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Analysis of the **EL PASO, TEXAS, HOUSING MARKET**

as of June 1, 1965

DEPT. OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

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

February 1966

ANALYSIS OF THE
EL PASO, TEXAS, HOUSING MARKET
AS OF JUNE 1, 1965

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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
EL PASO, TEXAS, HOUSING MARKET
AS OF JUNE 1, 1965

Summary and Conclusions

1. The economy of the El Paso area is dominated by nonmanufacturing activities, particularly trade, services, and government. Manufacturing industries employ less than 20 percent of all nonagricultural wage and salary workers. Major economic support is provided also by four military and space installations in the area. Nonagricultural wage and salary employment increased substantially from a 1958 average of 70,700 workers to a 1962 average of 82,200 workers, declined by 900 in 1963, and then increased by 200 in the succeeding year. During the first five months of 1965, wage and salary employment was at a level 2,000 above the comparable period in 1964. In 1964, unemployment averaged 5,000 workers, representing an unemployment ratio of 5.0 percent of the work force, compared with the 1959 low of 4.2 percent. During the next three years, total nonagricultural employment is expected to increase by 1,900 jobs a year, based on anticipated gains in the apparel, government, trade, services, and construction industries.
2. The current median income of all families in the SMSA, after deduction of Federal income taxes, is about \$6,050, and that of tenant families is \$4,600.
3. The estimated current population of the area, 354,300 persons, represents an increase of about 40,250 (13 percent), or an average of 7,800 a year, since 1960. The 1950-1960 decennial gain averaged almost 12,000 persons annually. By June 1, 1968, the population is expected to total 387,900 persons, an average gain of 11,200 a year over the present level. Households currently total 88,900, a gain of about 10,650 (14 percent), or 2,050 annually, since 1960. Between 1950 and 1960, the increase averaged 3,025 households a year. Household growth during the next three years is expected to approximate 2,800 annually, including 900 additional military households a year.
4. The current housing inventory of 98,650 units (including 3,625 military-controlled units) represents a net addition of 12,700 units, or over 2,450 a year, since 1960. The average gain between 1950 and 1960 was approximately 3,525 units annually. The proportion of units occupied by owners increased from 45.1 percent in 1950 to 56.4 percent in 1960 and to 59.4 percent at present.

5. Vacancies in both sales and rental housing have increased since 1960, a result of the completion and occupancy of over 900 military-controlled housing units, a sizable decline in military population, and a rapid increase in multifamily construction since 1962. There are currently 7,450 available vacant housing units in the area of which 1,500 are available for sale, representing a homeowner vacancy ratio of 2.8 percent, somewhat above the 1960 ratio of 2.6 percent. The remaining 5,950 available vacant units are for rent, a rental vacancy ratio of 14.1 percent, a significant increase over the 1960 ratio of 11.8 percent. Comparable homeowner and rental vacancy ratios in 1950 were 1.3 percent and 2.5 percent, respectively.
6. The number of additional housing units needed to meet the requirements of anticipated increases in non-military households and result in establishing more acceptable demand-supply relationships in the market is estimated to be 1,250 units annually, substantially below the average of about 2,300 units a year authorized in the 1960-1964 period, and the annual rate of about 1,700 units during the first five months of 1965.

Market conditions indicate that additions to the inventory should be concentrated in the sales inventory. Demand for sales houses is expected to approximate the sales price pattern indicated on page 33. There is a more than sufficient surplus of adequate available vacant rental units to satisfy the requirements of non-military households during the next three years. A finding of quantitative demand for additional rental units is, therefore, precluded.

7. Although there is a potential demand for about 2,700 housing units by military families expected to be transferred to Fort Bliss, firm information concerning the timing of the transfers and the relative permanence of the proposed expansion is not presently available. For the foreseeable future, there appears to be an adequate supply of housing in the area to meet military requirements.

ANALYSIS OF THE
EL PASO, TEXAS, HOUSING MARKET
AS OF JUNE 1, 1965

Housing Market Area

For the purposes of this analysis, the El Paso Housing Market Area (HMA) is defined as the El Paso Standard Metropolitan Statistical Area (SMSA), which is coextensive with El Paso County, Texas. The only major city in the SMSA, El Paso, contained 88 percent of the total 1960 population of the county (314,100).^{1/}

The El Paso SMSA is situated in the extreme western tip of Texas, bounded by the State of New Mexico on the north, the Rio Grande River and the State of Chihuahua, Mexico, on the west and south, and Hudspeth County, Texas, on the east (see map on page 3). Immediately across the Rio Grande is Ciudad Juarez, with an estimated current population of 350,000 persons, the sister city of El Paso (although not a part of the SMSA). El Paso is approximately 400 miles southeast of Phoenix, Arizona, about 260 miles south of Albuquerque, New Mexico, 630 miles west of Dallas, and 570 miles northwest of San Antonio.

Most of the land in the county is arid. The lack of water in the area surrounding El Paso has forced growth into, or close to the city, leaving the surrounding desert almost uninhabited. The main topographical feature in the SMSA is the Franklin Mountains which reach over 7,100 feet in altitude. These mountains, extending almost to the Rio Grande River, nearly divide the city and create a bottleneck for east-west traffic in El Paso.

The area is served by a fine transportation system. Direct rail service from Chicago, St. Louis, Memphis, and New Orleans is provided by seven railroads. A fine highway system including U.S. Routes 54, 62, 80, 85, 180, and Interstate 10 serves the area. Air transportation (including jet service) is available at the El Paso International Airport, with such companies as American, Continental, and Trans-Texas Airlines represented.

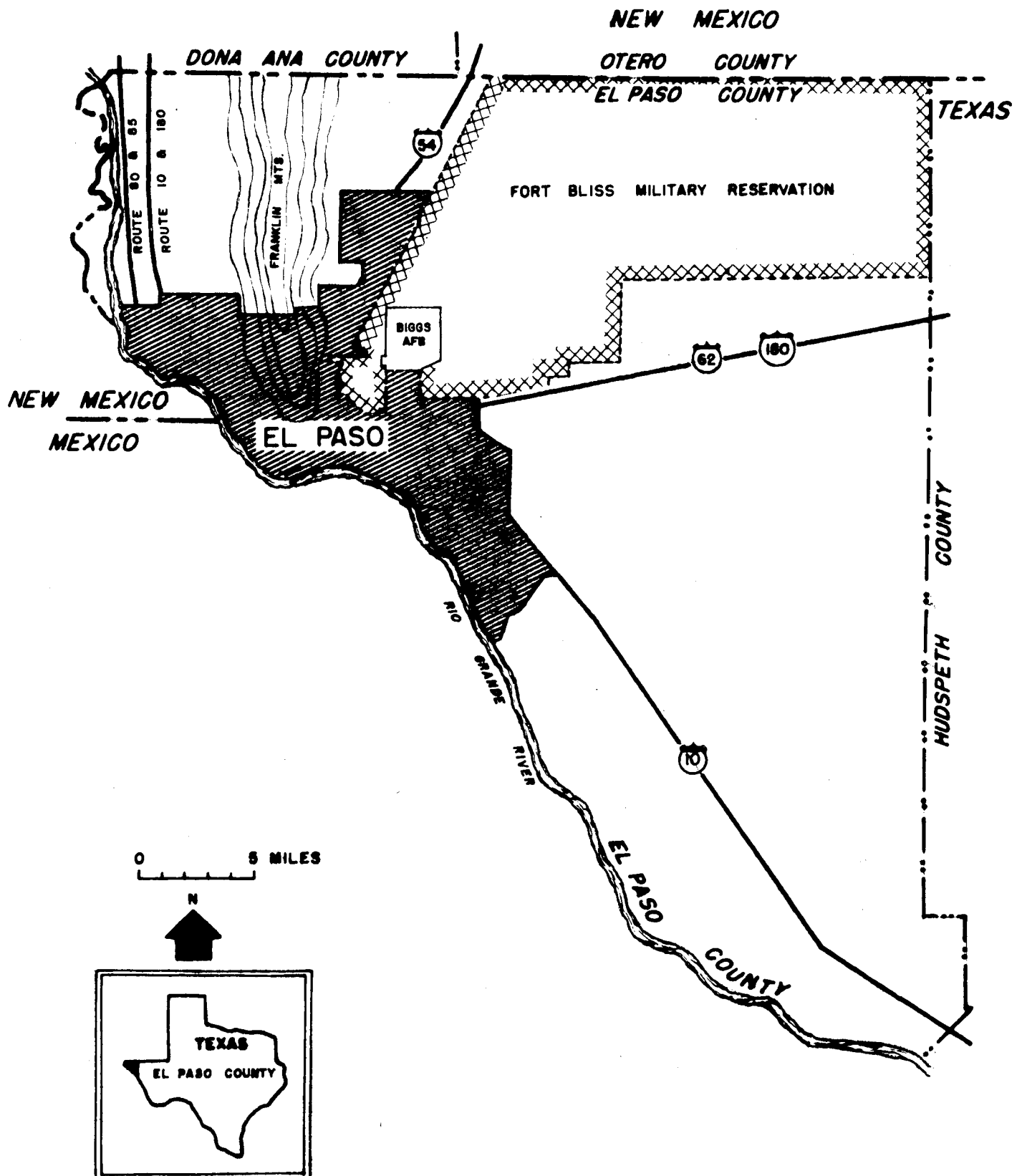
A major development is now taking place in El Paso which will have a significant impact on the economy and on the real estate market, the execution of the Chamizal Treaty which ended the hundred-year

^{1/} Inasmuch as the rural farm population of the El Paso HMA constituted only 2.3 percent of the total population in 1960, all demographic and housing data used in this analysis refer to the total of rural farm and nonfarm data.

boundary dispute between the United States and Mexico. The implementation of the treaty provisions will displace 1,155 families and several commercial and governmental establishments during the next two years. In addition, the local economy will receive an added boost as millions of dollars will be spent for various construction projects. Details of the treaty and its provisions will be discussed later in this analysis.

According to the 1960 census, there was a net out-commutation, in 1960, of about 4,850 workers from the El Paso SMSA with 6,700 area residents commuting to work outside the area and 1,850 commuting daily to jobs in the area. Of the out-commuters, about 2,600 traveled to the White Sands Missile Range complex in Dona Ana and Otero Counties, New Mexico. These data are quite misleading, however, because the census did not count the large number of Mexican nationals who commute into El Paso each day from Juarez. There are no accurate data regarding such commutation. However, local border officials estimated that 14,000 Mexican nationals crossed the border daily from Juarez to El Paso for employment in May 1960.

