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1966

Analysis of the
COLUMBIA, MISSOURI
HOUSING MARKET

as of March 1, 1966

WASHINGTON, D.C. 20410
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A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL HOUSING ADMINISTRATION
WASHINGTON, D. C. 20411

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ANALYSIS OF THE
COLUMBIA, MISSOURI, HOUSING MARKET
AS OF MARCH 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, of course, be differences of opinion 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.

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ANALYSIS OF THE
COLUMBIA, MISSOURI, HOUSING MARKET
AS OF MARCH 1, 1966

Summary and Conclusions

1. The Columbia Housing Market Area (HMA) has an economy based predominantly on higher education; economic growth, therefore, has paralleled that of its schools, the University of Missouri, Stephens College, and Christian College. Total nonagricultural employment in the HMA has been increasing in recent years, reaching an average of about 25,250 workers in 1965. The largest single segment of employment is educational services, with about 28 percent of total nonagricultural employment in 1960. During the March 1966-March 1968 forecast period, nonagricultural employment is expected to expand by about 900 jobs annually.

Unemployment in the Columbia HMA has been decreasing since 1960; it equaled about 1.9 percent of the civilian work force in 1964. The Missouri State Employment Service reports the current unemployment rate probably is below the 1964 level.

2. The current median income of all nonfarm families in Boone County is approximately \$6,325, after deduction of Federal income tax; the median income of renter families is about \$5,400 annually. By 1968, median annual after-tax income is expected to increase to \$6,650 for all families and \$5,650 for renter families.
3. The March 1966 nonfarm population of the Columbia HMA totals about 63,600, an increase of 29 percent since April 1960. About 48,100 persons, or 76 percent of the population, live in Columbia. The rapid expansion of the University of Missouri since 1960 has caused nonfarm population to increase in the last six years at a rate more than twice that of the 1950-1960 population growth rate. By March 1968, the nonfarm population is expected to total 69,200, an average annual increase of about 2,800.
4. There are approximately 17,800 nonfarm households in the Columbia HMA as of March 1966, an increase of about 630 annually since April 1960. About 12,950 of the households (73 percent of the total) are in the city of Columbia. The number of nonfarm households is expected to reach 19,050 by March 1968, an increase of about 625 annually.
5. As of March 1966, there are about 19,150 nonfarm housing units in the Columbia HMA, representing a net addition of 3,875 units, or over 650 units annually since April 1960. This net addition resulted from about 3,350 housing units completed since 1960, from an addition of some 800 trailers to the 1960 inventory, and from some conversion and demolition activity.

Slightly over one-half of the 3,300 units authorized for construction since 1960 were single-family units. In 1965, however, the 350 single-family units authorized represented only about 42 percent of total authorizations; 490 units were multifamily units. This total is well above the previous high level of multifamily activity, about 280 units in 1963. Approximately 400 housing units are currently under construction, including 175 single-family units and 225 multifamily units.

6. Current vacancy levels in the HMA indicate a fair degree of balance in the sales and rental markets. As of March 1, 1966, there are 600 vacant available units in the county, including 175 units available for sale (a homeowner vacancy rate of 1.7 percent) and 425 available rental units (a renter vacancy rate of 5.4 percent).
7. The demand for new housing over the forecast period is estimated at 650 units annually, including 350 sales units and 300 rental units. An additional 100 rental units can be marketed at the lower rents achievable only 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. The annual demand for new sales housing by sales prices is expected to approximate the pattern presented on page 20. The rental demand, distributed by gross monthly rent levels and unit size, is presented on page 22.

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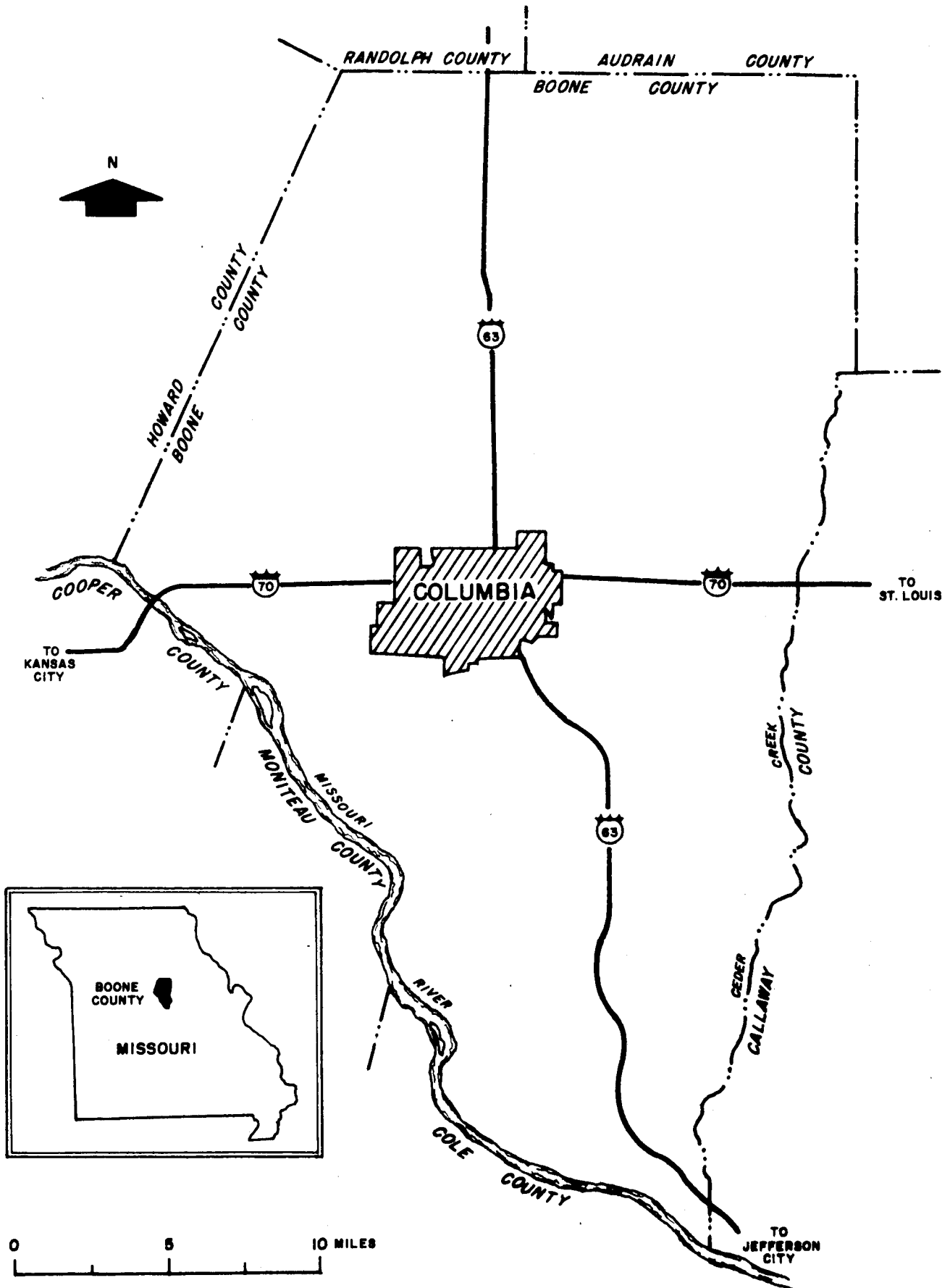
Housing Market Area

