Analysis of the

FLINT, MICHIGAN HOUSING MARKET

as of November 1, 1967

(A supplement to the October 1964 analysis)

A Report by the
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
U.S. FEDERAL HOUSING ADMINISTRATION
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Field Market Analysis Service
Federal Housing Administration
Department of Housing and Urban Development

Foreword

As a public service to assist local housing activities through clearer understanding of local housing market conditions, FHA initiated publication of its comprehensive housing market analyses early in 1965. While each report is designed specifically for FHA use in administering its mortgage insurance operations, it is expected that the factual information and the findings and conclusions of these reports will be generally useful also to builders, mortgagees, and others concerned with local housing problems and to others having an interest in local economic conditions and trends.

Since market analysis is not an exact science, the judgmental factor is important in the development of findings and conclusions. There will be differences of opinion, of course, in the interpretation of available factual information in determining the absorptive capacity of the market and the requirements for maintenance of a reasonable balance in demand-supply relationships.

The factual framework for each analysis is developed as thoroughly as possible on the basis of information available from both local and national sources. Unless specifically identified by source reference, all estimates and judgments in the analysis are those of the authoring analyst and the FHA Market Analysis and Research Section.

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ANALYSIS OF THE FLINT, MICHIGAN, HOUSING MARKET AS OF NOVEMBER 1, 1967

(A supplement to the October 1964 analysis)

1. The economy of the Flint, Michigan, Housing Market Area (HMA) is dominated by manufacturing industries, particularly the production of automobiles and accessories by the General Motors Corporation. During the twelve-month period which ended in September 1967, manufacturing provided 80,500 jobs, 54 percent of the 149,700 nonagricultural wage and salary jobs in the Flint Labor Market Area. Wage and salary employment increased considerably (16,400 jobs) during the 1964-1966 period, but declined in 1967. In September 1967, there were 5,100 unemployed persons in the area, equal to 2.9 percent of the work force of 174,500. In 1965 and 1966, unemployment averaged 4,200 (2.4 percent) and 6,000 (3.4 percent) respectively. During the November 1967-November 1969 forecast period, nonagricultural employment is expected to increase by 4,000 jobs annually.

2. The median income, after the deduction of federal income tax, of all families in the HMA was about $7,850 in November 1967. For renter households of two or more persons the median income was $6,075. By November 1969, the median family income, after tax, will rise to about $8,300; the median income of renter households will be approximately $6,425.

3. As of November 1967, the population of the HMA totaled 447,400, an increase of 11,450 annually since October 1964. During the November 1967-November 1969 forecast period, the population of the HMA is expected to increase by 10,750 annually.

4. The number of households in the HMA totaled 124,300 in November 1967, a gain of 3,050 annually since October 1964. The number of households is expected to increase by an annual average of 3,000 during the forecast period.

5. In November 1967, there were an estimated 131,800 housing units in the HMA, a yearly increase of 3,200 over the October 1964 total. About 3,875 housing units were authorized annually during the October 1964-November 1967 period. There were approximately 1,600 housing units under construction in November 1967 (900 single-family units and 700 multifamily units).

6. In November 1967, there were approximately 3,000 available, vacant, nonseasonal, nondilapidated housing units in the HMA, or a vacancy ratio of 2.4 percent. Of the total, 1,100 were available for sale and 1,900 were available for rent, representing sales and rental vacancy ratios of 1.1 percent and 6.6 percent, respectively.

7. The annual demand for new privately-owned housing units during the November 1967-November 1969 forecast period is estimated at 3,500 units, including 2,400 single-family houses and 1,100 multifamily housing units. The annual demand for multifamily housing includes 300 units of moderate-income housing which could be absorbed annually only at the lower rents achievable with public benefits or assistance in financing, exclusive of public low-rent or rent-supplement accommodations. The demand for single-family houses by price class is indicated on page 17. The demand for multifamily housing by rent ranges is shown on page 17.

ANALYSIS OF THE FLINT, MICHIGAN, HOUSING MARKET AS OF NOVEMBER 1, 1967

(A supplement to the October 1964 analysis)