- 3 -
**EL PASO, TEXAS,
STANDARD METROPOLITAN STATISTICAL AREA**



Economy of the Area

History and Character

The history of El Paso dates back to 1536 with the explorer Cabeza de Vaca. In 1659, missionaries, conquistadores, and traders built the first permanent station and mission. Fort Bliss was established in the area in 1848, and two years later, El Paso County was created. Agriculture was the first known industry in El Paso, dating back to the 1500's. Agriculture then, as now, depended on irrigation. When the railroads reached the area in the late 1800's, the economy began to change from an agricultural to a commercial base. Although agriculture is no longer a significant employment source, accounting for less than two percent of total employment in the area during the first five months of 1965, an important money crop, cotton, is still raised. Also, the military complex in the area has grown substantially from its meager beginnings in the mid-1800's.

The present economy of the El Paso SMSA is dominated by nonmanufacturing industries, particularly the trade, services, and governmental groups. These three groups have accounted for 60 percent of total average nonagricultural wage and salary employment for the past few years. These industries, as well as other related groups, receive major support from the four adjacent military and space installations, Fort Bliss, William Beaumont General Army Hospital, Biggs Air Force Base, and the White Sands Missile Range complex in New Mexico. Although such impact cannot be measured accurately, an indication of the significance of such activities is the fact that the largest payroll in the area stems from these installations with their combined military strength of nearly 18,600 uniformed personnel (excluding the White Sands complex) and civilian employment of 6,100 in May 1965. In the manufacturing base of the El Paso economy, the apparel industry is dominant, accounting for nearly half of all jobs in manufacturing. For the past several years, El Paso has been a center for denim and work clothes fabrication. Other important manufacturing pursuits are food processing and ore smelting.

Employment

Current Estimate and Past Trend. Total nonagricultural employment in the SMSA averaged 93,100 in 1964, representing an increase of 12,200 (15 percent) over the 1958 level, but a decrease of 600 (less

than one percent) from the 1962 average high of 93,700.^{1/} At an average of 94,200 in the first five months of 1965, nonagricultural employment was two percent above the same period in 1964. During the entire 1958-1964 period, nonagricultural employment recorded year-to-year increases ranging from a low of 200 to a high of 6,600 jobs, with the exception of the 1962-1963 period when a loss of 800 was registered. Wage and salary employment averaged 81,500 in 1964, and has exhibited the same trend pattern as total nonagricultural employment. All other nonagricultural employment increased from 10,200 in 1958 to 11,500 in 1961 (13 percent) and has remained stable since then (see table I).

As measured by nonagricultural wage and salary employment, increases were substantial each year from 1958 to 1962; the trend was down sharply in 1963, and then rose slightly in 1964. The gains in 1964 were not enough, however, to return employment to the high level attained in 1962.

Trend of Nonagricultural Wage and Salary Employment
El Paso, Texas, SMSA
Annual Averages, 1958-1964

<u>Year</u>	<u>Manu- facturing</u>	<u>Non- manufacturing</u>	<u>Total wage and salary employment</u>	<u>Change in total</u>
1958	13,000	57,700	70,700	-
1959	13,100	60,700	73,800	3,100
1960	13,900	65,700	79,600	5,800
1961	13,800	66,400	80,200	600
1962	14,800	67,400	82,200	2,000
1963	15,400	65,900	81,300	-900
1964	15,700	65,800	81,500	200

Source: Texas Employment Commission.

Manufacturing employment has experienced only two small losses during the entire 1958-1964 period. Between 1958 and 1959, manufacturing employment declined by 100 jobs. This was not a "real" loss, but rather a reflection of a labor dispute involving an average of 500 metal workers. During the succeeding year, employment increased by 800, partially as a result of the settlement of the labor dispute and the return of the metal workers to their jobs. The only other manufacturing loss occurred during the 1960-1961 period, a result of a decrease of 300 in the petroleum and coal products industry (part of which was

^{1/} Comparable employment data are available for the years 1958-1964 only.

caused by the reclassification of the El Paso Natural Gas Products firm to the trade category) which was only partially offset by employment gains in the apparel industry. Since 1961, manufacturing employment increased each year with gains ranging from 1,000 jobs between 1961 and 1962 to 300 in the 1963-1964 period. The more detailed employment data presented in table II reveal that the post-1961 manufacturing gains were wholly due to the nondurable goods industries, particularly the apparel industry. For the first five months of 1965, total manufacturing employment was up by 900 (about six percent) above the corresponding period in 1964.

Employment in nonmanufacturing has grown by 8,300 (over 14 percent) during the 1958-1964 period. All of the growth occurred between 1958 and 1962, as losses totaling 1,600 were experienced in 1963 and 1964. The employment decreases since 1962 are a reflection of a general downturn of the local economy. Losses were led by the trade and contract construction industries. Comparison of data for the first five months of 1964 and 1965 reveals an increase of 1,100 (nearly two percent) in nonmanufacturing employment (see table II).

Employment by Industry. Of the 81,500 wage and salary workers employed in the El Paso SMSA in 1964, a total of only 15,700 (19 percent) were engaged by manufacturing industries. For the entire 1958-1964 period, manufacturing employment has accounted for only 17 to 19 percent of total wage and salary employment.

Approximately 47 percent of all manufacturing employment was provided by the apparel industry which had an average employment of 7,400 in 1964 (about nine percent of total wage and salary employment). This industry has been the major manufacturing employer during the entire 1958-1964 period, and also the fastest growing. Apparel employment increased by 3,400 (85 percent) between 1958 and 1964. The major factor attracting this activity to El Paso is the abundant supply of low-cost labor. The only other manufacturing employers of significance are the food and primary metals industries which, combined, accounted for slightly over one-fourth of total manufacturing employment in 1964. The food industry employed 2,300 workers in 1964 (about three percent of wage and salary employment) and has been rather stable for the entire 1958-1964 period. The primary metals industry engaged 1,800 employees (slightly over two percent of wage and salary employment) and has remained almost constant at this total since 1958, except for a 500-job decline between 1958 and 1959 which reflected a labor dispute. The remainder of manufacturing employment was rather evenly distributed among all other groups and employment has remained fairly stable during the past seven years, except for the petroleum and coal products industry which has exhibited a continuing decline (see table II).

Nonmanufacturing industries, employing 65,800 in 1964, have accounted for about 81 to 83 percent of all wage and salary employment since 1958. Approximately one-third of all nonmanufacturing workers were employed by the trade industry which had 21,700 employees (nearly 27 percent of all wage and salary employment). This group has been the largest single employer for the past seven years, reflecting the fact that El Paso serves as a wholesale and retail trade center for an area reaching several hundred miles in all directions (including Mexico). This industry experienced gains ranging between 200 and 2,600 during the 1958-1962 period. The large gain of 2,600 resulted partially from reclassification of the El Paso Natural Gas Products Company from the manufacturing to the trade category in 1960. Since 1962, losses amounting to 1,700 workers in trade have been recorded. The recent declines reflect the movement out of the area of the El Paso Natural Gas Products Company which employed 400 to 500 persons, and a downturn in other "consumer" industries such as contract construction.

The second leading employment source in the SMSA is the government group which employed 16,200 persons in 1964, representing 20 percent of wage and salary employment, and nearly one-fourth of total non-manufacturing employment. Government employment has been a major contributor to growth with gains ranging between 400 to 900 since 1958. The excellent gains in this group are not only a result of increasing Federal employment, but also of large increases at the State and local levels, particularly in education.

The services industry employed 11,000 workers in 1964 (nearly 14 percent of wage and salary employment), making it the third largest employer in the area. Following the services group is the transportation, communication, and public utility group of industries which employed 9,000 persons (11 percent of wage and salary employment) in 1964. This industry has exhibited a downward trend for the past seven years, declining by 900 (nine percent), mainly as a result of decreased railroad employment. The construction industry employed 4,500 workers in 1964 (about six percent of wage and salary employment) and has been declining since 1959, with year-to-year losses ranging between 100 and 600. The decline in this industry resulted from the greater utilization of new tools and equipment, and a decrease in homebuilding as the local real estate market slumped, due to overbuilding. The finance, insurance, and real estate group

engaged 3,200 persons in 1964 (four percent of wage and salary employment) and has experienced moderate increases averaging about 150 a year since 1958.

Principal Employment Sources

Manufacturing. The largest and most rapidly expanding source of manufacturing employment in the SMSA is the apparel industry, which provided nearly half of all manufacturing jobs during 1964. As of May 1965, four firms accounted for over two-thirds of all apparel employment. These companies are principally manufacturers of men's and boys' clothing. The largest employer in this industry is the Farah Manufacturing Company, which has been the main contributor to apparel employment growth over the past seven years. Other firms include the Hicks Ponder Manufacturing Company, the Hortex Manufacturing Company, and the Union Manufacturing Company. The employment gains of these four firms accounted for slightly over 91 percent of the total manufacturing increase experienced during the May 1958-May 1965 period.

The food industry is the second leading manufacturing employer, providing nearly 14 percent of the current total number of jobs. The largest firm in this industrial group is the Peyton Packing Company of El Paso, a meat packing firm and a subsidiary of the Morrell Packing Company. Employment at this establishment has been fairly stable.

The primary metals industry accounts for almost 12 percent of total current manufacturing employment, making it the third leading manufacturing employment source. Practically all employment in this industry was provided by the American Smelting and Refining Company and the Phelps-Dodge Corporation. These two companies operate copper smelting and refining plants, and it is reported that between 20 and 30 percent of all copper processed in the United States is done here. During the past seven years, employment at these two plants has been relatively stable.

Military. There are three military installations in the El Paso SMSA, Fort Bliss, Biggs Air Force Base, and the William Beaumont General Army Hospital. Of the three installations, Fort Bliss is the largest, with a military complement of about 14,650 in April 1965.

Fort Bliss has a long and colorful history dating back to 1848 when the post was established. The history of present activity of the post is more recent, however, dating back to 1944 when the first air defense missile was conceived at the base. In 1946, the Antiaircraft Artillery School became the Antiaircraft and Guided Missile School. By 1949, four kinds of guided missiles were under development, surface-to-air, surface-to-surface, air-to-surface, and air-to-air. By 1950, Fort Bliss had grown to be a highly functional and technical school for United States and Allied personnel in the intricacies of antiaircraft artillery and guided missiles. In 1953, the range facilities at the Fort were expanded by one-half million acres for training personnel with the Nike missiles. In 1957, the school was redesignated and became the U.S. Army Air Defense School. At the present time, Fort Bliss occupies more than one million acres, with firing ranges extending 65 miles north into New Mexico.

The current mission of the United States Army Air Defense Center is to command and furnish administrative, logistical, and environmental support to all activities assigned or attached to Fort Bliss. The center is best known for the mission of the U.S. Army Air Defense School which is to train nearly all the surface-to-air guided missilemen in the Free World. Every Nike battalion has trained here and nearly all return once each year to practice firing missiles.