The Columbia, Missouri, Housing Market Area (HMA) is coterminous with Boone County, which had a 1960 nonfarm population of 49,350.^{1/} The principal city, Columbia, is located in the center of the county and contained almost three-quarters of the nonfarm population of the area in 1960.

Columbia is located in mid-Missouri, about 125 miles west of St. Louis and east of Kansas City on Interstate 70. A north-south highway is provided by State Highway 63, connecting with Jefferson City about 20 miles to the south. Other transportation facilities include the Norfolk and Western and the Missouri, Kansas, and Texas railroads, two interstate bus lines, and four highway freight carriers. In addition, Columbia is served by Ozark Airlines with 13 flights daily into and out of the Municipal Airport. A new airport located between Columbia and Jefferson City has been approved recently, and jet service soon will be available to the Columbia HMA.

^{1/} Since rural farm population constituted 10.6 percent of the population of the Columbia HMA in 1960, all data exclude the rural farm component, except where specifically noted.

COLUMBIA, MISSOURI, HOUSING MARKET AREA



Economy of the Area

Character and History

Columbia is a city with an economy based on higher education. The University of Missouri was founded in Columbia in 1839. Six years prior to this, Lucy Wales Academy, predecessor of the present Stephens College, was established; and in 1851, Christian College, the first institution west of the Mississippi for college-level education of women, was founded. Economic and population growth of the city has paralleled that of its schools.

Columbia's position as a major center of higher education has induced research and medical facilities to locate in the city. In addition to the general service hospital for the community, the city has a 441-bed teaching hospital of the University Medical Center, a 175-bed Psychiatric Receiving Center, and a 104-bed State Cancer Hospital. There are plans for a Cancer Center to be built at the existing State Cancer Hospital, with over a million dollars already allocated to research. The Veterans Administration will begin construction of a 480-bed hospital in Columbia in July 1966. Completion of the facility is scheduled for December 1968.

Employment

Current Estimate and Past Trend. Total nonagricultural employment in the Columbia HMA is estimated to have averaged 25,250 during 1965. The Missouri State Employment Service provides total nonagricultural employment data for Boone County only for 1963 and 1964. According to these data, nonagricultural employment averaged 23,300 in 1963 and 24,300 in 1964. The 1964 total represents a gain of about four percent over the 1963 level. Although comparable data are not available for other years, it is evident that total nonagricultural employment in the HMA has been increasing in recent years. This conclusion is based primarily on the increasing number of workers covered under the unemployment compensation law and on rising enrollment and employment at the University, which contributed to gains in employment in the trade and service industries.

Although covered employment equals less than half of total nonagricultural employment in the HMA, the data are useful for employment trend analysis. The number of employees covered by unemployment compensation is available for April 1962 through April 1965, as seen in table I. Covered employment decreased from April 1962 to April 1963, primarily because of the loss of about 200 jobs in the trade sector during the year. Manufacturing employment also decreased between April 1962 and April 1963, from over 1,550 to less than 1,400.

Since April 1963, however, covered employment in Boone County has risen steadily, from 9,025 to an April 1965 total of over 10,925, a gain of about 21 percent. During this two-year period, employment in all major sectors increased significantly. In April 1965, almost 4,150 covered workers were employed in trade, a gain of about 24 percent over the April 1963 level of 3,325. Building activity at the University of Missouri and rising residential construction recently have resulted in increases in employment in the construction industry. The number of covered employees engaged in construction totaled almost 1,200 in April 1965, an increase of about 16 percent over the April 1964 level of 1,025. The finance, insurance, and real estate segment had about 1,900 workers in April 1965, a gain of about 300 over the April 1962 level. Employment gains in the April 1963 - April 1965 period were also evident in the service, manufacturing, and transportation and utilities categories.

