 1, 1968

Gross monthly rent ^{a/}	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three or more bedroom</u>
\$ 90 and over	30	-	-	-
100 " "	25	-	-	-
110 " "	15	200	-	-
120 " "	10	180	-	-
130 " "	5	150	280	-
140 " "	-	120	230	-
150 " "	-	95	185	90
160 " "	-	65	140	65
170 " "	-	35	90	45
180 " "	-	15	40	25

a/ Rent is shelter rent plus the cost of utilities. The minimum rent for each unit size is calculated on the basis of a long-term mortgage (40 years) at 5½ percent interest and 1½ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

Note: The above figures are cumulative and cannot be added vertically.

The preceding distribution of average annual demand for new apartments is based on projected tenant-family income, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration is also 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. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. 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 submarkets.

Table I

Nonagricultural Wage and Salary Employment by Industry Group
Cleveland, Ohio, Labor Market Area^{1/}
Annual Averages 1959-1965
(in thousands)

<u>Industry group</u>	<u>Two-county LMA</u> ^{1/}					<u>Four-county LMA</u> ^{1/}	
	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>
Total	<u>691.1</u>	<u>700.3</u>	<u>674.5</u>	<u>688.3</u>	<u>699.0</u>	<u>735.9</u>	<u>764.3</u>
Manufacturing	<u>282.9</u>	<u>282.8</u>	<u>260.6</u>	<u>269.4</u>	<u>272.9</u>	<u>282.2</u>	<u>293.8</u>
Durable goods	<u>210.8</u>	<u>211.1</u>	<u>191.2</u>	<u>199.5</u>	<u>203.1</u>	<u>207.9</u>	<u>217.4</u>
Primary metals	<u>40.9</u>	<u>41.6</u>	<u>37.1</u>	<u>38.9</u>	<u>38.4</u>	<u>39.3</u>	<u>40.2</u>
Fabricated metal products	<u>40.7</u>	<u>41.4</u>	<u>37.3</u>	<u>38.8</u>	<u>39.1</u>	<u>41.7</u>	<u>43.7</u>
Machinery, except electrical	<u>42.4</u>	<u>43.9</u>	<u>40.0</u>	<u>40.6</u>	<u>41.1</u>	<u>43.2</u>	<u>46.7</u>
Electrical machinery	<u>24.8</u>	<u>25.0</u>	<u>22.9</u>	<u>24.1</u>	<u>25.2</u>	<u>26.1</u>	<u>27.9</u>
Transportation equipment	<u>43.6</u>	<u>40.9</u>	<u>36.3</u>	<u>37.9</u>	<u>39.0</u>	<u>37.3</u>	<u>39.0</u>
All other durables	<u>18.5</u>	<u>18.4</u>	<u>17.7</u>	<u>19.2</u>	<u>20.3</u>	<u>20.3</u>	<u>19.8</u>
Nondurable goods	<u>72.2</u>	<u>71.7</u>	<u>69.4</u>	<u>69.9</u>	<u>69.9</u>	<u>74.3</u>	<u>76.5</u>
Food products	<u>15.3</u>	<u>15.1</u>	<u>14.0</u>	<u>13.7</u>	<u>13.7</u>	<u>13.9</u>	<u>14.0</u>
Textiles & apparel	<u>14.3</u>	<u>13.1</u>	<u>12.4</u>	<u>13.0</u>	<u>13.3</u>	<u>13.4</u>	<u>13.9</u>
Paper products	<u>4.2</u>	<u>4.4</u>	<u>4.4</u>	<u>4.6</u>	<u>4.6</u>	<u>4.9</u>	<u>5.1</u>
Printing & publishing	<u>14.7</u>	<u>15.0</u>	<u>14.7</u>	<u>14.5</u>	<u>14.6</u>	<u>15.6</u>	<u>16.2</u>
Chemicals	<u>14.3</u>	<u>14.5</u>	<u>14.5</u>	<u>14.1</u>	<u>14.0</u>	<u>14.4</u>	<u>14.7</u>
Other nondurables	<u>9.4</u>	<u>9.7</u>	<u>9.5</u>	<u>9.9</u>	<u>9.7</u>	<u>12.2</u>	<u>12.5</u>
Nonmanufacturing	<u>408.2</u>	<u>417.5</u>	<u>413.9</u>	<u>418.9</u>	<u>426.1</u>	<u>453.7</u>	<u>470.5</u>
Construction	<u>33.8</u>	<u>32.9</u>	<u>30.7</u>	<u>30.0</u>	<u>28.7</u>	<u>30.6</u>	<u>30.9</u>
Transportation & utilities	<u>46.1</u>	<u>46.6</u>	<u>44.8</u>	<u>45.0</u>	<u>45.3</u>	<u>46.1</u>	<u>47.5</u>
Trade	<u>141.5</u>	<u>145.4</u>	<u>141.6</u>	<u>141.0</u>	<u>142.5</u>	<u>151.6</u>	<u>157.7</u>
Finance, ins., & real estate	<u>31.2</u>	<u>31.9</u>	<u>32.7</u>	<u>32.8</u>	<u>33.5</u>	<u>35.2</u>	<u>35.9</u>
Services & miscellaneous	<u>85.7</u>	<u>88.4</u>	<u>90.0</u>	<u>92.5</u>	<u>95.2</u>	<u>102.8</u>	<u>107.7</u>
Government	<u>69.8</u>	<u>72.1</u>	<u>74.2</u>	<u>77.7</u>	<u>80.9</u>	<u>87.5</u>	<u>90.9</u>

