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Analysis of the
DES MOINES, IOWA
HOUSING MARKET

as of July 1, 1966 /

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A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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ANALYSIS OF THE

DES MOINES, IOWA, HOUSING MARKET

AS OF JULY 1, 1966

Field Market Analysis Service
H. S., 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.

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ANALYSIS OF THE
DES MOINES, IOWA, HOUSING MARKET
AS OF JULY 1, 1966

Summary and Conclusions

1. Wage and salary employment in the Des Moines Housing Market Area (HMA) averaged 107,150 in the first five months of 1966. Employment in the area is concentrated in nonmanufacturing, government, trade, services, and insurance. From 1958 to 1965, wage and salary employment increased by 9,700 (ten percent), with the 1964-1965 expansion of 2,850 jobs accounting for nearly 30 percent of the gain. Wage and salary employment growth is projected at 1,700 jobs annually for the next two years. Most of the employment growth during the forecast period can be expected in the dominant non-manufacturing industries.

Unemployment in the HMA has averaged 2,250 so far in 1966, equal to 1.8 percent of the work force. Except for the national recession periods of 1958 and 1961, the unemployment rate has averaged less than three percent each year since 1953.

2. Family incomes are relatively high in the HMA; the median income of all families in the Des Moines area is currently about \$7,725 after the deduction of Federal income tax. The median after-tax income of renter households of two-or-more persons is \$5,875 currently.
3. The population of the Des Moines HMA currently totals 284,200, an increase of about 2,850 a year since April 1960. The rate of population increase is well below that of the previous decade when the population gain averaged over 4,025 a year. The city of Des Moines, with 206,700 persons, accounts for about 73 percent of the population of the HMA. By July 1968, the population of the HMA is expected to total 291,700, an average annual gain of 3,750 persons over the forecast period.
4. As of July 1, 1966, there are 91,600 households in the HMA, an increase of 7,250 (1,150 annually) since April 1960. By July 1968, households are expected to total 94,250, an increase of 1,325 households annually over the present total.

5. There are about 96,250 housing units in the HMA at the present time, a net addition to the housing inventory of 7,150 units since 1960. The net addition results from the construction of 10,200 new units and the removal of 3,050 units by demolition activity and other causes. Construction activity, as measured by building permit authorizations, declined by 32 percent in the early 1960's, from nearly 2,000 units in 1959 to 1,350 units in 1963. The reversal of the downward trend since 1963 to 2,025 units authorized in 1965 is primarily a reflection of increased multifamily construction activity. There are about 800 housing units under construction currently including 370 single-family homes and 430 multifamily units.
6. Vacancy rates have declined since April 1960 in both the sales and rental markets. Vacancy rates are currently 1.9 percent for net available homeowner units and 6.1 percent for net available renter units.
7. The volume of privately-owned net additions to the housing supply that will meet the requirement of anticipated growth during the next two years and result in an acceptable quantitative demand-supply balance in the housing market is approximately 1,725 units annually, including 1,325 sales houses and 400 rental units, excluding public low-rent housing and rent-supplement accommodations. Demand for sales units by sales price ranges is expected to approximate the pattern indicated on page 23. Total annual demand for rental units distributed by rent levels and unit size is expected to approximate the pattern on page 24.

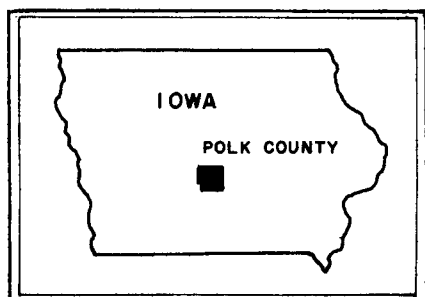
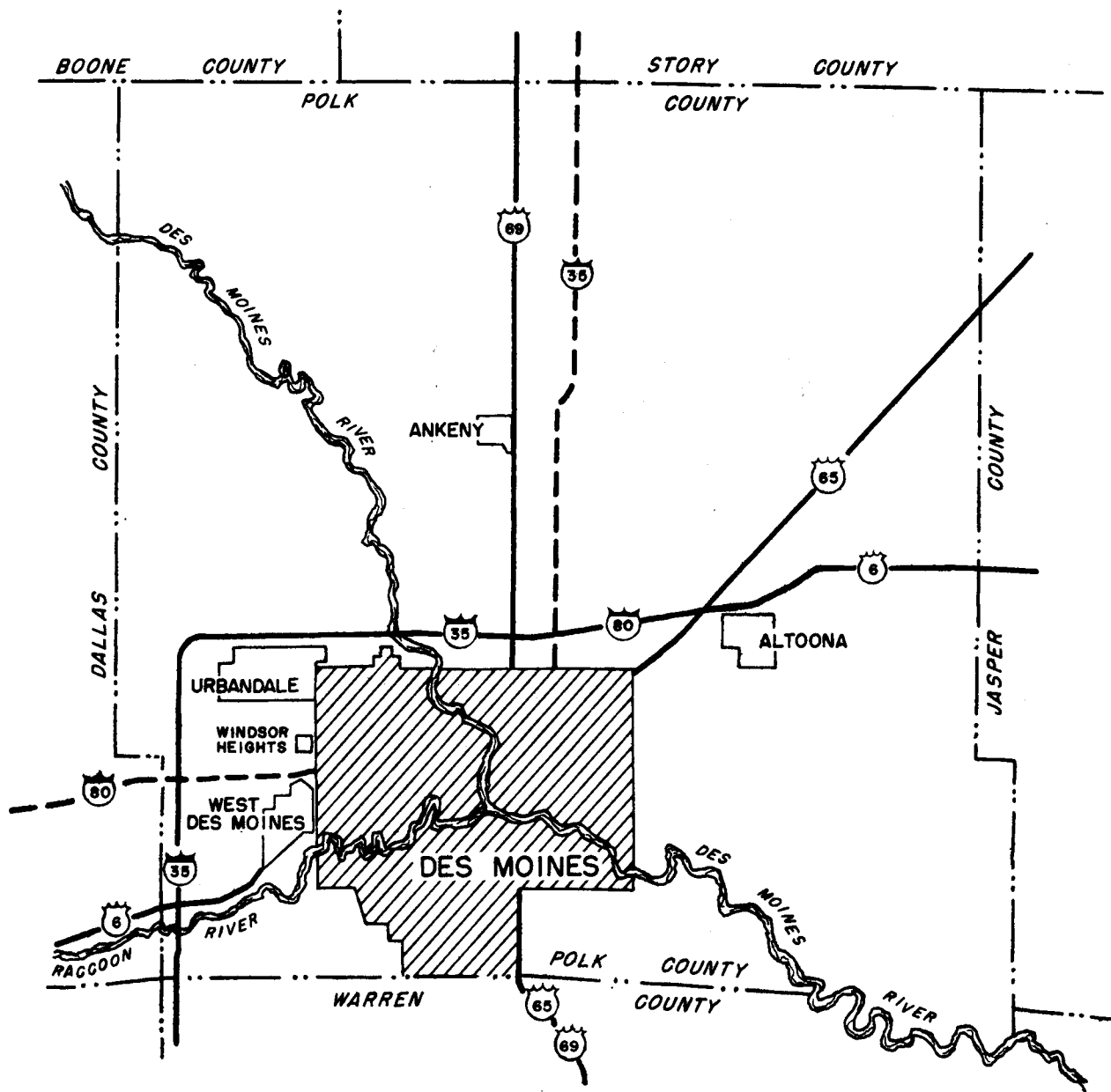
ANALYSIS OF THE
DES MOINES, IOWA, HOUSING MARKET
AS OF JULY 1, 1966

Housing Market Area

For purposes of this analysis, the Des Moines Housing Market Area (HMA) is defined as Polk County, Iowa. The area thus defined is coterminous with the Des Moines Standard Metropolitan Statistical Area (SMSA) and the Des Moines labor market area. Des Moines, the principal city in the HMA, with a population of about 206,700, is located in the southwest part of Polk County. The city of West Des Moines and four contiguous or nearby towns (Altoona, Ankeny, Windsor Heights and Urbandale), each containing 2,450 to 13,800 persons currently (see map), together with Des Moines comprise the greatest concentration of population in the housing market. Another nine towns with less than 1,000 persons each are located throughout the remainder of the HMA which is largely rural. Inasmuch as the rural farm population constituted less than three percent of the total 1960 population, all demographic and housing data in this analysis refer to the total of farm and nonfarm data.

