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Analysis of the

DULUTH, MINNESOTA - SUPERIOR, WISCONSIN, HOUSING MARKET

as of June 1, 1965

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

January 1966

ANALYSIS OF THE

DULUTH, MINNESOTA - SUPERIOR, WISCONSIN, HOUSING MARKET

AS OF JUNE 1, 1965

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 DULUTH, MINNESOTA -SUPERIOR, WISCONSIN, SMSA AS OF JUNE 1, 1965

Summary and Conclusions

1. The economy of the Duluth-Superior SMSA is oriented primarily towards nonmanufacturing industries which accounted for 84 percent of nonagricultural wage and salary employment in 1964. The employment trends show that nonagricultural wage and salary employment declined from 85,200 jobs in 1960 to 78,200 in 1963, then rose slightly to the 1964 level of 78,300 jobs. The industries which contributed mostly to the decline were mining, transportation, communication and utilities, and trade. In 1964, unemployment averaged 7.5 percent of the labor force, having declined slightly each year since the 1961 high of 10.2 percent. During the June 1965-June 1967 forecast period, employment is expected to increase by about 1,000 jobs (500 annually).

2. The median income for all families, after the deduction of federal income tax, is about $5,925; for renter families, $5,275. By 1967 median after-tax income for all families will be approximately $6,150; for renter families, $5,450.

3. Currently, the population of the SMSA is estimated at 280,300, an increase of 720 persons annually since April 1960. During the forecast period, the population is expected to increase by about 1,000 annually to a June 1967 total of approximately 282,300.

4. Households in the SMSA now number about 86,450. They have increased by about 315 annually since 1960. The projected increase in households during the next two years is expected to be approximately 400 annually.

5. As of June 1965, the housing inventory in the SMSA totals 99,750 units, an increase of 250 units annually since 1960. As measured by building permits issued (providing between 80 and 90 percent coverage) residential building activity has declined. It is estimated that approximately 455 housing units were built annually during the 1960-June 1965 period; about 385 of these have been authorized by building permits. A large proportion of the units constructed represented replacement housing due to the demolition of a substantial number of units. Approximately 150 housing units are under construction in various sections of the market.

6. Currently, there are about 3,050 available, vacant, nonseasonal, nondilapidated housing units in the SMSA. Of those, 925 are for sale and 2,125 are for rent, representing vacancy rates of 1.5 and 7.7 percent respectively.

7. The estimated demand for new housing units in the SMSA during the July 1965-June 1967 forecast period is expected to be 410 units annually, including 345 sales units and 65 rental units. Another 45 units could be marketed at the lower rents associated with public benefit or assistance financing. The distribution of the sales units by price class is indicated on page 28.

ANALYSIS OF THE DULUTH, MINNESOTA - SUPERIOR, WISCONSIN, HOUSING MARKET AS OF JUNE 1, 1965

Housing Market Area

For the purpose of this analysis the Duluth, Minnesota-Superior, Wisconsin, Housing Market Area is defined as the Duluth-Superior Standard Metropolitan Statistical Area (SMSA) which consists of St. Louis County in Minnesota and Douglas County in Wisconsin with a total population of 231,588 in 1960.[1/] Because of the extensive area of these counties, however, Duluth City and the townships immediately surrounding Duluth, together with Douglas County is regarded as one submarket, while the remainder of St. Louis County is regarded as another submarket. This delineation conforms closely with the labor market definitions of the Minnesota Department of Employment Security which regards Duluth City, Superior City, and Douglas County as one labor market, and St. Louis County, excluding Duluth, as another labor market area.

St. Louis County is located in the northeastern section of Minnesota. Canada forms the northern border of the county. On its other sides, it is surrounded by six counties (including Douglas County, Wisconsin) and in addition has direct access to Lake Superior (see map). Douglas County is situated in the northwestern part of Wisconsin; like St. Louis County, it is bounded by six other counties, and also has direct access to Lake Superior which forms part of its northern boundary.

The principal communities in the SMSA include the neighboring cities of Duluth and Superior, situated at the lake shore, Hibbing Village, Virginia City, and the smaller urban centers of Chisholm, Ely, and Eveleth, all of which are situated on the Mesabi Range which crosses the middle portion of St. Louis County.

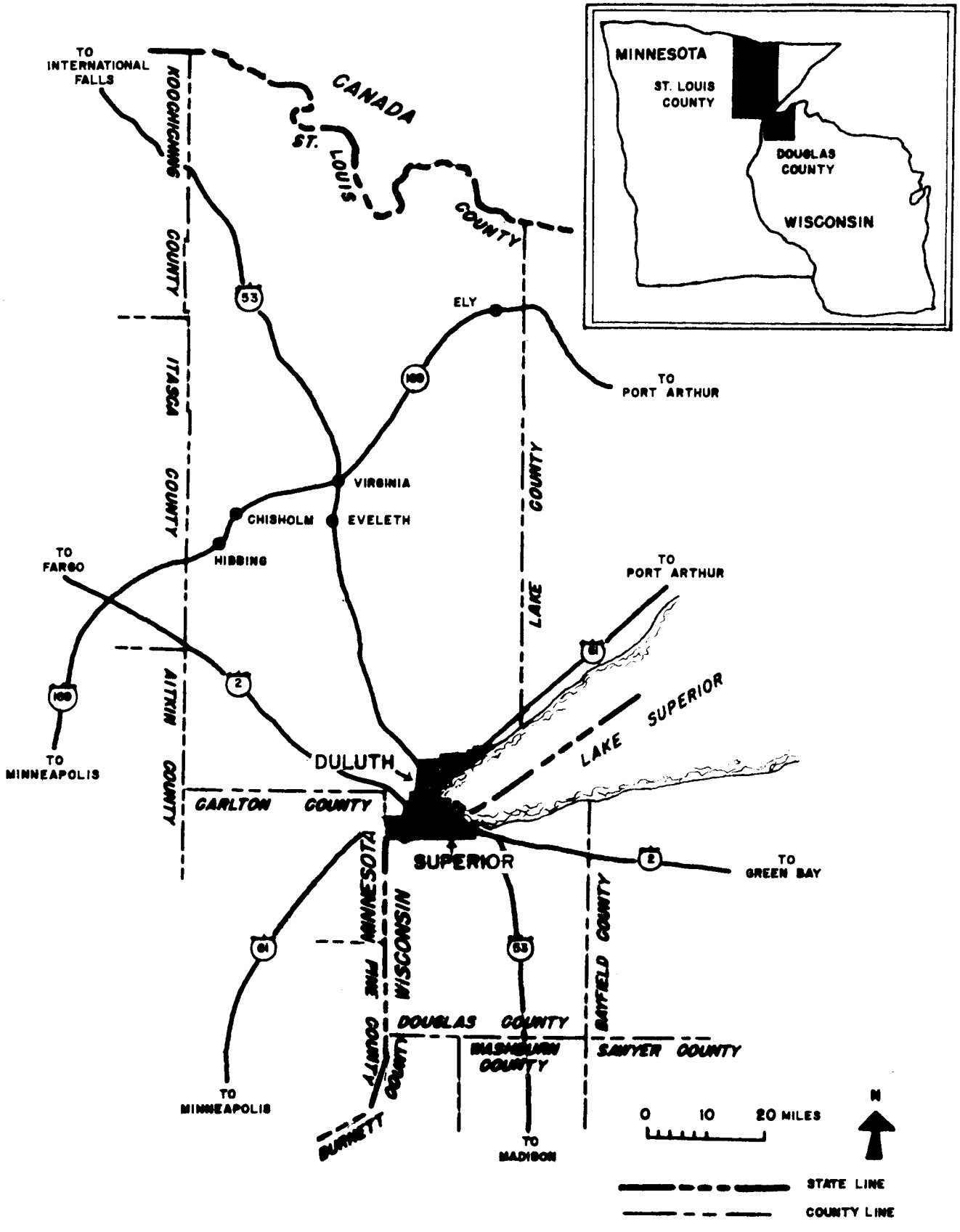
The cities of Duluth and Superior are about 150 miles north of the twin cities of Minneapolis and St. Paul, about 250 miles east of Fargo, North Dakota, and 195 miles southwest of Port Arthur on the Canadian border. Duluth - Superior is the most westerly inland port on the Great Lakes - St. Lawrence Seaway. In terms of total tonnage handled, it is one of the largest ports in the United States. The area is served by an extensive highway network (see map). U.S. 61 leads to Minneapolis and St. Paul, and to Port Arthur. U.S. 2, which runs east-west connects Duluth - Superior with Green Bay, Wisconsin, and Fargo, North Dakota. U.S. 53 leads to International Falls and to Madison, Wisconsin. The range communities are served primarily by U.S. 53, and U.S. 169 which runs east and west. Air transportation is provided at the Duluth International and the Superior Municipal Airports. Several railroads, including the Great Northern, and the Northern Pacific, facilitate bulk transportation.