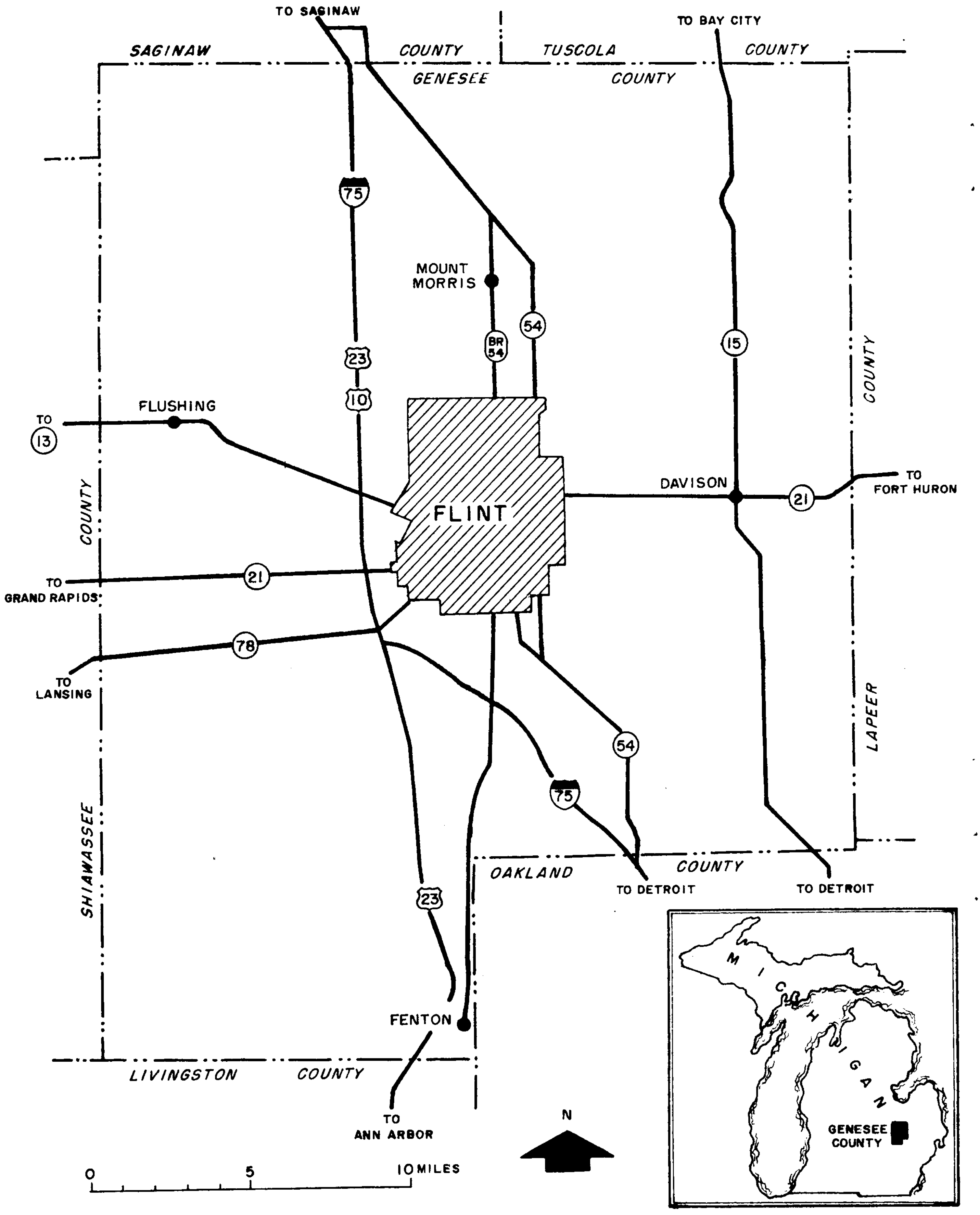
Housing Market Area

The Flint, Michigan, Housing Market Area (HMA) is defined as Genesee County, the more populous of the two counties which form the Flint Standard Metropolitan Statistical Area (SMSA). Lapeer County is omitted from the above definition of the Flint HMA because less than six percent of the new residential building activity in the SMSA during the October 1964-October 1967 period occurred in Lapeer County and because rural farm population constituted almost 25 percent of the population of Lapeer County in 1960. The population of Genesee County totaled 374,300 in 1960.1/

The Flint HMA adjoins the Detroit and Saginaw SMSA's. The city of Flint is within 90 miles of the cities of Jackson, Lansing, and Ann Arbor. Flint, the county seat of Genesee County, is the largest city in the HMA with a 1960 population of 196,900. Twelve other incorporated cities and villages in the HMA had 1960 populations of fewer than 6,200 persons each. The HMA has good air, rail, and truck transportation facilities. The highway system will be improved further when the proposed interchange between I-475 and M-78 is completed.

1/ See paragraph 1, Appendix A.

FLINT, MICHIGAN, HOUSING MARKET AREA



Economy of the Area

Character and History

The evolution of the automobile as a successful method of transportation was a significant factor in the economic development of Flint. In 1903, W. C. Durant, a founder of the General Motors Corporation, established the Buick Motor Car Company in Flint to meet the growing demand for "horseless carriages". Today, the production of Buick and Chevrolet automobiles by the General Motors Corporation completely dominates the economy of the area.

Employment

Current Estimate. During the twelve-month period ending September 1967, nonagricultural wage and salary employment in the Flint SMSA averaged 149,700, about 3,300 less than in calendar year 1966 and equal to the 1965 level of employment.

Past Trend. National economic prosperity and defense expenditures for the Vietnam conflict resulted in an increase in nonagricultural wage and salary employment in the SMSA of 13,100 (9.6 percent) between 1964 and 1965. In the calendar year 1965 automobile production reached a record level of over 9.3 million passenger cars. The production of Buick and Chevrolet models represented 35 percent of this total. Partly because of adverse criticisms of automobile safety features and the tight money market which existed through most of 1966 and 1967, automobile production has declined nationally. The labor management dispute at the Ford Motor Company and the delay in reaching agreement on a new contract at the General Motors Corporation also affected the 1967 level of automobile production both nationally and in the Flint HMA. Consequently, nonagricultural wage and salary employment in the Flint area increased by only 3,300 in 1966 and declined by the same number of jobs in 1967.[1/] The increase in nonagricultural wage and salary employment averaged 4,775 annually during the 1964-1967 period compared with an average annual increase of 2,575 during the 1960-1964 period. The trend of nonagricultural wage and salary employment in the Flint area is indicated in the table below.

1/ As used in this section of the report, 1967 refers to the twelve-month period ending September 30, 1967.

Average Annual Nonagricultural Wage and Salary Employment
Flint, Michigan, Labor Market Area[a/]
1960-1967

Year	Manufacturing	Nonmanu-facturing	Total nonagricultural wage and salary employment	Change from previous year	
				Number	Percent
1960	72,000	54,300	126,300	-	-
1961	64,800	55,100	119,900	-6,400	-5.1
1962	72,700	56,800	129,500	9,600	8.0
1963	75,200	58,400	133,600	4,100	3.2
1964	75,100	61,500	136,600	3,000	2.2
1965	83,200	66,500	149,700	13,100	9.6
1966	84,700	68,300	153,000	3,300	2.2
Twelve months ending[b/]					
9/67	80,500	69,200	149,700	-3,300	-2.2

a/ Includes Lapeer County.

b/ Preliminary.

Source: U.S. Bureau of Labor Statistics and Michigan Employment Security Commission.

Employment by Industry

Manufacturing. During the 1964-1966 period, employment in manufacturing increased by 9,600 to a total of 84,700 and then declined by 4,200 during 1967. At an average of 80,500 in 1967, manufacturing employment represented 54 percent of nonagricultural wage and salary employment. The ratio of manufacturing employment to wage and salary employment has changed little since 1964.

Employment in the transportation equipment industry, the dominant source of manufacturing employment, increased from an average of 57,800 in 1964 to 63,800 in 1966, and declined to 60,100 in 1967 (see table I). Nationally, automobile production was high in 1965 (9.3 million passenger cars) and approached near record levels during the first three months of 1966. Production declined subsequently, and the 6.2 million passenger cars produced during the period January 1-November 11, 1967 was considerably below the 7.4 million cars produced in the period January 1-November 12, 1966.