^{1/} The Cleveland LMA as currently defined covers four counties--Cuyahoga, Lake, Geauga, and Medina prior to 1964, however, the LMA covered Cuyahoga and Lake counties.

Note: Totals may not add because of rounding.

Source: Division of Research and Statistics,
Ohio Bureau of Unemployment Compensation.

Table II

Estimated Distribution of All Families and Renter Households^{a/} by Annual Income
After Deduction of Federal Income Tax
Cleveland, Ohio, HMA, 1966-1968

	<u>Cleveland City</u>		<u>Suburban Cuyahoga Co.</u>		<u>Lake and Geauga Co.</u>		<u>HMA total</u>	
	<u>All</u>	<u>Renter</u>	<u>All</u>	<u>Renter</u>	<u>All</u>	<u>Renter</u>	<u>All</u>	<u>Renter</u>
	<u>families</u>	<u>households</u>	<u>families</u>	<u>households</u>	<u>families</u>	<u>households</u>	<u>families</u>	<u>households</u>
<u>1966</u>								
Under \$4,000	21.0	25.0	5.0	12.0	9.5	18.5	12.0	21.0
5,000 - 4,999	5.0	9.5	4.5	7.0	5.0	8.5	5.0	9.0
6,000 - 6,999	10.0	12.0	6.0	9.0	7.5	12.0	8.5	11.0
7,000 - 7,999	11.0	11.5	11.0	10.0	13.5	14.0	11.0	12.0
8,000 - 8,999	10.0	8.5	9.5	9.5	11.0	9.5	10.0	8.5
9,000 - 9,999	8.0	7.0	8.5	8.5	9.5	8.0	8.5	7.0
10,000 - 14,999	18.5	11.5	29.0	23.0	26.0	13.5	24.0	15.0
15,000 - 19,999	(4.5	(3.0	10.0	5.0	3.5	(3.0	5.5	(4.5
20,000 or more	(4.5	(3.0	8.0	3.0	4.0	(3.0	5.0	(4.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	\$7,150	\$6,250	\$9,650	\$7,900	\$8,450	\$6,875	\$8,300	\$6,750
<u>1968</u>								
Under \$4,000	18.0	23.5	4.5	11.0	8.0	17.5	11.5	20.0
\$4,000 - 4,999	4.0	8.5	4.0	6.0	5.0	7.5	9.5	8.0
5,000 - 5,999	11.0	10.5	5.5	8.5	6.5	10.5	8.0	10.0
6,000 - 6,999	11.0	12.0	7.0	11.0	8.5	12.0	9.5	10.5
7,000 - 7,999	10.5	11.5	11.0	10.5	14.0	13.5	10.5	11.5
8,000 - 8,999	10.0	9.0	9.0	9.0	9.0	10.5	9.0	10.0
9,000 - 9,999	8.5	7.0	8.0	8.5	10.0	8.5	8.5	7.0
10,000 - 14,999	21.5	14.5	30.5	25.5	30.0	16.5	26.5	18.0
15,000 - 19,999	(5.5	(3.5	11.5	6.0	4.0	(3.5	6.0	(5.0
20,000 or more	(5.5	(3.5	9.0	4.0	5.0	(3.5	6.0	(5.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Median	\$7,550	\$6,575	\$10,150	\$8,300	\$8,925	\$7,250	\$8,750	\$7,125