1/ Inasmuch as the rural farm population of the Duluth-Minnesota-Superior, Wisconsin, HMA consitutued only 3.0percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of farm and nonfarm data.

In April 1960, the United States Census of Population reported that, of a total of about 87,875 workers who resided in the SMSA, approximately 83,225 worked in the SMSA. About 2,025 worked outside the SMSA, and 2,625 did not report their places of employment. Of the 85,900 workers who reported their places of employment as the SMSA, about 2,700 lived outside the SMSA. These figures suggest a net in-commutation of about 700 workers.

Of the 2,025 out-commuters who reported their places of employment, 41 percent worked in neighboring Carlton, Lake, and Itasca Counties. Of the 2,700 workers who lived outside but worked in the SMSA in April 1960, 44 percent came from Carlton, and Itasca Counties.

DULUTH, MINNESOTA – SUPERIOR, WISCONSIN STANDARD METROPOLITAN STATISTICAL AREA



Economy of the Area

Character and History. No single industry has a dominant position in the economy of the Duluth-Superior SMSA, although 84 percent of non-agricultural wage and salary employment was provided by nonmanufacturing industries in 1964. However, the economy is linked closely with iron ore mining, the steel industry, and the transportation of iron ore. Employment in mining and transportation, traditionally the mainstays of the economy, has declined considerably in recent years, and has had a depressing effect on other industries. The result has been a significant decline in employment and in the size of the work force since 1960.

The early economic history of the Duluth-Superior area dates back to the days when the fur traders, in their intense competition to secure the treasured pelts, pressed westward. In 1660, the first shipment of furs from Head of the Lakes was made, and in 1817, John Jacob Astor established the American Trading Post at Fond du Lac. Settlement of the area followed after various treaties and land concessions by the Indians. Duluth was platted in 1856, and in 1870 it was incorporated as a city. At that time, Superior was already a thriving community.

In 1865, iron ore was discovered on the Vermilion and Mesabi Ranges. However, railways, bridges, canals, docks, and grain elevators were to be constructed before the port would attain its full importance. By the turn of the century, most of these facilities had been provided, and they served as the nucleus of further economic growth. In 1959, the first deep-draft ocean vessel entered the Duluth-Superior Harbor. The recent increases in the shipments of grain and other "general" lake cargo, as shown by the Duluth Business Indicators, suggest that the St. Lawrence Seaway has enhanced the position of Duluth-Superior as the most westerly port on the Great Lakes.

Work Force

For the year 1964, the work force in the Duluth-Superior SMSA averaged 95,700 workers, the lowest level for the past five years. For the first four months of 1965 the work force averaged 95,200 workers, an increase of about 1,500 over the comparable months in 1964. During the 1960-1964 period, the work force in the SMSA declined steadily from 106,400 to the 1964 level of 95,700, a decline of ten percent. The decline in the work force reflects substantial out-migration and the withdrawal of secondary wage earners from the labor market because of lack of job opportunities.

Employment

Current Estimate. In 1964, total employment in the SMSA averaged 88,500 down 1,700 from the previous year. The 1964 average was composed of 1,900 jobs in agriculture, 78,300 nonagricultural wage and salary jobs, and 8,400 self-employed, domestic, and unpaid family workers. For the first four months of 1965, total employment averaged 87,300, an increase of 4,400 over the same period in 1964. Because of resort activities and seasonality in the transportation and construction industries, employment in the SMSA is usually at its lowest during the first few months of the year. Peak employment is usually achieved in June, July, and August.

Past Trend. In 1960, nonagricultural wage and salary employment was 85,200. Between 1960 and 1964 nonagricultural wage and salary employment declined by 6,900 workers. About three-fourths of the decrease occurred in the 1960-1961 recession.

Trend of Nonagricultural Wage and Salary Employment
Duluth-Superior SMSA
Annual Averages 1960-1964

Date	Manufacturing	Nonmfg.	Total wage and salary employment	Change in total Number	Change in total Percent
1960	11,800	73,300	85,200	-	-
1961	11,000	69,100	80,200	-5,000	5.9
1962	11,300	68,300	79,500	- 700	.9
1963	11,900	66,300	78,200	-1,300	1.6
1964	12,400	65,900	78,300	100	.1

Note: Subtotals may not add to total due to rounding.

Source: Minnesota Department of Employment Security; Wisconsin State Employment Service.

Employment by Industry

Manufacturing. Of the 78,300 wage and salary workers employed in the SMSA in 1964, about 16 percent were engaged in manufacturing, a slight increase since the 1960 to 1962 period when manufacturing provided 14 percent of total wage and salary employment.

The 12,400 workers who were engaged in manufacturing industries in 1964 represented an increase of 500 workers over the previous high registered in 1963. From the 1960 level of 11,800, manufacturing employment suffered a loss of 800 in the 1960-1961 recession, but since then employment in manufacturing has shown moderate yearly increases. Data showing the employment figures for individual manufacturing industries are not available for the SMSA; but the major manufacturing industries include fabricated metals, machinery and transportation equipment, and food processing.

Nonmanufacturing. The table above shows that nonmanufacturing industries provide the greater proportion (84 percent in 1964) of nonagricultural wage and salary employment. Wholesale and retail trade is the largest single industry in the SMSA, with 15,300 employed in 1964, 20 percent of nonagriucltural wage and salary employment. The 1964 average was well below the 1960 high of 16,500. About 75 percent of the loss occurred in the 1961-1962 period.

The services industry which, in 1964, employed 12,600 workers, 16 percent of wage and salary employment, is the second largest industry in the SMSA. Average employment in the industry for 1964 represents a two percent decline from the 1963 high of 12,800 workers. After a slight decline of 200 in 1961, moderate increases were experienced in 1962 and 1963. The 1964 average is 100 more than the 1961 low of 12,500 jobs.

In 1964, employment in government (local, State, and Federal) totaled 11,000 workers, 14 percent of wage and salary employment. Employment in government increased substantially (six percent) in the 1960-1962 period, showed no change in 1963, then experienced a loss of 500 jobs in 1964.

Employment in the transportation, communication, and utilities industry averaged 11,200 in 1964, about 14 percent of wage and salary employment. The 1964 average represents a decline of 14 percent below the 1960 high of 13,000. Except in 1964 when a slight increase occurred, employment losses in the industry has been continuous since 1960. Two-thirds of the loss, however, occurred in the 1960-1961 recession.