Des Moines has developed as a regional trade and service center because of good transportation facilities and because of the considerable distance from Des Moines to major urban areas. The city is 350 miles west of Chicago, 250 miles south of Minneapolis, 135 miles east of Omaha-Council Bluffs, and 350 miles northwest of St. Louis. Des Moines is at the intersection of the Interstate Highways 80 and 35; U.S. Highways 6, 65, and 69 also serve the area. A downtown freeway which will connect with the interstate system is currently under construction. Three airlines and nine railroads also provide transportation facilities for Des Moines.

DES MOINES, IOWA, HOUSING MARKET AREA (POLK COUNTY)



Economy of the Area

Character and History

In 1857, the incorporated city of Des Moines was chosen as the capital of the state. The importance of the area as a regional trading center was enhanced with the coming of the railroad in the latter half of the 19th century. During this time the insurance industry was established with the founding of Equitable of Iowa and Bankers Life Company. By 1900, twenty-five insurance companies had located in Des Moines, and currently nearly 50 insurance firms have their home offices in Des Moines.

Employment

Current Estimate and Past Trend. Nonagricultural employment averaged 119,150 in the first five months of 1966, a decline of 400 (.3 percent) from the average in the first five months of 1965. Nonagricultural wage and salary employment, at an average of 107,150 for the first five months of 1966, accounts for 90 percent of total nonagricultural employment. From 1958 through 1965, wage and salary employment increased by 9,700 (ten percent), an average employment gain of over 1,375, or 1.4 percent, annually. The gain consisted of rather large increases (2,250 annually) from 1958 to 1960, a small decline from 1960 to 1962, and increases of 1,250 to 2,850 a year from 1962 through 1965.

Manufacturing employment accounts for only slightly more than 20 percent of all nonagricultural wage and salary employment in the HMA. Despite the lack of growth in total employment in the first five months of this year, manufacturing employment increased by 1,400 (6.3 percent) to reach 23,550, slightly above the 1959 annual average high of 23,050 (see table below). Since 1959, employment in manufacturing industries ranged from 21,050 (1962) to 22,400 (1965), following a pattern of employment declines from 1959 through 1962 and annual increases since that time. Declining employment from 1959 through 1962 reflected, in part, the 1960-1961 national recession and plant relocation out of the HMA during that period. Conversely, advancing employment since 1962 is attributed to prosperous national conditions as well as plant expansion and movement into the HMA in recent years.

Nonagricultural Wage and Salary Employment Trends
Des Moines, Iowa, HMA
1958-1966

<u>Year</u>	<u>Nonag. wage and salary employment</u>			<u>Change from preceding date</u>		
	<u>Mfg.</u>	<u>Nonmfg.</u>	<u>Total</u>	<u>Mfg.</u>	<u>Nonmfg.</u>	<u>Total</u>
1958	22,850	75,200	98,050	-	-	-
1959	23,050	78,000	101,050	200	2,800	3,000
1960	22,300	80,250	102,550	-750	2,250	1,500
1961	21,150	80,850	102,000	-1,150	600	-550
1962	21,050	80,900	101,950	-100	50	-50
1963	21,350	82,250	103,650	300	1,350	1,700
1964	21,750	83,150	104,900	400	900	1,250
1965	22,400	85,350	107,750	650	2,200	2,850

First five months

1965	22,150	84,650	106,700	-	-	-
1966	23,550	83,600	107,150	1,400	-1,050	450

Note: Components may not add to total because of rounding.

Source: Iowa Employment Security Commission.

Nonmanufacturing industries provide more than three-fourths of all wage and salary employment in the Des Moines area. The trend of nonmanufacturing employment has been steadily upward in the past eight years; annual increases have averaged 1,450 (nearly two percent) from 75,200 in 1958 to 85,350 in 1965. In the first five months of 1966, however, nonmanufacturing employment dropped to 83,600, about 1,050 below that in the comparable 1965 period. Job losses in nonmanufacturing industries have been concentrated in services (down 550 this year) and finance, insurance, and real estate (about 650 below 1965) and are expected to be offset by gains in the latter part of 1966.

Employment by Industry

Three manufacturing industries in the Des Moines area account for more than half of all manufacturing employment and two of these deal, in large part, with the production of agriculturally-related goods. The food products industry, with a 1965 employment level of 3,800, is one of three largest manufacturing industries in the HMA and consists largely of meat packing plants. Employment in food production has declined gradually (by about 90 a year) since 1958 as automation and more efficient methods of operation have reduced labor requirements. In the printing and publishing industry, employment has been fairly steady over the years, ranging from 3,900 in 1959 to 4,300 in 1961. While the food products and publishing industries have

maintained fairly steady employment levels since 1958, the machinery industry accounts for most of the fluctuation in manufacturing employment. The 33 percent increase in machinery employment in the first five months of 1966 (an increase of 1,450, from 4,450 in 1965 to 5,900 currently) is the primary factor in the unusual jump in manufacturing employment this year. This gain is largely the result of steady expansion at farm implement producing plants. Increases in machinery employment ranged from 200 to 500 a year from 1962 to 1965. The 1960-1962 net decline of 850 in machinery employment coincides with a national recessionary period as well as the out-migration of a large aircraft producing concern in the late fifties and early sixties.

Because Des Moines is the state capital and trade, service, and commercial center for most of Iowa, as well as the home of nearly fifty insurance companies, it is not surprising that trade, service, government, insurance, and other nonmanufacturing industries account for more than three-fourths of all nonagricultural wage and salary employment in the area. Indeed, trade alone accounts for a larger share of employment than all manufacturing industries combined (see table I). The three largest nonmanufacturing industries (trade, service, and government) account for about 90 percent of the gain in nonmanufacturing jobs since 1958. Trade and service employment has expanded steadily from 38,100 in 1958 to 44,800 in 1965, an average gain of 960 (2.5 percent) a year. Government employment has increased by an average of 340 jobs annually from 13,100 in 1958 to 15,450 in 1965. Finance, insurance, and real estate is the fourth largest nonmanufacturing industry in the HMA with a current employment level of 11,500. Although finance, insurance, and real estate employment is down 650 in the first five months of 1966, this decline is expected to be offset in the latter part of this year.

Principal Employment Sources

The largest employers in the Des Moines area include two rubber companies (Armstrong and Firestone), two large publishing houses (Meredith and Cowles Publishing Companies), and a farm implement producer (John Deere). The importance of trade and service is shown by the fact that Younkers Department Store is one of the principal sources of employment in the HMA.

The large increase in machinery employment this year reflects, in part, seasonal expansion in employment at farm implement plants which is expected to level off later this year; this gain is also attributed, in part, to the establishment in Des Moines of the Massey-Ferguson North American Implement Plant. Massey-Ferguson is the Nation's third largest manufacturer of farm equipment. Des Moines will become the center of U.S. operations of Massey-Ferguson when this operation reaches full production later this year. Massey-Ferguson will occupy the former plant site of the Solar Aircraft Company. Employment at Solar had been as high as 3,500 prior to leaving the HMA in the late 1950's and early 1960's.

Unemployment

Unemployment in the Des Moines HMA has been consistently low. With the exception of a 3.5 percent rate in 1961 and the 3.1 percent rate in 1958, unemployment has averaged less than three percent of the work force each year since 1953. This jobless rate is significantly below the national average, which ranged from 4.3 percent to 6.8 percent of the work force between 1957 and 1965. In the first five months of 1966, the unemployment rate averaged 1.8 percent of the work force in the HMA. Table I presents employment and unemployment trends in the HMA for the 1958-1966 period.