Nonmanufacturing. Employment in nonmanufacturing increased from 61,500 in 1964 to 69,200 in 1967, an increase of 7,700 (59 percent of the increase in wage and salary employment). As in the manufacturing sector, the gain was concentrated in the 1964-1965 period (5,000 jobs). Smaller increases totaling 2,700 jobs occurred in 1966 and 1967. All nonmanufacturing categories shared in the employment increase during the 1964-1967 period. The largest employment gains were in trade and services (2,100 jobs each), contract construction (1,700 jobs), and government employment (1,100 jobs).

Participation Rate. As of November 1, 1967, the participation rate, the ratio of nonagricultural employment to the total population of the HMA, is estimated at 36.84 percent compared with 35.91 percent in 1964. These participation rates reflect the inclusion of data from Lapeer County in the employment estimates but not in the total population. If the employment data from Lapeer County were excluded, the participation rates would be somewhat lower. The work force in the city of Flint is flexible and responds to variations in employment opportunities without comparable fluctuations in the rate of population growth.

Principal Employers

The General Motors Corporation is the dominant employer in the HMA. The local General Motors plants are engaged principally in the production of Buick and Chevrolet automobiles. General Motors has regional and division headquarters at Flint in addition to several manufacturing and assembly plants. In September 1966, these establishments accounted for 72,900 jobs, 85 percent of all manufacturing employment. The principal divisions of the General Motors Corporation and their levels of employment, as listed by the Flint Chamber of Commerce in September 1966, are indicated below.

Name of Facility	Products	Employment
A.C. Spark Plug	Auto accessories & parts	12,100
Buick Motor Division	Automobiles	21,000
Chevrolet-Flint Assembly Plant	"	2,800
Chevrolet-Flint Manufacturing	"	10,200
Chevrolet-Metal Fabricating Plant	"	3,200
Chevrolet National Parts	Auto parts distribution	2,700
Chevrolet Engine Plants	Automobiles	4,100
Fisher Body Div. #1	Auto body assembly	5,700
Fisher Body Div. #2	" " "	2,300
Fisher Body, Grand Blanc, Metal Fabrication	Auto body parts	3,200
Ternstedt Manufacturing	Auto parts	5,600
Total employment		72,900

Source: Manufacturers' List, published by the Flint Chamber of Commerce.

A General Motors press release in January 1967 indicated that employment by General Motors averaged about 76,700 in 1966 compared with 75,900 in 1965. A number of General Motors plants in the Flint area expanded (or planned to expand) their facilities during the 1965-1967 period. A.C. Spark Plug built a 61,500 square foot addition to its air-cleaner manufacturing building and a 253,000 square foot plant for the manufacturing of oil filters. The Buick division modernized its axle plant, added a new building to its rail-loading and shiping facilities, and is constructing a new administration building. Besides other expansion projects at Chevrolet, a 594,560 square foot addition to Chevrolet's engine plant is expected to increase the over-all plant size by 56 percent, and Chevrolet Metal Fabricating completed a 230,000 square foot addition in April 1966 and began another major expansion project in August 1966. The impact of these expansion projects on manufacturing employment in the HMA during the next two years cannot be measured precisely. Modernization and automation sometimes increase production without a corresponding increase in the number of workers. In any case, the expansion projects completed within the last two years and those in progress as of November 1967, would enable General Motors in Flint to increase the production of automobiles considerably above the current levels if warranted by an increase in consumer demand.

The General Motors Corporation has maintained its competitive position in the production of passenger cars. During the January 1-November 11, 1967 period General Motors produced nearly fifty-seven percent of all passenger cars manufactured in the United States, compared with 52 percent in 1966 and 53 percent in 1965. Within the last three years Buick has increased its share of the market. Chevrolet still has a dominant position in the industry, but Chevrolet's proportion of total U.S. car production has declined slightly in recent years as indicated in the following table.

Percentage Distribution of U.S. Passenger Car Production
1963-1967

Automobile producers	1963	1964	1965	1966	1967a/
All U.S. producers	100.0	100.0	100.0	100.0	100.0
General Motors Corporation	53.3	51.1	53.0	51.7	56.9
Buick	6.3	6.2	7.0	6.7	8.0
Cadillac	2.2	2.0	2.1	2.4	3.0
Chevrolet	30.1	27.3	27.7	25.6	26.5
Oldsmobile	6.6	6.6	7.0	6.9	7.7
Pontiac	8.1	9.0	9.2	10.1	11.7

a/ January 1-November 11, 1967.

Source: Automobile News.

Unemployment

As of September 1967, there were 5,100 unemployed persons in the Flint Labor Market Area, equal to 2.9 percent of the work force of 174,400. During the twelve months ending in September 1967 unemployment averaged 8,100, (4.6 percent) of the labor force. During 1965 and 1966, unemployment averaged 4,200 (2.4 percent) and 6,000 (3.4 percent), respectively. Unemployment in the area is subject to unusually wide seasonal fluctuations. In August 1967, for example, there was a total of 20,200 unemployed persons in the HMA. This high level of unemployment resulted, in part, from model-change-over layoffs at the area's automobile manufacturers.

Future Employment

Given continued national economic prosperity, it is assumed that the slump in automobile production observed during 1966 and 1967 will be short-lived and that production may increase during the forecast period in response to consumer demand. This assumption is in line with the anticipated total of over 9 million new-car sales (including foreign cars) forecast for the industry in 1968. It is further assumed that General Motors will have a reasonable amount of success in marketing its new 1968 and 1969 Chevrolet and Buick Models and will maintain proportions of the total production comparable to those of the 1964-1967 period. Based on these assumptions, it is anticipated that nonagricultural wage and salary employment in the Flint area will increase by about 4,000 jobs annually during the November 1967-November 1969 forecast period. Most of the increase in employment is expected in the nonmanufacturing sector of the economy. The anticipated annual average increase in jobs is in contrast with the loss of 3,300 wage and salary jobs which occurred during the last twelve months when employment in the area was affected by labor-management disputes, but the annual increase is substantially lower than the 13,100 job-increase which occurred in 1965.