Employment in mining average 8,400 in 1964, an increase of two percent over the previous year. In 1960, employment in mining totaled 12,700. Employment declined considerably, 35 percent, in the next three years to the 1963 level of 8,200. A small increase was recorded in 1964, but the 1964 level was still far below the 1960 high. The decline in mining employment is due mainly to the petering out of high grade iron ore on the Mesabi Range. Employment increases by processors of low grade ore have not been sufficient to offset the decline in the rest of the industry.

Employment in the construction industry averaged 4,700 in 1964, about 100 more than the 1960-1963 period, but 200 less than in 1960.

Employment in finance, insurance, and real estate averaged 2,700 in 1964. The number employed in this industry has remained virtually unchanged throughout the 1959-1964 period.

Principal Employment Sources

In April 1965, five major firms provided about 45 percent of all manufacturing employment. Three of these firms were engaged in the making of steel and fabricated metal products. They included United States Steel Corporation, Cluett Peabody, and Jones and Laughlin Steel. The other two major manufacturing employers are Duluth Avionics, which makes electronic guidance systems for the aircraft industry, and Chung King Corporation, which processes frozen foods. United States Steel, Duluth Avionics, and Chung King report a higher current demand for their products than in the past two or three years. While U.S. Steel indicated that employment prospects depend on market conditions, Duluth Avionics and Chung King Corporation expect moderate increases in employment over the next two years.

Next to United States Steel, the three largest employers in the SMSA are Erie Mining, Reserve Mining and Oliver Iron Mining Company. Together, these companies accounted for about 70 percent of total mining employment in April 1965. Erie and Reserve Mining have been engaged in taconite production since 1957 and 1955, respectively, while Oliver Iron Mining has been mining and shipping iron ore for over 75 years. Erie Mining plans expansion of its Hoyt Lakes facilities, but future plans of the other two companies have not been disclosed.

The Great Northern Railroad Company is the biggest employer in the transportation field. Because of modernization, automation, and improved techniques, the company has had a considerable reduction in the number of its employees during the last ten years. Great Northern, which already operates dock and storage facilities for iron ore, coal, and grain, expects to increase these facilities to handle (stockpile and ship) an estimated 2.5 million tons of taconite pellets, largely the product of Hanna Mining Company plants at nearby Itasca County. Despite these plans, company officials expect no significant increase in employment.

Military. The 343rd Fighter Group, U.S. Air Force is stationed at the Duluth International Airport. This facility was established in 1940, as a part of the Air Defense Command. The number of military personnel at this base is currently 2,225, down slightly in recent years. Civilian employment as of June 1960 totaled 210. Employment at the base increased gradually each year, from about 120 in December 1957 to nearly 230 in December 1963. Employment declined to 220 in December 1964, and has fluctuated slightly since.

Developments in the Taconite Industry

Within the last ten years, Minnesota has lost much of its competitive position in the production of iron ore, mainly because the steel industry has demanded higher quality ore than the area produces, and because of increased production in other areas (Labrador, Venezuela, and Michigan, for example). Since 1955, iron ore production in Minnesota declined by about 50 percent from an annual average of about 60 million tons to less than 30 million tons. The decline in production has been due mainly to the petering out of high grade iron ore.

The State contains large reserves of magnetic and semi-magnetic taconite, an extremely hard rock with about 18 to 28 percent iron, much of it on the Mesabi Range. Conversion of taconite to a product usable in blast furnaces ("beneficiation", a process which concentrates the ore into small pellets containing about 62 percent iron) is difficult and costly. It is economical only on a large scale. While the production of natural ore declined since 1955, the production of taconite increased from a nominal figure in 1955 to current production of about 18 million tons annually. The increase in production in the taconite industry has not been sufficient to offset the decline in the rest of the industry. Correspondingly, employment in mining has continued to decline.

An attempt to improve its competitive position in the production of pig iron and to attract new taconite plants into the area culminated in the approval in 1964 by public referendum of Amendment No. 1. This amendment gives to the State consitution investors the assurance that taconite projects will not be unduly taxed during the next twenty-five years. As a result of the more favorable tax climate,

several companies have announced plans to construct new taconite plants. Three of these, United States Steel, Eveleth Taconite, and Jones and Laughlin will invest in new plants in St. Louis County.

Unemployment

For the first four months of 1965, unemployment in the Duluth-Superior SMSA averaged 7,900 persons, about 8.3 percent of the total work force. For the comparable period in 1964 unemployment averaged 10,800, about 11.5 percent. Because of seasonal factors the unemployment rate in the first part of the year is usually higher than the yearly average. In 1964 the unemployed averaged 7,200 (7.5 percent). This was the lowest unemployment rate for the past five years. In 1960, the unemployment rate was 8.2 percent and because of the 1960-1961 recession, it rose substantially to 10.2 percent in 1961. The unemployment rate then declined to 9.2 percent in 1962, to 9.0 percent in 1963, and to the 1964 low of 7.5 percent. The persistency of the relatively high unemployment rate has been due mainly to declining employment opportunities in mining, transportation, and trade. However, developments in these industries in 1964 and the first few months of 1965 indicate that the unemployment rate might continue to decline.

Future Employment

During the June 1965-June 1967 forecast period, total nonagricultural employment is expected to increase by about 1,000 jobs (500 annually). The employment increase is based on the assumption that the expansion plans indicated by the taconite producers and some of the other major employers will be carried out. It is anticipated that a net addition of jobs in mining and manufacturing will stimulate employment (or arrest further declines) in other industries, particularly in trade, transportation, and in services. Underlying these assumptions are the more basic ones that Minnesota taconite continues to be competitively produced, and that demand for the products of the area persists in a viable National economy.

Income

Wages. The wages of manufacturing workers in the Duluth-Superior labor market area (Duluth City and Douglas County) averaged $107 weekly in 1964. From the 1959 average of $97 weekly, manufacturing wages rose to $100 in 1960, declined to $96 in 1961 and increased by $11 between 1961 and 1964. More than half the increase occurred in 1962. In April 1965, average weekly earnings in manufacturing industries was $110, compared to $106 for the comparable month in 1964. The changes in the average weekly earnings reflect both changes in hourly wages and variations in the number of hours worked.

Current Estimate. Currently, the median income, after the deduction of Federal income tax for all families in the Duluth - Superior SMSA is about $5,925. The median income, after tax for renter families is $5,275. By 1967 median after-tax income for all families is expected to rise to $6,150; for renter families, $5,450.

As indicated in table II, about 23 percent of all families and 33 percent of renter families in the SMSA have after-tax incomes of less than $4,000. About 13 percent of all families, but only six percent of renter families, have incomes of $10,000 or more.

Demographic Factors

Population

Current Estimate. As of June 1965, the population of the Duluth-Superior SMSA is estimated at 280,300 persons, about 3,700 (one percent) over the April 1960 total (see table III). The current estimate represents an average annual increase of 720 persons, including a gain of 740 annually in St. Louis County, and an average annual loss of 20 persons in Douglas County. While Duluth added about 150 persons annually, it is estimated that the population of Superior declined by about 125 persons a year. The population in Hibbing has remained relatively unchanged since 1960, but that of Virginia showed a decline of about 55 persons annually.

Past Trend. During the 1950-1960 decade, the population increase in the SMSA averaged 2,380 annually, including an increase of 2,550 in St. Louis County and a loss of 170 in Douglas County. During that period, nine percent of the growth in population in St. Louis County occurred in Duluth, while Virginia and Hibbing had six percent each. In Douglas County, a loss of population (1,750 persons) in Superior offset the slight gain which took place in the rest of the county.

The growth in population since 1960 is substantially less than that experienced in the decennial period. This is due to the considerable decline in employment opportunities, stemming from the downward trend in mining, and the effects of the 1958 and 1960-1961 recessions from which the area has not yet recovered.

Estimated Future Population. During the June 1965-June 1967 forecast period, the population in the Duluth-Superior SMSA is expected to increase by about 1,000 annually, to a June 1967 total of approximately 282,300 persons. The growth during the forecast period is expected to be somewhat higher than that experienced in the preceding five-year period because of the improved employment prospects.