Future Employment

Based on recent employment trends in the Des Moines area and on future expectations for various industries, it is anticipated that nonagricultural employment will expand by about 1,500 jobs annually over the July 1966-July 1968 forecast period. Employment gains in wage and salary employment are projected at 1,700 a year for the next two years, but "all other" employment (largely self-employed persons) is expected to continue to decline. About 30 percent of the wage and salary employment increase can be expected to occur in manufacturing industries. The annual projection of 500 jobs in manufacturing is comparable to the gains of the 1962-1965 period; the large increase in manufacturing employment during 1966 is primarily a reflection of the establishment of a farm equipment producer in the HMA recently and future increases cannot be expected to be maintained at this high level. As in the past, most employment growth probably will occur in nonmanufacturing industries. The projection of 1,200 added jobs a year in nonmanufacturing is roughly comparable to gains of the 1962-1965 period which averaged 1,450 jobs a year. Although the downward trend in nonmanufacturing employment in the first five months of this year is expected to be offset in the latter part of the year, it is probable that nonmanufacturing gains during 1966 will not reach the high level of 1964-1965. As in the past, however, increases will be concentrated in the dominant trade, service and government sectors.

Incomes

Manufacturing Wages. A comparison of average weekly wages of manufacturing workers in the Des Moines area with state and national averages shows manufacturing earnings to be relatively high in the HMA. In 1964, earnings averaged \$118 a week in the Des Moines area, as compared with \$110 in Iowa and \$103 in the United States. Weekly wages are increasing at about the same rate in the three areas, however. From 1959 through 1965, weekly wages in the Des Moines area increased 25 percent (4.2 percent annually) from \$99 to \$124, and in the first four months of 1966 average wages reached \$130. High earnings (\$145 a week currently) in the dominant paper, rubber, and leather producing industries account for the relatively high manufacturing wages in the HMA.

Family Income. The median income of all families in the HMA, after the deduction of Federal income tax, is \$7,725 at present, less than 20 percent above the 1959 median family income level reported in the 1960 Census. Family incomes are relatively high in the HMA; only one of the six major urban areas in Iowa was reported with a 1959 higher median income (about \$6,500 in Davenport-Rock Island-Moline as compared with \$6,475 in Des Moines). Median income of renter households of two-or-more persons is almost 25 percent below the all family median, at \$5,875 currently. The following table presents a detailed distribution of all families and renter households by after-tax income classes. Continued increases in income levels of Des Moines area families over the next two years are expected to result in a median after-tax income level of \$8,300 for all families and \$6,300 for renter households by July 1968.

Estimated Percentage Distribution of All Families
and Renter Households^{a/} by Annual Income
After Deduction of Federal Income Tax
Des Moines, Iowa, HMA, 1966 and 1968

<u>Income</u>	<u>1966</u>		<u>1968</u>	
	<u>All families</u>	<u>Renter households</u>	<u>All families</u>	<u>Renter households</u>
Under \$3,000	9	21	9	18
\$3,000 - 3,999	6	10	4	10
4,000 - 4,999	7	10	6	10
5,000 - 5,999	9	11	8	10
6,000 - 6,999	12	12	10	9
7,000 - 7,999	11	10	10	11
8,000 - 8,999	9	8	8	8
9,000 - 9,999	9	6	8	7
10,000 - 14,999	22	12	26	17
15,000 and over	6	12	11	17
Total	100	100	100	100
Median	\$7,725	\$5,875	\$8,300	\$6,300

^{a/} Excludes one person renter households

Source: Estimated by Housing Market Analyst.

Demographic Factors

Population

Des Moines HMA Total. The population of the Des Moines, Iowa, HMA totals 284,200 as of July 1, 1966, an increase of about 2,850 persons a year since April 1960. In the preceding decade, the population increase averaged 4,025 annually, from 226,000 in April 1950 to 266,300 in April 1960. The rate of population growth in the Des Moines HMA declined from 1.7 percent a year in the 1950-1960 decade to 1.1 percent a year since 1960. See table II for a detailed presentation of population changes in the HMA since 1950.

Central City and Selected Incorporated Areas. Current population estimates for the cities of Des Moines and West Des Moines as well as the towns of Altoona, Ankeny, Urbandale and Windsor Heights were derived by updating the results of special censuses conducted in these areas by the U.S. Bureau of the Census over the September 1965-May 1966 period. The population in Des Moines currently totals about 206,700 persons, a slight decline from the April 1960 population of 209,000. The 1960-1966 population trend in the central city represents a decided reversal from that of the previous decade when the population of the city increased by 3,100 persons annually, from nearly 178,000 in 1950 to 209,000 in 1960. Although population gains in the central city accounted for three-fourths of the increase in the HMA from 1950 to 1960, about 39 percent of the growth in the city during that decade was the result of annexations.

The recent population decline in Des Moines is a reflection of the national pattern of out-migration from the central cities to the suburbs which has been accelerated in Des Moines by several active programs which have resulted in the demolition of a large number of housing units. The five suburban incorporated areas that comprise the greatest portion of the urban housing market outside Des Moines (see page one) have exhibited a 6.5 percent annual growth rate since 1960. The combined population of these five areas has increased by 2,150 annually, from 26,900 in 1960 to 40,300 currently. In the previous decade, population gains in the five areas averaged over 1,600 a year, from 10,800 in 1950 to 26,900 in 1960, a nine percent annual rate of growth. About 36 percent of the decennial increase, however, was a reflection of annexations by the city of West Des Moines from 1950 to 1960. Annexation activity has not contributed significantly to population growth in any portion of the HMA since 1960.

Remainder of the HMA. The population of the remaining portion of the HMA currently totals 37,200 persons, an increase of 1,075 (3.2 percent) annually over the April 1960 population of 30,400. Population in the remainder of the HMA has nearly reached the 1950 level of 37,250 persons, after the 1950-1960 population decline of about 680 a year. The decennial population decline in the remainder of the HMA reflects the active annexation programs of the cities of Des Moines and West Des Moines from 1950 to 1960 as well as the pattern of rural-to-urban migration.

Net Natural Increase and Migration. The components of population change are net natural increase (excess of resident births over resident deaths) and migration. In the Des Moines HMA, a part of the declining rate of population growth reflects the lower birth rate in the HMA in the 1960-1966 period. Net natural increase has declined from 3,750 a year in the 1950-1960 decade to an average of 3,575 annually since 1960. The major factor in the lower rate of population growth, however, has been a change in the pattern of migration from a net in-migration of 290 a year from 1950 to 1960 to a net out-migration of 725 persons annually from 1960 to 1966. The shift in the pattern of migration reflects the post-1960 decline in the number of new jobs added in the HMA as compared with the 1950-1960 period. (The 1953-1960 nonagricultural employment increase averaged almost 1,950 annually, as compared with the 1960-1965 gain of 920 a year).

Estimated Future Population. It is expected that the population of the Des Moines HMA will reach 291,700 by July 1, 1968. The growth would represent an increase of 7,500 (2.6 percent) above the current population, or 3,750 persons annually. The projected increase, which is slightly above the average annual gain of 2,850 experienced between April 1960 and July 1966, is based on anticipated employment increases likely to occur during the next two years. This annual population growth is, however, somewhat below the annual increases evidenced after the 1960-1962 recessionary period, which reflect the economic growth of the area since 1963. As in the past, virtually all of the population gain is anticipated in the suburban incorporated areas of the HMA, with slight population gains in the remainder of the HMA. The population of Des Moines will remain fairly steady.

Households

HMA Total. As of July 1, 1966, there are 91,600 households (occupied housing units) in the Des Moines HMA, an increase of 7,250 (8.6 percent) or 1,150 annually since April 1960. In the preceding decade, household growth amounted to about 1,425 a year, as the number of households increased from 70,100 in April 1950 to 84,350 in April 1960. Part of the

increase in the number of households between 1950 and 1960 reflects the change in census definition from "dwelling unit" in the 1950 Census to "housing unit" in the 1960 Census. Table III presents household growth trends in the HMA for the 1950-1966 period in greater detail.