Income

The current median family income of all families in the HMA is estimated at $7,850 after the deduction of federal income tax. The median after-tax income of renter households of two or more persons is $6,075. By 1969, the median family income, after tax, will rise to about $8,300; the median income of renter households will be approximately $6,425.

About 19 percent of all families and 35 percent of renter households have after-tax incomes of less than $5,000 a year. About 15 percent of all families but only 5 percent of renter households have after-tax incomes of $12,500 or more (see table II).

Demographic Factors

Population

HMA Total. As of November 1, 1967, the population of the Flint HMA totaled 447,400, an increase of 35,300 (nine percent) since October 1964. The population gain since October 1964 represented an average annual increase of 11,450 persons. During the April 1960-October 1964 period, the population increased from 374,313 to 412,100, an annual average gain of 8,400 persons. The more rapid gain in the 1964-1967 period reflected the economic prosperity of the period compared with the 1960-1964 period when the population growth was affected by a recession.

Population Trends
Flint, Michigan, Housing Market Area
1960-1969

Date	Total population	Change from previous date: Total	Change from previous date: Average annual
April 1960	374,313	-	-
October 1964	412,100	37,787	8,400
November 1967	447,400	35,300	11,450
November 1969	468,900	21,500	10,750

Sources: 1960 Census of Population and estimates by Housing Market Analyst.

Flint City. In November 1967, the population of the city of Flint was 207,500, an average annual increase of 800 over the October 1964 total. During the April 1960-October 1964 period, the population of Flint increased by about 1,800 annually, from 196,940 to 205,000.

Future Population. The population of the Flint HMA is expected to increase by 10,750 annually during the two-year forecast period and to total 468,900 by November 1969. It is expected that most of the population growth will occur in the suburbs where the availability of raw land makes the construction of single-family homes more feasible.

Net Natural Increase and Migration. During the October 1964-November 1967 period, the population of the HMA increased by an average of 11,450 a year. Net natural increase (resident live births minus resident deaths) averaged 6,050 annually indicating that there was net in-migration of approximately 5,400 persons a year into the HMA. Because of improved economic conditions in the HMA, net in-migration was substantially above the average of 1,150 a year estimated for the 1960-1964 period.

Households

HMA Total. In November 1967, there were approximately 124,300 households in the HMA, an increase of 9,400 (3,050 annually) since October 1964. During the April 1960-October 1964 period the number of households increased by an annual average of 2,150 from 105,188 to 114,900. (See table III.)

Household Trends
Flint, Michigan, Housing Market Area
1960-1969

Date	Number of Households	Change from previous date	
		Total	Average annual
April 1960	105,188	-	-
October 1964	114,900	9,712	2,150
November 1967	124,300	9,400	3,050
November 1969	130,300	6,000	3,000

Sources: 1960 Census of Housing and estimates by Housing Market Analyst.

Flint City. There were 61,850 households in the city of Flint in November 1967, equal to an annual average gain of 250 since October 1964. During the April 1960-October 1964 period, the number of households in the city of Flint increased from 58,600 to 61,100, an annual average increase of 550.

Future Households. Based on the anticipated increase in population and on the average number of persons per household, it is estimated that the number of households in the HMA will increase by 6,000 (3,000 annually) during the forecast period to a total of 130,300 by November 1969. The anticipated increase in the number of households is about the same as that of the 1964-1967 period and considerably greater than the average for the 1960-1964 period.

Household Size. The average number of persons per household in the HMA is estimated at 3,57, slightly changed from the 3.56 persons per household estimated in 1964 and the 3.52 persons per household reported in 1960. The average number of persons per household in Flint is about 3.32, unchanged since 1960.

Housing Market Factors

Housing Supply

Current Estimate. As of November 1967, there were approximately 131,800 housing units in the Flint HMA, an increase of 9,900 since October 1964, or an average gain of 3,200 annually (see table III). The net addition to the housing inventory resulted from the construction of 11,500 new units, an increase of some 200 trailers, and the demolition of 1,800 units.

About 11 percent of the increase in the housing inventory occurred in the city of Flint where the inventory increased by an average of 350 annually from 64,550 in October 1964 to 65,650 in November 1967.

Past Trend. The number of housing units in the HMA increased from 112,900 in April 1960 to 121,900 in October 1964, a gain of 2,000 annually. During the same period, the inventory in the city of Flint increased from 62,275 to 64,550, a gain of 500 annually, one-fourth of the total increase in the HMA.

Condition of the Inventory. In November 1967, approximately seven percent of the housing units in the HMA were dilapidated or lacked one or more plumbing facilities, compared with 11 percent similarly classified in April 1960. The improvement in the condition of the housing inventory since 1960 resulted from the addition of a substantial number of new units as well as the demolition and rehabilitation of a large number of substandard structures through code enforcement, urban renewal, and highway development programs. In 1960, the city of Flint had 46 percent of all units that were dilapidated or were deficient in plumbing facilities. Seventy-four percent of all substandard housing units in the HMA lacked one or more plumbing facilities in 1960.

Residential Building Activity

On the basis of building permit data covering areas in which over 97 percent of the population lived in 1960, it is estimated that 11,500 housing units, excluding trailers, were built in the HMA during the October 1964-November 1967 period and, in November 1967, some 1,600 housing units were under construction. Building activity reached a peak in 1965 when 4,383 housing units were authorized. An average of 3,875 units were authorized annually during the October 1964-November 1967 period.

During the October 1964-November 1967 period, approximately 7,950 single-family units and 4,025 multifamily housing units were authorized in the Flint HMA. The number of single-family units authorized during the 1964-1967 period averaged 2,575 compared with an average of 2,100 during the 1960-1964 period. The number of multifamily units authorized during the 1964-1967 period averaged 1,300 compared with only 275 units authorized annually during the 1960-1964 period.

Reflecting improved economic conditions in the area, the number of housing units authorized increased each year, from a low of 1,698 in 1961 to a peak of 4,383 in 1965; the subsequent decline in the number of units authorized resulted, in part, from the tightness of the mortgage market which was prevalent during most of 1966 and 1967.