Note: Rounded to nearest 0.5 percent.

^{a/} Excludes one person renter households.

Source: Estimated by Housing Market Analyst.

Table III

Population Trends
Cleveland, Ohio, HMA
April 1950 to April 1966

	April 1, <u>1950</u>	April 1, <u>1960</u>	April 1, <u>1966</u>	<u>Average annual change^{a/}</u>	
				<u>1950-1960</u>	<u>1960-1966</u>
Cleveland HMA total	<u>1,492,157</u>	<u>1,844,168</u>	<u>2,021,500</u>	<u>35,200</u>	<u>29,550</u>
Cuyahoga County	<u>1,389,532</u>	<u>1,647,895</u>	<u>1,772,200</u>	<u>25,850</u>	<u>20,700</u>
Cleveland	914,808	876,050	832,000	-3,875	-7,350
Cleveland Heights	59,141	61,813	62,900	270	180
East Cleveland	40,047	37,991	41,300	-200	550
Euclid	41,396	62,998	75,700	2,150	2,125
Garfield Heights	21,662	38,445	44,600	1,675	1,025
Lakewood	68,071	66,154	72,800	-190	1,100
Parma	28,897	82,845	94,600	5,400	1,950
Shaker Heights	28,222	36,460	37,700	820	210
Remainder of County	187,288	385,139	510,600	19,800	20,900
Geauga County	26,646	47,573	58,100	2,100	1,750
Lake County	75,979	148,700	191,200	7,275	7,075

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

Sources: 1950 and 1960 U.S. Censuses of Population.
1966 estimated by Housing Market Analyst.

Table IV

Households and Household Size
Cleveland, Ohio, HMA
April 1950 to April 1966

	<u>Households</u>				^{a/} <u>Average annual change</u>	<u>Household Size</u>		
	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1966</u>	<u>1950-1960</u>		<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1966</u>
Cleveland HMA total	<u>435,106</u>	<u>550,041</u>	<u>603,800</u>	<u>11,500</u>	<u>8,950</u>	<u>3.31</u>	<u>3.30</u>	<u>3.29</u>
Cuyahoga County	<u>405,929</u>	<u>496,926</u>	<u>538,600</u>	<u>9,100</u>	<u>6,950</u>	<u>3.30</u>	<u>3.26</u>	<u>3.24</u>
Cleveland	<u>265,973</u>	<u>269,891</u>	<u>266,300</u>	<u>390</u>	<u>-600</u>	<u>3.29</u>	<u>3.17</u>	<u>3.05</u>
Cleveland Heights	<u>17,739</u>	<u>19,529</u>	<u>20,150</u>	<u>180</u>	<u>100</u>	<u>3.29</u>	<u>3.10</u>	<u>3.10</u>
East Cleveland	<u>13,262</u>	<u>13,877</u>	<u>15,350</u>	<u>60</u>	<u>250</u>	<u>2.95</u>	<u>2.69</u>	<u>2.67</u>
Euclid	<u>11,473</u>	<u>18,319</u>	<u>21,850</u>	<u>680</u>	<u>590</u>	<u>3.59</u>	<u>3.42</u>	<u>3.45</u>
Garfield Heights	<u>5,913</u>	<u>10,658</u>	<u>12,200</u>	<u>475</u>	<u>260</u>	<u>3.62</u>	<u>3.58</u>	<u>3.61</u>
Lakewood	<u>22,357</u>	<u>23,295</u>	<u>26,400</u>	<u>95</u>	<u>520</u>	<u>3.01</u>	<u>2.83</u>	<u>2.74</u>
Parma	<u>8,005</u>	<u>22,636</u>	<u>25,900</u>	<u>1,475</u>	<u>540</u>	<u>3.51</u>	<u>3.61</u>	<u>3.65</u>
Shaker Heights	<u>8,627</u>	<u>11,919</u>	<u>12,500</u>	<u>330</u>	<u>100</u>	<u>3.26</u>	<u>3.06</u>	<u>3.00</u>
Remainder of County	<u>52,580</u>	<u>106,802</u>	<u>137,950</u>	<u>5,425</u>	<u>5,150</u>	<u>3.48</u>	<u>3.52</u>	<u>3.62</u>
Geauga County	<u>7,314</u>	<u>12,533</u>	<u>14,700</u>	<u>520</u>	<u>360</u>	<u>3.60</u>	<u>3.77</u>	<u>3.86</u>
Lake County	<u>21,863</u>	<u>40,582</u>	<u>50,500</u>	<u>1,875</u>	<u>1,650</u>	<u>3.41</u>	<u>3.63</u>	<u>3.75</u>