In April 1965, the number of military personnel at Fort Bliss totaled 14,659, representing an increase of 319 over the December 1964 total, but representing a level below that attained in any year during the 1950-1963 period. As shown in table III, there was a military build-up at the installation amounting to about 16,300 personnel during the Korean Conflict period of 1950-1954, and an immediate decline of 12,135 in 1955. Base strength continued to decline until 1958 when the Nike Hercules program was activated, and a slight increase in strength of 1,145 resulted. Since then, there has been a continuous decline in military strength, reflecting the transfer of trained missile battalions to various sites throughout the Nation. During the next five years, the U.S. Army estimates that strength at Fort Bliss will rise by 8,300, or 1,660 a year.

Civilian employment at Fort Bliss was reported to be 2,904 as of April 1965, an increase of 845 (41 percent) over the 1951 total. Except for declines of 419 between 1952 and 1953 and 48 between 1962 and 1963, civilian employment has grown irregularly but steadily during the past fifteen years. Little growth is expected during the next few years.

The William Beaumont General Hospital is reported to be one of the largest Army hospitals in the United States. Its mission is to provide complete in- and out-patient care to service personnel and families of Fort Bliss, Biggs AFB, White Sands Missile Range, and other installations in the Southwest.

The total military strength at the Hospital was 1,078 as of April 1965, a decrease of 411 (28 percent) below the 1961 high of 1,489, but a gain of 249 (30 percent) over the 1953 total. No change is expected over the next five years (see table III).

Civilian employment at the Hospital totaled 428 in April 1965, representing a slight decline of 70 persons (14 percent) below the 1951 total and about 130 (23 percent) below the 1957 high of 555 employees (see table III). Civilian employment is expected to remain virtually the same during the next few years.

Biggs Air Force Base had its real beginning in 1939 when a target-towing squadron was formed for Fort Bliss. In 1942, the base was assigned to the Second Air Force. After World War II, Biggs became Headquarters of the 19th Tactical Air Command of the Third Air Force, and in 1946 it became the 9th Air Force Headquarters. The base was transferred from the Tactical Air Command to the Strategic Air Command in 1948, and remains a SAC base at the present time.

The mission of Biggs AFB is the operation and support of a SAC Bomb Wing (95th Bomber Wing) of B-52 heavy bombers and KC-135 heavy tankers (the 431st Aerial Refueling Squadron). Tenant activity includes the operation and support of F-100 fighters and B-57 bombers used for tow target and aerial tracking support at White Sands and McGregor Missile Ranges.

As of March 1965, there was a total military complement of 2,843 personnel, the lowest level during the past thirteen years. As shown in table III, total military strength at Biggs has almost continuously declined since 1954. Many of the losses during the 1954-1962 period resulted from the transfer of different bomb wings to other bases. The 1,166-man decline experienced between 1964 and 1965 reflects the transfer of the 917th Aerial Refueling Squadron (ARS) to Dyess AFB and the phasing-out of the 431st ARS and the B-52 bomb wing. Very little change is projected for this base by the Air Force during the next few years.

Civilian employment at Biggs totaled 294 as of March 1965, a decline of 123 (30 percent) since 1953. During the 1953-1965 period, employment declined slowly, but fairly steadily. No changes are expected during the next few years.

Unemployment

The Texas Employment Commission reported that there was an average of 5,000 workers unemployed in the El Paso SMSA in 1964, representing an unemployment ratio of 5.0 percent of the work force compared with 5.3

percent (5,300) in 1963, indicating a slight improvement during the year. Unemployment was at its low in 1959 when 3,900 workers or 4.2 percent of the work force were unemployed. For the first five months of 1965, unemployment equaled 5.0 percent of the work force, a decrease from the 5.4 percent ratio during the first five months of 1964 (see table I).

Future Employment Prospects

Based on the employment trends presented in this analysis and on information from local sources on future expansion, nonagricultural employment in the El Paso SMSA is expected to increase by about 5,700 jobs (1,900 annually) during the June 1965-June 1968 period. The extremes in employment changes exhibited during the past seven years in the El Paso area suggest that forecasting employment growth is highly speculative. The annual growth of 1,900 jobs forecast is considerably below the 1958-1960 average of 4,900 jobs a year, slightly above the 1960-1962 average of 1,500 jobs, but substantially above the losses of about 300 a year since 1962. The average losses experienced in the area during the past two years should not be construed as typical for the El Paso area. Indeed, data for the first five months of 1965 show that nonagricultural employment is 2,000 jobs above that of the corresponding period in 1964. Virtually all of the decreases experienced since 1962 were in two industries, construction and trade, which appear to have a much brighter future as will be explained in the succeeding sections.

The employment projection is based upon anticipated employment gains in five industries, which include the apparel, government, trade, services, and construction industries. The apparel industry registered gains ranging between 200 and 1,000 a year during the 1958-1964 period, or an annual average increase of about 560 jobs over the entire period. As noted earlier, this industry was attracted to the El Paso area because of the abundance of low-cost labor. Since it is expected that such labor will continue to be available in the SMSA, and assuming that demand for clothing remains high, it is not unreasonable to expect future employment gains at about the same rate as occurred during the past seven years. Local sources indicated that one of the largest apparel manufacturers in the area has firm plans to expand considerably over the next few years.

Government employment, which increased by an average of about 680 jobs a year since 1959, is expected to grow at a slightly higher rate over the next few years due to increased local and State governmental employment and Federal gains which may well occur as a result of the implementation of the Chamizal Treaty and Border Beautification programs. (It should be noted that no military-connected civilian employment increase is anticipated by the installations in the SMSA, although the

military complement will increase significantly.) Trade and services employment should increase moderately during the next three years in response to the projected annual increase of 1,660 uniformed military personnel at the various installations in the area and the general trend of increased demand for services. Finally, relatively large employment increases are projected for the construction industry as a result of the building programs of the Chamizal, which include the relocation and improvement of the river channel, the construction of the displaced Port of Entry facilities, the construction of new international bridges over the Rio Grande, and others (see page 28 for details).

Income

The current median annual income of all families in the El Paso SMSA, after deduction of Federal income taxes, is about \$6,050, and that of tenant families, \$4,600. At the upper end of the income scale, 19 percent of all the families in the area have incomes of \$10,000 or more a year, while only seven percent of all tenant families have incomes of \$10,000 or more. By 1968, the median annual after-tax income of all families is expected to rise to \$6,500, while the tenant family median income is expected to approximate \$4,950 (see table IV).

Demographic Factors

Population

Current Estimate. The total population in the El Paso SMSA is approximately 354,300 persons as of June 1, 1965, an increase of about 40,250 (13 percent) over the April 1960 level. The current total represents an annual average gain of around 7,800 persons since 1960.

Past Trend. Between 1950 and 1960, the total population of the El Paso area grew by about 119,100 persons (61 percent) from nearly 195,000 in April 1950 to approximately 314,100 in April 1960. The decennial increase represents an annual gain of almost 12,000 persons. Since the city of El Paso annexed large amounts of population during the 1950-1960 period, comparisons of growth between the city and the remainder of the SMSA would be unrealistic. The city did, however, contain about 67 percent of the 1950 population in the SMSA, about 88 percent of the 1960 population, and it probably contains about 90 percent of the current population.

Population Trends
El Paso, Texas, SMSA
April 1950-June 1968

<u>Date</u>	<u>Total population</u>	<u>Total change</u>		<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
April 1950	194,968	-	-	-	-
April 1960	314,070	119,102	61.1	11,910	6.1
June 1965	354,300	40,250	12.8	7,800	2.5
June 1968	387,900	33,600	9.5	11,200	3.2

Source: 1950 and 1960 Censuses of Population.
1965 and 1968 estimated by Housing Market Analyst.

As shown in the preceding table, annual population growth during the 1960-1965 period was substantially below that of the previous decade, reflecting a reduction in the rate of growth in economic and military activities since 1960. Based on data compiled by Texas Western College and from employment data from the Texas Employment Commission, it is judged that nonagricultural employment increased by about 2,400 jobs a year during the 1950-1960 decade, compared with an annual growth of around 1,800 since 1960. Also, military strength declined considerably during the past fifteen years from nearly 25,000 total strength in 1950 to 23,400 in 1960 and to about 18,600 at present.

Future Population Growth. On the basis of anticipated employment gains and projected military increases, the total population in the El Paso SMSA is expected to increase by about 33,600 (11,200 persons a year) to a June 1968 total of 387,900 persons. The projected annual growth of 11,200 persons is substantially above the 1960-1965 annual increase of 7,800, but is somewhat below the yearly increment of 12,000 persons which occurred during the 1950-1960 decade. The projected higher rate of increase during the next three years than the rate since 1960 results principally from the anticipated increases in military personnel.

Natural Increase and Migration. Net natural increase (excess of resident live births over resident deaths) averaged nearly 8,850 a year in the El Paso area during the 1950-1960 decade. Total population increased by approximately 11,900 annually, indicating an annual net in-migration of around 3,075 persons during the period, equal to almost 26 percent of the total annual growth. Since 1960, the SMSA has experienced a net out-migration of population averaging approximately 1,225 persons a year. This outward movement of population is a result of the slow-down in economic activity and rather severe military strength losses since 1960.

Components of Population Change
El Paso, Texas, SMSA
April 1950-June 1965

<u>Component</u>	<u>Average annual change</u>	
	<u>1950-1960</u>	<u>1960-1965</u>
Population increase	11,910	7,800
Natural increase	8,845	9,025
Migration	3,065	-1,225

Source: 1950 and 1960 Censuses of Population; Texas State Department of Health; estimates by Housing Market Analyst.

Age of Population. A comparison of the total population in the SMSA by age in 1950 and 1960 is presented in table V. The distribution shows that a high proportion (46 percent) of the 1960 population was in the 19 years and under age group. Also, this was the fastest growing group in the area, increasing by 91 percent during the decade. Of particular interest is the high proportion of the population (32 percent) in the rapidly growing 20 to 40 years age group, which increased 48 percent during the decade. The increasing proportion and

rapid growth of the 19 years and under group reflects the high birth rates of the post-World War II and Korean Conflict periods. The high proportion of the population in the 20 to 40 years age group is due to immigration into El Paso of a large number of young adults and the relatively large proportion of military persons in the area.

Households

Current Estimate. Since 1960, the number of households (occupied housing units) in the El Paso SMSA has increased by about 10,650 (14 percent) to a June 1965 total of 88,900.¹ The current total represents an annual average gain of 2,050 households since 1960 (see table VI).