The number of housing units authorized in various localities in the Flint HMA during the January 1964-November 1967 period is indicated in table IV. About one-fourth of the units authorized were in the city of Flint, and a large proportion of the remaining units were authorized in the suburban areas, particularly in Flint, Grand Blanc, and Mount Morris Townships.

Housing Units Authorized by Building Permits
Flint, Michigan, Housing Market Area
1960-1967

Year	One-family	Two- to four-family	Five- or more-family	Total units[a]
1960	1,787	-	8	1,795
1961	1,626	7	65	1,698
1962	2,250	40	130	2,420
1963	2,310	32	570	2,912
1964	2,482	19	830	3,331
1965	2,965	73	1,345	4,383
1966	2,328	58	1,233	3,619
January-October[b]				
1966	2,290	50	1,100	3,440
1967	2,173	67	830	3,070

a/ Includes 531 public housing units authorized under "operation turnkey" during the 1964-1967 period.

b/ Partly estimated by Housing Market Analyst.

Sources: Bureau of the Census C-40 Construction Reports; local permit-issuing places; Genesee County Metropolitan Planning Commission; and estimates by Housing Market Analyst.

Units Under Construction. Based on building permit data and on the results of a postal vacancy survey conducted in the HMA during the period November 20-30, 1967, it is estimated that there were approximately 1,600 housing units (900 single-family houses and 700 multifamily housing units) under construction in the HMA as of November 1, 1967. Of the units then under construction, 700 were in the city of Flint, including 100 single-family houses and 600 multifamily housing units.

Tenure of Occupancy

In November 1967, an estimated 97,250 housing units (78.2 percent of all occupied units) were owner-occupied and 27,050 (21.8 percent) were renter-occupied. The proportion of owner-occupied units has declined slightly from the 1960 proportion of 79.4 percent; conversely, the proportion of renter-occupied units increased slightly since 1960 (see table III).

Vacancy

Postal Vacancy Survey. A postal vacancy survey was conducted in the Flint HMA during the November 20-30, 1967 period. The survey covered 115,179 residences and apartments, 87 percent of the estimated 131,800 housing units in the HMA. Of the units surveyed, a total of 2,440 were vacant, a vacancy ratio of 2.1 percent. The survey included 105,757 residences and 9,422 apartments. Of these, 1,665 residences and 775 apartments were vacant, equal to vacancy ratios of 1.6 percent and 8.2 percent, respectively (see table V). A previous postal vacancy survey was conducted during the October 23-28, 1964 period. The survey indicated a vacancy ratio of 3.1 percent among the units covered. The vacancy ratios among residences and apartments were 2.4 percent and 12.3 percent, respectively.[1/]

Current Estimate. Based on the results of the postal vacancy survey (adjusted to reflect census concepts, full coverage, and vacant units inadvertently missed by the carriers) it is estimated that there were about 3,000 available, vacant, nonseasonal, nondilapidated housing units in the HMA as of November 1967, equal to a

1/ See paragraph 7, Appendix A.

vacancy ratio of 2.4 percent. Of the vacant units, 1,100 were available for sale and 1,900 were available for rent, representing sales and rental vacancy ratios of 1.1 percent and 6.6 percent, respectively. Despite a slight increase in the total number of vacant housing units, the nnmber of available vacant units has declined since 1964. "Other" vacant units have increased substantially because several hundred units along the path of the proposed freeway and in urban renewal areas have been vacated, pending demolition. The trend of vacancies in the HMA is indicated in the following table.

Vacant Housing Units
Flint, Michigan, Housing Market Area
1960-1967

Category	April 1960	October 1964	November 1967
Total vacant units	7,688	7,000	7,500
Available vacant	4,378	3,600	3,000
For sale	1,552	1,300	1,100
Homeowner vacancy ratio	1.8%	1.4%	1.1%
For rent	2,826	2,300	1,900
Rental vacancy ratio	11.5%	8.7%	6.6%
Other vacant	3,310	3,400	4,500

Sources: 1960 Census of Housing and estimates by Housing Market Analyst.

Of the vacant units available as of November 1967, it is estimated that 1,025 sales units and 1,450 rental units have all plumbing facilities.

Sales Market

General Market Conditions. Available data such as the postal vacancy survey in November 1967 and FHA-unsold inventory surveys on previous dates as well as local sources indicate that the sales market for new single-family houses was in balance in November 1967 and that this condition was prevalent throughout the 1964-1967 period. The sales market for well-located used single-family houses, in good physical condition, was reported to be firm also. In general, the speculatively-built units constructed during the last two or three years have been absorbed readily and, at the same time, the number of available vacant existing units has declined.

Subdivision Activity. As of November 1967, there were a few major subdivisions where about 30 or more houses were built annually during the past two or three years. There are many smaller subdivisions surrounding the city of Flint. A large proportion of the new housing units were built on scattered lots, however. Some of the major subdivisions are located in Mount Morris and Flint Townships, north and east of the city, and in Grand Blanc Township, south of Flint. Local builders indicate that, during the 1964-1967 period, most of the new housing units were built on contract. In 1966, about 35 percent of the units included in the unsold inventory survey were built speculatively, compared with only 28 percent in 1965.

Unsold Inventory Survey. The FHA Detroit Insuring Office conducted a survey of unsold inventory of new houses in the HMA as of January 1967. The survey covered a total of 1,469 houses completed in 74 subdivisions having five or more houses completed in 1966. Of this total, 948 houses were pre-sold and 521 houses were built speculatively. Of the units built speculatively, 50 were unsold as of January 1, 1967, a ten percent unsold inventory ratio (see table VI).

In 1965, 1,388 houses were built in 63 subdivisions surveyed. Of these, 994 houses were pre-sold and 394 were built speculatively. Of the houses built speculatively, 30 were unsold as of January 1, 1966, an eight percent unsold inventory ratio.

Home Prices. The prices of new houses built in the HMA during the 1964-1967 period ranged from about $12,500 to $40,000 and over. A large proportion of the new units, however, were in the $20,000 to $30,000 price range. High construction costs and the small margin of profit on low-priced homes virtually eliminated the building of new units priced under $12,500.