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

Sources: 1950 and 1960 U.S. Censuses of Housing.
1966 estimated by Housing Market Analyst.

Table IV

Households and Household Size
Cleveland, Ohio, HMA
April 1950 to April 1966

	<u>Households</u>			<u>Average annual change^{a/}</u>		<u>Household Size</u>		
	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1966</u>	<u>1950-1960</u>	<u>1960-1966</u>	<u>April 1, 1950</u>	<u>April 1, 1960</u>	<u>April 1, 1966</u>
Cleveland HMA total	<u>435,106</u>	<u>550,041</u>	<u>603,800</u>	<u>11,500</u>	<u>8,950</u>	<u>3.31</u>	<u>3.30</u>	<u>3.29</u>
Cuyahoga County	<u>405,929</u>	<u>496,926</u>	<u>538,600</u>	<u>9,100</u>	<u>6,950</u>	<u>3.30</u>	<u>3.26</u>	<u>3.24</u>
Cleveland	<u>265,973</u>	<u>269,891</u>	<u>266,300</u>	<u>390</u>	<u>-600</u>	<u>3.29</u>	<u>3.17</u>	<u>3.05</u>
Cleveland Heights	<u>17,739</u>	<u>19,529</u>	<u>20,150</u>	<u>180</u>	<u>100</u>	<u>3.29</u>	<u>3.10</u>	<u>3.10</u>
East Cleveland	<u>13,262</u>	<u>13,877</u>	<u>15,350</u>	<u>60</u>	<u>250</u>	<u>2.95</u>	<u>2.69</u>	<u>2.67</u>
Euclid	<u>11,473</u>	<u>18,319</u>	<u>21,850</u>	<u>680</u>	<u>590</u>	<u>3.59</u>	<u>3.42</u>	<u>3.45</u>
Garfield Heights	<u>5,913</u>	<u>10,658</u>	<u>12,200</u>	<u>475</u>	<u>260</u>	<u>3.62</u>	<u>3.58</u>	<u>3.61</u>
Lakewood	<u>22,357</u>	<u>23,295</u>	<u>26,400</u>	<u>95</u>	<u>520</u>	<u>3.01</u>	<u>2.83</u>	<u>2.74</u>
Parma	<u>8,005</u>	<u>22,636</u>	<u>25,900</u>	<u>1,475</u>	<u>540</u>	<u>3.51</u>	<u>3.61</u>	<u>3.65</u>
Shaker Heights	<u>8,627</u>	<u>11,919</u>	<u>12,500</u>	<u>330</u>	<u>100</u>	<u>3.26</u>	<u>3.06</u>	<u>3.00</u>
Remainder of County	<u>52,580</u>	<u>106,802</u>	<u>137,950</u>	<u>5,425</u>	<u>5,150</u>	<u>3.48</u>	<u>3.52</u>	<u>3.62</u>
Geauga County	<u>7,314</u>	<u>12,533</u>	<u>14,700</u>	<u>520</u>	<u>360</u>	<u>3.60</u>	<u>3.77</u>	<u>3.86</u>
Lake County	<u>21,863</u>	<u>40,582</u>	<u>50,500</u>	<u>1,875</u>	<u>1,650</u>	<u>3.41</u>	<u>3.63</u>	<u>3.75</u>