City of Des Moines and Selected Incorporated Areas. Des Moines currently contains about 71,200 households, over three-fourths of all households in the HMA. Household growth in the central city has proceeded at a rate of less than one percent a year since 1960. In the previous decade, the growth rate in Des Moines averaged almost two percent a year as the number of households expanded by nearly 1,200 annually, from 56,300 in 1950 to 68,200 in 1960. It should be noted that the household increase in the city over the decennial period reflects annexation activity from 1950 to 1960 and also the census definitional change. Because Des Moines contains a large number of rooming house and boarding house accommodations, the city was particularly affected by the census definitional change from "dwelling unit" to "housing unit", when a number of furnished-room type accommodations which were not classed as dwelling units in 1950 were classed as housing units in 1960.

There are a total of 10,500 households currently in the five incorporated areas that comprise most of the suburban portion of the housing market. The number of households in these areas has increased by about 470 (five percent) annually since 1960. Over the 1950-1960 period the number of households more than doubled, from 3,175 in 1950 to 7,550 in 1960. Only a small portion of the decennial increase can be attributed to the census definitional change; a large part of the increase in the number of households is a result of annexation activity by the city of West Des Moines between 1950 and 1960.

Remainder of the HMA. Currently there are about 9,900 households in the remaining portion of the HMA, an increase of about 210 a year since 1960. In the previous decade, the number of households declined from over 10,650 in April 1950 to 8,550 in April 1960, as a result of annexations by the cities of Des Moines and West Des Moines during the decade.

Household Size. At present, the average household size in the Des Moines HMA is 3.04 persons. This represents a continuation of the trend toward decreasing household size evident during the 1950-1960 decade, when average size declined from 3.12 persons to 3.10 persons. The decline in household size, which is particularly evident in the city (where the number of persons per household declined from 2.99 in 1960 to 2.82 currently), is a reflection of the trend toward a greater number of smaller households, as

more people, both young and old, maintain separate households. The trend toward a greater number of small households has been enhanced by the considerable number of new multifamily housing units built and occupied in recent years; these units typically are occupied by small households. The size of households in the five suburban incorporated areas has risen over the past sixteen years and currently averages 3.83 persons. Increasing household size is typical of many suburban areas. This trend has been accelerated in recent years by the demolition of a large number of housing units in the city that were occupied, in many cases, by larger than average size households.

Future Household Growth. Based on the anticipated increase in population in response to new job opportunities, and on the assumption that present household size trends will continue, there are expected to be 94,250 households in the HMA by July 1, 1968, an average addition of 1,325 households annually over the present total. Although this rate of increase is somewhat above the over-all average rate of increase which has prevailed since April 1960 (1,125 annually), most of the increase of the post-censal period was confined to the period following the 1960-1962 recession. The expected household growth is probably somewhat below gains of the last several years. Increases in the number of households can be expected in all portions of the HMA, with the greatest rate of growth expected in the suburban incorporated areas.

Housing Market Factors

Housing Supply

Current Estimate and Past Trend. As of July 1966, there are about 96,250 housing units in the Des Moines HMA, an eight percent increase in the housing inventory (7,150 units) since April 1960. The net gain of 7,150 units since 1960 was the result of the construction of 10,200 new units and the removal of 3,050 units by demolition activity. Between the 1950 and 1960 censuses, the housing supply increased by nearly 24 percent, from 72,100 units to 89,100 units. Increases in the housing supply have averaged 1,150 units a year since 1960, compared with average gains of 1,700 units a year in the preceding decade. Part of the 1950-1960 census increase reflects, however, the census definitional change from "dwelling unit" to "housing unit".

The city of Des Moines currently contains 74,450 housing units, over 77 percent of the housing stock of the HMA. The five nearby incorporated areas account for 12 percent of the housing supply (11,100 units). The remaining 10,700 units are scattered throughout the remainder of the HMA.

Characteristics of the Housing Supply

Type of Structure. Single-family structures, including trailers, currently account for nearly 80 percent of the housing inventory of the Des Moines area, while structures containing two units or more comprise only about 20 percent of the housing stock. In 1960, the census reported that 79 percent of all housing units in the HMA were in single-family structures, including trailers. This 1960 proportion of single-family units is significantly higher than that for all SMSA's in the country (67 percent) and is even higher than the over-all national average of 75 percent. Although a number of multifamily units have been added to the housing supply since 1960, the volume of single-family construction has resulted in the addition of a greater proportion of single-family homes, so that the ratio has increased slightly over the past six years.

Age of Structure. About 34 percent of the current housing supply is sixteen years old or less and another 20 percent of the housing stock is in relatively new units of 17 to 36 years of age. As shown in the table below, nearly 46 percent of the inventory is in units built before 1930.

Housing Supply by Age of Structure
Des Moines, Iowa, HMA
July 1966

<u>Age^{a/}</u>	<u>Number of units</u>	<u>Percentage distribution</u>
6 years old or less	10,200	10.6
7 to 11 years old	12,500	13.0
12 to 16 years old	10,000	10.4
17 to 26 years old	10,800	11.2
27 to 36 years old	8,800	9.1
37 or more years old	<u>43,950</u>	<u>45.7</u>
Total	96,250	100.0

a/ 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: 1960 Census of Housing adjusted for changes in the inventory since 1960.

Condition of the Inventory. In April 1960, slightly over 16 percent of the housing supply (14,500 units) was dilapidated or lacked some or all plumbing facilities. The city of Des Moines accounted for more than three-fourths of the total number of substandard units (11,350 units). Since that time the city has embarked on a program to upgrade the inventory through urban renewal and code enforcement programs. Currently, about 11,450 units or 12 percent of the housing stock in the Des Moines HMA is estimated to be dilapidated or lacking one or more plumbing facilities.

Residential Building Activity

The number of units authorized for residential construction annually in the HMA declined from nearly 2,000 units in 1959 to 1,350 units in 1963, a drop of 32 percent. The declining trend in building activity during this period was most evident in the city of Des Moines, where the number of authorizations in 1959 (1,400) was more than double the number of units authorized in 1963 (630). This downward trend in residential building activity has been reversed in recent years, as indicated by the 1,900 units authorized in 1964 and the 2,025 authorized in 1965. The reversal primarily reflects the increased volume of multifamily building activity beginning in 1964.

Single-family construction declined from an annual volume of 1,450 units in 1960 to 1,125 units in 1964. The declining trend in single-family building activity halted in 1965 when 1,375 units were authorized. Although the largest volume of single-family home building activity has taken place in Des Moines in the past, the trend has been toward greater suburban activity since 1960. Single-family construction in the five suburban communities has risen steadily from an annual volume of 380 units in 1960 to 575 units in 1965. At the same time, single-family authorizations in the city of Des Moines declined from 870 units in 1960 to an average of about 525 units in 1964 and 1965 (see tables V and VI).

Multifamily authorizations averaged 210 units annually from 1960 through 1963, accounting for nine to 21 percent of the total annual authorizations during this period. In 1964 and 1965, the average number of multifamily authorizations more than tripled, to an average of 710 units annually.

Units Under Construction. Based upon building permit data, the recent postal vacancy survey, and local observation in the market, it is estimated that there currently are about 800 housing units under construction in the Des Moines HMA, including 370 single-family units and 430 apartment units.

Demolition Activity. Increased multifamily construction in recent years has been stimulated by the demolition of a large number of housing units. About 3,050 units have been removed from the inventory since the 1960 Census, with over 60 percent of the demolitions (1,875 units) attributable to active urban renewal and code enforcement programs. Freeway construction, the capitol expansion program, and natural causes (such as fire, flood) and catastrophes have resulted in the removal of a large number of units. Most of the planned demolition activity has been concentrated in the older, downtown section of Des Moines and has resulted in the general upgrading of the housing supply in the past six years. Estimates of demolition activity are based on data compiled by the Des Moines Planning Commission. It is expected that another 800 housing units will be removed from the housing stock in the two-year forecast period.

Tenure of Occupancy

At present, about 71.6 percent (65,550 units) of the 91,600 occupied units in the HMA are owner-occupied and 28.4 percent (26,050 units) are renter-occupied. The proportion of homeownership has been consistently high in the HMA, and has increased steadily since 1950. Between

the 1950 and 1960 censuses, the proportion of owner-occupied units increased from 66.7 percent to over 70.7 percent of the total number of occupied units. Because of the increase in new multifamily construction in recent years, the shift to owner occupancy has slowed somewhat.