Natural Increase and Migration. During the 1950-1960 decade, net natural increase (the excess of resident live births over resident deaths) in the Duluth-Superior SMSA averaged 3,475 annually. The population growth averaged about 2,375 annually, indicating that during the decennial period net out-migration averaged 1,100 annually. About 43 percent of the net out-migrants were in the 20-29 age group.

Net natural increase in the 1960-1965 period is estimated at 2,725 persons per year, while the increase in population averaged 720 annually. This indicates that about 2,000 persons have left the area annually because of the poor economic conditions. It is estimated that about 50 percent of the migrants left the city of Duluth and about 15 percent migrated from Superior.

Age of Population. The following table shows the age distribution of the population in 1950 and 1960. The large increase (30 percent) in the 0-19 age group reflects mainly the high birth rates during the post-World War II and Korean Conflict periods, while the declines in the number of persons in the 20-29 and the 30-39 age groups, in part, are due to lower birth rates in the 1920-1940 period, and, in part, to out-migration of workers. The increase in the number of persons sixty-five years and over reflects increased longevity, mainly because of improvements in medical and scientific techniques.

Age Distribution of the Population
Duluth-Superior SMSA
April 1950-April 1960

Age groups	1950		1960		Change 1950-1960	
	Number	Percent	Number	Percent	Number	Percent
0 - 19	82,340	32.6	107,334	38.8	24,994	30.4
20 - 29	33,690	13.4	29,453	10.6	-4,237	-12.6
30 - 39	37,520	14.9	32,495	11.8	-5,025	-13.4
40 - 49	31,695	12.6	36,004	13.0	4,309	13.6
50 - 59	28,580	11.3	28,734	10.4	154	.5
60 - 64	13,910	5.5	11,731	4.2	-2,179	-15.6
65 and over	24,500	9.7	30,845	11.2	6,345	25.9
Total	252,235	100.0	276,596	100.0	24,361	9.7
Median age	32.8		30.5			

Source: 1950 and 1960 Censuses of Population.

Military Strength. Currently the military strength of the 343rd Fighter Group is about 2,225. Including dependents, the military population totals about 4,800, 1.7 percent of the total population of the HMA. The military strength increased significantly (94 percent) from the 1958 figure of 1,300 to the 1963 high of nearly 2,525. Since then, the military strength at the base has declined to 2,400 in 1961 and to the current figure of 2,225. Projections by the Department of the Air Force show only modest variations in military strength in near future years.

Households

Current Estimate. As of June 1965, the number of households in the SMSA is estimated at 86,450, an increase of 1,650 (about 315 annually) over the 1960 total. St. Louis County accounted for the greater proportion (97 percent) of the increase, while Douglas County had three percent. About one-third of the growth in households in St. Louis County occurred in Duluth; while Hibbing had a slight increase, accounting for about three percent of the growth in the county. Both Superior and Virginia experienced slight declines, averaging 15 and 30 households, respectively, during the 1960-1965 period.

Past Trend. Between 1950 and 1960 the number of households in the SMSA increased by about 930 (one percent) annually, from 75,500 to 84,800. Over 99 percent of the increase, 925 annually, occurred in St. Louis County, where 50 percent of the growth occurred outside the urban centers. While Superior experienced a slight decline of five households annually, Duluth, Hibbing and Virginia added 320, 75, and 70 households, respectively. The household trend in the SMSA is presented in table IV.

Household growth in the 1950-1960 decade was higher than in the 1960-1965 period. The increase in the earlier period reflects both the higher rate of population growth and a conceptual change from "dwelling unit" in the 1950 census to "housing unit" in 1960.

Future Households. It is estimated that during the forecast period households in the SMSA will increase at an annual rate of about 400 to a total of approximately 87,250 by June 1967. The prospective increase in households is relatively higher than the rate experienced in recent years because of the higher population growth which should result from improved economic conditions.

Household Size. Currently, the average number of persons per household in the SMSA is about 3.18. Between 1950 and 1960 the average number of persons per household declined from 3.22 to 3.19 (see table IV). Since 1960 household size has been declining both in the urban centers, and in the counties as a whole. In the rural parts of St. Louis County household size increased during the decennial period; however, it is judged that the household size in the rural areas of the county is now slightly less than in 1960.

The decline in the household size is a reflection of the number of young adults and elderly persons who maintain one- and two-person households. During the 1965-1967 forecast period, average household size is expected to continue its slow rate of decline.

Military Households. At present there are about 1,040 military personnel who are heads of households (including 30 families not living in the area, the majority of whom are voluntarily separated). Of the remaining 1,010 families who reside in the area, 95 own their own homes, about 70 own trailers, 500 live in rented off-post housing, while 345 live in military controlled housing. Based on the estimated future strength of the air base, it is judged that military-connected households will increase slightly in the forecast period.

Housing Market Factors

Housing Supply

Current Estimate. The housing inventory in the Duluth-Superior SMSA has increased by about 1,300 units (250 annually) since 1960, and now totals approximately 99,750 units (see table V). Nearly 87 percent of the increase (215 units annually) occurred in St. Louis County, and 13 percent (35 units annually) occurred in Douglas County. The current estimate of the housing inventory in St. Louis County is 82,650 units; in Douglas County, 17,100 units. Duluth accounted for 35 percent of the increase in the housing supply in the SMSA. The other urban areas accounted for 10 percent, while 55 percent of the growth occurred outside the urban areas.

Past Trend. The housing inventory in the SMSA increased from 84,900 units in 1950 to 98,450 units in 1960, an annual increase of about 1,350. Some of this increase, however, was due to a definitional change from dwelling units in 1950 to housing units in 1960. About 90 percent of the increase took place in St. Louis County where the inventory increased from 69,400 to 81,500 units, (about 1,200 annually). In Douglas County, the inventory increased from 15,500 to 16,900 units (about 140 annually). About 33 percent of the increase in the SMSA occurred in Duluth, 18 percent in the other urban areas, and about 49 percent in rural sections.

Type of Structure. One-unit structures, including trailers, now comprise 75.6 percent of the housing supply, slightly more than the 1960 proportion of 75.4 percent. Two-unit structures make up 9.2 percent, the same as in 1960. Units in structures containing three or more units comprise 15.2 percent, indicating a slight decrease from the 1960 proportion of 15.4 percent. The slight decline in the proportion of units in structures with three or more units results from the higher proportion of multifamily units demolished compared with the proportion of multifamily units constructed. The following table shows the composition of the housing inventory by type of structure.

Housing Inventory, By Type of Structure
Duluth-Superior SMSA
1960-1965

Units in structure	April 1960	June 1965	Percent of Total 1960	Percent of Total 1965
One unit	74,138[a/]	75,450[a/]	75.4	75.6
Two units	9,081	9,125	9.2	9.2
Three or more units	15,160	15,175	15.4	15.2
Total units	98,379[b/]	99,750	100.0	100.0

a/ Includes trailers.
b/ Differs slightly from the count of all housing units (98,436) because units by structural size were enumerated on a sample basis.

Source: 1960 Census of Housing
1965 Estimated by Housing Market Analyst.

Age of Structure. A large proportion (61 percent) of the housing units in the SMSA have been constructed prior to 1930. The proportion built, 19 percent, in the 1950-March 1960 period was more than twice the proportion built in each of the preceding ten-year periods (see table below). Less than three percent of the housing units has been constructed since April 1960.

Year Structure Built[1/]
Duluth-Superior SMSA

Period	Percent Distribution
April 1960 - June 1965	2.5
1955 - March 1960	9.8
1950 - 1954	8.8
1940 - 1949	9.3
1930 - 1939	8.3
1929 or earlier	61.3
Total	100.0

1/ The basic 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 and estimates by Housing Market Analyst.