Rental Market

General Market Conditions. Despite the large number of multifamily units constructed within the last two or three years, the rental market remained relatively firm during the 1964-1967 period. Local real estate agents and project managers reported that the new multifamily units built during the last two or three years rented readily without any increase in vacancy among older rental units. A few relatively large projects built within the last two or three years have had problems in maintaining full occupancy, but this is believed to reflect individual problems rather than the over-all market situation.

The majority of the conventionally-financed apartments completed during the 1964-1967 period contained one- and two-bedroom units. Except in some luxury-type units, rents excluding utilities, usually ranged from $120 to $145 for one-bedroom units and from $140 to $200 for two-bedroom units. The majority of the new rental units built were in moderate size walk-up apartments, but a small number of townhouses were built on a rental basis also.

Rental Housing Under Construction or Planned. On the basis of building permit data, the results of the postal vacancy survey, and other local information, it is estimated that there were 700 multifamily housing units under construction in the HMA; most of these were in or close to the city of Flint. The majority of the units under construction should be completed within six to eight months of the survey date. Some of the units are for low-rent public housing. It is expected that rents in the conventionally-financed units will be comparable to rents in similar units constructed within the last two years.

Urban Renewal

The city of Flint has a general neighborhood renewal program covering the central business district and adjacent areas. For the purposes of planning and execution, the area is divided into seven neighborhood projects. As of November 1967, one of these projects, the Central Park Urban Renewal Area (R-99), was in execution. The project covers an area of 126 acres, mainly residential, and involves both rehabilitation and spot clearance. About 30 percent of the 288 families who will be displaced eventually have been relocated. The Central Business District Project (R-120) and the Interchange Project (R-143), both in the general neighborhood renewal project area, as well as the St. John Street Project (R-186) are in the planning stage. Approximately 2,000 families and 600 individuals will be displaced when these projects reach the execution stage.

In addition to the projects mentioned above, the city of Flint is executing code enforcement programs in the northern and eastern sections of the city. There are also proposals for an urban renewal project in the Oak Park area and a Model Cities Project in north-Flint and adjacent areas.

Public Housing

As of November 1967, the city of Flint had 156 public housing units under management and the city had negotiated contracts for the construction or purchase of some 509 units. An additional 335 units were in the planning stage. Of the 1,000 public housing units programmed for the area, 286 will be elderly housing units. Most of the public housing units will be built under the "turnkey" program.

Demand for Housing

Quantitative Demand

The annual demand for new housing units in the Flint HMA has been estimated at 3,500 units, including 2,400 single-family houses and 1,100 multifamily housing units. This demand for new housing is derived from an expected increase of 3,000 households a year and from the anticipated demolition of approximately 600 housing units annually from the available inventory. The anticipated shift in tenure, the number of available vacancies and the number of units under construction as of November 1967 have been considered, also, in computing the demand for housing. The annual demand for new housing includes 300 units of moderate-income multifamily housing which could be absorbed at the lower rents associated with public benefits or assistance in financing, exclusive of public low-rent or rent-supplement accommodations.

The projected annual demand for new housing is somewhat less than the total number of units authorized yearly in 1965 and 1966, reflecting the lower anticipated increase in employment. Despite adequate occupancy experience of most new rental projects, high vacancy ratios in a limited number of projects as of November 1967 suggest that the rental market should be observed closely for any signs of market saturation, as exemplified by an appreciable increase in the number of rental vacancies or by difficulties in reaching or maintaining full occupancy in new and existing rental projects. The production of new housing consistent with the demand indicated (or with appropriate adjustments that reflect market experience subsequent to the current analysis) will assist in maintaining a balanced supply and demand relationship.

Qualitative Demand

Sales Housing. Based on current family incomes, the ratios of sale price to income typical in the area, and on recent market experience, the estimated demand for 2,400 single-family houses is distributed by price class as follows:1/

1/ See paragraph 9, Appendix A.

Annual Demand for New Single-family Housing
By Price Class, Flint, Michigan, Housing Market Area
November 1967 - November 1969

Price class	Number of units	Percent distribution
Under $12,500	70	3
$12,500 - 14,999	190	8
15,000 - 17,499	360	15
17,500 - 19,999	480	20
20,000 - 22,499	360	15
22,500 - 24,999	290	12
25,000 - 29,999	260	11
30,000 - 34,999	220	9
35,000 and over	170	7
Total	2,400	100

Multifamily Housing. The monthly rentals at which the 800 privately-owned net additions to the aggregate rental housing inventory built with market-interest-rate financing might be absorbed best by the rental market are indicated in the following table. Based on multifamily construction within the last two or three years, over ninety percent of the demand will be in structures containing five or more units. (See paragraphs 10 and 11, Appendix A.)

Estimated Annual Demand for New Multifamily Housing
Flint, Michigan, Housing Market Area
November 1967 - November 1969

Monthly gross rents[a/]	Efficiency	One-bedroom	Two-bedroom	Three-bedroom
$110 - 119	20	-	-	-
120 - 129	10	-	-	-
130 - 139	5	80	-	-
140 - 149	5	100	-	-
150 - 159	-	70	100	-
160 - 179	-	50	140	-
180 - 199	-	10	80	50
200 and over	-	-	50	30
Total	40	310	370	80

a/ Includes utilities.

About 300 multifamily housing units can be marketed yearly only at the lower rents achievable through the use of below-market-interest-rate financing, exclusive of public low-rent or rent-supplement accommodations. The distribution of these by unit size is as follows: 60 one-bedroom units, 140 two-bedroom units, and 100 three-bedroom units. (See paragraph 12, Appendix A.)

APPENDIX A

OBSERVATIONS AND QUALIFICATIONS

APPLICABLE TO ALL FHA HOUSING MARKET ANALYSES

1. When the rural farm population constitutes less than five percent of the total population of the HMA, all demographic and housing data used in the analysis refer to the total of farm and nonfarm data; if five percent or more, all demographic and housing data are restricted to nonfarm data.