Employment by Industry. The most complete data indicating employment by industry for the Columbia HMA are provided by the 1960 Census of population. Nonmanufacturing employment was clearly the most important category, accounting for 91 percent of the total nonagricultural employment in the Columbia area in 1960 (see table II). The largest single segment of employment was educational services, totaling almost 5,600 workers, or about 28 percent of the nonagricultural employment. Other important categories in 1960 were trade, with 18 percent (3,600 employees), hospitals, with six percent (1,150 workers), finance, insurance, and real estate, with six percent (almost 1,175 employees), and personal services, with eight percent (about 1,575 workers). Manufacturing employment in the Columbia HMA was relatively small totaling only 1,825 workers, or nine percent of total nonagricultural employment.

Female Employment. The 1960 Census reported nonagricultural employment in the Columbia HMA at about 20,250. Over 40 percent of this total represented women employees. This proportion of female employment is above the national norm, reflecting the large number of women working at the colleges and universities and at the various trade and service establishments. Of the 8,175 female employees, about 35 percent were clerical workers and 21 percent were engaged in professional, technical, and kindred occupations.

Employment Participation Rate. The ratio of employment to the total population of the HMA is termed the participation rate. Census data indicate that this ratio for Boone County was about 41 percent in 1960.

The rate is high primarily because of the large number of female and part-time employees in the HMA. Since 1960, rising college enrollment has caused population to increase more rapidly than employment, resulting in a current participation rate that is slightly below the 1960 ratio. A continued small decline is expected during the next two years.

Principal Employment Sources

The University of Missouri is the largest single source of employment in the Columbia HMA. Full-time employment at the school totaled almost 4,975 in January 1966 according to the University Personnel Office. Of the total, about 1,350 were academic employees and 3,625 were non-academic workers. In addition, the University currently has about 4,400 part-time employees. Since the 1960-1961 school year, full-time employment at the University has increased by about 320 workers annually from a 1960 total of about 3,400.

Columbia is also the headquarters of many state-wide insurance organizations, the largest of which is the Missouri Farmers Mutual Insurance Association. Over 1,200 people currently are employed by the insurance industry in the Columbia area.

Unemployment

Unemployment in the Columbia HMA has been decreasing since 1960, totaling about 500, or 1.9 percent of the civilian work force in 1964. While no current data are available, the Missouri State Employment Service reports the current unemployment rate probably is below the 1964 level.

Future Employment Prospects

Nonagricultural employment is expected to increase by about 900 persons annually over the next two years. As enrollment at the University of Missouri rises, about 350 new employees should be added each year. Also, it is expected that the trade and service industries will grow as a result of the rising enrollment. The increase in supporting industries anticipated would be a continuation of an upward trend evident in the area since 1963. No significant increase in manufacturing employment is anticipated over the two-year forecast period.

Income

The current median annual family income in the Columbia HMA, after deducting Federal income tax, is approximately \$6,325. The median after-tax family income is expected to rise to \$6,650 in 1968, representing an increase of almost three percent annually. At present,

about 25 percent of all families receive an after-tax income below \$4,000 annually, while an estimated 20 percent of all families have an annual after-tax income of over \$10,000.

The median after-tax income of renter families is about \$5,400 annually and is expected to increase to \$5,650 in 1968. Currently, 33 percent of these families have an after-tax income below \$4,000 annually and 12 percent receive an after-tax income above \$10,000. Distributions of area families by tenure and by income classes are presented in table III.

It is probable that the income distributions and the median incomes reflect the inclusion of married student families which are predominantly in the medium and lower ranges of income.

Demographic Factors

Population

Current Estimate. The March 1966 nonfarm population of the Columbia HMA is estimated at 63,600. About 48,100 persons (76 percent of the total population) live in Columbia and the remaining 15,500 live outside the city limits.

Past Trend. During the April 1960-March 1966 period, the nonfarm population increased by 14,250 (29 percent), from 49,350 to about 63,600. Nonfarm population in the Columbia HMA increased from about 39,400 in April 1950 to over 49,350 in April 1960, a gain of almost 1,000 persons annually, or about 25 percent during the ten-year period. Because of the change in definition of "farm" between the 1950 and 1960 Censuses, many persons living in rural areas who were classified as living on farms in 1950 were considered to be rural nonfarm residents in 1960. The resultant decline in the farm population and, consequently, the increase in nonfarm population between the two census dates is, to some extent, the result of the change in definition.

The table below shows nonfarm population trends in the Columbia HMA since 1950, including trends in the student and non-student segments.

Nonfarm Population Trends Columbia, Missouri, HMA 1950-1966

<u>Item</u>	<u>April</u>	<u>April</u>	<u>March</u>	<u>Average annual change</u>	
	<u>1950</u>	<u>1960</u>	<u>1966</u>	<u>1950-1960</u>	<u>1960-1966</u>
Student population	10,900	12,100	19,100	125	1,175
Non-student population	<u>28,486</u>	<u>37,266</u>	<u>44,500</u>	<u>875</u>	<u>1,225</u>
Total nonfarm population	39,386	49,366	63,600	1,000	2,400

Sources: 1950 and 1960 Censuses of Population. 1966 estimated by Housing Market Analyst. Student population for all years estimated by Housing Market Analyst based on fall semester enrollment data.

An analysis of the trend of population growth in the Columbia HMA is only significant if the student and non-student segments are viewed separately. While each of the two segments increased more rapidly in the post-1960 period than during the previous decade, it is evident that the rising student population is a principal factor in the rapid population growth recently. Students accounted for over 49 percent of the nonfarm population gain between 1960 and 1966 and only for about 12 percent of the population growth during the 1950's.

The 19,100 students currently in the HMA, equal to 30 percent of the total nonfarm population, is an increase of about 7,000 students (58 percent) since April 1960. In April 1960, about 23 percent of the total population of the HMA was between the ages of 18 and 24, (an age group that includes most college students) compared with only about eight percent in that age group in the entire state. Of the 19,100 students currently in the HMA, almost 16,875 are enrolled at the University of Missouri, almost 1,900 at Stephens College, and 325 at Christian College. Table IV shows fall semester enrollment since 1950 for each of the three colleges in the area.