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

Sources: 1950 and 1960 U.S. Censuses of Housing.
1966 estimated by Housing Market Analyst.

Table V

Housing Units Authorized by Building Permits
Cleveland, Ohio, HMA
1956-1965

<u>Area</u>	<u>1956</u>	<u>1957</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>
Cleveland HMA total	<u>12,179</u>	<u>11,831</u>	<u>10,985</u>	<u>12,015</u>	<u>9,801</u>	<u>11,348</u>	<u>12,411</u>	<u>16,399</u>	<u>12,703</u>	<u>11,115</u>
Cuyahoga County	<u>9,879</u>	<u>9,564</u>	<u>8,635</u>	<u>9,800</u>	<u>7,539</u>	<u>9,088</u>	<u>10,180</u>	<u>13,826</u>	<u>10,769</u>	<u>9,923</u>
Berea	177	121	196	308	229	174	419	315	185	210
Brook Park	148	326	992	1,505	1,912	374	128	137	231	342
Cleveland ^{a/}	1,456	2,087	839	1,241	1,672	2,340	2,069	2,840	1,495	1,206
Cleveland Heights	134	336	194	94	295	145	188	26	31	83
East Cleveland	71	92	56	64	351	45	246	718	155	53
Euclid	530	338	307	218	372	299	601	705	1,671	848
Garfield Heights	430	338	227	269	254	157	389	418	270	118
Lakewood	49	33	627	386	187	555	692	1,460	342	7
Mayfield Heights	80	249	258	134	371	281	105	363	382	1,039
North Olmstead	370	192	285	198	170	352	390	1,312	1,179	731
Parma	995	1,254	1,222	821	504	391	595	500	687	904
Shaker Heights	344	264	194	216	75	198	49	152	25	285
Warrensville Heights	256	151	264	280	255	169	217	470	710	380
Remainder of County	4,839	3,783	2,974	4,066	892	3,608	4,092	4,410	3,406	3,717
Geauga County	NA	664	673	637	466	472	399	316	328	309
Lake County	<u>2,300</u>	<u>1,603</u>	<u>1,677</u>	<u>1,578</u>	<u>1,796</u>	<u>1,788</u>	<u>1,832</u>	<u>2,257</u>	<u>1,606</u>	<u>883</u>
Eastlake	151	95	47	58	66	316	226	451	236	213
Mentor Village	65	54	26	35	107	136	170	747	385	305
Remainder of County	2,084	1,454	1,604	1,485	1,623	1,336	1,436	1,059	985	365

^{a/} Includes the following Public Housing units: 1957--404 units, 1960--391 units, 1961--1,054 units, and 1964--100 units.

Sources: Bureau of the Census, Construction Reports (C-40) and local permit issuing places.