2. All average annual percentage changes used in the demographic section of the analysis are derived through the use of a formula designed to calculate the rate of change on a compound basis.

3. Because of the change in definition of "farm" between 1950 and 1960 censuses, many persons living in rural areas who were classified as living on farms in 1950 would have been considered to be rural nonfarm residents in 1960. Consequently, the decline in the farm population and the increase in nonfarm population between the two census dates is, to some extent, the result of this change in definition.

4. The increase in nonfarm households between 1950 and 1960 was the result, in part, of a change in the definition of "farm" in the two censuses.

5. The increase in the number of households between 1950 and 1960 reflects, in part, the change in census enumeration from "dwelling unit" in the 1950 census to "housing unit" in the 1960 census. Certain furnished-room accommodations which were not classed as dwelling units in 1950 were classed as housing units in 1960. This change affected the total count of housing units and the calculation of average household size as well, especially in larger central cities.

6. The basic data in the 1960 Census of Housing from which current housing inventory estimates are developed 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.

7. Postal vacancy survey data are not entirely comparable with the data published by the Bureau of 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 houses and some duplexes and structures with additional units created by conversion. An "apartment" is a unit on a stop where more than one delivery of mail is possible. Postal surveys omit vacancies in limited areas served by post office boxes and tend to omit units in subdivisions under construction. Although the postal vacancy survey has obvious limitations, when used in conjunction with other vacancy indicators, the survey serves a valuable function in the derivation of estimates of local market conditions.

8. Because the 1950 Census of Housing did not identify "deteriorating" units, it is possible that some units classified as "dilapidated" in 1950 would have been classified as "deteriorating" on the basis of the 1960 enumeration procedures.

9. The distribution of the qualitative demand for sales housing differs from any selected experience such as that reported in FHA unsold inventory surveys. The latter data do not include new construction in subdivisions with less than five completions during the year reported upon, 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 reflect all home building and indicate a greater concentration in some price ranges than a subdivision survey would reveal.

10. Monthly rentals at which privately owned net additions to the aggregate rental housing inventory might best be absorbed by the rental market are indicated for various size units in the demand section of each analysis. These net additions may be accomplished by either new construction or rehabilitation at the specified rentals with or without public benefits or assistance through subsidy, tax abatement, or aid in financing or land acquisition. The production of new units in higher rental ranges than indicated may be justified if a competitive filtering of existing accommodations to lower ranges of rent can be anticipated as a result of the availability of an ample rental housing supply.

11. Distributions of average annual demand for new apartments are based on projected tenant-family incomes, the size distribution of tenant households, and rent-paying propensities found to be typical in the area; consideration also is given to the recent absorptive experience of new rental housing. Thus, they represent a pattern for guidance in the production of rental housing predicated on foreseeable quantitative and qualitative considerations. However, individual projects may differ from the general pattern in response to specific neighborhood or sub-market requirements. Specific market demand opportunities or replacement needs may permit the effective marketing of a single project differing from these demand distributions. Even though a deviation from these distributions may experience market success, it should not be regarded as establishing a change in the projected pattern of demand for continuing guidance unless a thorough analysis of all factors involved clearly confirms the change. In any case, particular projects must be evaluated in the light of actual market performance in specific rent ranges and neighborhoods or sub-markets.

12. 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. Proximity to or quick and economical transportation to place of work frequently is a governing consideration in the place of residence preferred by families in this group.

MARKET ANALYSIS AND RESEARCH SECTION
FEDERAL HOUSING ADMINISTRATION

Table I

Nonagricultural Wage and Salary Employment
Flint, Michigan, Labor Market Area[a/]
1960-1967

Industry	Annual Average[b/] 1960	1964	1965	1966	12 mos. ending September 1967[c/]
Nonagricultural wage & salary employment	126,300	136,600	149,700	153,000	149,700
Manufacturing	72,000	75,100	83,200	84,700	80,500
Durable goods	68,300	71,200	79,000	80,400	76,100
Fabricated metal products	9,700	11,200	13,900	13,700	13,300
Transportation equipment	56,700	57,800	62,600	63,800	60,100
Other durable goods	1,900	2,200	2,500	2,900	2,700
Nondurable goods	3,800	3,800	4,200	4,300	4,300
Food and kindred products	1,600	1,300	1,500	1,600	1,600
Other nondurable goods	2,200	2,500	2,700	2,700	2,700
Nonmanufacturing	54,300	61,500	66,500	68,300	69,200
Contract construction	3,500	4,500	5,900	5,600	6,200
Transportation & utilities	4,900	4,700	5,100	5,100	5,000
Trade	18,600	21,300	23,100	24,000	23,400
Finance, insurance, & real estate	2,700	3,100	3,300	3,500	3,600
Services, miscellaneous & mining	10,300	12,600	13,400	14,200	14,700
Government	14,300	15,300	15,700	15,900	16,400

a/ Includes Lapeer County.
b/ Based on revised data.
c/ Preliminary.

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

Source: U.S. Bureau of Labor Statistics and Michigan Employment Security Commission.

Table II

Estimated Percentage Distribution of Families by Annual Income
After Deduction of Federal Income Tax
Flint, Michigan, Housing Market Area
November 1, 1967 and November 1, 1969

Annual Income	1967 All families	1967 Renter households[a]	1969 All families	1969 Renter households[a]
Under $2,000	4	11	4	10
$2,000 - 2,999	4	7	3	7
3,000 - 3,999	4	8	4	7
4,000 - 4,999	7	9	6	9
5,000 - 5,999	8	14	7	11
6,000 - 6,999	13	16	12	16
7,000 - 7,999	11	10	11	12
8,000 - 8,999	10	7	9	8
9,000 - 9,999	8	5	9	5
10,000 -12,499	16	8	17	8
12,500 -14,000	8	3	9	4
15,000 and over	7	2	9	3
Total	100	100	100	100
Median	$7,850	$6,075	$8,300	$6,425

[a] Excludes one-person renter households.

Source: Estimated by Housing Market Analyst.