Nonhousehold Population. Persons living in university residence halls, fraternity and sorority houses, and hospitals account for almost all of the population in group quarters (nonhousehold population) in the Columbia HMA. In 1960, the census reported a nonhousehold population of about 7,200 persons. Since 1960, 3,000 new dormitory spaces have been built in the area. Also, "group" population has risen slightly in the hospitals in the HMA. Based on these considerations, the present nonhousehold population is judged to total about 10,600 persons, or 17 percent of the total nonfarm population. It is significant to note the difference between the number of dormitory spaces added since 1960 (about 3,000) and the increase in student enrollment during the 1960-1966 period (about 7,000). Although some increase probably occurred in the number of students living in rooming houses and boarding houses, it is apparent that well over half of the student increase represented a gain in the household population, either as roomers in established households or as members of new households formed by students.

Estimated Future Population. According to University of Missouri estimates, enrollment at the school is expected to increase by about 1,600 students annually during the next two years. Based on this enrollment increase and on the increment of employment expected in the Columbia area during the forecast period, it is estimated that nonfarm population will increase by about 2,800 annually to a March 1968 level of 69,200. The construction of new dormitories at the University should raise nonhousehold population to about 12,400 by March 1968, an increase of 900 persons annually. Population in households is expected to rise to 56,800 in the next two years, a gain of about 1,900 annually.

Net Natural Increase and Migration. Population change is the result of net natural increase (resident births less resident deaths) and net migration. Because data are not available separately for farm and nonfarm births and deaths, it is necessary to use total population, including rural farm, in determining the components of population change in Boone County. The following table shows the components of population change since 1950.

Components of Population Change
Boone County, Missouri
April 1950-March 1966

<u>Components</u>	<u>Average annual change</u>	
	<u>April 1950- April 1960</u>	<u>April 1960- March 1966</u>
Total population change	<u>675</u>	<u>2,250</u>
Net natural increase	650	950
Net in-migration	25	1,300
Percent of increase due to migration	3.7%	57.8%

Sources: 1950 and 1960 Censuses of Population; State of Missouri Department of Public Health; and estimates by Housing Market Analyst.

The marked increase in the rate of in-migration in the last six years is primarily the result of a rapidly rising student population. The 1960-1966 average in-migration of 1,300, however, is above the average annual increase in school enrollment during the same period. It is evident, therefore, that increased employment opportunities in the Columbia HMA also contributed to the high rate of in-migration during the 1960-1966 period. Between 1950 and 1960, student population increased by about 125 annually. If it is assumed that the bulk of this increase was in-migration (students from outside the HMA), it becomes apparent that there was a net out-migration of non-student population during the 1950-1960 decade. The economic growth of the HMA during the 1950-1960 period was not sufficient to provide enough employment opportunities to prevent a net out-migration of non-student population.

Households

Current Estimate. There are approximately 17,800 nonfarm households in the Columbia HMA as of March 1966. About 12,950 of the households (73 percent of the total) are in the city of Columbia.

Past Trend. Nonfarm household growth since 1960 has been more rapid than during the 1950's. Between April 1960 and March 1966, the number of nonfarm households increased by about 3,700, or almost 630 annually. In the 1950 decade, nonfarm households increased from over 10,300 in April 1950 to almost 14,100 in April 1960, an average of 375 annually. The increase in nonfarm households between 1950 and 1960 was the result, in part, of a change in the definition of "farm" in the two censuses which tended to inflate the 1960 nonfarm figure, and in part to a change in definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census.

In Columbia, which was not affected by the nonfarm definitional change, but probably was affected by the change in concept from "dwelling unit" to "housing unit", annual household growth averaged over 210 yearly from 1950 to 1960, as compared with 485 annually from 1960 to 1966. The primary factor in a higher post-1960 average household growth than the 1950-1960 average is the more rapid increase in university enrollment and the increasing number of students forming households. The following table shows the growth in number of nonfarm households since 1950.

Nonfarm Household Trends
Columbia, Missouri, HMA
April 1950-March 1966

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>March</u> <u>1966</u>	<u>Average annual change</u>	
				<u>April 1950-</u> <u>April 1960</u>	<u>April 1960-</u> <u>March 1966</u>
Columbia	7,957	10,081	12,950	210	485
Rest of HMA	<u>2,358</u>	<u>4,008</u>	<u>4,850</u>	<u>165</u>	<u>145</u>
Total HMA	10,315	14,089	17,800	375	630

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

Household Size. Currently, the average size of all nonfarm households in Boone County is estimated at 2.98 persons, indicating a slowing of the 1950-1960 downward trend. The average size of nonfarm households in 1950 was 3.04 persons and by 1960 had declined to 2.99. The average household size is low in the Columbia area because of the large number of student households. As seen in the table below, households outside the city are larger in average size.

Average Nonfarm Household Size
Columbia, Missouri, HMA
April 1950-March 1966

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>March</u> <u>1966</u>
Columbia	3.03	2.94	2.91
Rest of HMA	3.07	3.13	3.15
Total HMA	3.04	2.99	2.98

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

Estimated Future Households. Based on the 1968 projected household population and the average household size trends prevalent in the area, the number of nonfarm households is expected to reach 19,050 by March 1968, an increase of about 625 households annually. As in the past, almost all of this growth is expected to occur in Columbia and immediately adjacent areas.

Housing Market Factors

Housing Supply

Current Estimate. There are about 19,150 nonfarm housing units in the Columbia HMA as of March 1966. Approximately 13,650 units (71 percent of the total inventory) are located in the city of Columbia, and the remaining 5,500 are in the balance of Boone County.