Vacancy

1960 Census. About 3,150 vacant units were available for sale or rent at the time of the 1960 Census, or about 3.5 percent of the 1960 inventory. This total included 1,200 units available for sale and 1,950 units available for rent. The 1960 vacancy rates of two percent for homeowner units and over seven percent for renter units suggest that there was an excess of both sales and rental units at that time. Included in the available vacancies, however, were about 170 sales units and 730 rental units that were substandard because of the lack of one or more plumbing facilities. Excluding these substandard units, the net vacancy rates were 1.7 percent for sales housing and 4.8 percent for rental housing.

Postal Vacancy Survey. A postal vacancy survey was conducted in the HMA in late June of 1966 by the Des Moines, Altoona, Ankeny, and West Des Moines post offices. Results of the survey are summarized in table VIII. The vacancy survey covered 87,960 possible deliveries to residences and apartments, over 90 percent of the HMA housing inventory. Included in the total were 74,735 residences and 13,225 apartments, with respective vacancies of 1,729 (2.3 percent) and 885 (6.7 percent).

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 on a stop for one delivery of mail (one mailbox). These are principally single-family homes, 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. 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.

A previous postal vacancy survey was conducted in November 1964 by the same post offices that conducted the more recent survey. At that time, 3,092 of the 83,638 units enumerated were vacant, or 3.7 percent of the units surveyed. The 2,029 vacant residences represented a vacancy ratio of 2.8 percent and the 1,063 vacant apartments indicated a vacancy factor of 8.6 percent in the apartments surveyed. A comparison of the survey results indicates not only a decline in vacancy rates from 1964 to 1966, but also a decline in the number of vacant residences and vacant apartments (see table below). Declining vacancies from 1964 to 1966 in the HMA were most evident in Des Moines where the number of vacant residences and apartments dropped by 16 percent from 1964 to 1966.

Postal Vacancy Survey Results
Des Moines, Iowa, HMA
November 1964 and June 1966

<u>Components</u>	<u>1964</u>	<u>1966</u>
Deliveries to residences	71,241	74,735
Vacant residences	2,029	1,729
Percent of residences	2.8%	2.3%
Deliveries to apartments	12,397	13,225
Vacant apartments	1,063	885
Percent of apartments	8.6%	6.7%
Total deliveries	83,638	87,960
Total vacant	3,092	2,614
Percent of all deliveries	3.7%	3.0%

Source: FHA postal vacancy surveys conducted by collaborating postmasters in the post offices of Des Moines, West Des Moines, Altoona, and Ankeny.

Current Estimate. Based on a comparison of the 1964 and 1966 postal vacancy surveys (adjusted for incomplete coverage of the HMA and conversion to census concepts), informed local opinion and personal observation of the market, it is judged that there are about 2,950 available vacant units in the HMA, an over-all net available vacancy ratio of 3.2 percent. Of the total available vacancies, about 1,250 units are for sale, representing a homeowner vacancy rate of 1.9 percent and 1,700 units are available for rent, indicating a rental vacancy rate of 6.1 percent. Deduction of about 150 units of sales housing and 200 rental units that are judged to be substandard at the present time would reduce net available vacancy rates to 1.7 percent for sales units and 5.4 percent for rental units.

As shown in table IV , both the number of available vacancies and the vacancy rates have decreased from the 1960 levels. This decline is particularly evident in the rental market where a large number of substandard housing units have been removed from the housing supply or upgraded so that the quality of the available rental housing has improved in the six-year period.

Sales Market

General Market Conditions and Marketing Experience. As evidenced by the homeowner vacancy rates of 2.0 percent in 1960 and 1.9 percent currently, the sales market has tightened somewhat in the 1960-1966 period, primarily since 1963. Up until that time, the decline in residential construction activity paralleled a general sluggishness in the market for existing homes in the early 1960's. Sales of residential properties by the multiple listing exchange of the Des Moines Real Estate Board declined each year from 2,600 in 1958 to 1,750 in 1963. A reversal of the downward trend was evident in the next two years, as multiple listing sales rose to 2,175 in 1965. In June of 1966, the exchange reported a 17 percent increase in sales over the same period in 1965.

The ratio of sales to listings in each year exhibited a similar downward trend in the early 1960's as the number of available properties remained steady or increased while sales declined. In 1958, 42 percent of all listings were sold within the year; by 1963, the sales ratio had dropped to 29 percent. In 1964 and 1965, the sales ratio rose to 34 and 35 percent, respectively. A comparison of the 1965 ratio for various census tracts in the HMA reveals a strong market in the western, northwestern, and periphery of the city where 40 to 50 percent of all multiple listings were sold within the year. The sales market is evidently weaker in the central and eastern portions of the city where the sales ratio generally ranged from 17 to 34 percent.

An analysis of listings by sales price class and unit size by the multiple listing exchange shows that over half of multiple listings in March 1966 were three-bedroom houses, primarily in the \$15,000-\$20,000 price category. Houses containing two bedrooms or less accounted for 30 percent of the total and were primarily priced at less than \$15,000; larger units of about four or more bedrooms accounted for 20 percent of the available listings and were priced primarily from \$20,000 to \$40,000.

Subdivision Activity. The five incorporated areas that account for most of the population and household growth of the post-1960 period also contain the major areas of subdivision activity in the HMA. Construction in the lower price ranges of about \$15,500-\$22,000 is concentrated in the towns of Altoona and Ankeny as well as in rural portions of the market where available land allows for construction of lower-priced new housing. Building activity in the \$18,500-\$23,500 range can be found in scattered subdivisions east, west, and south of the city of Des Moines. Higher priced subdivisions, which constitute an increasing portion of demand for new housing, are active in northwest Des Moines and in Urbandale. Successful marketing in this area has been stimulated by good highway facilities and school construction.

Local sources report that speculative tract building comprises only a small portion of all residential construction in the market and is confined to a small number of builders, each of whom maintains a nominal unsold inventory.

Unsold Inventory of New Houses. In January 1964, 1965, and 1966, the Des Moines FHA Insuring Office surveyed active subdivisions in the HMA in which five or more homes had been completed in the preceding twelve months. Survey results, which are summarized in table VII, indicate increased subdivision activity from 1963 to 1965 and a general upward price trend. The survey of 1963 construction activity reported 647 completions, of which 222 units (34 percent) were built speculatively. Over three-fourths of the speculative construction was priced at less than \$20,000. The survey the following year reported a smaller number of completions during 1964 (494 units), but a larger proportion of speculative building activity (264 units or 53 percent of total construction). The under-\$20,000 price category accounted for 70 percent of speculative construction during the year. The survey of 1965 completions revealed an increased rate of subdivision activity in 1965 when 776 units were completed. Pre-sold construction accounted for most of the increase, as the proportion of speculative building declined slightly to 48 percent of the total, or 370 units in 1965. Only half of the 1965 speculative building activity was concentrated in the price range of \$20,000 or less.

As shown in table VII, the unsold ratio (number unsold in relation to total speculative construction) has remained fairly low, ranging from 26 percent in 1963 to 12 percent in 1964. Of the 62 unsold units in January 1966 (a 17 percent unsold ratio), 60 units had been on the market for three months or less.

Foreclosures and FHA Property Acquisitions. Local financing institutions report that, although the foreclosure rate is exhibiting an upward trend in the HMA, the number involved has remained at a low level. FHA property acquisitions also have risen in the HMA in recent years, from less than 10 a year in the 1959-1961 period to over 60 in 1965. The upward foreclosure and property acquisition trend is a reflection of the softening of the market in the early 1960's.

FHA-acquired properties available for sale in the HMA totaled 69 in August 1964 and 72 in April 1966. The greatest portion of the acquisitions are in older areas of the city of Des Moines and are primarily in the under-\$10,000 price category.