Condition of the Inventory. Approximately 75 percent of the housing units in the SMSA are not dilapidated and have all plumbing facilities, compared with 74 percent so classified in 1960. The slight improvement is due mainly to the demolition of substandard units. The condition of the inventory is expected to continue improving gradually since a policy of inspection and code enforcement is pursued in the two major cities.

Residential Building Activity

As measured by building permits authorized (between 80 and 90 percent of the population of the SMSA live in permit issuing places), the volume of residential building activity in 1964 was at its lowest point in the past 15 years. In 1964, about 330 units were authorized, nearly 80 less than in the previous year. From the 1950 high of 1,050 units, the number of building permits authorized declined each year to 510 in 1954, despite increased coverage from 73 to 81 percent. From this level, the number of units authorized increased to 840 in 1957, then declined steadily to the 1964 low. This trend of high levels followed by gradual declines pervaded all subsections of the market (see table VI). The decline in the number of units authorized results from the poor economic condition of the area, particularly since the 1958 recession.

A total of about 2,200 housing units has been authorized in the SMSA since 1960. Of these, 220 were public housing units. The units authorized consisted of 1,775 single-family, 75 two-family, and 350 multifamily units. About 55 percent of the total number of units authorized were in Duluth, and about 19 percent in Superior. Hibbing and Virginia had six and one percent respectively. Nearly all of the multifamily units (255 and 55 respectively) were in Duluth and Superior. The following table shows the housing units authorized by building permits since 1960.

Housing Units Authorized by Building Permits
Duluth-Superior SMSA
1960-1965

Year	1 family	2-4 family	5 or more family	Total[1/]
1960	496	6	9	511
1961	357	4	66	427
1962	280	0	120	400
1963	296	66	47	409
1964	255	0	73	328
1964 (Jan.-May)	62	0	12	74
1965 (Jan.-May)	73	0	42	115

1/ Includes 216 units of public housing as follows: 1961 (Chisholm) 20 units; 1962 (Duluth) 100 units; 1963 (Superior) 60 units, (Hibbing) 36 units.

Sources: U.S. Bureau of the Census, C-40 Construction Reports; and Local permit issuing offices.

As can be ascertained from table VI, the total number of permits issued between 1950 and 1959 was 7,500. This total was based on 73 percent population coverage prior to, and 81 percent after, 1954. However, the housing inventory increased from 84,900 to 98,450 units, an increase of 13,550 units. Part of the difference was due to a definitional change from "dwelling units" in 1950 to "housing units" in 1960; however, a number of units were built in non-permit-issuing areas. On the basis of the 1950-1960 experience (and the assurance from local sources that, because of the economic conditions prevailing there was no large-scale building activity outside of permit-issuing areas) it is estimated that 400 to 450 housing units were started in the SMSA since 1960 outside of permit issuing areas.

Units Under Construction. On the basis of a postal vacancy survey conducted in June 1965, from the records of permits issued, and from information received from local builders and realtors, there are now about 245 units in various stages of construction in the SMSA. About 71 percent of these are single-family units and the remainder are in multifamily structures. About 120 of the units under construction are in Duluth, including 30 multifamily units. About 35 units, 20 of them multifamily, are being built in Hibbing, and about 35 single-family units are being built in Superior. There are 18 units under construction in Virginia, including 14 multifamily units.

Demolition. During the 1960-1965 period, approximately 1,175 units have been demolished in the SMSA. The majority of these units were in the city of Duluth, where approximately 790 units were demolished. About 280 units were elimated for highway development, and approximately 175 units were removed by the local Housing and Redevelopment Authority in conjunction with their renewal plans. In Superior, about 295 units were demolished, partly because of highway development.

Demolition activity during the forecast period is not expected to be as high as during the 1960-1965 period, largely because the property rights have been clarified and demolitions have occurred for the most extensive portion of the highway program in the Duluth area. The local Housing Redevelopment Authority in Duluth has tentative plans for redevelopment of part of the central hillside section, north of the central business district. Estimates of extent, cost, and number of units involved have not yet been made. It is doubtful whether these plans will be completed during the forecast period.

Tenure of Occupancy

Current Estimate. As of June 1965, there are about 86,450 occupied units in the SMSA. Approximately 60,875 units (70 percent) are owner-occupied, and about 25,575 units (30 percent) are renter-occupied. The proportion of owner- and renter-occupied units now in the SMSA is similar to the proportion enumerated in the 1960 Census.

Past Trend. Between 1950 and 1960, the proportion of owner-occupied units in the SMSA increased from 66 percent to 70 percent. This change indicates that during the decennial period there was a shift from renter- to owner-occupancy. But several factors, including (a) the slowdown in the volume of construction, (b) the substantial number of demolitions of single-family units, (c) the decline in economic conditions, and (d) the high vacancy rate in sales housing, indicate that for the 1960-1965 period tenure has remained constant.

Vacancy

Census. The Census of Housing reported that, in April 1960, there were 3,275 vacant available housing units in the SMSA, a net vacancy rate of 3.7 percent. Of these, 755 were for sale, representing a homeowner

vacancy rate of 1.2 percent, and 2,520 were for rent, representing a renter vacancy rate of 9.1 percent. Of the available vacant units, 240 sales units and 1,450 rental units lacked some or all plumbing facilities.

Postal Vacancy Survey

A postal vacancy survey was conducted in the SMSA in June 1965. The survey covered 71,247 housing units, 71 percent of the currently estimated housing inventory. A total of 2,454 units were vacant, a vacancy ratio of 3.4 percent. Included in the total number of units covered were 54,678 residences and 16,569 apartments. Vacancies in residences totaled 1,239 (2.3 percent). Vacancies in apartments numbered 1,215 (7.3 percent). The result of the postal vacancy survey is summarized below and presented in detail in table VII.

Summary of Results
Postal Vacancy Survey
Duluth-Superior SMSA, June 1965

Area	Total units surveyed	Units vacant	Percent vacant
Duluth	38,694	986	2.5
Superior	11,052	528	4.8
Remainder SMSA	21,501	940	4.4
SMSA Total	71,247	2,454	3.4

Source: FHA Postal Vacancy Survey conducted by collaborating postmasters.

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 homes, but include row type 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. On the basis of the results of the postal vacancy survey and from information received from local realtors, there are currently about 3,050 available, vacant, nonseasonal, nondilapidated units in the SMSA, representing a net vacancy rate of 3.4 percent. About 925 units are for sale, and about 2,125 units are for rent, indicating homeowner and rental vacancy rates of 1.5 and 7.7 percent respectively. The present estimate of total available vacant units represents a slight decline from the vacancies enumerated in 1960. The decline is attributed to the substantial number of units demolished and the decline in the number of units constructed. The poor economic conditions, followed by out-migration and a softening of the sales market has discouraged some potential home buyers and caused a slight increase in the homeowner vacancy ratio. On the other hand, the paucity of rental units constructed together with the increase in the number of young adults (most of whom are renters), has caused a decline in the rental vacancies. The number of vacancies and the vacancy rates are shown in the following table for the years 1960 and 1965.

Vacant Housing Units
Duluth-Superior SMSA
1960-1965

Category	April 1960	April 1965
Total vacant	13,627	13,300
Available vacant	3,274	3,050
For sale	755	925
Homeowner vacancy ratio	1.2	1.5
For rent	2,519	2,125
Rental vacancy ratio	9.1	7.7
Other vacant	10,353	10,250

Source: 1960 Census of Housing; 1965 estimated by Housing Market Analyst.

Of the current number of available vacancies, 650 sales and 1,050 rental units are estimated to have all plumbing facilities and are judged to be competitive, a slight improvement over the proportion similarly classified in 1960. The number of available competitive sales and rental units is slightly higher than considered necessary in slow growing areas like the Duluth-Superior SMSA.