Past Trend. Between 1950 and 1960, the total number of households in the area grew by about 30,300 (63 percent) from 48,000 in 1950 to 78,300 in 1960.^{1/} The decennial increase represents an annual gain of about 3,025 households a year (see table VI). Geographically, much of the increase occurred in areas contiguous to the city of El Paso which were annexed during the decade. The city contained about 71 percent of the total households in the SMSA in April 1950, about 92 percent in 1960, and probably contains in excess of 92 percent at the present time.

Household Trends El Paso, Texas, SMSA April 1950-June 1968

<u>Date</u>	<u>Households</u>	<u>Average annual change</u>	
		<u>Number</u>	<u>Percent</u>
April 1950	47,975	-	-
April 1960	78,270	3,030	6.3
June 1965	88,900	2,050	2.6
June 1968	97,300	2,800	3.1

Source: 1950 and 1960 Censuses of Housing.
1965 and 1968 estimated by Housing Market Analyst.

^{1/} A part of the increase reflects a conceptual change from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census.

Future Household Growth. On the basis of anticipated population gains and average household size, the number of households in the area is expected to total about 97,300 as of June 1968, a gain of 8,400 (2,800 annually). This rate of growth is considerably above the 1960-1965 average increase of 2,050 a year, and reflects anticipated continuation of employment gains in the area plus the projected increase of approximately 900 military households a year.

Household Size. The average number of persons per household in the El Paso area has increased from 3.71 in 1950 to 3.83 in 1960. No significant change has occurred since 1960. The increase in the average size of households is a reflection of high birth rates and of the large number of persons in military households.

Military Households. Currently, there are approximately 9,650 military households in the El Paso SMSA. Of the total number of households, slightly over 3,600 live in on-base housing and 6,050 live off the base. Base officials estimated that between 80 and 90 percent of all military households living off base, reside in northeast El Paso, with the bulk of the remaining households in the east and southeast parts of the city. They reported that very few lived outside of the county. By June 1968, according to official estimates, there will be approximately 12,400 military households in the area, an annual increase of approximately 900. Virtually all of this increase will occur at Fort Bliss. Since there is no military-controlled housing under construction or approved for construction for the near future, the bulk of the military household increase will have to be housed in the non-military housing inventory.

Housing Market Factors

Housing Supply

Current Estimate. The housing inventory in the El Paso SMSA totals about 98,650 units as of June 1, 1965. The current total represents a net addition to the inventory of about 12,700 units (15 percent), or over 2,450 annually since April 1960 (see table VI).

Past Trend. During the 1950-1960 decade, the number of housing units in the El Paso area increased by nearly 35,150 (69 percent) from about 50,800 in April 1950 to almost 85,950 in April 1960. The decennial increase represents an annual increment of about 3,525 units. (Part of this increase was due to a conceptual change from "dwelling unit" in 1950 to "housing unit" in 1960.) Geographically, much of the increase occurred in areas contiguous to the city of El Paso. The difficulty of obtaining water and other amenities in the arid country in the SMSA encouraged the development of urban clusters on the periphery of the city of El Paso, most of which were annexed between 1950 and 1960. During the decade, the land area of the city expanded from about 26 square miles in 1950 to nearly 115 square miles in 1960.

Type of Structure. Slightly over 74 percent of the housing units now in the SMSA are in one-unit structures (including trailers), somewhat below the 1960 proportion of nearly 75 percent. Two-unit structures now comprise just over four percent of the total, compared with almost five percent in April 1960. Units in structures with three or more units presently constitute over 21 percent of the total inventory, somewhat above the 1960 proportion of just over 20 percent. The relatively large increase in the proportion of multifamily structures during the 1960-1965 period reflects the apartment construction "boom" which occurred in El Paso since 1961.

Housing Inventory, by Type of Structure El Paso, Texas, SMSA-1960 and 1965

<u>Units in</u> <u>structure</u>	<u>April</u>	<u>June</u>	<u>Percent of total</u>	
	<u>1960</u>	<u>1965</u>	<u>1960</u>	<u>1965</u>
One unit	64,210 ^{a/}	73,300 ^{a/}	74.7	74.3
Two units	4,210	4,350	4.9	4.4
Three or more units	<u>17,517</u>	<u>21,000</u>	<u>20.4</u>	<u>21.3</u>
Total units	85,937	98,650	100.0	100.0

^{a/} Includes trailers.

Source: 1960 Census of Housing.

1965 estimated by Housing Market Analyst.

Year Built. A sizable portion of the housing inventory in the El Paso area is relatively new. Based on the 1960 Census of Housing and estimates derived from building permit and demolition data, it is judged that approximately 55 percent of the current inventory was built since 1950 and about 13 percent since 1960. As shown in the following table, 25 percent of the total present inventory was built in 1929 or earlier.

Distribution of the Housing Inventory by Year Built
El Paso, Texas, SMSA

<u>Year built^{a/}</u>	<u>Percent distribution</u>
April 1960 - June 1965	13
1955 - March 1960	24
1950 - 1954	18
1940 - 1949	12
1930 - 1939	8
1929 or earlier	25
Total	<u>100</u>

a/ 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. An estimated 84 percent of the current housing inventory in the SMSA is not dilapidated and has all plumbing facilities, a considerable improvement over the 1960 proportion of about 81 percent. The improvement in the condition of the inventory reflects the demolition of many substandard units by governmental action (highway construction) and the addition of new units since 1960. There should be a considerable improvement in the condition of the inventory during the next three years, as nearly 1,300 units (many of which are substandard) will be removed from the inventory through highway construction programs and the implementation of the Chamizal Treaty, which will be discussed in a subsequent section.

Residential Building Activity

Trend. New residential construction trends, as measured by the number of housing units authorized by building permits, is available on a continuing basis for the city of El Paso only (see table VII). For all practical purposes, however, these data for the city account for virtually all of the new private housing construction which has occurred in the SMSA since 1956. (Building permit data for the 1950-1955 period are subject to greater error than subsequent data, as the geographic area of the city expanded greatly during the early 1950's as a result of annexations.)

During the 1956-1964 period, the volume of private residential construction varied sharply from year to year. The lowest volume reported for the period was in 1963 when about 1,625 housing units were authorized. The peak occurred in 1958 with over 5,375 units authorized. Between 1956 and 1958, construction volume increased by about 180 percent (3,475 units), declined by nearly 51 percent (2,750) between 1958 and 1960, slumped again during the 1961-1963 period to only 1,600 units, and then experienced a gain of 550 units in the succeeding year. The total of about 730 units authorized in the first five months of 1965 is, however, well below (31 percent) the total of approximately 1,050 units authorized in the corresponding period in 1964. Of interest is the fact that the two construction volume decreases occurred at the same time that several hundred military-controlled housing units were completed, i.e., 615 Capehart units completed during the 1958-1960 period and 916 completed during the 1961-1963 period.

The following table presents the number of private units authorized since 1956 by type of structure. The proportion of multifamily authorizations to total authorizations has been increasing since 1961; the increase was from a proportion of about nine percent in 1961 to 45 percent in 1964. However, during the first five months of 1965, the proportion dropped to 18 percent.

Private Housing Units Authorized by Building Permits
El Paso City, Texas, 1956-1965

<u>Year</u>	<u>Total</u>	<u>Single family</u>	<u>Two family</u>	<u>Multi- family</u>	<u>Percent Multifamily</u>
1956	1,910	1,656	36	218	11.4
1957	2,893	2,487	94	312	10.8
1958	5,383	4,561	120	702	13.0
1959	4,075	3,375	108	592	14.5
1960	2,644	2,371	40	233	8.8
1961	3,022	2,732	28	262	8.7
1962	2,024	1,262	24	738	36.5
1963	1,621	946	16	659	40.7
1964	2,167	1,180	16	971	44.8
1965 <u>a/</u>	728	588	6	134	18.4

a/ Through May.

Source: El Paso Department of Public Inspection; Bureau of the Census, C-40 Construction Reports.

The substantial decline in single-family housing construction between 1958 and 1963 reflected adjustments in building volume necessitated by over-building in 1958 and 1959 and the resulting softening of the sales market. The modest increase in single-family construction since 1963 suggests, however, some improvement in the market. The increase in multifamily construction since 1962, according to local realtors and mortgagees, was encouraged by the abundance of mortgage capital. Recently, such mortgage money has tightened up due to the poor occupancy experience of projects built since 1960, and it appears that the apartment building "boom" is over, at least for the next year or two.

In addition to the private housing authorized since 1960, there has been a considerable amount of public housing constructed. Between 1950 and 1960, there were about 650 public housing units constructed in El Paso and approximately 2,400 military-controlled units completed just outside the city. Since 1960, there have been slightly over 900 military units completed and 330 public housing units are now under construction.

Units Under Construction. On the basis of building permit data and a postal vacancy survey conducted in June 1965, there are an estimated 760 units currently in some stage of construction in the SMSA. Approximately 350 (46 percent) of the units under construction are single-family units, and 410 are multifamily units, including 330 units of public housing for the elderly. Nearly half of the single-family units

under construction are located in subdivisions in east and southeast El Paso. The remainder of the single-family units under construction are scattered throughout the city, although small concentrations may be found in west El Paso, around the William Beaumont Hospital, and in northeast El Paso. The bulk of the 80 privately-financed multi-family units under construction are located on Hercules Avenue north-east of the Logan Heights Military Cantonment, and along Gateway Boulevard in southeast El Paso.

Demolition Trends. Losses to the inventory resulting from demolition activity have amounted to slightly over 500 housing units since 1960. About 78 percent (400) of total demolitions resulted from right-of-way clearance for street and highway construction. Over two-thirds of the units demolished were in structures with more than one unit. During the next three years, nearly 1,300 units are scheduled for removal. Over 1,100 of these losses will result from the government procurement of housing in the Chamizal Treaty area and 200 will be demolished for highway construction.

Tenure of Occupancy

There are 88,900 occupied housing units in the El Paso SMSA as of June 1, 1965, of which 52,800 (59.4 percent) are owner-occupied and 36,100 (40.6 percent) are renter-occupied. During the 1950-1960 decade, owner-occupancy increased from 45.1 percent in 1950 to 56.4 percent in 1960 (see table VI). A comparison of the current and decennial rate of shift from renter-occupancy to owner-occupancy reveals that the rate has been reduced considerably since 1960. This reduction reflects the increased construction and occupancy of privately-financed multifamily housing, the occupancy of hundreds of newly-completed military-controlled rental units, and a rising proportion of young people (a group which usually occupies rental housing). Another reason for the reduced rate of shift, which was proffered by local realtors and mortgagees, was that the slump experienced in the sales market during the mid-1960's had an adverse psychological effect on home-buyers. Although such an intangible factor cannot be measured, it probably did have some effect on home-buying.