Table VI

Cleveland, Ohio, Area Postal Vacancy Survey

April 13-18, 1966

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.	%
The Survey Area Total	395,160	11,276	2.9	9,662	1,614	6,997	242,931	5,478	2.3	4,751	727	2,822	152,229	5,798	3.8	4,911	887	4,175	3,687	112	3.0
Cuyahoga County	339,698	9,887	2.9	8,585	1,302	6,325	192,071	4,438	2.3	3,924	514	2,343	147,627	5,449	3.7	4,661	788	3,982	1,900	59	3.1
Cleveland	306,330	9,079	3.0	8,105	974	4,489	162,738	3,898	2.4	3,587	311	1,178	143,592	5,181	3.6	4,518	663	3,311	1,158	12	1.0
Main Office	14,137	1,034	7.3	1,034	-	412	5,657	496	8.8	496	-	-	8,480	538	6.3	538	-	412	-	-	-
Branches:																					
Bay Village	2,189	42	1.9	28	14	27	2,185	40	1.8	26	14	27	4	2	50.0	2	-	-	-	-	-
Brecksville	2,684	67	2.5	60	7	18	2,219	27	1.2	20	7	18	465	40	8.6	40	-	-	-	-	-
Briggs	6,004	47	0.8	34	13	269	5,727	27	0.5	18	9	175	277	20	7.2	16	4	94	-	-	-
Brook Park	3,274	47	1.4	35	12	150	2,912	31	1.1	19	12	150	362	16	4.4	16	-	-	-	-	-
Cleveland Heights	8,977	115	1.3	110	5	8	5,945	19	0.3	18	1	8	3,032	96	3.2	92	4	-	-	-	-
East Cleveland	13,110	436	3.3	415	21	-	3,342	162	4.8	161	1	-	9,768	274	2.8	254	20	-	-	-	-
Euclid	2,509	41	1.6	28	13	510	1,138	15	1.3	12	3	2	1,371	26	1.9	16	10	508	-	-	-
Fairview Park	3,507	80	2.3	73	7	23	2,789	23	0.8	16	7	19	718	57	7.9	57	-	4	-	-	-
Garfield Heights	5,744	66	1.1	56	10	24	5,316	45	0.8	35	10	23	428	21	4.9	21	-	1	142	1	0.7
Independence	2,113	27	1.3	19	8	110	2,077	21	1.0	13	8	88	36	6	16.7	6	-	22	20	1	5.0
Lakewood	14,168	291	2.1	251	40	121	9,024	95	1.1	93	2	1	5,144	196	3.8	158	38	120	-	-	-
Lyndhurst-Mayfield	6,902	135	2.0	58	77	354	6,429	96	1.5	43	53	114	473	39	8.2	15	24	240	-	-	-
Maple Heights	4,450	57	1.3	44	13	74	4,157	40	1.0	27	13	74	293	17	5.8	17	-	-	-	-	-
Midpark	8,291	307	3.7	178	129	498	6,090	50	0.8	37	13	152	2,201	257	11.7	141	116	346	-	-	-
Noble	4,947	90	1.8	67	23	263	2,097	11	0.5	7	4	1	2,850	79	2.8	60	19	262	-	-	-
North Royalton	1,470	16	1.1	13	3	19	1,468	15	1.0	12	3	19	2	1	50.0	1	-	-	-	-	-
Olmsted Falls	889	11	1.2	11	-	42	844	9	1.1	9	-	26	45	2	4.4	2	-	16	409	-	-
Parma	5,399	49	0.9	44	5	4	4,077	14	0.3	13	1	4	1,322	35	2.6	31	4	-	108	-	-
Rocky River	3,234	108	3.3	67	41	50	2,583	28	1.1	23	5	10	651	80	12.3	44	36	40	-	-	-
Shore	4,531	142	3.1	66	76	677	3,251	12	0.4	10	2	5	1,280	130	10.2	56	74	672	-	-	-
Solon	927	31	3.3	9	22	33	748	26	3.5	4	22	33	179	5	2.8	5	-	-	-	-	-
South Euclid	8,097	64	0.8	53	11	23	6,417	37	0.6	26	11	17	1,680	27	1.6	27	-	6	-	-	-
Strongsville	1,544	50	3.2	37	13	17	1,475	48	3.3	35	13	17	69	2	2.9	2	-	-	-	-	-
Warrensville	5,456	171	3.1	69	102	73	3,610	51	1.4	41	10	14	1,846	120	6.5	28	92	59	-	-	-
Stations:																					
A	18,376	445	2.4	437	8	-	5,789	215	3.7	211	4	-	12,587	230	1.8	226	4	-	-	-	-
B	20,852	1,494	7.2	1,481	13	1	3,615	472	13.1	472	-	1	17,237	1,022	5.9	1,009	13	-	-	-	-
Beachland	3,432	75	2.2	42	33	11	2,206	58	2.6	25	33	11	1,226	17	1.4	17	-	-	-	-	-
C	17,044	1,010	5.9	881	129	-	5,633	628	11.1	627	1	-	11,411	382	3.3	254	128	-	-	-	-

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.