Sales Market

General Market Condition. The decline in construction activity (especially since 1957) and the increase in sales vacancies indicate that the sales market, both for new homes and existing units, has deteriorated within the last eight years. Many local builders and realtors concur with this viewpoint and some believe that real estate values have declined by about five percent since 1960. Statistical information on this aspect of the housing market is not readily available. However, it is apparent that in recent years the supply of homes has exceeded the demand, and price declines could be attributable to the over-supply.

The number of homes now reported under construction, the volume of sales reported by local realtors, and the personal opinions of contractors, realtors and mortgagees indicate that the sales market has tended toward greater stability in the last three or four months. This stability should continue over the forecast period.

Subdivision Activity. At present, there are no areas reporting a large volume of subdivision activity. However, on the outskirts of the main cities there are areas (such as Woodland, Proctor, and Kenwood) where about 10 to 12 sales units yearly are constructed. Contract construction is the established practice in the area. One prominent contractor, however, reported that about 90 percent of the homes which he built in recent years were on a speculative basis. Other contractors reported that they build only two or three homes a year on a speculative basis, mainly to keep their workmen busy. Speculatively built homes are usually sold within six to eight months after completion. Occasionally, such units, because of style, location, facilities, or market demand, remain unsold for a longer period of time.

Home Prices. Because of differences in income levels and different requirements by individual home purchasers, the price range of new construction in the SMSA is quite wide. Most new homes, however, are priced between $14,000 and $25,000, with the average price about $20,000.

Unsold Inventory of New Houses. A survey of the unsold inventory of new sales houses in subidvisions which had five or more completions in 1964 was made as of January 1, 1965. Thirty units were completed in five subdivisions in the twelve-month period preceding the survey date. Of these, 19 were sold before construction started and 11 were built speculatively. Four of the speculatively built houses were unsold at the time of the survey. One of these had been completed less than two months earlier, one about two or three months earlier and two some four to six months before the survey date. In addition, there were three new unsold houses which had been completed more than 12 months before the survey date. Only one house (speculative) was reported under construction as of January 1, 1965.

A comparable survey conducted as of January 1, 1964, covered nine subdivisions. A total of 63 houses had been completed in the twelve-month period preceding the survey date. Of these, 33 had been sold prior to the start of construction and 30 had been built speculatively. Of the speculatively built homes, eight had remained unsold as of the survey date. Two of these had been completed less than two months before, two about two to three months, and four some four to six months prior to the survey date. A total of 10 homes had been reported under construction, six of them speculative, on the survey date.

Two of the five subdivisions included in the unsold inventory survey as of January 1, 1965 were in Douglas County, Wisconsin. A total of 12 units had been built in the two subdivisions, of which 10 were sold prior to the start of construction and two were built speculatively. One of the two speculatively built units were unsold at the time for the survey.

Houses Completed in Selected Subdivisions, by Price Class
Duluth-Superior SMSA, 1963 and 1964

Sales Price	Total completions		Pre-sold		Speculative houses: Total		Speculative houses: Unsold	
	1963	1964	1963	1964	1963	1964	1963	1964
$12,500 - 14,999	13	0	5	0	8	0	1	0
15,000 - 17,499	20	4	9	3	11	1	1	1
17,500 - 19,999	8	9	4	3	4	6	1	1
20,000 - 24,999	14	17	9	13	5	4	4	2
25,000 - 29,999	6	0	4	0	2	0	1	0
30,000 - 34,999	0	0	0	0	0	0	0	0
35,000 and over	2	0	2	0	0	0	0	0
Total	63	30	33	19	30	11	8	4

Source: Federal Housing Administration.

The results of the unsold inventory surveys are summarized above. The sample is small and may not be representative of the market as a whole. For both 1963 and 1964 the table shows a concentration of sales houses constructed in the $15,000 to $25,000 price range. As indicated by the totals, there were substantial declines in 1964, both in the units pre-sold and in the number of units built speculatively. The decline in the number of units unsold reflect, principally, the lower number of speculative starts; in part, however, it reflects a slight improvement in the market.

Foreclosures. The level of foreclosures in the SMSA has increaced since 1960 (see table below). The 1964 total of about 92 foreclosures was three less than the 1963 level, but over two-thirds more than in 1960. Between 1960 and 1964 foreclosures in the SMSA totaled 384; about 80 percent occurred in St. Louis County.

The increase in the number of foreclosures, is attributable to the decline in employment opportunities in the area and to the over-supply of sales houses. Since indications are that there is an improvement in the economic conditions, the number of foreclosures may level off or perhaps decline slightly during the forecast period. The following table shows the record of foreclosures from 1960 to 1964.

Trend of Foreclosures
Duluth-Superior SMSA, 1960-1964

	Record of Foreclosures		
Year	Douglas County	St. Louis County	SMSA Total
1960	16	38	54
1961	21	56	77
1962	13	53	66
1963	14	81	95
1964	12	80	92
Total	76	308	384

Source: County Court records.

Rental Market

The rental market in the Duluth-Superior SMSA is relatively firm, having improved considerably since 1960. The improvement has been brought about by a combination of factors, including the demolition of a substantial number of rental units, the increase in young adults who usually rent rather than buy, and the small number of rental units constructed since 1960.

One point of weakness in the rental market seems to be caused by indirect competition from the vacancy in sales housing. Existing, less competitive rental units cannot readily command higher rents without influencing the decisions of some renters and potential renters to switch to the sales market. Indications are that the market for new rental units in the smaller structures (garden type apartments) is quite strong. For example, one company recently completed an 18 unit structure in Duluth and reports good occupancy experience, especially in the two-bedroom category. Another thirteen-unit apartment building, containing mainly two-bedroom units, was completed in January 1965 and had no difficulty in attaining full occupancy.

Rental Housing Under Construction. At present, there are approximately 70 multifamily units under construction in the SMSA. About 30 units are under construction in Duluth, including one 18-unit structure to be completed in August. An 18-unit structure is under construction in Hibbing, and a 12-unit structure in Virginia. These units are expected to be completed by late summer or fall. The sponsors are optimistic about occupancy, since they have had many inquiries from prospective tenants.

In addition, several persons plan to construct a total of 54 units in four structures. These plans are in various stages of execution.

Mortgage Market

The mortgage market in the Duluth-Superior SMSA is well developed and amply supplied with funds. The principal sources of mortgage funds in the SMSA include banks and savings and loan associations. The rate of interest on conventional loans varies from 5½ to 6 percent. The down payment is usually between 20 and 30 percent of the appraised value of the property; while the repayment period varies from 15 to 25 years.

Urban Renewal and Redevelopment

Currently, there are four urban renewal projects in the SMSA. Their characteristics are summarized below.

West Michigan Street Redevelopment Project, R-5. This renewal project is located in the south-west part of the city of Duluth; it covers about 33 acres. The area is bounded by West Michigan Street to the north, 29th Avenue to the west, 26th Avenue to the east and several railway lines to the south.

The future development of the land in the project area calls for commercial and light industrial use. The surrounding area is primarily residential and is substandard. The 170 families involved have all been rehoused. Completion date for this project is expected to be June 1966.

Gateway Renewal Project, R-11. This project, also in Duluth, was initiated in 1960. It is located in the downtown section and covers about 21 acres. The project area is irregularly shaped and is bounded approximately by Mesaba Avenue to the west, partly by Superior and partly by Michigan Streets on the south, 4th Avenue on the east, and First and Second Streets on the north. Plans for the area call for commercial use. The surrounding area is primarily commercial and is rated fair to poor. However, the

area is immediately south of the civic center which is in a good location. Demolitions have been completed; a total of about eight families were rehoused. The project is scheduled for completion in June 1967.