Vacancy

Last Census. In April 1960, there were about 5,725 vacant, nondilapidated, nonseasonal housing units available for sale or rent in the El Paso SMSA, an over-all net vacancy ratio of 6.8 percent, according to the 1960 Census of Housing. Nearly 1,175 of these available vacancies were for sale, or a homeowner vacancy ratio of 2.6 percent. The remaining 4,550 available vacancies were for rent, representing a rental vacancy ratio of 11.8 percent (see table VI). It also was reported that 25 (two percent) of the sales vacancies and 1,475 (32 percent) of the rental vacancies lacked some or all plumbing facilities.

Postal Vacancy Survey. A postal vacancy survey was conducted in June 1965 by the El Paso Post Office. The survey covered nearly 83 percent of the current number of housing units in the area. At the time of the survey, about 6,225 units were vacant out of nearly 81,350 total possible deliveries, a vacancy ratio of 7.7 percent. Of the total number of vacancies, a little over 3,350 (5.2 percent) represented vacant residences and about 2,875 (17 percent) represented apartment vacancies. In addition, 760 units were reported to be under construction (see table VIII).

Vacancy enumerations and ratios revealed by postal vacancy surveys are not strictly comparable with those reported by the U. S. Census of Housing. The Census Bureau enumerates vacancies by intended tenure, whereas postal carriers report vacancies by type of structure.

FHA Vacancy Surveys. The Lubbock Insuring Office, with the help of the El Paso Service Office personnel, conducted sample rental surveys in the city of El Paso in June 1962 and March 1965. The surveys covered units in all rent ranges, from as low as \$40 a month to \$225 or more a month. Most of the medium to high rent units surveyed during 1965 had been built since 1960. Although the surveys are not all-inclusive, they do reflect the fact that vacancies are high, as revealed by other evidence. A summary of the survey results is presented in the following table.

Summary of Rental Vacancy Surveys
El Paso City, Texas
June 1962 and March 1965

<u>Rent range</u>	<u>June 1962 survey</u>			<u>March 1965 survey</u>		
	<u>Units surveyed</u>	<u>Number vacant</u>	<u>Percent vacant</u>	<u>Units surveyed</u>	<u>Number vacant</u>	<u>Percent vacant</u>
\$40 - \$90	601	103	17.1	304	51	16.7
90 - 140	303	57	18.8	869	219	25.2
140 - 225	643)	35)	5.4)	552	199	36.0
225 and up	<u> </u>	<u> </u>	<u> </u>	<u>58</u>	<u>18</u>	<u>31.0</u>
Total	1,547	195	12.6	1,783	487	27.3

Source: Lubbock Insuring Office.

The preceding data indicate that the market was **soft in 1962** and has deteriorated **during the succeeding years, reflecting** the rapid increase in multifamily construction since 1962, the completion and occupancy of 900 military-controlled housing units during the 1961-1963 period, and a sizable decline of military population. Recent occupancy data indicate that the rental market has not improved much since the March 1965 survey.

Current Estimate. On the basis of postal vacancy survey results, information from local realtors and mortgagees, FHA surveys, and personal observation, it is judged that there are currently about 7,450 available vacant housing units in the El Paso SMSA, an over-all net available vacancy ratio of 7.7 percent. Of the total number of available vacancies, approximately 1,500 are judged to be for sale, representing a homeowner vacancy ratio of 2.8 percent, and 5,950 are for rent, a rental vacancy ratio of 14.1 percent (see table VI).

Approximately 1,470 of the currently available vacant sales units and 4,460 of the available vacant rental units are judged to be acceptable vacancies in that they are not dilapidated and contain all plumbing facilities. The present proportion of "inferior vacancies" is somewhat below that reported by the 1960 census, reflecting the demolition of some of these vacant units through governmental action.

The current number of sales and rental vacancies in the El Paso area is substantially above the levels considered to represent a reasonable demand-supply relationship in a moderately growing area. The greater portion of the excess is concentrated in the rental market, reflecting

the large number of multifamily units which have been constructed since 1962. Although there is a large surplus of sales vacancies on the market, current data, such as the unsold inventory survey and FHA foreclosures which will be discussed later, suggest that the sales market has improved slightly.

Sales Market

General Market Conditions. The market for new and existing sales homes in the El Paso SMSA is **soft at the present time.** This is evidenced by the current excessive homeowner vacancy ratio of 2.8 percent, by the large number of foreclosures in the area, and by a rather high unsold inventory of new sales houses. By area, the weakest market, by far, is in northeast El Paso, where most of the foreclosures during the past few years have occurred. The strongest markets appear to be in west and southeast El Paso. By price, the market for homes below \$15,000 (both new and old) is **weak, while units priced above \$15,000 appear to be selling** reasonably well.

El Paso can be divided into three major parts with respect to sales activity, with each segment containing about ten to fifteen sizable housing tracts. The major area of activity during the past few years has been in east El Paso. In northeast El Paso, there has been a notable decline in activity over the past few years, while west El Paso has exhibited a rather stable trend. The following table presents data on new house closings in various subdivisions in the three major areas of activity in the city. These data were compiled from the Commercial Recorder by a local mortgagee and indicate the trend in activity by the three major geographic segments.

Record of New House Closings
El Paso City, Texas
January 1, 1960 to May 30, 1965

<u>Area</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u> <u>(5 mo.)</u>
East El Paso	839	757	580	396	558	224
Northeast El Paso	1,337	1,113	591	278	172	79
West El Paso	<u>298</u>	<u>275</u>	<u>327</u>	<u>222</u>	<u>183</u>	<u>82</u>
Total	2,474	2,145	1,498	896	913	385

In all areas of the SMSA, there was a significant decline in activity during the 1961-1963 period. This large drop is a reflection of the completion and occupancy of over 900 military housing units at that time, a rather large drop in military strength at Fort Bliss, and a relatively large decline in employment. It can be seen from the preceding data that there has been an **improvement** in activity in east El Paso, while the **northeast** part of the city has shown a continuous decline since 1961.

A rising trend of sales of acquired properties and a somewhat lower ratio of unsold speculatively-built houses (nearly 30 percent in 1963 compared with slightly over 21 percent in 1964) suggest that there has been an improvement in the market condition during the past year. A major reason for the improvement is the fact that all Federal and many conventional mortgage agencies have been following a more conservative commitment policy.

Unsold Inventory of New Houses. The annual surveys of unsold new sales houses which were conducted by the Lubbock Insuring Office in January 1964 and 1965 are presented in table IX. The surveys covered only subdivisions in which five or more houses were completed during the twelve months preceding the survey date. The January 1965 survey covered 1,098 houses which were completed in 1964 in 36 subdivisions. Of that number, 815 houses were built speculatively of which 173 remained unsold at the time of the survey, a ratio of 21.2 percent. The comparable 1964 survey enumerated 734 houses completed in 1963 in 35 subdivisions, of which 600 units had been built speculatively. As of January 1, 1964, 178 houses remained unsold, a ratio of 29.7 percent.

The 1965 survey indicated that slightly over 36 percent of the unsold houses completed in 1964 had been unsold for one month or less, nearly 35 percent for two to three months, about 17 percent for four to six months, and almost 12 percent for seven to twelve months. The 1964 survey reported a similar proportion remaining unsold for three months or less, but indicated that 22 percent of the unsold units had been on the market for four to six months, and seven percent for seven to twelve months. In addition, the 1965 survey showed that 17 houses completed prior to 1964 still were not sold, compared with 38 houses reported by the 1964 survey as remaining unsold for more than 12 months.

There were substantial differences between the two surveys in regard to the price of new homes constructed, as shown in the following table.

Price Distribution, New House Completions
El Paso, Texas, SMSA - 1963 and 1964

<u>Price</u>	<u>Percent of total completions</u>	
	<u>1963</u>	<u>1964</u>
Under \$10,000	9.0	7.8
\$10,000 - 12,499	8.9	3.9
12,500 - 14,999	12.9	5.3
15,000 - 17,499	27.1	19.1
17,500 - 19,999	14.4	32.3
20,000 - 24,999	10.0	21.2
25,000 - 29,999	12.5	7.0
30,000 - 34,999	5.2	1.8
35,000 and over	-	<u>1.6</u>
Total	100.0	100.0

Source: Federal Housing Administration.

Houses priced under \$15,000 accounted for nearly 31 percent of all completions in 1963, but accounted for only 17 percent in 1964. The decline in this price range reflects the facts that practically all of the foreclosures in the area are priced below \$15,000 and that virtually all mortgagees in the area have severely limited the issuance of commitments on such units. Conversely, the construction of new homes priced between \$17,500 and \$24,999 increased from slightly over 24 percent of the 1963 total completions to nearly 54 percent of the 1964 completions, indicating the increasing demand for such units.

A comparison of the two surveys also indicates that speculative construction has decreased somewhat between 1963 and 1964. Of the 1,098 houses completed during 1964, slightly over 74 percent (815) were built speculatively, compared with a ratio of nearly 82 percent in 1963.

Foreclosures. Single-family home foreclosures have been a rather serious problem in the El Paso area for the past few years. Data compiled locally indicate that there were nearly 700 foreclosures in the SMSA in 1962, about 1,050 in 1963, over 900 in 1964, and approximately 350 for the first five months of 1965. Data on the sale of foreclosed properties show that sales increased from

about 150 in 1962, to 650 in 1963, and to nearly 900 in 1964. For the first five months of 1965, almost 450 foreclosed properties were reported sold. Although these data are not all-inclusive, they do give a good indication of foreclosure and sales trends, and indicate that the market is improving.

The VA Loan Guaranty Office reported that VA acquired 550 properties in 1964 and 250 during the first five months of 1965. Sales have been good, totaling over 500 in 1964 and about 175 through May 1965. At the present time, the VA has 600 properties on hand. The worst foreclosure area is in northeast El Paso and most of the units are priced below \$11,000. The market for these homes has been slow and VA has offered many for rent.

FHA acquisitions increased significantly between 1960 and 1963, and since then have leveled out. In 1960, the FHA acquired 22 properties compared with 155 in 1961, 228 in 1962, 369 in 1963, 363 in 1964, and 182 during the first five months of 1965. However, sales increased substantially too, from about 80 in 1961 to 160 in 1962, 270 in 1963, 550 in 1964, and 260 during the first five months of 1965. At the present time, the FHA has 189 properties on hand. The bulk of the acquisitions are priced at \$9,500 and below, and are located in northeast El Paso. The sales increase reflects the intensive repair program undertaken and the fact that no downpayment is required on units priced at \$8,000 and below.

Rental Market

General Market Conditions. The rental market in the El Paso area is depressed at the present time. Large numbers of vacancies are to be found in all rent ranges from as low as \$50 a month to \$225 and above. The current depressed rental market is reflected in the large surplus of vacancies on the market (14.1 percent vacant), the severe limitations placed on apartment construction financing by lending institutions, the general cutting of rents on many of the projects completed since 1960, and the utilization of "rent concessions" in the market. The strongest market appears to be in west El Paso, but even there vacancies are high.