Table VI (continued)

Cleveland, Ohio, Area Postal Vacancy Survey

April 13-18, 1966

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.	%
Collinwood	8,628	282	3.3	226	56	-	6,057	107	1.8	107	-	-	2,571	175	6.8	119	56	-	-	-	-
Cranwood	5,930	125	2.1	115	10	6	4,254	70	1.6	60	10	6	1,676	55	3.3	55	-	-	49	4	8.2
H	17,524	424	2.4	424	-	441	4,420	146	3.3	146	-	61	13,104	278	2.1	278	-	380	-	-	-
Newburg	13,260	283	2.1	271	12	4	6,720	160	2.4	157	3	3	6,540	123	1.9	114	9	1	-	-	-
Pearlbrook	15,367	328	2.1	327	1	112	9,977	207	2.1	206	1	4	5,390	121	2.2	121	-	108	-	-	-
Puritas Park	6,745	65	1.0	39	26	111	6,338	60	0.9	37	23	91	407	5	1.2	2	3	20	260	3	1.2
Shaker Heights	15,992	218	1.4	207	11	1	4,477	110	2.5	108	2	1	11,515	108	0.9	99	9	-	-	-	-
University Center	16,207	569	3.5	569	-	-	2,750	113	4.1	113	-	-	13,457	456	3.4	456	-	-	-	-	-
West Park	10,124	151	1.5	141	10	3	7,896	72	0.9	62	10	3	2,228	79	3.5	79	-	-	170	3	1.8
Willow	2,296	86	3.7	86	-	-	1,029	42	4.1	42	-	-	1,267	44	3.5	44	-	-	-	-	-
Other Post Offices	<u>33,368</u>	<u>808</u>	<u>2.4</u>	<u>480</u>	<u>328</u>	<u>1,836</u>	<u>29,333</u>	<u>540</u>	<u>1.8</u>	<u>337</u>	<u>203</u>	<u>1,165</u>	<u>4,035</u>	<u>268</u>	<u>6.6</u>	<u>143</u>	<u>125</u>	<u>671</u>	<u>742</u>	<u>47</u>	<u>6.3</u>
Bedford	8,839	123	1.4	91	32	516	7,104	82	1.2	51	31	153	1,735	41	2.4	40	1	363	586	41	7.0
Berea	6,232	108	1.7	94	14	149	5,646	71	1.3	57	14	104	586	37	6.3	37	-	45	54	-	-
Chagrin Falls	6,125	203	3.3	142	61	320	5,786	187	3.2	127	60	320	339	16	4.7	15	1	-	5	5	100.0
North Olmstead	8,036	306	3.8	105	201	816	6,872	143	2.1	65	78	553	1,164	163	14.0	40	123	263	33	-	-
Westlake	4,136	68	1.6	48	20	35	3,925	57	1.5	37	20	35	211	11	5.2	11	-	-	64	1	1.6
Geauga County	<u>6,616</u>	<u>250</u>	<u>3.8</u>	<u>194</u>	<u>56</u>	<u>40</u>	<u>6,288</u>	<u>208</u>	<u>3.3</u>	<u>168</u>	<u>40</u>	<u>39</u>	<u>328</u>	<u>42</u>	<u>12.8</u>	<u>26</u>	<u>16</u>	<u>1</u>	<u>364</u>	<u>18</u>	<u>4.9</u>
Chardon	3,819	141	3.7	114	27	22	3,501	101	2.9	90	11	21	318	40	12.6	24	16	1	254	14	5.5
Chesterland	2,797	109	3.9	80	29	18	2,787	107	3.8	78	29	18	10	2	20.0	2	-	-	110	4	3.6
Lake County	<u>48,846</u>	<u>1,139</u>	<u>2.3</u>	<u>883</u>	<u>256</u>	<u>632</u>	<u>44,572</u>	<u>832</u>	<u>1.9</u>	<u>659</u>	<u>173</u>	<u>440</u>	<u>4,274</u>	<u>307</u>	<u>7.2</u>	<u>224</u>	<u>83</u>	<u>192</u>	<u>1,423</u>	<u>35</u>	<u>2.5</u>
Madison	3,130	141	4.5	122	19	44	2,991	125	4.2	107	18	44	139	16	11.5	15	1	-	319	14	4.4
Mentor	10,558	379	3.6	279	100	194	9,615	319	3.3	219	100	144	943	60	6.4	60	-	50	229	4	1.7
Painesville	11,262	353	3.1	315	38	43	9,766	241	2.5	209	32	43	1,496	112	7.5	106	6	-	175	8	4.6
Wickliffe	5,291	63	1.2	48	15	270	4,837	47	1.0	32	15	128	454	16	3.5	16	-	142	93	2	2.2
Willoughby	18,605	203	1.1	119	84	81	17,363	100	0.6	92	8	81	1,242	103	8.3	27	76	-	607	7	1.2