Past Trend. The number of nonfarm housing units increased by about 3,875, or 25 percent, between April 1960 and March 1966. As indicated in table V, the nonfarm housing supply increased from about 10,600 to about 15,275 during the 1950 decade, a net addition of 4,675 (44 percent). Part of this increase, however, may have resulted from a definitional change from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census and the change in definition of "farm" and "nonfarm". The 1960-1966 annual increase of 650 units in the housing stock is significantly above the 1950-1960 increase of 470 annually. This reflects the rising population and household gains evident in the HMA recently.

In the city of Columbia, the number of housing units increased from 8,150 in April 1950 to over 10,650 in April 1960, a ten-year gain of about 31 percent, or 250 annually. Since April 1960, the housing stock in the city of Columbia has increased by about 500 units annually, or double the 1950-1960 annual gain. Of the nonfarm housing inventory increase in the HMA during the 1960-1966 period, almost 78 percent occurred in Columbia.

Type of Structure. The proportion of housing units in multifamily structures in the Columbia area increased between 1960 and 1966 from 20 percent to about 23 percent of total units. The number of units in structures containing five or more units has increased since 1960 from about 1,200 (eight percent of the nonfarm inventory) to 2,275 (12 percent) currently. Although there was a gain of over 1,700 units since 1960, the number of nonfarm housing units in one-unit structures has not increased as rapidly as the total inventory; as a result, the proportion of units in one-unit structures decreased from about three-quarters of the total in April 1960 to 69 percent in March 1966. Tabulations by the Boone County Electric Cooperative and a recent postal vacancy survey indicate that the number of trailers has increased markedly since 1960. The 1,600 trailers currently in the area represent a total double that of the 1960 Census count of slightly over 800. The housing inventory distributed by units in structure in 1960 and 1966 is shown in the following table.

Nonfarm Housing Inventory by Units in Structure
Columbia, Missouri, HMA
April 1960 and March 1966

<u>Units in structure</u>	<u>April 1960</u>		<u>March 1966</u>	
	<u>Number</u>	<u>Percent of total</u>	<u>Number</u>	<u>Percent of total</u>
1 unit	11,444	75	13,150	69
2 units	1,059	7	1,250	6
3 and 4 units	765	5	875	5
5 or more units	1,209	8	2,275	12
Trailers	<u>804</u>	<u>5</u>	<u>1,600</u>	<u>8</u>
Total	15,281	100	19,150	100

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

Age of Structure. Almost 22 percent of the current nonfarm housing inventory has been built since April 1960. The 4,150 units added since that time, however, include approximately 800 trailers. About 30 percent of the nonfarm housing supply was built prior to 1930. The table below presents a detailed distribution of the housing inventory by age of the structure.

Distribution of the Nonfarm Inventory by Age of Structure
Columbia, Missouri, HMA
March 1966

<u>Year built ^{a/}</u>	<u>Number of units</u>	<u>Percentage distribution</u>
April 1960 - March 1966	4,150	21.7
1955 - March 1960	3,650	19.1
1950 - 1954	1,550	8.1
1940 - 1949	2,050	10.7
1930 - 1939	1,950	10.2
1929 and earlier	<u>5,800</u>	<u>30.2</u>
Total	19,150	100.0

^{a/} The basic census data reflect an unknown degree of error in "year built" occasioned by the accuracy of response to enumerators' questions as well as errors caused by sampling.

Source: 1960 Census of Housing, adjusted to reflect building activity, trailer movement, and demolitions.

Condition of the Inventory. Of the 19,150 nonfarm housing units in the Columbia HMA at the present time, about 2,800 (15 percent) are dilapidated or lacking one or more plumbing facilities, representing an improvement over the 1960 ratio of more than 20 percent. Demolition of a substantial number of substandard units and the addition of about 22 percent of the housing stock in the last six years are the principal reasons for the improvement in the condition of the inventory.

Value and Rent. The median value of owner-occupied housing units in Boone County in 1960 was \$12,400. New units built at increased land and construction costs plus the general increase in values have raised the 1960 level of values to an estimated current median of over \$12,700. The median value of owner-occupied units in the city of Columbia was \$14,500 in 1960, well above the median for the entire HMA.

The 1960 median gross rent in Boone County was \$55 a month; and in the city of Columbia, the median was \$73 monthly. The large number of multifamily units built and general increases in rents since 1960, have resulted in higher current median gross rents of \$65 for the county and about \$85 in Columbia.

Residential Building Activity. Between January 1, 1960 and March 1, 1966, almost 3,300 housing units were authorized for construction in the Columbia HMA. This figure is not the same as the net addition to the housing inventory since 1960 because of demolitions, conversions, and trailers placed in the area during the 1960-1966 period. Also, about 450 single-family housing units were built outside permit-issuing places between January 1960 and March 1966. The number of units authorized in the HMA since 1950 is presented in table VI. Except for Columbia, the only permit-issuing place in Boone County is Centralia, which authorized about 100 housing units during the 1960-1964 period.

Units Authorized by Building Permits by Type of Structure
Columbia, Missouri, HMA
January 1960-March 1966

<u>Year</u>	<u>Single-family</u>	<u>Duplex</u>	<u>Three-or more-unit</u>	<u>Total</u>
1960	180	22	41	243
1961	212	138 ^{a/}	10	360
1962	246	4	257 ^{b/}	507
1963	289	20	269	578
1964	350	14	206 ^{c/}	570
1965 ^{d/}	353	78	413	844
1966 ^{e/}	29	10	156	195

^{a/} Includes 126 units of public housing in Columbia.

^{b/} " 56 " " " " " " "

^{c/} " 44 " " " " " " "

^{d/} Includes only Columbia.

^{e/} Through February.

Sources: Bureau of the Census, C-40 Construction Reports;
Building Inspector, City of Columbia.