Southside Renewal Project, R-14. This renewal project is located in Chisholm City. It is relatively small, involving 2.5 acres, and is scheduled for commercial use. The project will be completed in late summer; the six families in the project area have been rehoused.

Fifth Avenue Project, R-18. This renewal project is located in Hibbing and comprises less than one acre. The project is scheduled for completion in September 1965. The planned re-use of the land is for commerical facilities. Three families have been relocated.

Military Housing

Currently, there are 305 on-base housing units in the SMSA. All of the units are considered to be adequate and vacancies are low. Although there is a waiting list of about 100 families for on-base housing, there are no present plans for new construction.

Public Housing

There are approximately 1,050 units of public housing in the SMSA, including some units designed for senior citizens. Approximately 300 units are located in Duluth and 410 units in Superior. Currently, there is one 60-unit senior citizen housing project under consideration in Virginia. A tentative site has been approved, and a development program received, but the contribution contract has not yet been negotiated.

Demand for Housing

Quantitative

It is estimated that during the June 1965-June 1967 forecast period about 800 households (400 annually) will be formed in the SMSA. The prospective demand for new housing units arising from new household formation has been adjusted for expected losses in the inventory through demolitions, conversions, and catastrophe. Consideration has also been given to the tenure composition and the satisfaction of demand by structural type as well as the vacancy supply and the current rate of construction. Based on the foregoing factors, it is estimated that the demand for new housing will be 410 units a year, including 345 sales units and 65 rental units.

Qualitative Demand

Sales Housing. The approximate distribution of the annual demand for sales housing, based on current family incomes and ratios of sales price to income typical in areas similar to the Duluth-Superior SMSA, is presented in the following table.

Annual Demand for New Sales Housing by Price Class
Duluth-Superior SMSA
June 1965-June 1967

Price range	Number of houses
Under $12,000	20
$12,000 - 13,999	25
14,000 - 15,999	40
16,000 - 17,999	45
18,000 - 19,999	55
20,000 - 21,999	55
22,000 - 23,999	45
24,000 - 25,999	40
26,000 and over	20
Total	345

Source: Estimated by Housing Market Analyst.

As shown in the preceding distribution the demand for houses is greatest for units priced between $18,000 and $22,000. The demand is relatively small for units priced under $14,000 and for units priced $26,000 and over.

The distribution shown above differs from that on page 25 which reflects only selected subdivision experience in 1963 and 1964. The 1963 and 1964 data do not include new construction in subdivisions with less than five completions in each of these years, 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 demand estimates above reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

Rental Housing. Based on projected renter-family incomes and ratios of rent to income typical in the area, the annual demand for rental units during the forecast period has been estimated at 65 units at the minimum gross rents (including utilities) achievable in the area. The demand may be distributed in the following unit sizes: 10 efficiencies, 30 one-bedroom, 20 two-bedroom, and 5 three-bedroom units. Minimum rents at which new privately owned rental units can be produced at market interest rate financing are approximately $100 for efficiencies, $110 for one-bedroom, $120 for two-bedroom and $130 for three-bedroom apartment units.

An additional 45 rental units annually, mostly one-and two-bedroom units, probably could be absorbed by the rental market at the lower rents achievable with public benefit or assistance through subsidy, tax abatement, or aid in financing or in land acquisition.

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.

Douglas County, Wisconsin. As indicated in this analysis, Douglas County has continued to lose population since 1960 and household growth has averaged a nominal ten a year. Nevertheless, about 12 percent of the net additions to the housing inventory have taken place in Douglas County and the total housing demand in this county over the next two years is about 45 units a year. Virtually all of this demand will be for sales-type units; the nominal demand for rental housing will probably best be satisfied by the renting of existing single-family houses.

APPENDIX TABLES

Table I

Work Force Components
Duluth - Superior SMSA
Annual Averages 1960-1964
(in thousands)

Components	1960	1961	1962	1963	1964	First four months 1964	First four months 1965
Civilian work force	106.4	103.2	101.2	99.2	95.7	93.7	95.2
Unemployment	8.7	10.5	9.3	8.9	7.2	10.8	7.9
Percent of work force	8.2	10.2	9.2	9.0	7.5	11.5	8.3
Employment	97.7	92.7	91.9	90.2	88.5	82.9	87.3
Agricultural employment	1.9	1.9	1.9	2.0	1.9	1.8	2.0
Nonagricultural employment	95.8	90.8	90.0	88.3	86.6	81.1	85.3
Nonag. wage and salary employment	85.2	80.2	79.5	78.2	78.3	73.0	77.2
Manufacturing	11.8	11.0	11.3	11.9	12.4	12.0	12.8
Nonmanufacturing	73.3	69.1	68.3	66.3	65.9	61.0	64.4
Mining	12.7	10.4	9.7	8.2	8.4	7.5	7.6
Construction	4.9	4.6	4.6	4.6	4.7	3.3	5.3
Trans. & utilities	13.0	11.8	11.4	11.0	11.2	9.1	9.9
Trade	16.5	16.0	15.6	15.4	15.3	14.8	15.3
Finance, ins., & real estate	2.7	2.7	2.7	2.7	2.7	2.7	2.7
Services	12.7	12.5	12.7	12.8	12.6	12.6	12.7
Government	10.8	11.1	11.5	11.5	11.0	11.0	11.0
Other nonagricultural employment	10.6	10.6	10.4	10.1	8.4	8.1	8.1

Note: Subtotals may not add to totals due to individual rounding.

Source: Minnesota Department of Employment Security and Wisconsin State Employment Service.

Table II

Estimated Percentage Distribution of Family Income by Tenure
After Deduction of Federal Income Tax
Duluth - Superior SMSA
1965 - 1967

Annual family income	1965 income		1967 income	
	All	Tenant	All	Tenant
Under $2,000	8	12	7	11
2,000 - 2,999	7	10	7	10
3,000 - 3,999	8	11	8	11
4,000 - 4,999	12	13	11	12
5,000 - 5,999	17	15	15	14
6,000 - 6,999	13	14	13	13
7,000 - 7,999	10	8	12	10
8,000 - 8,999	7	7	8	7
9,000 - 9,999	5	4	5	4
10,000 - 12,499	8	3	9	4
12,500 and over	5	3	5	4
Total	100	100	100	100
Median	$5,925	$5,275	$6,150	$5,450

Source: Estimated by Housing Market Analyst.

Table III

Population Trends
Duluth-Superior SMSA
1950-1965

	April 1950	April 1960	June 1965	Average annual change 1950-1960 Number	1950-1960 Percent	1960-1965 a/ Number	1960-1965 a/ Percent
St. Louis County	206,062	231,588	235,400	2,553	1.2	740	.3
Duluth	104,511	106,884	107,650	237	.2	150	.1
Hibbing	16,276	17,731	17,750	146	.8	5	.0
Virginia	12,486	14,034	13,750	155	1.2	-55	- .4
Remainder of county	72,789	92,939	96,250	2,015	2.7	640	.7
Douglas County	46,715	45,008	44,900	- 171	- .4	-20	.0
Superior	35,325	33,563	32,900	- 176	- .5	-125	-.4
Remainder of county	11,390	11,445	12,000	6	.0	105	.9
SMSA total	252,777	276,596	280,300	2,382	.9	720	.3

a/ Rounded.

Source: 1950 and 1960 Censuses of Population;
1965 estimated by Housing Market Analyst.