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).

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

FEDERAL HOUSING ADMINISTRATION

NEWS

Washington, D. C. 20411

FHA INFORMATION 382-4693

FOR RELEASE THURSDAY
JANUARY 19, 1967

MC-FHA-MA-67-5
POSTON

The Federal Housing Administration today released its analysis of the Cleveland, Ohio, housing market. The area covered is the three counties of Cuyahoga, Lake, and Geauga.

Demand for additional housing is predicted at 12,650 units a year for a two-year forecast dating from April 1, 1966. Estimated annual demand consists of 5,900 sales units and 6,750 rental units. The rental figure does not include public low-rent or rent-supplement housing.

The number of proprietary nursing home beds existing and under construction in April 1966 was considered sufficient to meet demand during the two-year period. However, enforcement of new licensing standards and the operation of the Medicare program could result in additional demand.

Vacancy rates in housing have fluctuated widely since 1960, but in April 1966 the over-all rate had dropped to about the same level as in 1960. The April 1966 estimated net homeowner vacancy rate was 1.2 percent, compared with 1.5 percent in 1960. The April 1966 estimated rental vacancy rate was 5.8 percent, compared with 5.3 percent in 1960.

Building volume dropped in 1964 and 1965. The number of single-family units had been "declining steadily" since 1960. Annual multifamily volume increased from 3,275 units in 1960 to a peak of 10,900 units in 1963, but was down to 5,650 units in 1965. A total of about 72,250 privately financed housing units was authorized between 1960 and 1965.

Predicted employment gains indicate an expanding economy. However, the base of the economy is such that employment is affected by national trends. "responding to record automobile sales and to heavy demand by American industry for producer durable goods, nonagricultural wage and salary employment increased by 25,900 jobs between 1964 and 1965, reaching a 1965 average of 762,800." Although the 15,500 yearly employment gains expected during the forecast years are below the rapid growth of the past year, they are well above the average annual gains experienced since 1958.

- more -

Increases in family incomes are expected. In April 1966, the estimated annual median income of all families, after deduction of federal income tax, was \$8,300. About 35 percent of all families had earnings of \$10,000 or more, and 12 percent had incomes of less than \$4,000 a year. By 1968, the after-tax median family income is expected to increase to \$8,750.

Predicted gains for population and number of households are higher than gains of recent years. The April 1966 population of the housing market area was 1,989,700 reflecting an increase of 145,500 since April 1960. The estimated annual increase for the forecast years is 29,350. In April 1966, there were 603,800 households. This is about 53,750 more than reported by the 1960 Census. An average yearly gain of about 9,650 households is expected for the two forecast years.

Requests for copies of the complete analysis should be directed to William H. Hackman, Director, Federal Housing Administration, 1375 Euclid Avenue, Cleveland, Ohio 44115.

* * * *

1/19/67

Library
Room 103 Normandy Bldg.