Slightly over one-half of the housing units authorized since 1960 were single-family houses. From 180 in 1960, single-family house authorizations increased annually to about 350 in each of the years 1964 and 1965. Prior to 1965, over 50 percent of all units authorized annually were single-family houses; in 1965, however, only about 42 percent of the units authorized were single-family.

Almost 1,650 multifamily units have been authorized for construction in the Columbia HMA since 1960, including about 225 units of public housing. The total number of multifamily units authorized averaged about 260 a year during the 1962-1964 period; with the exclusion of public housing units, the 1962-1964 private authorization average equalled about 225 units a year. The 490 private multifamily units authorized in 1965 were 165 percent above the 185 private multifamily units authorized for construction in 1964. In the first two months of 1966, almost 170 private multifamily units were authorized for construction, all in the city of Columbia. This rise is attributed principally to the fact that, in September 1964, the University of Missouri approved regulations allowing all students other than freshmen under 21 years of age to live in off-campus housing. The new regulations resulted in a large number of students seeking apartment units.

Units Under Construction. Based on building permit data and on the postal vacancy survey conducted in February 1966, it is estimated that approximately 400 housing units were under construction as of March 1, 1966. The total includes about 175 single-family units and 225 multifamily units. Most of the single-family and all of the multifamily units are being built in the urban area of Columbia.

Demolitions. According to the Public Works Department of the City of Columbia, about 450 dwelling units have been demolished in the city of Columbia since 1960; over 250 of the units were in the Douglass School urban renewal area. In addition, about 50 units have been removed from the inventory of the entire HMA through fire loss and other changes in the housing supply.

Tenure of Occupancy

Currently, 58.4 percent (10,400 units) of the occupied housing stock is owner-occupied, and 42 percent (7,400 units) is renter-occupied. The rate of increase in owner-occupancy during the 1960-1966 period is below that of the 1950 decade. Owner-occupancy increased from 52.2 percent in 1950 to a 1960 ratio of 58.2 percent (see table V). While it is probable that this trend continued into the first few years of the 1960's, the large volume of multifamily construction since 1961 is judged to have reversed the trend. Presently the estimated owner-occupancy ratio is 58.4 percent, down somewhat from what it probably was in 1962.

Vacancy

1960 Census. There were 490 vacant available nonfarm housing units in Boone County in April 1960, equal to about 3.4 percent of the available nonfarm housing inventory. Of this number, about 140 were available for sale only and 350 were available for rent, representing net homeowner and renter vacancy rates of 1.7 percent and 5.6 percent, respectively. About 13 percent, or 20 units, of the available vacant sales units lacked one or more plumbing facilities; and about 26 percent, or 90 units, of the available rental units were lacking plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey conducted in the Columbia HMA on February 21, 1966, covered about 15,950 total possible residential mail deliveries, or about 83 percent of the current housing inventory (see table VII). At the time of the survey, over 450 units (2.8 percent) were vacant. Of the total units vacant, 335 were residences, 2.4 percent of all residences covered, and about 115 were apartments, indicating an apartment vacancy ratio of 6.9 percent. An additional 240 units (about 150 residences and 90 apartments) were reported to be under construction. Also counted in the postal vacancy survey were almost 1,500 house trailers, of which 33, or 2.2 percent, were in place and vacant.

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

Current Estimate. Based on the results of the postal vacancy survey and information received from local realtors and builders, the current level of available vacant units is estimated at 600, including about 175 units available for sale (a homeowner vacancy rate of 1.7 percent) and 425 units available for rent (a renter vacancy rate of 5.4 percent).

The 1966 homeowner vacancy rate is equal to the 1960 Census rate; the renter vacancy rate is judged to have declined slightly since 1960.

Sales Market

The over-all sales market in the Columbia HMA appears to be in reasonable balance and has a past experience of good balance, a reflection of the stability associated with the economy of a university-dominated town. The number of new homes placed on the market and subsequently absorbed has increased steadily since about 1958, when subdivision activity became prominent in the Columbia market.

Virtually all of the homes in the major subdivisions in the Columbia area are priced above \$20,000, with an average purchase price of around \$24,000. The majority of the subdivisions are in southwest Columbia. Price ranges in this area are generally above the average, most being priced above \$28,000. Most new residential construction in the HMA, including construction in subdivisions, is done on a contract basis, although a few builders are active in small scale speculative-building.

Rental Market

Since 1962, increases in the number of dormitory spaces available have fallen far below increases in student enrollment at the University of Missouri, forcing growing numbers of students to enter the off-campus rental market, as permitted by the 1964 decision of the University. Over 1,200 multifamily units have been built in the last four years, the great majority of which have experienced excellent absorption. Most of the units have been in garden-type projects located in the southern part of the city. Contract rents at the projects are generally about \$110-\$130 for one-bedroom units and \$130-\$150 for two-bedroom apartments. Very few efficiency or three-bedroom units have been built in the Columbia area recently.

Urban Renewal

There is one urban renewal project in the city of Columbia, the Douglass School project (R-20). The area is located near downtown Columbia and is bounded by Broadway Street on the south, 3th Street on the east, Hickman Avenue and Worley Street on the north, and Garth Avenue to the west. The project will be completed in the spring of 1966. Approximately 25 private, single-family residences and 210 units of public housing have been built in the project area. Over 250 housing units have been demolished in the area since 1960.

Public Housing

At the present time, there are 294 units of public housing in the city of Columbia, distributed in five projects. Of the total, 80 units are designed for elderly occupants. In addition, a 147-unit housing for

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the elderly high-rise project is currently under construction, with a scheduled completion date in early 1968.