Outlook. Although data compiled by the multiple listing exchange of the Des Moines Real Estate Board cover only a portion of the sales market, when analyzed in conjunction with other market indicators (two vacancy surveys, residential construction trends, and FHA unsold inventory surveys), it is apparent that the sales market has improved considerably in the past several years. Local sources, also providing valuable insight into market conditions, indicate that the weak sales market in 1960 was precipitated by the relocation in the late 1950's and early 1960's of the Solar Aircraft Company and several small manufacturing plants. The relocation of Solar coincided with a period of high residential construction activity which tended to glut the sales market with new units in the early-1960 period. In recent years, however, the market for both new and existing units has strengthened somewhat with improved economic conditions and declining rates of construction. Local sources report that the weak market currently is concentrated primarily in existing units, with no particular price range being greatly affected. A continued strengthening of the sales market is predicted for the next several years.

Rental Market

General Market Conditions. Because of the nature of employment in the Des Moines area, a large portion of the rental market consists of young, low-income people (especially women) who generally prefer rental accommodations in older apartments and furnished rooms convenient to their place of employment. (In 1960, one-person renter households accounted for about one-third of all renter households and one-and two-person renter households accounted for 62 percent of the total.) Demand for small size apartments, primarily efficiency and one-bedroom units, is therefore strong, especially where rents are low and no long-term lease is required.

New Rental Housing. The market for new rentals in large apartment projects has expanded considerably in the past several years. Since 1964 about 1,750 units have been authorized for multifamily construction, accounting for over 65 percent of all multifamily authorizations since 1960. In 1964, ninety percent of the 770 units authorized were for apartments in the central city, while suburban garden apartment projects accounted for 46 percent of the 659 units authorized in 1965. As indicated by the 285 units authorized in the first five months of 1966, multifamily construction will remain at a fairly high level this year. A survey of multifamily construction by the Des Moines FHA Insuring Office in November 1965 revealed 580 units under construction at that time in six large apartment projects. One- and two-bedroom apartments comprised the greatest portion of the units, with rents generally ranging from \$115 for efficiencies, \$115-\$125 for one-bedroom apartments, \$125-\$145 for two-bedroom units, and \$165 for three-bedroom units. Rents usually include all utilities except electricity.

Newer suburban garden apartments generally are experiencing good occupancy, where location, transportation and other amenities are favorable. Most of the suburban apartments are in garden-apartment projects usually containing about twenty units each. These projects appeal primarily to young married couples and some single people who "double-up" in their living arrangements. The west side of Des Moines remains a prestige residential area; quite a few high-rent garden and elevator apartments have been constructed in this area. This area generally appeals to higher-income older single persons and married couples who prefer convenient downtown locations. A number of elevator and garden apartments have been built along Grand Avenue, which has become a prime multifamily residential area.

Rental Housing Under Construction. About 450 multifamily units are estimated to be in various stages of construction in the HMA. This estimate is based on the recent postal vacancy survey of new construction, discussion with local informed persons, and on the number of units authorized for multifamily construction in recent months.

Urban Renewal and Development

The River Hills project (Iowa R-1) was the first urban renewal project in Des Moines. It was designated as a total clearance area for renewal and redevelopment. The 235-acre project is located just north of the central business district on both sides of the Des Moines River, generally bounded by University Avenue on the north, Grand Avenue to the south, Sixth Avenue on the west, and East Seventh Street on the east. Land clearance involved the demolition of nearly 800 dwelling units. Redevelopment has proceeded with public, commercial, and residential

construction. A 202-unit garden apartment project was built in 1965. Plans are being made for the construction of a cooperative housing project for tenants of moderate income.

A 265-acre General Neighborhood Renewal Project (GNRP) has been delineated for rehabilitation and redevelopment over a ten-year period. The GNRP is located near the River Hills area, northwest of the central business district, and is bounded by University Avenue on the north, Harding Road on the west, Woodland Avenue on the south and Keosauqua Way on the east. Within the GNRP area, Oakridge I (Iowa R-5) currently is being planned as a rehabilitation and clearance project. Upgrading of existing structures, rather than clearance, will be emphasized where possible. The area contains 254 substandard units and 225 standard units; about 200 families are expected to be displaced by renewal action.

Demand for Housing

Quantitative Demand

The basic factors in the derivation of housing demand in the Des Moines area are the projected level of household growth (1,325 annually for the forecast period) and the number of housing units expected to be removed from the inventory, which is projected at 400 units a year over the July 1, 1966-July 1, 1968 period. Consideration also must be given to the volume of rental units currently under construction so that the proper supply-demand balance in both sales and rental markets is maintained. Other factors which influence demand are the continued slow trend toward homeownership in the HMA and the transfer of some single-family homes from the sales category to the rental inventory. Giving due regard to each of these factors, annual demand for new housing in each of the next two years is estimated at 1,725 units, of which 1,325 units represent demand for sales housing and 400 units represent annual rental demand, including 75 rental units which can be marketed each year at the lower rents achievable with public benefits or assistance in financing or land acquisition. The 400-unit annual rental demand excludes public low-rent housing and rent-supplement accommodations.

The 1,325 units of sales demand projected for each of the next two years approximates the construction volume of 1965 when 1,350 single-family units were authorized. The 1,350 authorizations in 1965 represented a reversal of a downward trend in single-family building activity since 1960; the 1960-1964 lower volume of construction has been the principal factor in the strengthening of the weak sales market evidenced in the early 1960's. Although some sluggish conditions are evident in the existing market, recent absorption of new homes is proceeding at a satisfactory rate. Continued tightening of the sales market can be expected at the forecasted demand level with the slightly higher rate of household formation projected over the next two years.

The annual demand of 400 rental units is below the recent level of multifamily building activity of 1964 and 1965 when an average of 710 units were authorized each year. Consideration must be given, however, to the large number of multifamily units currently under construction that will enter the rental market over the forecast period. The demand distribution also takes into account the large number of rental units on the market (or about to enter the market) in the higher rent levels.

Qualitative Demand

Sales Housing. The annual demand for 1,325 units of additional sales housing, based on the distribution of families by annual after-tax income that families in the Des Moines area typically pay for sales housing, is expected to approximate the pattern presented in the following table. This distribution differs from that presented in table VII, which reflects only selected subdivision experience during the years 1963, 1964, and 1965. It must be noted that these 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 following demand estimates reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Estimated Annual Demand for New Sales Housing by Sales Price Class
Des Moines, Iowa, HMA
July 1, 1966-July 1, 1968

<u>Price range</u>	<u>Number of units</u>	<u>Percentage distribution</u>
\$12,000 - \$14,999	145	11
15,000 - 17,499	200	15
17,500 - 19,999	280	21
20,000 - 24,999	410	31
25,000 - 29,999	145	11
30,000 and over	<u>145</u>	<u>11</u>
Total	1,325	100

Because of current construction and land costs, it is judged that few, if any, adequate new sales houses can be built to sell for below \$12,000. All of the 1,325 sales units therefore have been distributed at and above this minimum. The above distribution suggests a strong demand for new housing priced at \$20,000 to \$30,000, with over 40 percent of the projected sales demand in this price range. Best acceptance of higher-priced housing can be expected in the west-northwest area of the city of Des Moines, and in the Urbandale-Windsor Heights area.

Rental Housing. The monthly rent levels at which the 400 privately-owned net additions to the over-all rental housing inventory might best be absorbed are indicated by size of unit and monthly gross rent in the following table. Net additions to this total may be accomplished either by 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 units in higher rent 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 Rental Units
By Monthly Rent and Unit Size
Des Moines, Iowa, HMA
July 1, 1966-July 1, 1968

Monthly gross rent <u>a/</u>	Size of unit			
	<u>Efficiency</u>	<u>One bedroom</u>	<u>Two bedroom</u>	<u>Three bedroom</u>
\$ 90 and over	25	200	-	-
95 " "	20	190	-	-
100 " "	20	180	-	-
105 " "	15	170	130	-
110 " "	15	160	125	-
120 " "	15	140	120	45
130 " "	10	115	110	40
140 " "	10	90	80	35
150 " "	10	70	60	30
160 " "	5	50	40	25
170 " "	-	35	25	20
180 " "	-	20	15	15
200 " "	-	10	10	10

a/ Gross rent includes all utilities.