New Rental Housing. Virtually all of the multifamily housing in the area which has been built since 1960 is of the garden-type; only one high-rise project has been constructed. Generally, marketing experience for all of the projects has been poor and such advertisements as "rent slashed" and "one or two months free rent" are common. A very few projects have been able to achieve and maintain a good occupancy rate, but such developments are currently rather rare.

As was noted previously, vacancies are high at all rent levels. However, the sample rental survey of El Paso conducted by the FHA in March 1965 indicated a slightly better occupancy in the lower rental ranges of \$40 and \$90 a month. For this rental range, the survey indicated a vacancy rate of nearly 17 percent, compared with 25 percent for units renting for \$90 to \$140, 36 percent for apartments in the \$140 to \$225 range, and 31 percent for units in the \$225 and above rental levels. The somewhat better occupancy in the lower-cost developments reflects the fact that there is a significantly large lower-income user group.

Rental Housing Under Construction. At present, there are 80 privately-financed, garden-type apartment units under construction in the El Paso area. These units are in the medium-cost rental ranges of \$90 to \$140 a month. All of these apartments will be available for occupancy before the end of this year. In addition, over 300 low-rent apartment units are known to be in planning.

Mortgage Market

The mortgage market for single-family homes in the SMSA is amply supplied with funds at the present time. Much of the mortgage money is supplied by three large mortgage banking companies and a few savings and loan associations. Typically, conventional loans are offered up to 90 percent of appraised value for a maximum term of 25 years and an interest rate of six percent. Funds for apartment financing are, however, very tight at the present, with some companies reporting a complete cut-off of funds and most of the others only committing on small projects of good design, location, and equipment from their oldest and most reliable customers. Insuring office personnel and local realtors reported that this fluctuation of FHA participation occurred because utilization of FHA insurance by large developers was greater in some years than in others.

The Chamizal Treaty

General Background. The Chamizal Treaty, signed in 1963, brings to an end a hundred year old boundary dispute between the United States and Mexico. The Treaty provides for the relocation of the Rio Grande River Channel at El Paso and Juarez, Mexico, in a manner to effect a transfer to Mexico of about 630 acres and a transfer to the United States of 193 acres of land (see map on page 30). The new boundary line will not become effective until all of the affected properties in the United States have been purchased by the Federal Government,

property owners have moved, and public and other authorized facilities on those lands have been relocated. The United States Congress, in April 1964, authorized the United States to carry out its part of the Treaty and approved appropriations not to exceed \$44.9 million for this purpose.

Authorized Chamizal Treaty Projects. The United States Congress authorized the following essential projects to implement the Treaty (see map on page 33):

- (1) Relocation and improvement of the river channel.
- (2) Compensation to all property owners within the area to be transferred to Mexico.
- (3) Relocation and construction of Port of Entry facilities.
- (4) Relocation of railroad lines and interchange yards.
- (5) Relocation and construction of new international bridges over the Rio Grande River.
- (6) Relocation and construction of the Border Patrol Sector Headquarters and the Immigration and Naturalization Service Alien Detention facilities now located in the area to be transferred to Mexico.

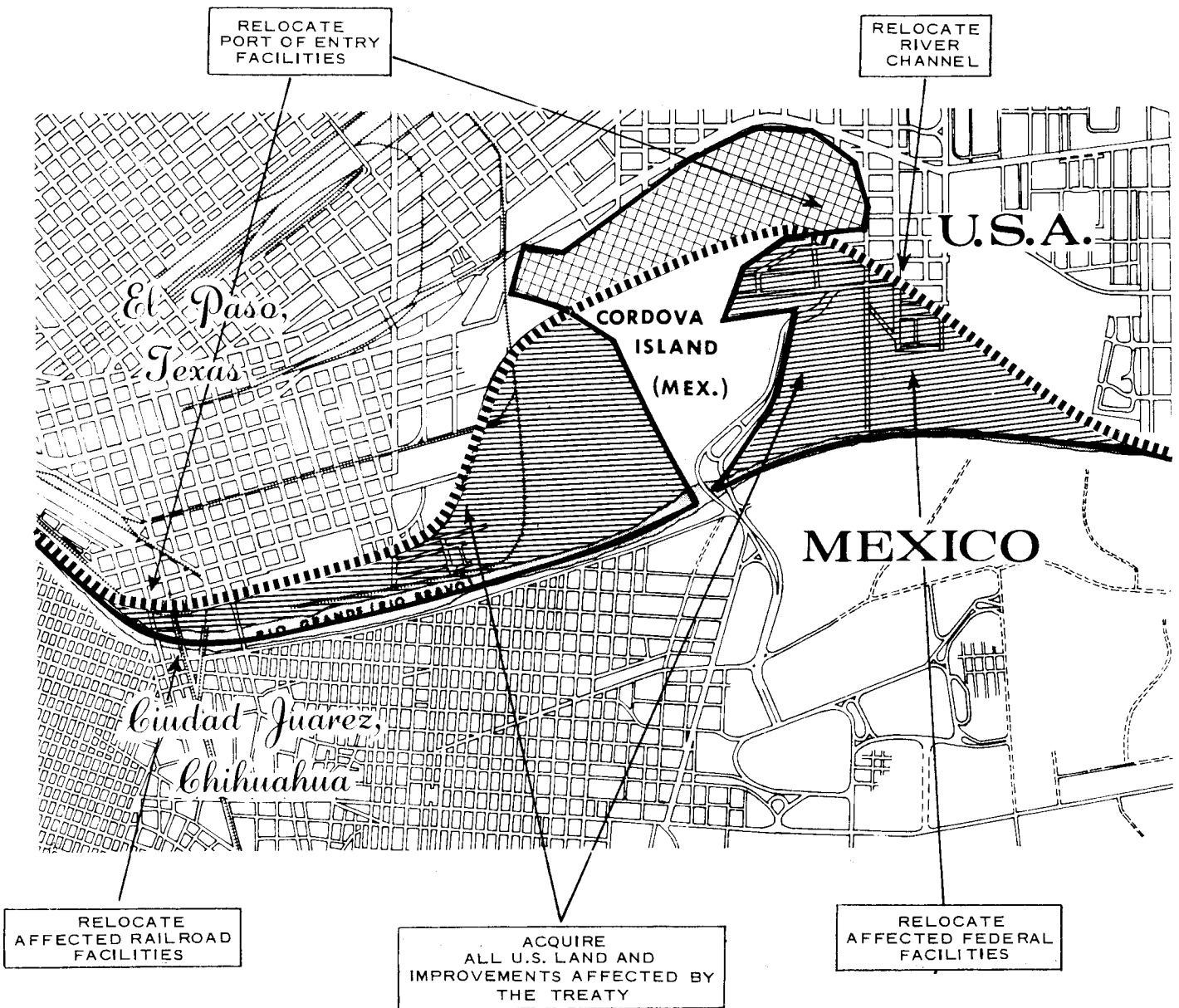
The implementation of the Treaty and its projects will affect slightly over 766 acres of land, an estimated 5,600 people, about 1,155 families, nearly 150 commercial buildings, sixteen Federal buildings, nearly seven miles of utility lines, and slightly over eleven miles of railroad trackage.

The Chamizal Border Improvement Project. In 1963, the city of El Paso proposed three major projects to supplement the authorized provisions of the Treaty, a border highway, a national monument park, and a new Federal irrigation canal.





A border highway along the new river location was proposed by the city in order to provide a much-needed south loop freeway for traffic. Such a road was not possible in the past because of the Chamizal dispute. A national monument park on a portion of the 193 acres of land which Mexico ceded to the United States was proposed by the city to commemorate the settlement of the boundary dispute and to match the similar border improvement program on the Mexican side. Finally, the city proposed that the Federal canal which passes through the Chamizal area be relocated, enlarged, and placed underground.

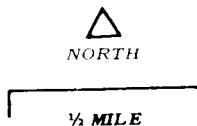
THE CHAMIZAL TREATY

AND AUTHORIZED CHAMIZAL TREATY PROJECTS



LAND AFFECTED BY THE CHAMIZAL TREATY

-  630 ACRES TO MEXICO FROM UNITED STATES
-  193 ACRES TO UNITED STATES FROM MEXICO
-  NEW RIVER CHANNEL AND BOUNDARY
-  PRESENT BOUNDARY



Summation. At the present time, the United States Government is proceeding to acquire all affected land, and official reports indicate that this phase of the work will be completed by mid-1966. All other authorized work is scheduled for completion by mid-1968. Scheduling of the proposed border improvement projects is not known, however.

As can be seen from the preceding sections, millions of dollars will be spent in the El Paso area and many construction projects will be done during the next three years to implement fully the provisions of the Chamizal Treaty. The effect of these factors on the El Paso economy cannot be measured accurately, but it can be seen that the area will receive a major economic boost in the coming years. Also, the relocation of about 1,150 families should absorb a part of the current excess of vacant housing units.

Military Housing

At the present time, there are 3,625 on-base housing units at all of the military installations in the El Paso SMSA, representing less than four percent of the total housing inventory in the area. All of these units are considered adequate as public quarters. As of June 1, 1965, there were 80 vacant military-controlled units, a vacancy ratio of 2.2 percent.

At Fort Bliss, there are 2,663 military-controlled housing units, of which 837 were allocated to officer families and 1,826 were allocated to enlisted families.

At Biggs AFB there are 800 military-controlled units, of which 324 units were allocated to officers and 476 to enlisted personnel.

At the William Beaumont General Hospital, there are 162 military-controlled units, of which officer families are allowed 79 while the enlisted personnel are allowed 83 units.

There is no military housing planned for construction at the present time.

Public Housing

All of the public housing (excluding military-controlled housing) in the SMSA is located in the city of El Paso. There are 1,320 public housing units now in the city, and 330 units for the elderly are under construction. As of May 1965, there were 41 vacancies in the various projects in the city, representing a vacancy ratio of 3.1 percent. The Housing Authority of the City of El Paso reported that vacancies usually range between four and five percent, however.

Demand for Housing

Quantitative Demand

Nonmilitary Households. Annual demand for additional housing during the three-year period from June 1, 1965, to June 1, 1968, is based on an expected increase of about 1,900 non-military households, on the need to replace housing units expected to be lost from the inventory, and on the adjustment of vacancies to a level that reflects the long-term needs of the El Paso area. Consideration also is given to the existing tenure composition of households, to the continued trend toward homeownership, and to the shift of single-family houses from the rental inventory to the sales inventory.