Demand for Housing

Quantitative Demand

Demand for additional housing in the Columbia HMA during the two-year period from March 1966 to March 1968 is based on the anticipated increase of about 625 households a year and on the number of housing units expected to be lost from the inventory. Consideration also is given to the current tenure composition of households and to the conclusion that, because of the rapid increase in the formation of student households, a larger proportion of the prospective increase in households will be renters than has been true in the past. Giving regard to these factors, it is expected that 350 sales units and 300 rental units can be absorbed annually over the next two years. An additional 100 rental units for middle-income families may be marketed only at the 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.

The projected demand of 350 sales units annually during the forecast period is about the same as the single-family construction levels in 1964 and 1965. Recent and expected rates of economic and household growth, the long-term stability of the sales market, the successful marketing experience of new homes recently, and the prospect of construction in lower price ranges indicate that a construction volume about equivalent to the current level is warranted.

The projected demand for 300 private new rental units at rents achievable with market-rate financing is above the 1962-1964 average of about 225 units authorized annually. However, the demand estimate is well below the 1965 authorization level of almost 500 private units. The 1965 rate of construction represents the response of the market to the large number of University of Missouri students that were permitted to enter the off-campus rental market for the first time. The large number of students seeking rental units during the past year represents, in part, a backlog of demand which probably will not continue at the same rate of increase. Nevertheless, as enrollment at the University increases, this new source of demand is expected to support a volume of private rental housing construction significantly above the pre-1965 level. That segment of rental demand, however, should be supplied only as it is proved to be firm and the extent of it can be gauged more precisely. Absorption of the relatively large number of rental units now under construction should be checked at frequent intervals to determine the rate of absorption.

Qualitative Demand

Sales Housing. The annual demand for 350 additional sales housing units is expected to approximate the sales price distribution presented in the table below. The pattern is based on the distribution of families by current annual after-tax incomes, on the proportion of income Columbia area families typically pay for sales housing, and on recent market experience.

Estimated Annual Demand for New Sales Housing
Columbia, Missouri, HMA
March 1966 to March 1968

<u>Price range</u>	<u>Number of units</u>
Under \$14,000	40
\$14,000 - 15,999	45
16,000 - 17,999	45
18,000 - 19,999	50
20,000 - 24,999	70
25,000 - 29,999	50
30,000 - 34,999	30
35,000 and over	20
Total	350

Although sales housing in the Columbia area can be built to sell for about \$12,000, very few units have been built recently for below \$20,000. The primary reason for the lack of construction in the \$12,000 to \$20,000 price range is that most area builders are engaged in small-scale contract production (15-20 houses per year), the type of operation typically associated with higher-priced sales housing. However, potentially over one-half of the demand for new sales housing in the Columbia HMA is in the below-\$20,000 price range. The predominance of nonmanufacturing and service-type industries has kept many family incomes in the Columbia area at moderate levels. These families generally are in the market for homes priced below \$20,000. At the present time, two developers are planning subdivisions of over 100 units each, both of which are to be priced in the \$14,000 to \$17,500 price range.

Rental Housing. On the basis of current construction and land costs in the Columbia area, the minimum gross monthly rents achievable without public benefits or assistance in financing or land purchase are \$80 for efficiencies, \$100 for one-bedroom units, \$120 for two-bedroom units, and \$140 for three-bedroom units. At and above these minimum rents there is an annual demand for about 300 units of rental housing.

At the lower rents achievable only with below-market-interest-rate financing or assistance in land acquisition and cost, an additional 100 units a year of new rental housing for middle-income families probably can be absorbed, excluding public low-rent housing and rent-supplement accommodations. 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 rental housing in outlying locations to achieve lower rents may be self-defeating unless the existence of a demand potential is clearly evident.

The monthly rental at which 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.

Estimated Annual Demand for New Rental Housing
Columbia, Missouri, HMA
March 1966 to March 1968

Monthly gross rent ^{a/}	Size of unit			
	Efficiency	One bedroom	Two bedroom	Three bedroom
\$65 and over	35	-	-	-
70 " "	30	-	-	-
75 " "	25	-	-	-
80 " "	20	175	-	-
85 " " - - - - -	15 - - - - -	170 - - - - -	- - - - -	- - - - -
90 " "	10	160	-	-
95 " "	5	140	145	-
100 " "	-	130	140	-
110 " "	-	125	135	45
120 " " - - - - -	- - - - -	105 - - - - -	120 - - - - -	40
130 " "	-	80	100	35
140 " "	-	60	80	30
150 " "	-	50	70	25
160 " "	-	35	60	20
170 " " - - - - -	- - - - -	25 - - - - -	50 - - - - -	15
180 " "	-	15	30	10

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

Note: The figures above are cumulative and cannot be added vertically. For example, demand for one-bedroom units at from \$110 to \$130 is 45 units (125 minus 80).

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 sub-markets.

Table I

Employment in Industries Covered by Unemployment Compensation
Boone County, Missouri
April 1962-April 1965

	<u>April</u> <u>1962</u>	<u>April</u> <u>1963</u>	<u>April</u> <u>1964</u>	<u>April</u> <u>1965</u>
Total covered employment	<u>9,171</u>	<u>9,020</u>	<u>9,752</u>	<u>10,927</u>
Total manufacturing	1,566	1,389	1,516	1,695
Total nonmanufacturing	<u>7,605</u>	<u>7,631</u>	<u>8,236</u>	<u>9,232</u>
Construction	784	942	1,032	1,192
Transportation and utilities	484	479	494	548
Trade	3,525	3,333	3,665	4,140
Finance, insurance, and real estate	1,591	1,671	1,819	1,907
Services	1,099	1,072	1,104	1,324
Other nonmanufacturing	122	134	122	121

Source: Missouri State Employment Service, Division of Employment Security.