Note: The above figures are cumulative and cannot be added vertically. For example, the demand for two-bedroom units in the \$140-\$160 rental ranges is 40 units (80 minus 40).

The number of rental units in the Des Moines area that can be marketed at gross rents at and above the minimum rent levels achievable under current construction and land costs is judged to be 325 units a year over the forecast period. These minimum gross rent levels with market interest rate financing are \$90 for efficiencies, \$110 for one-bedroom units, \$130 for two-bedroom apartments, and \$150 for three-bedroom apartments.^{1/}

An additional 75 units of rental housing can be marketed each year at lower rents achievable only with public benefits or assistance in financing or land purchase, excluding public low-rent housing or rent-supplement accommodations. The demand for efficiency units at these rent levels is negligible.

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 also is given to the recent absorption experience of new rental housing. Thus, it represents a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. Specific market demand opportunities or replacement needs may permit effective marketing of a single project differing from this demand distribution. Even though a deviation from this distribution 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 submarkets.

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.

^{1/} Calculated on the basis of a long-term mortgage (40 years) at $5\frac{1}{4}$ percent interest and $1\frac{1}{2}$ percent initial annual curtail; changes in these assumptions will affect minimum rents accordingly.

APPENDIX TABLES

Table I

Work Force Components
Des Moines, Iowa, HMA
1958-1966

	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>First five months</u>	
									<u>1965</u>	<u>1966</u>
Work force	<u>118,350</u>	<u>121,150</u>	<u>122,600</u>	<u>123,250</u>	<u>121,750</u>	<u>122,550</u>	<u>123,700</u>	<u>125,600</u>	<u>124,450</u>	<u>123,450</u>
Unemployment	<u>3,650</u>	<u>3,350</u>	<u>3,350</u>	<u>4,350</u>	<u>3,500</u>	<u>2,950</u>	<u>2,950</u>	<u>2,500</u>	<u>2,750</u>	<u>2,250</u>
Percent of work force	3.1	2.8	2.7	3.5	2.9	2.4	2.4	2.0	2.2	1.8
Employment	<u>114,550</u>	<u>117,450</u>	<u>119,250</u>	<u>118,800</u>	<u>118,250</u>	<u>119,600</u>	<u>120,600</u>	<u>123,050</u>	<u>121,600</u>	<u>121,200</u>
Agriculture	<u>3,200</u>	<u>3,000</u>	<u>3,000</u>	<u>2,950</u>	<u>3,050</u>	<u>3,050</u>	<u>2,800</u>	<u>2,600</u>	<u>2,050</u>	<u>2,050</u>
All other	<u>13,300</u>	<u>13,400</u>	<u>13,700</u>	<u>13,850</u>	<u>13,250</u>	<u>12,900</u>	<u>12,900</u>	<u>12,650</u>	<u>12,900</u>	<u>12,000</u>
Nonag. Wage & Salary	<u>98,050</u>	<u>101,050</u>	<u>102,550</u>	<u>102,000</u>	<u>101,950</u>	<u>103,650</u>	<u>104,900</u>	<u>107,750</u>	<u>106,800</u>	<u>107,150</u>
Manufacturing	<u>22,850</u>	<u>23,050</u>	<u>22,300</u>	<u>21,150</u>	<u>21,050</u>	<u>21,350</u>	<u>21,750</u>	<u>22,400</u>	<u>22,150</u>	<u>23,550</u>
Food & kindred prod.	<u>4,450</u>	<u>4,350</u>	<u>4,400</u>	<u>4,200</u>	<u>4,200</u>	<u>4,000</u>	<u>4,050</u>	<u>3,800</u>	<u>3,950</u>	<u>3,400</u>
Printing & publishing	<u>3,950</u>	<u>3,900</u>	<u>4,150</u>	<u>4,300</u>	<u>4,250</u>	<u>4,000</u>	<u>4,100</u>	<u>4,200</u>	<u>4,300</u>	<u>4,100</u>
Machinery	<u>4,100</u>	<u>4,550</u>	<u>4,600</u>	<u>3,950</u>	<u>3,750</u>	<u>4,250</u>	<u>4,450</u>	<u>4,650</u>	<u>4,450</u>	<u>5,900</u>
Other	<u>10,350</u>	<u>10,250</u>	<u>9,150</u>	<u>8,700</u>	<u>8,850</u>	<u>9,100</u>	<u>9,150</u>	<u>9,750</u>	<u>9,450</u>	<u>10,150</u>
Nonmanufacturing	<u>75,200</u>	<u>78,000</u>	<u>80,250</u>	<u>80,850</u>	<u>80,900</u>	<u>82,250</u>	<u>83,150</u>	<u>85,350</u>	<u>84,650</u>	<u>83,600</u>
Trade	<u>24,750</u>	<u>25,600</u>	<u>26,550</u>	<u>26,550</u>	<u>26,800</u>	<u>26,650</u>	<u>27,200</u>	<u>27,800</u>	<u>27,300</u>	<u>27,450</u>
Service ^{a/}	<u>13,350</u>	<u>13,750</u>	<u>14,350</u>	<u>14,900</u>	<u>15,500</u>	<u>16,200</u>	<u>16,650</u>	<u>17,000</u>	<u>17,150</u>	<u>16,600</u>
Government	<u>13,100</u>	<u>13,450</u>	<u>13,850</u>	<u>14,600</u>	<u>14,650</u>	<u>15,150</u>	<u>15,050</u>	<u>15,450</u>	<u>15,700</u>	<u>15,650</u>
Fin., ins., real est.	<u>10,800</u>	<u>11,000</u>	<u>11,550</u>	<u>11,600</u>	<u>11,650</u>	<u>11,950</u>	<u>12,100</u>	<u>12,150</u>	<u>12,150</u>	<u>11,500</u>
Trans., comm., util.	<u>8,350</u>	<u>8,650</u>	<u>8,800</u>	<u>8,600</u>	<u>8,300</u>	<u>8,100</u>	<u>7,900</u>	<u>8,000</u>	<u>8,050</u>	<u>7,700</u>
Contract const.	<u>4,900</u>	<u>5,500</u>	<u>5,200</u>	<u>4,550</u>	<u>4,000</u>	<u>4,250</u>	<u>4,300</u>	<u>4,900</u>	<u>4,300</u>	<u>4,700</u>
Persons involved in labor- management disputes	150	350	50	100	-	-	100	-	-	-

^{a/} Service category includes mining and miscellaneous nonmanufacturing employment.

Note: Components may not add to total because of rounding.

Source: Iowa Employment Security Commission.

Table II

Population Trends by Area
Des Moines, Iowa, HMA
1950-1966

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>July</u> <u>1966</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1966</u>	
				<u>Number</u>	<u>Rate^{a/}</u>	<u>Number</u>	<u>Rate^{a/}</u>
Des Moines	177,965	208,982	206,700	3,102	1.6	-370	-.2
Selected incorporated areas:							
Altoona	763	1,458	2,450	70	6.5	160	8.4
Ankeny	1,229	2,964	6,375	174	8.8	550	12.5
West Des Moines	5,615	11,949	13,800	633	7.5	300	2.3
Windsor Heights	1,414	4,715	6,675	330	12.0	310	5.6
Urbandale	<u>1,777</u>	<u>5,821</u>	<u>11,000</u>	<u>404</u>	<u>11.0</u>	<u>830</u>	<u>10.2</u>
Total	10,798	26,907	40,300	1,611	9.1	2,150	6.5
Remainder of HMA	<u>37,247</u>	<u>30,426</u>	<u>37,200</u>	<u>-682</u>	<u>-2.0</u>	<u>1,075</u>	<u>3.2</u>
HMA total	226,010	266,315	284,200	4,031	1.7	2,850	1.1

^{a/} Percentage derived through the use of a formula designed to calculate the rate of change on a compound basis.

Note: 1966 population and 1960-1966 average annual changes are rounded.
 Components may not add to total because of rounding.

Sources: 1950 and 1960 Census of Population, U.S. Bureau of Census, Special Census Division, and estimates by Housing Market Analyst.