To accommodate the anticipated increase in the number of non-military households and to allow for expected occupancy and inventory changes, approximately 1,250 additional privately-owned housing units will need to be added in each of the next three years. That rate of addition would be substantially below the average of about 2,300 private units a year authorized in the 1960-1964 period, and below the annual rate of about 1,700 units authorized during the first five months of 1965.

Market conditions indicate that additions to the inventory to meet demand by non-military households should be concentrated in the sales inventory. The addition of 1,250 sales houses a year would represent a volume somewhat below the annual rate of about 1,400 single-family houses authorized for construction during the first five months of 1965, but more substantially below the average of about 1,700 a year authorized in the 1960-1964 period.

It is judged that there is a more than adequate surplus of acceptable vacant rental units to satisfy the quantitative requirements of non-military households during the next three years. In April 1960, there were 4,560 available vacant rental units on the market, representing a vacancy ratio of 11.8 percent, indicating a substantially over-supplied market. The relatively high volume of private multifamily construction since 1960 has resulted in an increase in acceptable rental vacancies to an estimated 5,950 currently, a rental vacancy ratio of 14.1 percent. It is recognized that additional private rental housing will be built during the forecast period. It is apparent, however, that the more rental housing that is built for non-military households, the longer will be the time required to bring the demand-supply relationship in the rental market into balance.

Military Households. It has been indicated that, based on the best information currently available, approximately 2,700 military households may be added during the next three years because of increased training activities at Fort Bliss. No firm figures are available which indicate the timing of the increase, nor is it known whether the increase represents a temporary expansion of the training load or whether it represents a planned permanent increase in the level of strength at Fort Bliss.

Because of these uncertainties and because of the very substantial excess of available vacant housing in the area, the construction of additional privately-owned housing to accommodate anticipated increases in the number of military households should not be undertaken until a firmer estimate of the amount and of the timing of military housing requirements is available from the Department of Defense. There is an ample supply of adequate housing now available to meet the military requirements during the forecast period.

Qualitative Demand

Sales Housing. Based on current **after-tax family** income, on typical ratios of income to purchase price, and particularly on recent market experience, the annual demand for 1,250 sales units is expected to be distributed by price as shown in the following table. It is judged that competitive single-family houses that meet FHA minimum standards cannot be produced in the El Paso SMSA to sell for less than about \$10,000.

Estimated Annual Demand for New Sales Housing by Price Class
El Paso, Texas, SMSA
June 1, 1965-June 1, 1968

<u>Price range</u>	<u>Households</u>
\$10,000 - \$12,499	190
12,500 - 14,999	160
15,000 - 17,499	225
17,500 - 19,999	375
20,000 - 24,999	225
25,000 and over	75
Total	1,250

The distribution shown above differs slightly from that revealed by the unsold inventory surveys on page 26, which reflect only selected subdivision experience during 1963 and 1964. It must be noted that the 1963-1964 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. The demand estimates above reflect all homebuilding and indicate a somewhat greater concentration in some price ranges than a subdivision survey would reveal.

Table I

Work Force Components
El Paso, Texas, SMSA
Annual Averages, 1958-1964
(in thousands)

<u>Component</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>First five months</u>	
								<u>1964</u>	<u>1965</u>
Civilian work force	<u>90.0</u>	<u>93.0</u>	<u>99.8</u>	<u>101.0</u>	<u>100.6</u>	<u>99.8</u>	<u>100.1</u>	<u>99.5</u>	<u>101.0</u>
Unemployment	3.5	3.2	4.5	5.1	4.9	5.3	5.0	5.4	4.9
Percent of work force	3.9%	3.4%	4.5%	5.1%	4.9%	5.3%	5.0%	5.4%	4.9%
Agricultural employment	5.5	5.2	4.5	4.2	2.0	1.6	2.0	1.7	1.8
Workers involved in labor disputes	-	.4	.1	-	-	-	-	-	-
Nonagricultural employment	<u>80.9</u>	<u>84.1</u>	<u>90.7</u>	<u>91.7</u>	<u>93.7</u>	<u>92.9</u>	<u>93.1</u>	<u>92.4</u>	<u>94.2</u>
Wage and salary	70.7	73.8	79.6	80.2	82.2	81.3	81.5	80.7	82.7
Other nonag. employment ^{a/}	<u>10.2</u>	10.3	11.1	11.5	11.5	11.6	11.6	11.6	11.6

^{a/} Includes the self-employed, unpaid family workers, and domestics.

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

Source: Texas Employment Commission.

Table II

Nonagricultural Wage and Salary Employment by Industry
El Paso, Texas, SMSA
Annual Averages, 1958-1964
(in thousands)

<u>Industry</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>First five months</u>	
								<u>1964</u>	<u>1965</u>
Wage and salary employment	<u>70.7</u>	<u>73.8</u>	<u>79.6</u>	<u>80.2</u>	<u>82.2</u>	<u>81.3</u>	<u>81.5</u>	<u>80.7</u>	<u>82.7</u>
Manufacturing	<u>13.0</u>	<u>13.1</u>	<u>13.9</u>	<u>13.8</u>	<u>14.8</u>	<u>15.4</u>	<u>15.7</u>	<u>15.4</u>	<u>16.3</u>
Durable goods	<u>3.8</u>	<u>3.5</u>	<u>3.9</u>	<u>3.9</u>	<u>3.9</u>	<u>3.8</u>	<u>3.8</u>	<u>3.8</u>	<u>4.0</u>
Stone, clay, & glass	<u>.7</u>	<u>.8</u>	<u>.8</u>	<u>.8</u>	<u>.8</u>	<u>.6</u>	<u>.6</u>	<u>.6</u>	<u>.6</u>
Primary metals	<u>1.8</u>	<u>1.3</u>	<u>1.8</u>	<u>1.8</u>	<u>1.8</u>	<u>1.8</u>	<u>1.8</u>	<u>1.8</u>	<u>1.9</u>
Fabricated metals <u>a/</u>	<u>.5</u>	<u>.5</u>	<u>.5</u>	<u>.5</u>	<u>.4</u>	<u>.5</u>	<u>.5</u>	<u>.5</u>	<u>.5</u>
Other durable goods	<u>.8</u>	<u>.9</u>	<u>.8</u>	<u>.8</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>1.0</u>
Nondurable goods	<u>9.2</u>	<u>9.6</u>	<u>10.0</u>	<u>9.9</u>	<u>10.9</u>	<u>11.6</u>	<u>11.9</u>	<u>11.6</u>	<u>12.3</u>
Food	<u>2.3</u>	<u>2.3</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.4</u>	<u>2.3</u>	<u>2.4</u>	<u>2.2</u>
Apparel	<u>4.0</u>	<u>4.6</u>	<u>5.0</u>	<u>5.2</u>	<u>6.0</u>	<u>7.0</u>	<u>7.4</u>	<u>7.1</u>	<u>8.1</u>
Print., publish., & paper	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>	<u>.9</u>
Prods. of petroleum & coal	<u>1.5</u>	<u>1.4</u>	<u>1.2</u>	<u>.9</u>	<u>.9</u>	<u>.8</u>	<u>.7</u>	<u>.7</u>	<u>.6</u>
Other nondurable goods <u>b/</u>	<u>.5</u>	<u>.4</u>	<u>.4</u>	<u>.4</u>	<u>.6</u>	<u>.5</u>	<u>.6</u>	<u>.5</u>	<u>.5</u>
Nonmanufacturing	<u>57.7</u>	<u>60.7</u>	<u>65.7</u>	<u>66.4</u>	<u>67.4</u>	<u>65.9</u>	<u>65.8</u>	<u>65.3</u>	<u>66.4</u>
Contract construction	<u>5.5</u>	<u>6.1</u>	<u>6.0</u>	<u>5.9</u>	<u>5.5</u>	<u>4.9</u>	<u>4.5</u>	<u>4.6</u>	<u>4.3</u>
Trans., comm., pub. util.	<u>9.3</u>	<u>9.4</u>	<u>9.6</u>	<u>9.5</u>	<u>9.1</u>	<u>8.9</u>	<u>9.0</u>	<u>8.9</u>	<u>9.1</u>
Trade	<u>18.7</u>	<u>19.8</u>	<u>22.4</u>	<u>22.6</u>	<u>23.4</u>	<u>22.3</u>	<u>21.7</u>	<u>21.6</u>	<u>21.8</u>
Finance, insur., & real estate	<u>2.2</u>	<u>2.5</u>	<u>2.8</u>	<u>2.9</u>	<u>3.0</u>	<u>3.1</u>	<u>3.2</u>	<u>3.2</u>	<u>3.2</u>
Services	<u>9.7</u>	<u>9.9</u>	<u>11.0</u>	<u>11.1</u>	<u>11.2</u>	<u>11.1</u>	<u>11.0</u>	<u>10.7</u>	<u>11.3</u>
Government	<u>11.9</u>	<u>12.8</u>	<u>13.6</u>	<u>14.2</u>	<u>15.0</u>	<u>15.4</u>	<u>16.2</u>	<u>16.1</u>	<u>16.5</u>
Other nonmfg. <u>c/</u>	<u>.2</u>	<u>.2</u>	<u>.3</u>	<u>.2</u>	<u>.2</u>	<u>.2</u>	<u>.2</u>	<u>.2</u>	<u>.2</u>

a/ Includes lumber and wood products, furniture and fixtures, nonelectrical and electrical machinery, transportation equipment, and miscellaneous durable goods industries.

b/ Includes chemicals, rubber products, leather products, and miscellaneous nondurable goods industries.

c/ Includes agricultural services, forestry and fishing, and mining.

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

Source: Texas Employment Commission.

Table III

Total Military and Civilian Strength at Military Installations
El Paso, Texas, SMSA
1950 - 1965

<u>Year</u>	<u>Fort Bliss</u> ^{a/}		<u>William Beaumont</u> ^{a/}		<u>Biggs AFB</u> ^{b/}	
	<u>Total strength</u>	<u>Change from preceding year</u>	<u>Total strength</u>	<u>Change from preceding year</u>	<u>Total strength</u>	<u>Change from preceding year</u>
<u>Military:</u>						
1950	17,454	-	NA	-	NA	-
1951	23,646	6,192	NA	-	NA	-
1952	24,420	774	NA	-	NA	-
1953	29,032	4,612	829	-	6,372	-
1954	33,777	4,745	832	53	8,327	1,955
1955	21,642	- 12,135	797	- 85	8,030	- 297
1956	21,255	- 387	793	- 4	7,162	- 868
1957	18,881	- 2,374	791	- 2	7,115	- 47
1958	20,026	1,145	695	- 96	6,470	- 645
1959	19,530	- 496	918	223	4,324	- 2,146
1960	18,526	- 1,004	1,106	188	3,740	- 584
1961	18,359	- 167	1,489	383	3,640	- 100
1962	16,985	- 1,374	1,159	- 330	3,777	137
1963	15,473	- 1,512	1,286	127	4,038	261
1964	14,340	- 1,133	1,094	- 192	4,009	- 29
1965	14,659	319	1,078	- 16	2,843	- 1,166
<u>Civilian:</u>						
1950	NA	-	NA	-	NA	-
1951	2,059	-	498	-	NA	-
1952	2,118	59	499	1	NA	-
1953	1,699	- 419	446	- 53	417	-
1954	1,811	112	440	- 6	413	- 4
1955	2,000	189	451	11	427	14
1956	2,144	144	551	100	427	-
1957	2,205	61	555	4	358	- 69
1958	2,566	361	540	- 15	340	- 18
1959	2,578	12	415	- 125	307	- 33
1960	2,602	24	413	- 2	277	- 30
1961	2,835	233	421	8	293	16
1962	2,861	26	426	5	308	15
1963	2,813	- 48	411	- 15	311	3
1964	2,886	73	422	11	313	2
1965	2,904	18	428	6	294	- 19

^{a/} Strength figures for 1950-1964, as of December; for 1965, as of April.