Table II

Nonagricultural Employment of Residents by Industry Group
Boone County, Missouri
April 1960

<u>Industry group</u>	<u>Number of employees</u>	<u>Percent of total</u>
Nonagricultural employment	<u>20,259</u>	<u>100.0</u>
Manufacturing	1,820	9.0
Nonmanufacturing	<u>18,439</u>	<u>91.0</u>
Construction	1,348	6.7
Transportation	435	2.1
Communications and utilities	506	2.5
Wholesale and retail trade	3,595	17.7
Finance, insurance, and real estate	1,174	5.8
Business and repair services	388	1.9
Personal services	1,568	7.7
Hospitals	1,145	5.6
Educational services	5,590	27.6
Other professional and related services	440	2.3
Public administration	831	4.1
Other nonmanufacturing	1,419	7.0

Source: 1960 Census of Population.

Table III

Estimated Percentage Distribution of Nonfarm Families
by Annual Income
after Deduction of Federal Income Tax
Columbia, Missouri, HMA
1966 and 1968

<u>Family income</u>	<u>1966</u>		<u>1968</u>	
	<u>All families</u>	<u>Renter families</u>	<u>All families</u>	<u>Renter families</u>
Under \$2,000	8	11	8	10
\$2,000 - 2,999	7	10	7	9
3,000 - 3,999	10	12	9	11
4,000 - 4,999	10	12	10	13
5,000 - 5,999	11	12	10	10
6,000 - 6,999	11	12	9	11
7,000 - 7,999	9	8	9	10
8,000 - 8,999	8	7	8	7
9,000 - 9,999	6	4	7	6
10,000 - 11,999	9	7	10	7
12,000 - 13,999	5	4	6	3
14,000 and over	<u>6</u>	<u>1</u>	<u>7</u>	<u>3</u>
Total	100	100	100	100
Median	\$6,325	\$5,400	\$6,650	\$5,650

Source: Estimated by Housing Market Analyst.

Table IV

College Enrollment
Columbia, Missouri, HMA
1950-1965

<u>Year</u>	<u>University of Missouri</u>	<u>Stephens College</u>	<u>Christian College</u>	<u>Total</u>
1950	8,756	1,846	307	10,909
1951	7,484	1,797	303	9,584
1952	6,991	1,755	331	9,077
1953	7,379	1,610	357	9,346
1954	8,083	1,460	313	9,856
1955	8,932	1,415	366	10,713
1956	9,538	1,479	374	11,391
1957	9,904	1,477	375	11,756
1958	10,196	1,502	375	12,073
1959	10,140	1,575	379	12,094
1960	11,176	1,695	409	13,280
1961	12,000	1,727	378	14,105
1962	12,900	1,775	372	15,047
1963	13,853	1,777	316	15,946
1964	15,289	1,804	306	17,399
1965	16,867	1,882	324	19,073

Note: Enrollment data shown are for fall semester of year indicated.

Sources: University of Missouri, Stephens College, and Christian College Personnel Offices.

Table V

Components of the Housing Inventory
Columbia, Missouri, HMA
April 1950-March 1966

<u>Tenure and vacancy</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>March</u> <u>1966</u>
Total housing supply	<u>10,615</u>	<u>15,281</u>	<u>19,150</u>
Occupied housing units	<u>10,315</u>	<u>14,089</u>	<u>17,800</u>
Owner-occupied	5,383	8,202	10,400
Percent of all occupied	52.2%	58.2%	58.4%
Renter-occupied	4,932	5,887	7,400
Percent of all occupied	47.8%	41.8%	41.6%
Vacant housing units	<u>300</u>	<u>1,192</u>	<u>1,350</u>
Available	<u>96</u>	<u>491</u>	<u>600</u>
For sale	49	141	175
Homeowner vacancy rate	0.9%	1.7%	1.7%
For rent	47	350	425
Renter vacancy rate	0.9%	5.6%	5.4%
Other vacant <u>a/</u>	204	701	750

a/ Includes dilapidated units, seasonal units, units rented or sold and awaiting occupancy, and units held off the market for absentee owners or for other reasons.

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

Table VI

Number of Units Authorized by Building Permits
Boone County, Missouri
1950-1966

<u>Year</u>	<u>Columbia</u>		<u>Centralia</u>	<u>Total</u>
	<u>Private</u>	<u>Public</u>		
1950	211	-	-	211
1951	84	-	-	84
1952	86	-	-	86
1953	86	-	-	86
1954	96	-	-	96
1955	153	-	-	153
1956	338	-	-	338
1957	295	-	-	295
1958	307	260	-	567
1959	337	-	-	337
1960	209	-	34	243
1961	226	126	8	360
1962	439	56	12	507
1963	566	-	12	578
1964	495	44	31	570
1965	844	-	NA	844
1966 <u>a/</u>	195	-	NA	195

a/ Through February.

Sources: Bureau of the Census, Construction Reports; C-40;
 Building Inspector, City of Columbia.

Table VII

Columbia, Missouri, Area Postal Vacancy Survey

February 21, 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	15,949	452	2.8	322	130	242	14,245	335	2.4	233	102	151	1,704	117	6.9	89	28	91	1,488	33	2.2
Columbia	14,956	430	2.9	302	128	237	13,265	313	2.4	213	100	146	1,691	117	6.9	89	28	91	1,462	33	2.3
Main Office	4,133	64	1.5	48	16	45	3,102	36	1.2	31	5	11	1,031	28	2.7	17	11	34	79	4	5.1
Annex	10,823	366	3.4	254	112	192	10,163	277	2.7	182	95	135	660	89	13.5	72	17	57	1,383	29	2.1
Other Cities and Towns																					
Centralia	993	22	2.2	20	2	5	980	22	2.2	20	2	5	13	-	-	-	-	-	26	-	-

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).