Table III

Number of Households by Area
Des Moines, Iowa, HMA
1950-1966

<u>Area</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>July</u> <u>1966</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1966</u>	
				<u>Number</u>	<u>Rate^{a/}</u>	<u>Number</u>	<u>Rate^{a/}</u>
Des Moines	56,296	68,226	71,200	1,193	1.9	470	.7
Selected incorporated areas:							
Altoona	147	401	650	25	10.0	40	7.8
Ankeny	382	837	1,700	46	7.9	140	11.4
West Des Moines	1,701	3,410	3,800	171	6.9	60	1.8
Windsor Heights	446	1,416	1,650	97	11.0	40	2.5
Urbandale	493	1,495	2,700	100	11.0	190	9.5
Total	3,169	7,559	10,500	439	8.7	470	5.3
Remainder of HMA	10,663	8,567	9,900	-210	-2.2	210	2.3
HMA total	70,128	84,352	91,600	1,422	1.8	1,150	1.3

^{a/} Percentage derived through the use of a formula designed to calculate the rate of change on a compound basis.

Note: 1966 number of households and 1960-1966 average annual changes are rounded.
 Components may not add to total because of rounding.

Source: 1950 and 1960 Census of Housing and estimates by Housing Market Analyst.

Table IV

Characteristics of the Housing Supply
Des Moines, Iowa, HMA
April 1950-July 1966

	April <u>1950</u>	April <u>1960</u>	July <u>1966</u>
<u>Occupancy and tenure</u>			
Total housing supply	<u>72,099</u>	<u>89,084</u>	<u>96,250</u>
<u>Occupied housing units</u>	<u>70,128</u>	<u>84,352</u>	<u>91,600</u>
Owner-occupied	46,783	59,661	65,550
Percent of total	66.7%	70.7%	71.6%
Renter-occupied	23,345	24,691	26,050
<u>Vacant housing units</u>	<u>1,971</u>	<u>4,732</u>	<u>4,650</u>
Available	790	3,155	2,950
For sale	346	1,188	1,250
Homeowner vacancy rate	.7%	2.0%	1.9%
For rent	444	1,967	1,700
Renter vacancy rate	1.9%	7.4%	6.1%
Other ^{a/}	1,181	1,577	1,700

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

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

Table V

Units Authorized for Construction
Des Moines, Iowa, HMA
January 1954-June 1966

<u>Year</u>	<u>Des Moines</u>	<u>Selected incorporated areas^{a/}</u>	<u>Remainder^{b/}</u>	<u>HMA Total</u>
1954	1,022	310	1	1,333
1955	1,250	429	2	1,681
1956	839	273	3	1,115
1957	787	289	2	1,078
1958	1,235	541	23	1,799
1959	1,411	475	97	1,983
1960	988	411	207	1,606
1961	886	443	155	1,484
1962	851	460	196	1,507
1963	632	523	204	1,359
1964	1,191	469	227	1,887
1965	866	874	283	2,023
1966 (first five mos.)	419	266	134	819

a/ The city of West Des Moines and the towns of Altoona, Ankeny, Urbandale, and Windsor Heights.

b/ Additional permit-issuing places identified in 1958 and 1959; incomplete coverage in the remainder of the HMA before 1960.

Sources: Des Moines Office of Building Inspector, U.S. Bureau of the Census, C-40 Construction Reports, Des Moines Planning Commission and Polk County Zoning Office.

Table VI

Units Authorized for Construction
By Structure Type and Locality
Des Moines, Iowa, HMA
1960-1966

<u>Year</u>	<u>Des Moines</u>		<u>Selected incorporated areas^{a/}</u>		<u>Remainder of HMA</u>		<u>HMA total</u>	
	<u>Single family</u>	<u>Multi-family</u>	<u>Single family</u>	<u>Multi-family</u>	<u>Single family</u>	<u>Multi-family</u>	<u>Single family</u>	<u>Multi-family</u>
1960	871	117	383	28	203	4	1,457	149
1961	735	151	389	54	155	-	1,279	205
1962	579	272	418	42	192	4	1,189	318
1963	540	92	448	75	204	-	1,192	167
1964	499	692	402	67	220	7	1,121	766
1965	555	311	575	299	234	49	1,364	659
1966 (1st 5 mos.)	180	239	220	46	102	32	502	317

^{a/} City of West Des Moines, towns of Altoona, Ankeny, Urbandale, and Windsor Heights.

Sources: Office of the Building Inspector, Des Moines
U.S. Bureau of the Census, C-40 Construction Reports
Des Moines Planning Commission and Polk County Zoning Office.

Table VII

Unsold Inventory of New Houses
Des Moines, Iowa, HMA
January 1964-January 1966

Sales price	Total completions	Pre- sold	Speculative construction		
			Total	Unsold as of survey date	Percent unsold
Houses completed in 1963					
Under \$15,000	122	95	27	9	33
\$15,000 - 17,499	268	170	98	23	23
17,500 - 19,999	108	59	49	14	29
20,000 - 24,999	90	63	27	4	15
25,000 - 29,999	17	13	4	2	50
30,000 - 34,999	12	9	3	1	33
35,000 and over	30	16	14	4	29
Total	647	425	222	57	26
Houses completed in 1964					
Under \$15,000	83	65	18	2	11
\$15,000 - 17,499	154	46	108	13	12
17,500 - 19,999	93	34	59	7	12
20,000 - 24,999	121	67	54	4	7
25,000 - 29,999	27	13	14	5	36
30,000 - 34,999	7	1	6	-	-
35,000 and over	9	4	5	-	-
Total	494	230	264	31	12
Houses completed in 1965					
Under \$15,000	109	63	46	6	13
\$15,000 - 17,499	128	81	47	8	17
17,500 - 19,999	162	69	93	20	22
20,000 - 24,999	170	75	95	10	11
25,000 - 29,999	118	65	53	11	21
30,000 - 34,999	32	17	15	1	7
35,000 and over	57	36	21	6	29
Total	776	406	370	62	17

Source: Annual Unsold Inventory Surveys conducted by the Des Moines FHA Insuring Office.

Table VIII

Des Moines, Iowa, Area Postal Vacancy Survey

June 13-24, 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	87,960	2,614	3.0	2,295	319	558	74,735	1,729	2.3	1,488	241	311	13,225	885	6.7	807	78	247	1,391	28	2.0
Des Moines	80,254	2,459	3.1	2,195	264	406	67,287	1,590	2.4	1,404	186	227	12,967	869	6.7	791	78	179	1,274	27	2.1
Main Office	2,547	123	4.8	123	-	-	689	23	3.3	23	-	-	1,858	100	5.4	100	-	-	-	-	-
Branch:																					
Urbandale	5,409	136	2.5	69	67	77	5,095	105	2.1	58	47	66	314	31	9.9	11	20	11	275	9	3.3
Stations:																					
Beaverdale	10,574	196	1.9	144	52	52	10,310	168	1.6	126	42	22	264	28	10.6	18	10	30	-	-	-
Carrier Annex	26,816	1,008	3.8	929	79	162	20,944	592	2.8	559	33	64	5,872	416	7.1	370	46	98	273	2	0.7
East 14th Street	14,007	359	2.7	348	11	6	12,366	240	1.9	229	11	6	1,641	119	7.3	119	-	-	325	5	1.5
South Des Moines	13,019	398	3.1	349	49	108	12,448	366	2.9	319	47	68	571	32	5.6	30	2	40	401	11	2.7
University	7,882	239	3.0	233	6	1	5,435	96	1.8	90	6	1	2,447	143	5.8	143	-	-	-	-	-
Other cities and towns	7,706	155	2.0	100	55	152	7,448	139	1.9	84	55	84	258	16	6.2	16	-	68	117	1	0.9
Altoona	905	25	2.8	25	-	19	872	24	2.8	24	-	11	33	1	3.0	1	-	8	-	-	-
Ankeny	2,357	43	1.8	24	19	84	2,267	37	1.6	18	19	36	90	6	6.7	6	-	48	92	-	-
West Des Moines	4,444	87	2.0	51	36	49	4,309	78	1.8	42	36	37	135	9	6.7	9	-	12	25	1	4.0

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).