Table III

Housing Inventory, Tenure, and Vacancy
Flint, Michigan, Housing Market Area
1960-1967

Category	April 1960	October 1964	November 1967	Average annual change[a/] 1960-1964	1964-1967
Total housing inventory	112,876	121,900	131,800	2,000	3,200
Total occupied	105,188	114,900	124,300	2,150	3,050
Owner-occupied	83,538	90,650	97,250	1,575	2,150
Percent of total occupied	79.4%	78.9%	78.2%	-	-
Renter-occupied	21,650	24,250	27,050	575	900
Percent of total occupied	20.6%	21.1%	21.8%	-	-
Vacant housing units	7,688	7,000	7,500	-150	150
Available vacant	4,378	3,600	3,000	-170	-200
For sale	1,552	1,300	1,100	-55	-70
Homeowner vacancy rate	1.8%	1.4%	1.1%	-	-
For rent	2,826	2,300	1,900	-115	-130
Rental vacancy rate	11.5%	8.7%	6.6%	-	-
Other vacant	3,310	3,400	4,500	20	350

[a/] Rounded.

Sources: 1960 Census of Housing and estimates by Housing Market Analyst.

Table IV

Private Housing Units Authorized By Building Permits
Flint, Michigan, Housing Market Area
January 1964 - October 1967

Area	1964	1965	1966	Jan. - Oct.[a] 1966	Jan. - Oct.[a] 1967
HMA Total	3,331	4,383	3,619	3,440	3,070
Flint City	1,084	1,088	742	708	937
Burton Township	191	221	179	174	102
Davison Township	67	110	119	105	95
Flint Township	364	898	834	798	415
Flushing Township	103	113	88	83	76
Genesee Township	206	213	116	102	105
Grand Blanc City	112	219	102	99	52
Grand Blanc Township	358	399	335	326	233
Mount Morris Township	173	265	204	197	207
Mundy Township	112	111	108	97	88
Swartz Creek City	19	130	131	120	59
Other Areas	542	616	661	631	701

[a] Partly estimated by Housing Market Analyst.

Sources: Bureau of the Census C-40 Construction Reports; local permit-issuing offices, and Genessee County Metropolitan Planning Commission; and estimates by Housing Market Analyst.

Table V

Flint, Michigan, Area Postal Vacancy Survey

November 20-30, 1967

Postal area	Total residences and apartments: Total possible deliveries	Vacant units: All	%	Used	New	Under const.	Residences: Total possible deliveries	Vacant units: All	%	Used	New	Under const.	Apartments: Total possible deliveries	Vacant units: All	%	Used	New	Under const.	House trailers: Total possible deliveries	Vacant: No.	%
The Survey Area Total	115,179	2,440	2.1	1,994	446	1,565	105,757	1,665	1.6	1,296	369	883	9,422	775	8.2	698	77	682	3,054	110	3.6
Flint	86,918	1,817	2.1	1,572	245	1,099	78,697	1,180	1.5	986	194	449	8,221	637	7.7	586	51	650	2,224	28	1.3
Main Office	18,373	386	2.1	380	6	353	14,444	155	1.1	149	6	25	3,929	231	5.9	231	-	328	-	-	-
Stations:																					
Church Street	70	2	2.9	2	-	-	3	-	0.0	-	-	-	67	2	3.0	2	-	-	-	-	-
Cody	16,866	311	1.8	172	139	223	16,040	229	1.4	119	110	213	826	82	9.9	53	29	10	996	20	2.0
East Side	13,370	126	0.9	108	18	155	13,123	115	0.9	97	18	77	247	11	4.5	11	-	78	472	6	1.3
Mott Park	19,028	307	1.6	241	66	111	17,389	185	1.1	141	44	57	1,639	122	7.4	100	22	54	253	2	0.8
North Side	19,211	685	3.6	669	16	257	17,698	496	2.8	480	16	77	1,513	189	12.5	189	-	180	503	-	0.0
Other Cities and Towns	28,261	623	2.2	422	201	466	27,060	485	1.8	310	175	434	1,201	138	11.5	112	26	32	830	82	9.9
Clio	4,458	69	1.5	56	13	46	4,190	45	1.1	33	12	46	268	24	9.0	23	1	-	147	1	0.7
Davison	4,615	94	2.0	36	58	68	4,431	85	1.9	27	58	68	184	9	4.9	9	-	-	69	3	4.3
Fenton	4,769	144	3.0	113	31	60	4,506	107	2.4	88	19	52	263	37	14.1	25	12	8	124	4	3.2
Flushing	4,235	97	2.3	63	34	78	4,138	77	1.9	43	34	66	97	20	20.6	20	-	12	118	3	2.5
Grand Blanc a/	1,618	63	3.9	32	31	67	1,385	24	1.7	6	18	67	233	39	16.7	26	13	-	-	-	-
Mount Morris	5,423	106	2.0	91	15	62	5,309	106	2.0	91	15	50	114	-	0.0	-	-	12	372	71	19.1
Swartz Creek	3,143	50	1.6	31	19	85	3,101	41	1.3	22	19	85	42	9	21.4	9	-	-	-	-	-

a/ Rural routes excluded.

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; and apartment represents one possible stop with more than one possible delivery.

The estimates of total possible deliveries to residences, apartments, and house trailers were made by the postal carriers. The data in this table, therefore, are not strictly comparable to the corresponding data for surveys conducted prior to 1966. The combined totals, however, are as recorded in official route records.

Source: FHA postal vacancy survey conducted by collaborating postmaster(s).

Table VI

Houses Completed in Selected Subdivisions
Flint, Michigan, Housing Market Area
1967

Sale price	Total completions	Pre-sold	Speculative houses: Total	Sold	Unsold	Percent unsold
$10,000 -$12,499	23	0	23	23	0	0
12,500 - 14,999	43	26	17	17	0	0
15,000 - 17,499	179	127	52	50	2	3.8
17,500 - 19,999	231	160	71	67	4	5.6
20,000 - 24,999	324	154	170	147	23	13.5
25,000 - 29,999	302	208	94	81	13	13.8
30,000 - 34,999	203	168	35	33	2	5.7
35,000 and over	164	105	59	53	6	10.2
Total	1,469	948	521	471	50	9.6

Source: Federal Housing Administration.