^{b/} Strength figures for 1953 as of July; 1954-1955, as of April; 1956-1964, as of June; and 1965, as of March.

Source: Departments of the Army and Air Force.

Table IV

Estimated Percentage Distribution of Families by Annual Income
After Deduction of Federal Income Tax
El Paso, Texas, SMSA
1965 and 1968

<u>Annual family income</u>	<u>1965</u>		<u>1968</u>	
	<u>All families</u>	<u>Tenant families</u>	<u>All families</u>	<u>Tenant families</u>
Under \$3,000	16	25	14	22
\$3,000 - 3,999	10	17	9	15
4,000 - 4,999	13	14	12	14
5,000 - 5,999	11	12	11	11
6,000 - 6,999	10	10	9	11
7,000 - 7,999	9	7	9	8
8,000 - 8,999	7	4	7	5
9,000 - 9,999	5	4	6	4
10,000 - 12,499	10	4	11	6
12,500 and over	9	3	12	4
Total	100	100	100	100
Median income	\$6,050	\$4,600	\$6,500	\$4,950

Source: Estimated by Housing Market Analyst.

Table V

Age of Population
El Paso, Texas, SMSA
April 1950 - April 1960

<u>Age</u>	<u>1950</u>		<u>1960</u>		<u>Change</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
0 - 9	45,644	23.4	87,271	27.8	41,627	91.2
10 - 19	33,581	17.2	55,520	17.7	21,939	65.3
20 - 29	38,898	19.9	52,928	16.8	14,030	36.1
30 - 39	28,664	14.7	46,840	14.9	18,176	63.4
40 - 49	20,244	10.4	30,632	9.7	10,388	51.3
50 - 59	13,774	7.1	19,960	6.4	6,186	44.9
60 - 69	8,983	4.6	12,213	3.9	3,230	36.0
70 and over	<u>5,180</u>	<u>2.7</u>	<u>8,706</u>	<u>2.8</u>	<u>3,526</u>	<u>68.1</u>
Total	194,968	100.0	314,070	100.0	119,102	61.1

Source: 1950 and 1960 Censuses of Population.

Table VI

Trend of Household Tenure and Vacancy
El Paso, Texas, SMSA
1950 - 1965

<u>Tenure and vacancy</u>	<u>April</u> <u>1950</u>	<u>April</u> <u>1960</u>	<u>June</u> <u>1965</u>	<u>Average annual change</u>			
				<u>1950-1960</u>		<u>1960-1965</u>	
				<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total housing inventory	<u>50,794</u>	<u>85,939</u>	<u>98,650</u>	<u>3,515</u>	<u>6.9</u>	<u>2,450</u>	<u>2.9</u>
Total occupied	<u>47,975</u>	<u>78,270</u>	<u>88,900</u>	<u>3,030</u>	<u>6.3</u>	<u>2,050</u>	<u>2.6</u>
Owner occupied	<u>21,650</u>	<u>44,124</u>	<u>52,800</u>	<u>2,248</u>	<u>10.4</u>	<u>1,680</u>	<u>3.8</u>
Percent of total occupied	<u>45.1%</u>	<u>56.4%</u>	<u>59.4%</u>	-	-	-	-
Renter occupied	<u>26,325</u>	<u>34,146</u>	<u>36,100</u>	<u>782</u>	<u>3.0</u>	<u>370</u>	<u>1.1</u>
Percent of total occupied	<u>54.9%</u>	<u>43.6%</u>	<u>40.6%</u>	-	-	-	-
Vacant housing units	<u>2,819</u>	<u>7,669</u>	<u>9,750</u>	<u>485</u>	<u>17.2</u>	<u>400</u>	<u>5.2</u>
Available vacant	<u>976</u>	<u>5,728</u>	<u>7,450</u>	<u>475</u>	<u>48.7</u>	<u>330</u>	<u>5.8</u>
For sale	<u>290</u>	<u>1,168</u>	<u>1,500</u>	<u>88</u>	<u>30.3</u>	<u>60</u>	<u>5.5</u>
Homeowner vacancy rate	<u>1.3%</u>	<u>2.6%</u>	<u>2.8%</u>	-	-	-	-
For rent	<u>686</u>	<u>4,560</u>	<u>5,950</u>	<u>387</u>	<u>56.5</u>	<u>270</u>	<u>5.9</u>
Rental vacancy rate	<u>2.5%</u>	<u>11.8%</u>	<u>14.1%</u>	-	-	-	-
Other vacant ^{a/}	<u>1,843</u>	<u>1,941</u>	<u>2,300</u>	<u>10</u>	<u>.5</u>	<u>70</u>	<u>3.6</u>

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

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

Table VII

Private Housing Units Authorized by Building Permits
El Paso City, Texas
1950-1965

<u>Year</u>	<u>Total</u>	<u>One-family</u>	<u>Two-family</u>	<u>Multifamily</u>
1950	2,378	2,123	140	115
1951	1,064 <u>a/</u>	785	86	193 <u>a/</u>
1952	1,229 <u>b/</u>	980	48	201 <u>b/</u>
1953	1,325	1,102	22	201
1954	2,928	2,457	120	351
1955	2,776	2,221	132	423
1956	1,910	1,656	36	218
1957	2,893	2,487	94	312
1958	5,383	4,561	120	702
1959	<u>4,075</u>	<u>3,375</u>	<u>108</u>	<u>592</u>
Sub-total	25,961	21,747	906	3,308
Percent	100.0%	83.8%	3.5%	12.7%
1960	2,644	2,371	40	233
1961	3,022	2,732	28	262
1962	2,024	1,262	24	738
1963	1,621	946	16	659
1964	2,167	1,180	16	971
1965 (Jan.- May)	<u>728</u> <u>c/</u>	<u>588</u>	<u>6</u>	<u>134</u> <u>c/</u>
Sub-total	12,206	9,079	130	2,997
Percent	100.0%	74.4%	1.1%	24.5%
Grand total	38,167	30,826	1,036	6,305

a/ Excludes 330 public housing units.

b/ Excludes 324 public housing units.

c/ Excludes 330 public housing units.

Note: The above figures exclude military housing including 1,600 units in 1950, 200 units in 1955, 618 units in 1958, 410 units in 1959, and 506 units in 1960.

Source: El Paso Department of Public Inspection; Bureau of the Census, C-40 Construction Reports.

Table VIII

El Paso, Texas, Area Postal Vacancy Survey

June 15, 1965

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.	%
El Paso	81,338	6,226	7.7	5,816	410	762	64,450	3,359	5.2	3,004	355	352	16,888	2,867	17.0	2,812	55	410	2,109	304	14.4
Main Office	14,716	1,161	7.9	1,129	32	337	7,549	196	2.6	185	11	5	7,167	965	13.5	944	21	332	-	-	-
Branch:																					
Fort Bliss	3,243	26	0.8	26	-	-	2,676	22	0.8	22	-	-	567	4	0.7	4	-	-	187	-	-
Stations:																					
A	15,063	989	6.6	984	5	29	11,685	403	3.4	398	5	29	3,378	586	17.3	586	-	-	204	77	37.7
Coronado	4,082	163	4.0	115	48	52	3,856	119	3.1	78	41	49	226	44	19.5	37	7	3	31	-	-
Paisano	23,691	1,855	7.8	1,621	234	226	20,102	1,026	5.1	805	221	201	3,589	829	23.1	816	13	25	589	52	8.8
Sunrise	14,569	1,630	11.2	1,552	78	87	12,795	1,252	9.8	1,184	68	47	1,774	378	21.3	368	10	40	995	156	15.7
Ysleta	5,974	402	6.7	389	13	31	5,787	341	5.9	332	9	21	187	61	32.6	57	4	10	103	19	18.4

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).

Table IX

FHA Survey of Unsold Inventory of New Sales Houses
El Paso, Texas, SMSA
1964 and 1965

<u>Sales price</u>	<u>Total completions</u>	<u>Units sold before const. start</u>	<u>Speculative Construction</u>			<u>Percent unsold</u>
			<u>Total</u>	<u>Sold</u>	<u>Unsold</u>	
<u>Houses completed in 1963 a/</u>						
Under \$10,000	66	-	66	53	13	19.7
\$10,000 - 12,499	65	-	65	37	28	43.1
12,500 - 14,999	95	19	76	62	14	18.4
15,000 - 17,499	199	31	168	130	38	22.6
17,500 - 19,999	106	14	92	61	31	33.7
20,000 - 24,999	73	6	67	53	14	20.9
25,000 - 29,999	92	31	61	26	35	57.4
30,000 - 34,999	<u>38</u>	<u>33</u>	<u>5</u>	<u>-</u>	<u>5</u>	<u>100.0</u>
Total	734	134	600	422	178	29.7
<u>Houses completed in 1964 a/</u>						
Under \$10,000	86	22	64	55	9	14.1
\$10,000 - 12,499	43	14	29	21	8	27.6
12,500 - 14,999	58	19	39	32	7	17.9
15,000 - 17,499	209	51	158	132	26	16.5
17,500 - 19,999	355	93	262	209	53	20.2
20,000 - 24,999	233	62	171	128	43	25.1
25,000 - 29,999	77	10	67	49	18	26.9
30,000 - 34,999	20	6	14	8	6	42.9
35,000 and over	<u>17</u>	<u>6</u>	<u>11</u>	<u>8</u>	<u>3</u>	<u>27.3</u>
Total	1,098	283	815	642	173	21.2

a/ Survey includes only subdivisions with five or more completions during the year.

Source: Annual Unsold Inventory Survey conducted by the Lubbock Insuring Office on January 1, 1964 and 1965.