Table IV

Trend of Households and Household Size
Duluth-Superior SMSA
1950-1965

Area	April 1950	April 1960	June 1965	Average annual change 1950-1960 Number	1950-1960 Percent	1960-1965 a/ Number	1960-1965 a/ Percent	Household size April 1950	April 1960	June 1965
St. Louis County	61,850	71,122	72,700	927	1.5	305	.4	3.21	3.19	3.18
Duluth	31,312	34,491	35,050	318	1.0	110	.3	3.16	3.02	3.00
Hibbing	4,865	5,608	5,675	74	1.5	10	.2	3.25	3.15	3.12
Virginia	3,934	4,635	4,550	70	1.8	-15	-.3	3.07	2.97	2.97
Remainder of county	21,739	26,388	27,425	465	2.1	200	.8	3.30	3.47	3.46
Douglas County	13,670	13,687	13,750	2	0	10	.1	3.27	3.17	3.15
Superior	10,508	10,454	10,300	-5	-.1	-30	-.3	3.23	3.10	3.08
Remainder of county	3,162	3,233	3,450	7	.2	40	1.3	3.41	3.41	3.36
SMSA total	75,520	84,809	86,450	929	1.2	315	.4	3.22	3.19	3.18

a/ Rounded.

Source: 1950 and 1960 Censuses of Housing;
1965 estimated by Housing Market Analyst.

Table V

Housing Inventory, Tenure, and Vacancy
Duluth-Superior SMSA
1950-1965

Category	April 1950	April 1960	June 1965	Average annual change 1950-1960 Number	1950-1960 Percent	1960-1965 a/ Number	1960-1965 a/ Percent
Total housing inventory	84,901	98,436	99,750	1,354	1.6	250	.3
Total occupied	75,520	84,809	86,450	929	1.2	315	.4
Owner occupied	49,614	59,684	60,875	1,007	2.0	230	.4
Percent of total occupied	65.7	70.4	70.4	-	-	-	-
Renter occupied	25,906	25,125	25,575	-78	-0.3	85	.3
Percent of total occupied	34.3	29.6	29.6	-	-	-	-
Vacant housing units	9,381	13,627	13,300	425	4.5	-65	-.5
Available vacant	761	3,274	3,050	251	33.0	-45	-1.4
For sale	324	755	925	43	13.3	30	4.0
Homeowner vacancy rate	0.7	1.2	1.5	-	-	-	-
For rent	437	2,519	2,125	208	47.6	-75	-3.0
Rental vacancy rate	1.7	9.1	7.7	-	-	-	-
Other vacant	8,620	10,353	10,250	173	2.0	- 20	- .2

a/ Rounded.

Source: 1950 and 1960 Censuses of Housing;
1965 estimated by Housing Market Analyst.

Table VI

Housing Units Authorized by Building Permits
Duluth-Superior SMSA
1950-1965

Period	Duluth	Hibbing	Virginia	Remainder St. Louis County	Total St. Louis County	Superior	SMSA Total
1950	651	129	110	51	941	104	1,045
1951	530	197	NA	88	815	41	856
1952	298	105	NA	88	491	267	758
1953	348	242	NA	70	660	39	699
1954	267	73	67	71	478	32	510
1955	354	104	104	96	658	53	711
1956	407	76	65	160	708	94	802
1957	457	120	25	116	718	120	838
1958	627	60	18	20	725	60	785
1959	356	51	17	14	438	65	503
Total 1950-1959	4,295	1,157	406	774	6,632	875	7,507
1960	242	49	13	118	422	89	511
1961	248	19	1	97	365	62	427
1962	277	2	1	59	339	61	400
1963	169	42	6	63	280	129	409
1964	200	6	6	57	269	59	328
1965 (Jan-May)	93	5	NA	NA	98	17	115
Total 1960-1965	1,229	123	27	394	1,773	417	2,190

Source: U.S. Bureau of the Census, C-40 Construction Reports; and local permit issuing offices.

Table VII

Duluth, Minnesota - Superior, Wisconsin, Area Postal Vacancy Survey

June 18-28, 1965

Postal area	Total residences and apartments: Total possible deliveries	Total residences and apartments: Vacant units: All	Total residences and apartments: Vacant units: %	Total residences and apartments: Vacant units: Used	Total residences and apartments: Vacant units: New	Total residences and apartments: Under const.	Residences: Total possible deliveries	Residences: Vacant units: All	Residences: Vacant units: %	Residences: Vacant units: Used	Residences: Vacant units: New	Residences: Under const.	Apartments: Total possible deliveries	Apartments: Vacant units: All	Apartments: Vacant units: %	Apartments: Vacant units: Used	Apartments: Vacant units: New	Apartments: Under const.	House trailers: Total possible deliveries	House trailers: Vacant: No.	House trailers: Vacant: %
The Survey Area Total	71,247	2,454	3.4	2,400	54	241	54,678	1,239	2.3	1,190	49	171	16,569	1,215	7.3	1,210	5	70	625	27	4.3
Duluth	38,694	986	2.5	945	41	117	29,893	536	1.8	496	40	86	8,801	450	5.1	449	1	31	325	13	4.0
Main Office	18,125	509	2.8	497	12	56	11,257	222	2.0	210	12	29	6,868	287	4.2	287	-	27	253	7	2.8
Branch:																					
Proctor	1,980	31	1.6	30	1	15	1,943	22	1.1	22	-	11	37	9	24.3	8	1	4	7	1	14.3
Stations:																					
Hunters Park	4,098	59	1.4	46	13	15	3,932	51	1.3	38	13	15	166	8	4.8	8	-	-	-	-	-
Lakeside	4,259	81	1.9	69	12	26	4,219	79	1.9	67	12	26	40	2	5.0	2	-	-	4	2	50.0
Morgan Park	1,908	33	1.7	31	2	1	1,791	23	1.3	21	2	1	117	10	8.5	10	-	-	58	-	-
West Duluth	4,528	92	2.0	91	1	4	4,191	39	0.9	38	1	4	337	53	15.7	53	-	-	3	3	100.0
West End	3,796	181	4.8	181	-	-	2,560	100	3.9	100	-	-	1,236	81	6.6	81	-	-	-	-	-
Superior	11,052	528	4.8	526	2	35	8,463	207	2.4	206	1	35	2,589	321	12.4	320	1	-	121	2	1.7
Stations:																					
Annex	7,180	438	6.1	437	1	12	4,870	149	3.1	149	-	12	2,310	289	12.5	288	1	-	57	-	-
B	1,610	39	2.4	38	1	9	1,580	31	2.0	30	1	9	30	8	26.7	8	-	-	15	2	13.3
East End	2,262	51	2.3	51	-	14	2,013	27	1.3	27	-	14	249	24	9.6	24	-	-	49	-	-
Other Cities and Towns	21,501	940	4.4	929	11	89	16,322	496	3.0	488	8	50	5,179	444	8.6	441	3	39	179	12	6.7
Aurora	1,161	36	3.1	32	4	7	1,087	32	2.9	30	2	7	74	4	5.4	2	2	-	75	6	8.0
Babbitt	711	15	2.1	15	-	2	711	15	2.1	15	-	2	-	-	-	-	-	-	50	1	2.0
Chisholm	2,478	113	4.6	113	-	2	2,012	81	4.0	81	-	-	466	32	6.9	32	-	2	13	-	-
Ely	2,312	44	1.9	43	1	7	1,887	26	1.4	25	1	7	425	18	4.2	18	-	-	-	-	-
Eveleth	2,695	121	4.5	119	2	17	1,638	42	2.6	40	2	13	1,057	79	7.5	79	-	4	18	4	22.2
Hibbing	6,487	324	5.0	323	1	36	5,222	152	2.9	151	1	17	1,265	172	13.6	172	-	19	-	-	-
Hoyt Lakes	855	53	6.2	53	-	-	825	53	6.4	53	-	-	30	-	-	-	-	-	-	-	-
Virginia	4,802	234	4.9	231	3	18	2,940	95	3.2	93	2	4	1,862	139	7.5	138	1	14	23	1	4.3

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)